

a world class African city



JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



Third Quarter Performance Report 2015/16 January to March 2016

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

Registration number: 2001/005101/07
Parent municipality: City of Johannesburg Metropolitan Municipality
Directors: C Coovadia (Chairperson)
K Govender
E Harvey
N Maila (until 15th March 2016)
Z Mafata (Chief Financial Officer)
P Masilo
P Mashiane
T Mendrew (Chief Executive Officer)
N Selamolela
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Website: www.jda.org.za
Bankers: Standard Bank of SA Limited
Auditors: The Auditor-General of South Africa
Company secretary: Hasani Rodney Shirinda


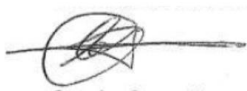
Vision

The JDA builds a more welcoming and competitive Johannesburg that is a better city to live, work and play in.

Mission

The JDA's mission is to manage and facilitate area-based developments in efficient and innovative ways to build an equitable, sustainable and resilient city.

Approval

<u>Ms Zandile Mafata</u> Name & Surname Chief Financial Officer	 _____ Signature	Date of approval: 20 April 2016
<u>Mr Thanduxolo Mendrew</u> Name & Surname Chief Executive Officer/MD	 _____ Signature	Date of approval: 20 April 2016
<u>Mr Cassim Coovadia</u> Name & Surname Chairperson of the Board	 _____ Signature	Date of approval: 20 April 2016
<u>Cllr Ros Greeff</u> Name & Surname MMC:	 _____ Signature	Date of approval: 20 April 2016

Confirmation of Receipt:

_____ Name & Surname Cluster Champion Group Governance	_____ Signature	Date of Receipt: 21 April 2016
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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

Section 1: Corporate Profile and Overview

The JDA was established by the City of Johannesburg (CoJ) in April 2001 to initiate, stimulate and support development projects and rejuvenate economic activity throughout Johannesburg. The agency initially focused on applying economic development strategies to regenerate underperforming neighbourhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable and liveable city by developing transit nodes and corridors, the Corridors of Freedom, which link defined strategic geographic areas. The city is becoming more efficient, accessible and less reliant on consumption-led economic growth as a result.

Outcomes and challenges

The JDA's evolution into an area-based development agency has prepared it to respond to the objectives of the current mayoral term. Under this model, the JDA takes on a more central role in developing strategic capital works projects and establishing urban management partnerships. Crucially, the model allows the JDA to mobilise development partners and other stakeholders to sustainably achieve the common economic and social objectives defined for each area. However, given the spatial, socioeconomic and political environment in which the JDA operates, there are challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives, including the unsuitability of sites for intended developments resulting in delays until alternative sites are identified and more extensive negotiations with property owners for alternative sites proving problematic and delays caused by objections to the rezoning of specific sites.

Political governance and accountability

The JDA is accountable to the Department of Development Planning and the Member of the Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA submits compliance reports in respect of its performance scorecard. The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in the service delivery agreement, and on the Member of the Mayoral Committee for its political mandate and oversight. The Group Governance unit provides corporate governance and related support, including on financial sustainability and compliance reporting and review.

The council's Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the other departments and entities mandated with spatial

transformation and economic growth of the city is integrated and coordinated. The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

Section 2: Strategic Objectives

The strategic objectives of the JDA, which are aligned with the Joburg 2040 GDS and the economic cluster's plans for sustainable services and economic growth, are to:

- Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.
- Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.
- Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
- Develop local economic potential in marginalised areas to promote access to jobs and markets.
- Encourage sustainable energy consumption and land use in the city by developing strategic transit nodes and corridors.
- Promote economic empowerment through the structuring and procurement of JDA developments.
- Support productive development partnerships and cooperation between all stakeholders in these areas.

Transforming the Spatial Economy

The JDA's primary medium-term objective is to promote resilient city strategies by restructuring the urban spatial logic of the city. This restructuring is contingent on achieving the following three development goals:

- **Shifting people closer to jobs:** To give a greater number of poor people access to markets and jobs, the JDA will develop transit nodes in underdeveloped areas to create a spatial environment conducive to the agglomeration of economic activity, higher residential density and more intensive land use. This strategy will be achieved through the JDA's transit-oriented node development programme and the inner-city transformation programme.
- **Shifting jobs closer to people:** The development of selected nodes in marginalised areas to stimulate local economies, increase competitiveness and broaden access to markets and jobs that are nearby is an important strategy towards making the space economy more efficient. This will be achieved through the Priority Areas Development Programme.

- **Linking jobs and people:** The greenways programme will develop high-density movement corridors anchored by transit nodes to restructure the city form, promote efficient land use and improve transport energy consumption.

The JDA will continue to transform the spatial economy in Johannesburg through the implementation of the Corridors of Freedom initiative. Key precinct developments along the corridors are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes. In terms of small, medium and micro enterprise (SMME) and entrepreneurial support, the JDA aims to increase the number of local emerging contractors used in capital projects carried out in the various communities, as well as the number of local construction jobs created.

Focus for the remainder of the mayoral term: The Final Push

Overall, the JDA has performed well against performance targets over the last decade. However, at the project level, factors pertaining to the design, implementation and handover of the JDA's activities have affected the success and impact of individual projects. The JDA will focus for the remainder of the mayoral term on responding to these factors to improve the performance of individual projects. In particular, the JDA will focus on improving consultation and coordination, including introducing consultations in the planning phase, ensuring governance structures exist by the time a project is implemented, and improving the coordination of the municipal agencies responsible for service delivery within the CoJ.

The JDA's approach towards area-based development covers the following four practices:

Development and Project Packaging:

- Identifying strategic opportunities to respond to the CoJ's focus area by bringing together all relevant stakeholders and parties to the initiative, and developing an implementation plan.
- Ensure that all projects respond to the Mayoral priority of the city through Jozi@Work.

Development, Project Facilitation and Co-ordination:

- Working with various stakeholders and parties to ensure that they are undertaking their roles as expected and required.

Overall Development Implementation:

- In ensuring that the development is implemented as planned, JDA may outsource specific project management functions within a development, while retaining overall accountability as a development manager.

Sustainable Impact of Developments:

- Analyse, review and quantify private sector investment in various JDA intervention areas, and assess the socio-economic impact of these interventions. This is achieved through, among others, analyses of property market trends and factors that influence investor interest in JDA development areas.

Section 3: Salient Features

Performance highlights

- The capex expenditure in the third quarter was R212.3 million against a target of R406.3 million. This translates to 52% of the quarterly target.
- The overall year to date capex expenditure in the third quarter was R744.0 million against a target of R1.16 billion. This translates to 64% of the third quarter target and to 45% of the annual budget of R1.65 billion.
- This third quarter report has been prepared against the JDA's 2015/16 business plan and adjusted scorecard.
- On the management of operating costs, for revenue, the organisation achieved 60% of the third quarter target. For operating expenditure the organisation achieved 96% for the third quarter target.
- This third quarter report has been prepared against the JDA's 2015/16 business plan and scorecard. On KPI targets, the JDA achieved 63% performance, 7% partially achieved and 30% not achieved.
- In third quarter 2015/16, the major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.

Capital Budget Management¹

¹ This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

Programme	2015/16 Adjusted Budget	Q3 Target	Q3 Actual	Q3 Actual %	Year Target YTD	Year Actual YTD	% Year Actual YTD	% Actual on Annual budget
	R' 000	R' 000	R'000	%	R' 000	R'000	%	%
Programme 1: Inner City transformation	146,000	40,020	14,421	34%	104,420	38,711	37	27%
Programme 2: TOD Node developments	353,835	93,770	28,427	30%	250,379	116,324	46	33%
Programme 3: GMS Priority development	318,840	81,994	36,154	44%	221,473	85,888	40	28%
Programme 4: Greenways	754,540	171,006	126,910	74%	529,976	476,609	90	63%
Programme 5: Alexandra Renewal Project	65,300	14,066	3,346	24%	46,686	17,628	34	23%
Programme 6: Administration and management	11,100	0	0,417	0%	6,440	1,581	25	14%
Programme 7: Development Facilitation	9,830	3,819	2,528	66%	5,784	7,291	126	74%
Total	1,659,446	406,379	212,300	52%	1,165,160	744,035	64%	45%

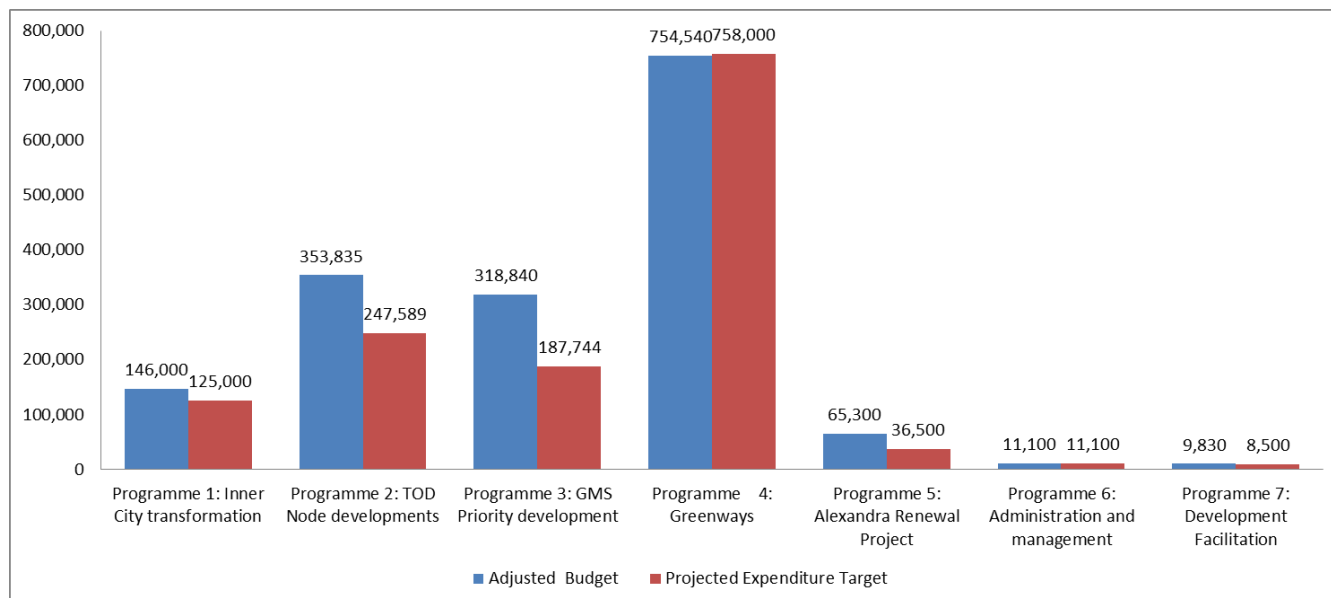
The overall year to date capex expenditure in the third quarter was R744.0 million against a target of R1.16 billion. This translates to 64% of the third quarter target and to 45% of the annual budget of R1.65 billion.

An additional amount of R9,128,000 was been paid by mid-April 2016, just missing the quarterly deadline.

However, given the concern on the outstanding expenditure and against quarter targets and annual targets by the 3rd quarter, the JDA has projected conservative expenditure until year-end in addition to developing portfolio project acceleration plans.

A breakdown of the adjusted budget and projected expenditure is outlined in the graph below. Across the seven Programmes the projected expenditure will be R1,37 billion. This translates to 83 per cent of the adjusted annual budget of R1.65 billion.

2015/16 Projected Budgets per Programmes



Portfolio Acceleration Plans

To ensure that the JDA commitments regarding project delivery and expenditure are realised, JDA has engaged with service providers to develop project specific acceleration plans. The nature of acceleration is project specific but can be categorised as follows:

1. Projects are on schedule project have met the expenditure targets as per the business plan and no expenditure acceleration initiatives required
2. Projects with feasible expenditure acceleration initiatives with a service provider agreement
3. Projects with feasible expenditure acceleration initiatives currently under consideration
4. Projects that are behind schedule are difficult to accelerate the objective with these projects is to catch up with the project baseline
5. Projects with specific risks such as contractor performance or site issues.

No	Project	Budget	Status	Project Acceleration Plan	Forecast Expenditure at year-end	%
Health Portfolio						
1	Claremont Clinic	1,000,000.00	Design Development	No intervention required. Stage 3 of the project will be completed and budget spent by end June 2016	1,000,425.00	100%
2	Ennerdale Clinic	6,500,000.00	Completed	Project Completed. Budget will be spent	6,499,538.00	100%
3	Florida Clinic	700,000.00	Concept Development	No intervention required. Stage2 of the project will be completd by end June 2016	700,000.00	100%
4	Noordgesig Clinic	25,000,000.00	Construction	Construction works are currently behind programme, so there are no realistic option to accelerate the works before end June 2016. The immediate objective is to catch up with the baseline programme. The contractual completion date is 31 October 2016. In order to boost expenditure, long lead	21,350,000.00	85%

No	Project	Budget	Status	Project Acceleration Plan	Forecast Expenditure at year-end	%
				items have been identified and will be purchased and paid for by end June 2016. The targeted expenditure for April 2016 was achieved.		
5	Langlaagte Pharmacy	23,000,000.00	Construction	Construction works are currently behind programme, so there are no realistic option to accelerate the works before end June 2016. The immediate objective is to catch up with the baseline programme. The contractual completion date is 30 November 2016. In order to boost expenditure, long lead items have been identified and will be purchased and paid for by end June 2016. The targeted expenditure for April 2016 was achieved.	20,527,816.00	89%
6	Orchards Clinic	39,000,000.00	Construction	Construction works are currently behind programme. The contractual completion date is 30 October 2016 and this date was recently revised to 09 November 2016, with the approval of an Extension of Time claim due to adverse weather conditions. Further delays were caused by quality management related issues. The contractor submitted an acceleration plan, which would have reduce the construction programme by one month, at a cost of R5m. The plan was rejected. As an intervention, the contractor has made changes to its key staff allocated to the project. In order to boost expenditure, the team is in the process of identifying long lead items which will be purchased by the contractor and paid for by end June 2016.	25,977,974.00	67%
7	River Park Clinic	6,500,000.00	Practical Completion	Partial practical completion achieved. Major outstanding items include landscaping and electrical installations. Services connections outstanding due to late receipt of required Power of Attorney documents.	6,491,156.00	100%
8	Westbury Clinic	20,400,000.00	Construction	Project will be completed by end June, no intervention required	20,424,331.00	100%
9	Esselen Clinic	18,900,000.00	Construction	Project will be completed by end June, no intervention required.	18,806,548.00	100%
10	Ebony Park Clinic	1,000,000.00	Concept Development	No intervention required. Stage2 of the project will be completd by end June 2016	1,000,000.00	100%
11	4th Avenue Clinic	15,000,000.00	Construction	Acceleration plans under consideration. Expenditure targets	14,916,000.00	99%

No	Project	Budget	Status	Project Acceleration Plan	Forecast Expenditure at year-end	%
				achieved for April 2016		
12	Thoko Mngoma Clinic	15,000,000.00	Construction	Acceleration plans under consideration. Expenditure targets achieved for April 2016	13,846,000.00	92%
	TOTAL	172,000,000.00			151,539,788.00	88%
Inner City & EMS and ComDev Portfolio						
1	Johannesburg Art Gallery	10,000,000.00	Practical Completion	There is no requirement for an acceleration plan for the JAG, what is outstanding is the finalization of the snag items and the payment of the subcontractors for the completion of the works	10,000,000.00	100%
2	Paterson Park Precinct Development	77,500,000.00	Construction	<p>The Paterson Park Precinct Project implemented by the JDA is divided into four work packages. These work packages are implemented over four financial years, namely 2014/2015, 2015/16, 2016/17 and 17/18 financial years. The work packages are outlined as follows:</p> <ul style="list-style-type: none"> - Work Package 1 (Recreation Centre): Upgrade and refurbishment of the recreation centre – Funding Community Development. The project is currently completed, what is outstanding is the long lead items relating to the equipment for the recreation centre. This will be delivered on site prior to financial year end. - Work Package 2 (Tennis Courts) The demolition of the existing tennis courts and the building of new tennis courts – Funding Community Development. – Procurement for the works have been completed, the contract duration is 6 months. The contractor is ready to go on site, however heritage approval is outstanding. It is anticipated that heritage approval will be received Mid May to end May 2016. As soon as this is resolved the contractor will go onto site which will minimally increase expenditure. - Work Package 3 (Culvert and Stream): Construction of culvert and stream in the southern and northern sections of the park – Funding Corridors of Freedom. The contractor is currently on site. The contractor increased his teams for the implementation of the storm water line. Currently the 	50,600,000.00	65%

No	Project	Budget	Status	Project Acceleration Plan	Forecast Expenditure at year-end	%
				<p>contractor has one additional team on site. The contractor is also in the process of procuring additional labour and has added additional plant for the work to be accelerated. Long lead items have been procured and will be delivered to site. This will also result in the increase in expenditure.</p> <ul style="list-style-type: none"> - Work Package 4 (Building Works): Construction of administration block, swimming pool, multipurpose sports centre, library, craft centre, sports field pavilion, internal roads, stormwater, boundary wall, hard and soft landscaping - Funding Corridors of Freedom. - This work was envisaged to be implemented in the 2016/17 financial year. The tender for the works closed on 17 May 2016. The tenderer will be on site by 01 July 2016. <p>Going forward the procurement for Paterson Park is complete having committed the 2016/17 budget. It is envisaged that expenditure in the first quarter will be high due to having completed all procurement processes for the entire project.</p>		
3	Cosmo City Fire Station	23,000,000.00 ²	Construction	<p>The project budget allocation is R 30 million. Communication from public safety has been received that the budget of R 30 million was reduced to R 23 million. The forecasted project expenditure is R 23 million thus spending 100% of the allocated budget. The expenditure target is going to be reached by employing several SMME teams working simultaneously on the site, in total 11 teams have been appointed to date. In addition to this long lead items have been procured and will be stored on site to increase the expenditure in the 2015/16 financial year. It should also be noted that the budget allocation for the 2016/17 financial year has been committed.</p>	22,200,000.00	97%
4	Kazerne Intermodal	60,000,000.00	Construction	<p>This project experienced problems relating to the availability of the land</p>	60,000,000.00	100%

² EMS communicated that a budget reduction of R 7 million from the original R30 million

No	Project	Budget	Status	Project Acceleration Plan	Forecast Expenditure at year-end	%
	Facility			from the South African Post office and challenges by unsuccessful bidders in regards to the procurement of the contractor. The appointed contractor went on site on 12 April 2016. The contractor has increased plant and labour. In addition there are a number of large items that the contractor can immediately procure in order for the expenditure target of 100% to be reached.		
5	Jack Mincer Intermodal Facility	15,000,000.00	Construction	The contractor is appointed and will commence with the works on 01 June 2016. The project is funded from the ICF fund and the funding allocation was submitted to other projects on the ground within the Inner City Portfolio	13,000,000.00	87%
6	Union Stadium	9781000.00	Construction	Project budget spent, no acceleration required	9781000.00	100%
7	Lehae Library	10,000,000.00	Construction	The programme work schedule has been reworked to increase site productivity. This will result in higher targets of work stages that will be achieved during this period, thus translate to an increase in expenditure. In addition to that initiative, long lead items will be procured and will be placed on site. This will also contribute to the possible expenditure that can be achieved for May/June 2016 period.	10,000,000.00	100%
8	Rabie Ridge Multi-purpose Centre	9,000,000.00	Construction	The programme work schedule has been reworked to increase site productivity. This will result in higher targets of work stages that will be achieved during this period, thus translate to an increase in expenditure. In addition to that initiative, long lead items like the transformers and the pool heating heat pump will be procured and will be placed on site. This will also contribute to the possible expenditure that can be achieved for May/June 2016 period.	9,000,000.00	100%
9	Orlando Ekhaya Multi-purpose Centre	4,000,000.00	Project Removed	Post design, the project was handed over to JPC by the ComDev, no acceleration required.	1 590 198.47	100%
	TOTAL	218,281,000.00			184,581,000.00	85%

Operating Budget Management³

This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

	2015/16	2015/16	Quarter ended 31 December 2015		Quarter ended 31 March 2016		% Achievement for Year to Date
	Original Budget	Revised Budget	Target	Actual	Target	Actual	
Revenue R'000)	99,016	105,185	30,081	36,361	78,888	47,158	60%
Costs (R'000)	99,016	105,185	49,802	45,540	78,888	77,254	98%
Net surplus/(deficit)	-	-	(19,721)	(9,179)	0	(30,096)	

For the mid-year the JDA achieved 60% of the revenue target. This was largely due to only 52% of the targeted capital expenditure being spent. With regards to expenditure although most of the line items are below budget, the expenditure of R12.5 million incurred on finance costs which have an annual budget of R6.3 million has pushed up the overall expenditure. The high deficit is due to management fees earned being far lower than budgeted.

Non-financial highlights

- In the third quarter 2015/16, the overall BBBEE share of expenditure was R 181,964,953. This constitutes an achievement of 86 per cent.
- In third quarter 2015/16, the SMME share of the JDA's operating and capital expenditure was R56,203,304 or 27 per cent of the budget, against a target of 30%.
- As an overview of Media Reporting and Coverage, the JDA received news coverage in 46 news reports inclusive of electronic media for the third quarter of 2015/16 with an average of 86% positive or neutral coverage overall for the indicator "positive media reports as a % of the total number of media reports on the JDA in the Johannesburg". There was an average of 14% negative coverage overall

Section 4: High-level organisational structure

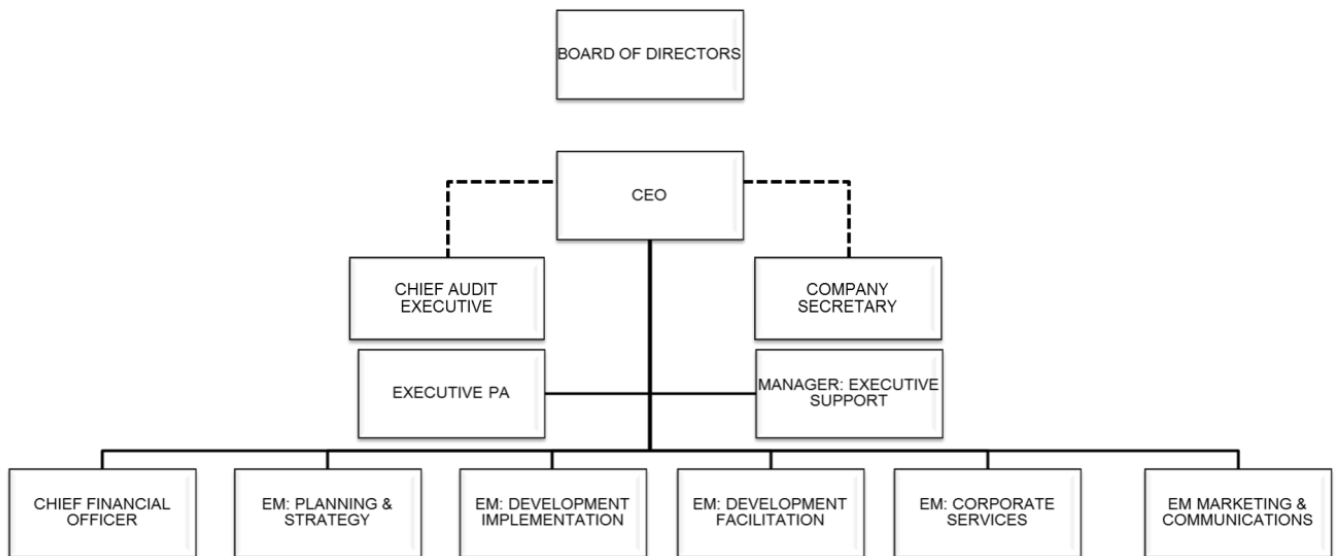
The JDA's operations are structured into five substantive programmes and two operational programmes.

³ This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

Substantive Programme	Operational Programmes
1 - Inner City Transformation	6 - Administration and Management
2- TOD / Station Precinct Development	7 - Development Facilitation
3 - Priority Area Planning and Implementation	
4 - Greenways	
5 - Alexandra Renewal Project (ARP)	

The operational programmes perform the cross-cutting functions that support the substantive programmes. For more information on the programmes see Chapter 3.

The JDA's structure is a response to the business model, which focuses on the development of strategic capital, works projects as well as development facilitation to optimise the impact of the catalytic public investments, and the establishment of urban management partnerships to ensure the sustainability of the catalytic public investments. The organisational structure during the reporting period is presented below.



Note: CEO – Chief Executive Officer; EM – Executive Manager; PA – Personal Assistant

Section 5: Chairperson's Foreword

The third quarter expenditure is currently at 52 per cent of target for the quarter and at 45 per cent the annual budget which is R1.65 billion. Post mid-year budget adjustment, the JDA Board is focused on ensuring that the JDA remains a sustainable and relevant entity of the City. Expenditure remains an important reflection of the organisation's performance; however, we are also mindful to retain to ensure the JDA's developmental outlook as well as ensuring and nurturing the growth of the organisation.

Given the performance in the third quarter, JDA will be required accelerate project delivery to ensure the commitment the organisation has made to the client departments and communities in which we operate.

As the Board we shall continue to guide and support the organisation to accelerate its implementation of City's transformative programmes such as Jozi@Work and the Corridors of Freedom that add great momentum to the Final Push as articulated by the Executive Mayor.



Cassim Coovadia

Chairperson

7 April 2016

Section 6: Chief Executive Officer's Report

The spatial transformation of South African cities to correct the spatial and systemic inequalities created by past regimes of segregation is the foremost goal of urban development in the coming years. A more equitable more just city is one that extends access to a range of opportunities and services to all of its citizens. Johannesburg like other South African cities is changing rapidly and in sometimes unpredictable ways. Rapid urbanisation in the City brings with it challenges and opportunities for urban development, a role that the JDA has its core mandate.

For the period under review the JDA sharpened its delivery instruments and puts concerted efforts of the City to deliver on its corporate commitments as captured in City's 2015-2016 Institutional Service Delivery Budget and Implementation Plan (SDBIP). This entails the delivery of the Public Transport Backbone – consolidating appropriate growth and development opportunities around existing and future public transport nodes, starting from the Corridors of Freedom linking Soweto to Sandton along Louis Botha Avenue and Empire-Perth. This will also include a focus on transit oriented development nodes, including Nancefield, Jabulani and Westbury.

The Department of Labour (DOL) has commenced with a formal inquiry, into falling of the temporary formwork of the Grayston pedestrian bridge in terms of Section 32 of the Occupational Health and Safety Act in February 2016. The JDA continues to cooperate in this process to get to the bottom of what caused the unfortunate incident.

In terms of highlights for third quarter of 2015/16:

- The capex expenditure in the third quarter was R212.3 million against a target of R406.3 million. This translates to 52% of the quarterly target.
- The overall year to date capex expenditure in the third quarter was R744.0 million against a target of R1.16 billion. This translates to 64% of the third quarter target and to 45% of the annual budget of R1.65 billion.
- This third quarter report has been prepared against the JDA's 2015/16 business plan and adjusted scorecard.
- On KPI targets, the JDA achieved 63% performance, 7% partially achieved and 30% not achieved.
- On the management of operating costs, for revenue, the organisation achieved 60% of the third quarter target. For operating expenditure the organisation achieved 96% for the third quarter target.

- The major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.
- The JDA under the guidance of the Board has committed to improve both the format and intent of how it plans to report at a corporate scorecard level from 2016/17 to be in alignment with the City. This has been reflected in the JDA 2016/17 draft scorecard submission.

As the JDA our focus is very much delivery and final push towards the end of 2015/16.



Thanduxolo Mendrew
Chief Executive Officer
7 April 2016

Section 7: Chief Financial Officer's Report

At the end of the third quarter capital expenditure of R744 million which translates to 45% of the total budget of R1.744 billion. Although not significant by this achievement is 2% better than capital expenditure for the same period in the previous financial year. The actual capital expenditure spent for the third quarter of 2015/16 did however fall approximately 48% short of the targeted R1.22 billion. This was largely due to delays in the implementation of projects such as the Inner City Commuter Links, Orlando East Precinct, Karsene Intermodal Facility, as well as Paterson Park.

Revenue was lower than budget due to missing targets on planned year to date verse actual capital expenditure achieved. Although overall operating expenditure was lower than budget, finance costs incurred have already exceeded the annual budget due to the overdrawn sweeping account as a result of late settlement of claims by City Departments.

The JDA continues to have a high trade receivables balance due to late settlement of claims by departments on whose behalf the JDA implements capital expenditure. The late long lead time between submission of claims and the settlement thereof has resulted in the JDA being in an overdraft position since the beginning of the financial year and as a result incurring finance costs which at the end of the third quarter were sitting at R12.5million against an annual budget of R6.3million.

The organisation's total assets exceeded the total liabilities.

The ratios below indicate that the organisation is in a sound position with liquidity and solvency ratios being higher than target as well as performance at the end of the second quarter.

Key Performance Area	Key Performance Target	Actual 31 December 2015	Actual 31 March 2016
Current ratio	Above 1 : 1	0.98: 1	1.18: 1
Solvency ratio	Above 1 : 1	1.10: 1	1.06: 1
Remuneration to expenditure ratio	Below 60%	49%	47%
Maintenance to expenditure ratio	1%	0.23%	0.19%
Interest to expenditure ratio	Below 30%	16%	17%
% capital budget spent	70%	30%	44%



Zandile Mafata
Chief Financial Officer
1 April 2016

CHAPTER 2: CORPORATE GOVERNANCE

The Board of Directors of the JDA subscribes to good corporate governance expressed in King Code III and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000 (MSA). The Board recognises the need to conduct the affairs of the municipal entity with integrity to ensure increased public confidence and the confidence of its parent municipality. It is the policy of the Board to actively review and enhance the entity's systems of control and governance on a continuous basis to ensure that the entity is managed ethically and within prudently determined risk parameters.

Section 1: Board of Directors

JDA has a unitary board, which consist of executives and non-executive directors. The Board is chaired by a non-executive director, Mr Cassim Coovadia. The board meets regularly, at least quarterly, and retains full control over the company. The Board remains accountable to the City of Johannesburg, the sole shareholder and its stakeholders, the citizens of Johannesburg. A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity's relationship with the City of Johannesburg. The Board provides Quarterly, Bi-Annual and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

The JDA Board:

- Provides effective, transparent, accountable and coherent oversight of the JDA's affairs;
- Ensures that the JDA complies with all applicable legislation, the Service Delivery Agreement and the various shareholder policy directives issued by its parent municipality, from time to time;
- Deals with the parent municipality in good faith and communicates openly and promptly on all pertinent matters requiring the attention of its shareholder;
- Determines and develops strategies that set out the purpose, and values in accordance with the shareholder mandate and strategic documents such as the IDP;
- Reviews and approves financial objectives including significant capital allocations and expenditure as determined by the parent municipality; and
- Considers and ensures that the entity's size, diversity and skills make up are efficient to ensure that the entity is able to achieve its strategic objectives.

Corporate Code of Conduct

The JDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;

- Carrying on business through fair commercial and competitive practices;
- Eliminating discrimination and enabling employees to realise their potential through continuous training and development of their skills;
- Being responsible toward environmental and social issues; and
- Ensuring that each of its directors declare any direct or indirect personal or business interest that might adversely affect such director in the proper performance of his/her stewardship of the entity.

JDA Board of Directors

Board member	Capacity: Executive/non-executive	Race	Gender	Board committee membership
C Coovadia	Chairperson (Non-executive)	Black	Male	<ul style="list-style-type: none"> ▪ Development and Investment
K Govender	Non-executive	Black	Male	<ul style="list-style-type: none"> ▪ Audit and Risk ▪ Development and Investment
E Harvey	Non-executive	Black	Male	<ul style="list-style-type: none"> ▪ Human Resources and Remuneration ▪ Social and Ethics
Z Mafata	CFO (Executive)	Black	Female	<ul style="list-style-type: none"> ▪ Development and Investment ▪ Social and Ethics
N Maila ⁴	Non-executive	Black	Female	<ul style="list-style-type: none"> ▪ Audit and Risk ▪ Human Resources and Remuneration
P Mashiane	Non-executive	Black	Female	<ul style="list-style-type: none"> ▪ Development and Investment ▪ Social and Ethics
P Masilo	Non-executive	Black	Male	<ul style="list-style-type: none"> ▪ Human Resources and Remuneration ▪ Social and Ethics
T Mendrew	CEO (Executive)	Black	Male	<ul style="list-style-type: none"> ▪ Development and Investment ▪ Social and Ethics
T Mukhuba ⁵	Non-executive	Black	Male	<ul style="list-style-type: none"> ▪ Still to be allocated
N Selamolela	Non-executive	Black	Female	<ul style="list-style-type: none"> ▪ Audit and Risk ▪ Human Resources and Remuneration
W Thwala	Non-executive	Black	Male	<ul style="list-style-type: none"> ▪ Development and Investment ▪ Social and Ethics
P Zagaretos	Non-executive	White	Male	<ul style="list-style-type: none"> ▪ Development and Investment ▪ Social and Ethics

⁴ Ms. N Maila resigned as a Non-Executive Director at the Annual General Meeting held on 15 March 2016.

⁵ Dr T Mukhuba was appointed as Non-Executive Director at the Annual General Meeting held on 15 March 2016; he will be allocated committee membership before end of April 2016.

Together, the JDA directors have a range of different skills and experience that they bring to bear for the benefit of the entity. These include accounting, finance, legal, business management, human resources and labour relations, marketing, construction and development management.

The Board meets regularly, retains full and effective control over the company and monitors the implementation of the company's strategic programmes by the executive management through a structured approach of reporting and accountability. It sets the strategic direction of the JDA and monitors overall performance. All JDA's Board Committees are chaired by non-executive directors. JDA monitors overall performance.

Section 2: Board Committees

Board Meeting Attendance

The Board meets not less than four times a year to consider matters specifically reserved for its attention. Indicated in the table below are the board and committee's meetings held during the period under review. Attendance at meetings held during the quarter under review was as follows:

Board and Board Committee Meetings & Attendance (January – March 2016)

Name	Board				Audit & Risk				Development & Investment				HR & Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
C Coovadia	1	0	1	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
E Harvey	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
K Govender	1	1	0	0	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N Selamolela	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
P Masilo	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
P Mashiane	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
W Thwala	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
T Mendrew	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Z Mafata	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N Maila	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
P Zagaretos	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0
M Dolamo (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Name	Board				Audit & Risk				Development & Investment				HR & Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
B Kelly (Independent Audit & Risk member) ⁶	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Onuoka ⁷	N/A	N/A	N/A	N/A					N/A	N/A	N/A	N/A					N/A	N/A	N/A	
Z Samsam (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Board Committees

The following committees have been formed, each of which is chaired by a non-executive director.

- Audit and Risk Committee
- Social and Ethics Committee
- Human Resources and Remuneration Committee
- Development and Investment Committee

Each committee composition is as follows:

Body	Composition	Mandate and Quarterly Activities
Audit and Risk Committee	<p>The Audit and Risk Committee, which consists of three non-executive directors and three independent members, meets not less than four times a year. Most members of this committee are financially literate. Below is a list of Audit and Risk Committee members:</p> <ul style="list-style-type: none"> • K Govender (Chairperson) • N Selamolela • N Maila • B Kelly (Independent Member)(resigned on 1 January 2016) • M Dolamo (Independent Member) • Z Samsam (Independent Member) • K Onuoka (Independent Member) (appointed on 15 March 2016) 	<p>The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:</p> <ul style="list-style-type: none"> • Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board. • Reviewing reports from management, internal and external auditors, to provide reasonable assurance that control procedures are in place and are being followed. • Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices. <p>During the period under review the Committee dealt with the following issues:</p> <ul style="list-style-type: none"> • Reviewed the Mid-Year Budget Adjustments • Considered the Forecast to Financial Year End Report • Considered the Compliance Management Review • Considered the Performance Bonus Review Report • Reviewed the 2015/16 Strategic Risk Register. • Dealt with the Document Management Audit report • Considered the Stakeholder Management Audit Report • Considered the SCM Review of Bids above R10 million Report • Looked at the 1st Quarter Performance information report • Dealt with GRC Report; and • Approved the 2nd Quarter Strategic Risk Management Report and 2nd Quarter Audit Findings Tracking Tool Report

⁶ Ms. B Kelly resigned with effect from 1 January 2016 as an Independent Audit Committee member of the JDA.

⁷ Ms. K Onuoka was appointed as an Independent Audit Committee member of the JDA at the Annual General Meeting held on 15 March 2015.

Body	Composition	Mandate and Quarterly Activities
Development and Investment Committee	Committee members: <ul style="list-style-type: none"> W Thwala (Chairperson) C Coovadia P Mashiane K Govender P Zagaretos T Mendrew Z Mafata 	Meetings are held on a bi-monthly basis or as required by the Chairperson. The Committee is responsible for evaluating development proposals with a view to making recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.
Human Resources and Remuneration Committee	In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee (HR & REMCO), comprising 4 (four) non-executive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff. Below is a list of names of the members of the committee: <ul style="list-style-type: none"> E Harvey (Chairperson) P Masilo N Selamolela N Maila 	The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR & Remuneration Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg in accordance with the provisions of Section 89(a) of the MFMA. The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the parent municipality.
Social and Ethics Committee	The following members served on the committee during the period under review: <ul style="list-style-type: none"> P Mashiane (Chairperson) P Masilo E Harvey P Zagaretos D Thwala T Mendrew Z Mafata 	The Social and Ethics Committee is responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen. This means ensuring that the JDA conducts its business in a sustainable manner, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture.

Section 3: Directors & Prescribed Officers Remuneration

Board of Directors and Senior Management Remuneration and Allowances to date at end of Third Quarter 2015/16

Name	Designation	Salary/Board Fees	Pension	Settlement	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors and Senior Management							
T. Mendrew	CEO	1 277 708					1 277 708
Z. Mafata	CFO	1 056 918					1 056 918
D. Cohen	EM: Strategy & Planning	801 433	39 069				840 502
B. Magoso	EM: Corporate Services	895 197	44 615			20,000	959 812
R. Shirinda	Company Secretary	1 016 667	34 718				1 051 385
B. Mbewu	Chief Audit Executive (resigned)	247 271	7 579			20 000	274,850
Z. Tshabalala	Chief Audit Executive (New)	290 482	15 916			36 000	342 398
C. Botes	EM: Development Facilitation	741 351				22 500	763 851
L. Visagie	Senior Development Manager	924 243	39 832			56 250	1 020 325
S. Genu	Senior Development Manager	904 118	36 730				940 848
A. Noholoza	Senior Development Manager (Resigned)	480,395	15,256	460,431			956,082

Name	Designation	Salary/Board Fees	Pension	Settlement	Bonus/Board Retention Fees	Travel allowance	Total
Sub-Total		8 635 783	233 715	460,431	-	154 750	9 484 679
Non-Executive Directors & Independent Audit Committee Members							
C Coovadia	Board Chairperson	77 580					77 580
P Masilo	Board Member	62 758					62 758
P Mashiane	Board Member	58 187					58 187
W Thwala	Board Member	61 612					61 612
E Harvey	Board Member	69 595					69 595
K Govender	Board Member	139 186					139 186
N Maila	Board Member	73 014					73 014
P Zagaretos	Board Member	52 488					52 488
N Selamolela	Board Member	99 258					99 258
B Kelly	Independent Audit and Risk Committee Member	17 112					17 112
M Dolamo	Independent Audit and Risk Committee Member	34 224					34 224
Z Samsam	Independent Audit and Risk Committee Member	34 224					34 224
Sub-Total		779 238	-		-	-	779 238
TOTAL		9 415 021	233 715	460 431		154750	10 263 917

The directors' emoluments were taxed according to South African Revenue Services' guidelines.

Section 4: Company Secretarial Function

The primary function of the Company Secretary is to act as the link between the Board and management and to facilitate good relationships with the shareholder. The Company Secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation.

The company secretary's work covers a wide variety of functions, including but not limited to:

- Organising, preparing agendas, and taking minutes of meetings;
- Dealing with correspondence, collating information, writing reports, ensuring decisions made are communicated to the relevant people;
- Advising the Board and management on corporate governance matters;
- Contributing to meeting discussions, as and when required; and

- Arranging the annual general meetings.

Section 5: Risk Management

The JDA's Board monitors risk through the Audit and Risk Committee, which ensures that there is an effective risk management process and system in place. The committee is responsible for evaluating development proposals and making recommendations to the Board. This entails examining risks associated with proposed projects, such as the financing, risk returns and risk profiles. The committee also recommends risk strategies and policies that need to be set, implemented and monitored. The JDA Board is responsible for identifying, assessing and monitoring the risks presented by the Audit and Risk Committee.

The JDA has a risk management strategy, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and continuously at departmental level, and a risk register. The register is treated as a working risk management document because risks are constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

The JDA submits its risk management reports to the CoJ's Group Risk and Governance Committee. The committee assesses all risk affecting the CoJ and its municipal entities in a holistic manner and makes recommendations to the City Manager and Council on the general effectiveness of risk management processes in the CoJ.

Risk Management Process

Risk identification and assessment is an on-going process. The JDA conducts an annual strategic and operational risk assessment workshop. This process is supported by an on-going risk management process at departmental level; all staff are encouraged to take ownership of risk.

The following risk management programmes and activities that were implemented during the third quarter of 2015/2016 financial year are as follows:

- Strategic Risk Register and the monitoring
- Operational Risk Register and the monitoring
- Initiated the process of reviewing the Strategic Risk Register for 2016/2017
- Enterprise-Wide Risk Management Training
- Finalised the Insurance Risk Cover for 2015/2016
- Updated the Universal Regulatory Register
- Conducted a Fraud Risk Awareness JDA wide
- Initiated the process of an Ethics Management Programme
- Risk Management Performance Indicators incorporated in Managers' Scorecards

The Executive Committee and the Audit and Risk Committee will continue to monitor the implementation of the documents listed above to ensure that the organisation is proactive in addressing risks and strengthening its internal control environment.

Strategic Risk Register

The JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system. The JDA's strategic risk register is treated as a working document. Identified risks are recorded and the management thereof is constantly monitored. Management monitors and evaluates the implementation and efficiency of controls.

Effective risk management is fundamental to the JDA's business activities. The organisation is committed to achieving its strategic goals and increasing shareholder value by facilitating, developing and implementing infrastructure projects on behalf of the CoJ. The JDA seeks to achieve an appropriate balance between risk and reward in the business. It continues to build and enhance the risk management capabilities that assist in achieving its goals in a controlled environment.

The JDA conducts an annual strategic risk assessment workshop to ensure that there is a link between risk management and the business planning processes. A total of 15 strategic risks were identified in 2015/16 that are linked to eight JDA strategic objectives. Of the 15 strategic risks, management identified five critical risks that required urgent attention and close monitoring. These risks are ranked highly in accordance with the residual risks rating and pose significant threat to the business of the JDA. The critical risks identified were:

- Failure to deliver capital projects on time
- Failure to deliver capital projects within budgets
- Inability to deliver the ARP mandate
- Failure to adequately manage stakeholder expectations
- Failure to attract, develop and retain skilled employees.

Implementation progress and impact analysis

The JDA has implemented additional controls for these critical risks which have all been implemented with a few exceptions. Control effectiveness is measured by the JDA's overall performance, compliance with applicable laws and regulations and total budget spent.

At the beginning of 2015/16, the critical risks had a residual risk rating of medium after taking the current controls into account. This meant that management had to further mitigate current controls to further reduce the residual risk rating to an acceptable level. Although significant work has been undertaken to address these risks, more work is needed to address the complexities experienced in Alexandra, Orlando East and Kliptown during the implementation of projects.

The critical challenges identified were as follows:

- Lack of consensus on developmental outcomes
- Unrealistic community expectations and service delivery protests
- Lack of capacity and requisite skills to deliver projects in volatile areas
- Risk management not fully institutionalised within the JDA.

To address these challenges, the JDA will:

- Develop a development facilitation and stakeholder management framework to effectively address how to implement projects with minimal resistance from key stakeholders.
- Undertake a skills audit, develop a training programme on stakeholder engagement and management to capacitate facilitation and development managers, and ensure implementation of training.
- Continue to exercise oversight of all strategic risks identified and ensure that committed actions are being implemented.

Section 6: Internal Audit Function

The Internal Audit Function (IAF) subscribes to and accepts the mandatory nature of the definition of internal audit as defined by the International Standards for the Professional Practice of Internal Audit (“ISPPA”) which defines internal audit as “an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The key objectives of the Internal Audit Function is to assist the Audit & Risk Committee in the effective discharge of their responsibilities, provide strategic support to the Chief Executive Officer (“CEO”) and management that contributes towards the establishment of adequate and effective systems of governance, risk management and internal control processes through providing value adding recommendations to improve the effectiveness and efficiency of the operations of the JDA.

It is within this context that the IAF strives to continuously strengthen and understand its stakeholders, their specific requirements and business drivers so that there is continuous strategic alignment and value add to long term and short term goals. The key activities of the IAF for the third quarter are detailed in the table below.

7.1 Progress made against the approved Annual Internal Audit Plan

The scope of the internal audit progress to which this report relates is for the period 01 January to 31 March 2016; the report includes progress on the planned audit projects executed as well as special audit requests (if any) that were undertaken during the reporting period.

The following table reflects progress made against the approved annual internal audit plan.

No.	Planned Audits /Audit Description	Progress as at 31 March 2016	Comments
1.	Financial Discipline Review (FDR-2015/16)	In - progress	Audit currently at execution phase and is anticipated to be completed in April 2016.
2.	Supply Chain Management Review (SCM- 2015/16)	In - progress	Audit currently at execution phase and is anticipated to be completed in April 2016.
3.	2 nd Quarter Performance Information Review(4 th PIR- 2015/16)	Completed	None
4.	Review of the Risk Management processes (1 st RR- 2015/16)	Completed	None
5.	Job Creation Review (JOB CR- 2015/16)	In - progress	Audit currently at execution phase and is anticipated to be completed in April 2016.
6.	Follow up on Internal Audit Findings (FLW UP- 2015/16)	Completed	None
7.	SAP Implementation Review (SAPImp-2015/16)	In - progress	Audit currently at execution phase and is anticipated to be completed in April 2016.

The completed projects as per the above table indicate that the internal controls within the JDA are partially adequate and partially effective. All the areas for improvement identified through the audit efforts were communicated to management through the internal audit reports.

The internal audit reports will be presented to the Audit and Risk Committee meeting of 12 May 2016.

Resourcing of the Internal Audit Function and related changes

The following staff complement changes took place within Internal Audit in the reporting period.

- (a) Resignation by an William Monyepao, Internal Audit Manager, effective 1 February 2016

Section 7: Corporate Ethics and Organisational Integrity

The JDA and its Board subscribe to high ethical standards and principles. The leadership provided by the Board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic of the JDA since its establishment in 2001.

The JDA's main objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the interests and expectations of the JDA's stakeholders.

Code of Conduct

The JDA's code of conduct, which is fully endorsed by the Board, applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ corporate governance protocol for municipal entities.

The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. Through its code of conduct, the JDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large.
- Fair commercial and competitive business practices.
- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development.
- Taking environmental and social issues into consideration.
- Ensuring that all directors declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

The code requires all staff to act with the utmost integrity and objectivity and in compliance with the law and company policies at all times. Failure to act in terms of the code results in disciplinary action. The code is discussed with each new employee as part of the induction process, and all employees are asked to sign an annual declaration confirming their compliance with the code. A copy of the code is available to interested parties on request. Non-adherence to the code of ethics-related matters can be reported to a toll-free, anonymous hotline. Any breach of the code is considered a serious offence and is dealt with accordingly; these acts as a deterrent. The directors believe that ethical standards are being met and are fully supported by the ethics programme.

Declaration of interest

In accordance with its code of conduct, the JDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's declared interests change. A register is circulated at every Board and Board committee meeting for the directors to declare any interest related to every matter discussed at a particular meeting.

The JDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality, and the status of their municipal accounts.

The JDA has a whistle-blowing hotline number, which it advertises in the offices and on its website. In addition, all JDA tender documents urge people to report fraudulent activities or maladministration by JDA employees on the hotline.

Section 8: Corporate Social Responsibility (CSR) Report

The JDA has planned three CSR projects for this financial year. A budget of R360 000 is allocated to CSR programs. The CSR program will be implemented in Alexandra and Diepsloot areas. In this quarter, the JDA appointed two CSA's (Jolobe Trading and Gochi Trading) to project manage the following Jozi@Work Packages.

The first Work Package consisting of maintaining and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A. The second Work Package consisting of a completion of painting of the 36 classrooms, ceilings and doors at Realogile Secondary School in Alexandra in Region E.

Gochi Trading CSA will project manage the maintenance and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A. The maintenance of the alarm system will be completed in twelve months commencing from April 2016.

Jolobe Trading CSA will project manage the completion of painting of the 36 classrooms, ceilings and doors at Realogile Secondary School in Alexandra in Region E. Completion is expected in two months.

Section 9: Sustainability Report

The Joburg 2040 GDS is driven by the goal of capable and capacitated communities and individuals. With this realised, the CoJ will be able to become a more sustainable, inclusive city in which people hold the potential and means to grow their neighbourhoods, their communities and themselves. A balanced focus on environmental management and services, good governance, economic growth, and human and social development will help in achieving a resilient and sustainable city – and a city in which all aspire to live.

The JDA's area-based development approach has evolved over the last 12 years. It begins by identifying the local competitive advantages, development needs and opportunities within the development area. Capital works projects are then used to catalyse private investment, enterprise and neighbourhood development. This area-based development approach ensures the long-term sustainability of the capital assets created by ensuring a greater focus on developing strategic capital works projects, facilitating development to increase the impact of public investments, and establishing urban management partnerships to ensure the sustainability of the public investments.

During the third quarter of 2015/16, the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the Corridors of Freedom and the CoJ’s spatial transformation objectives. The JDA also participated in stakeholder engagement regarding spatial transformation and urban planning and development of good practices.

Environmental Impact

Environmental sustainability plays an integral part in all of the JDA’s development projects, which all comply with environmental impact regulations. To minimise their environmental impact, all professional teams involved in preparing designs for the JDA are briefed to include the following environmental considerations:

- The design of more permeable ground surfaces and soakaways or swales to reduce the stormwater run-off in areas upgraded by the JDA to achieve sustainable urban drainage standards.
- Indigenous and water-wise planting in all landscaping interventions in compliance with City Parks requirements.
- The environmental design for crime prevention guidelines as promoted by the City Safety Programme.
- Environmental construction and infrastructure options such as energy-efficient lighting and rainwater harvesting.
- Environmental health regulations for informal trading where the JDA upgrades trading and taxi facilities.
- Including urban environmental management as an integral part of the urban regeneration projects that the JDA implements, such as the upgrading of parks, the construction of stormwater facilities and public transport infrastructure and facilities.

Four major outcomes define the Joburg 2040 GDS. Outcome 2 highlights the need to “provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy”. The CoJ plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (for example, housing, eco-mobility, energy, water, waste, sanitation, and ICT) to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. Two of the JDA programmes, transit-oriented node development and greenways, are a direct response to Outcome 2.

JDA programmes that respond to Outcome 2

Programme	Outline
Transit-oriented node development	The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services.

Greenways	The greenways programme focuses on providing resilient, liveable and sustainable environments within the CoJ by using roads and transport modes to promote walking, cycling and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service.
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Within the greenways programme, for example, the Rea Vaya BRT service has the potential to reduce the city’s transport energy use and the associated carbon emissions in the medium term. The service is currently being used by up to 31 000 people per day, and there is potential to increase the numbers. In 2015/16, the JDA has continued with a significant investment in NMT infrastructure, including a network of cycle lanes and pathways that will encourage the use of public transport by connecting station precincts with the NMT network.

Section 10: Anticorruption and Fraud

Financial crime and other unlawful conduct pose a threat to the JDA’s business and strategic objectives. The JDA supports government’s efforts to combat financial crime at all levels. The JDA, in its endeavour to combat financial crime, ensures compliance with all relevant legislation and regulations. The antifraud and anticorruption programme supports and fosters a culture of zero tolerance to fraud, corruption and unlawful conduct.

Employees are regularly briefed and trained on fraud prevention, and the induction process for new employees is being revised to include information regarding fraud prevention. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

The fraud risk register was approved by the Audit and Risk Committee on 28 May 2015 and the tracking and monitoring of the register started in 2015/16. The strategic risk register identifies “fraudulent and corrupt activities” as a strategic risk with a high inherent risk rating and medium residual risk rating of nine. Two other strategic risks on the strategic risk register also identify fraud and/or corruption as a root because that can potentially give rise to strategic risks. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness.

There is no fraud and corruption incident reported for Quarter 3, 2015/16. The JDA plans to improve internal controls and standardise the disclosure and reporting protocols.

Section 10: ICT Governance

The JDA through its ICT Governance Charter continues to ensure that there is the leadership, oversight structures and processes that ensure that ICT sustains and extends the JDA's strategies and objectives and ultimately creates and sustains business value for both internal and external stakeholders. The JDA's ICT Charter encapsulates the principles of the control objectives for information and related Technology (COBIT), as well as those of the King III report.

Against the backdrop of this solid ICT governance structure, the JDA's ICT infrastructure and systems remain compliant with all relevant regulations, including the Municipal Finance Act (MFMA) as well as Protection of Personal Information Act (2013).

ICT Control Environment

ICT policies and procedures are in place to provide reasonable assurance that the information technology being used by the JDA operates as intended, is reliable as well as compliant with applicable laws and regulations.

This has been achieved by a continual working relationship between ICT management and assurance providers in the form of internal audit and the Auditor General to ensure that controls are in place.

This quarter has seen ICT working closely with an assurance provider to ensure that there are proper procedures and policies in place for the data migration process between current systems and SAP platform. This process will provide reasonable assurance to the ICT governance chain of the JDA that the data migration process is reliable and that risks associated with data migration such as data duplication have been fully mitigated against.

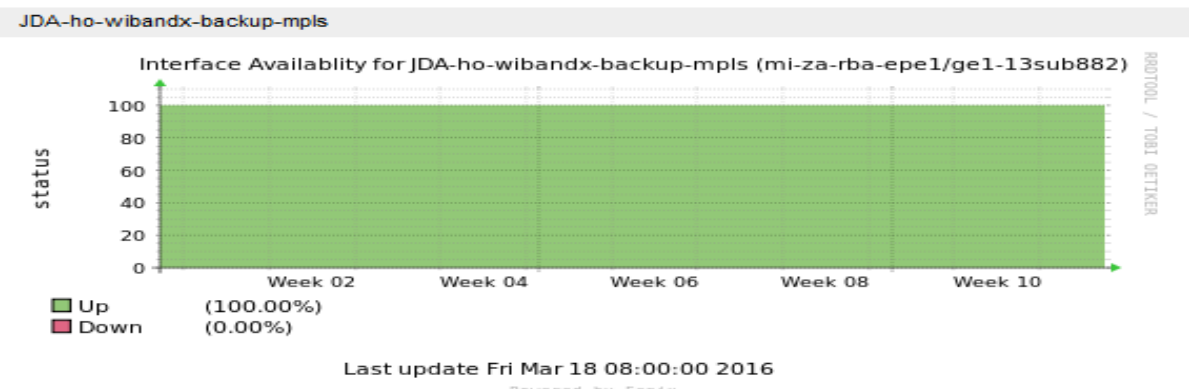
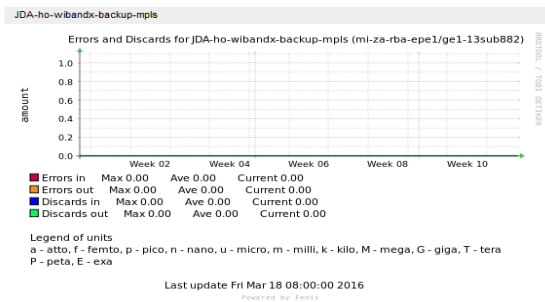
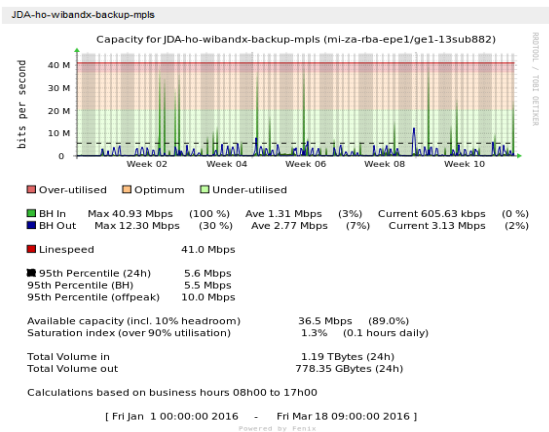
SAP

With SAP implementation in progress , the JDA hopes not only to leverage on just having a centralized resource planning overview but to importantly improve processes and procedures that will magnify efficiencies around the entire project management chain, and importantly give detective abilities to potential areas of inefficiency.

Network Utilisation and availability

In this quarter there was 100% availability of the network, against a set target of 99.9%. Although on average, network utilization was about 10% in this quarter, there were instances of peak of utilization close to the maximum utilization ceiling of 40MBps. The peak is in line with JDA schedule of increased business traffic . There were no network errors in this period.

Tables: Network Utilisation



Smart Cities – ICT initiative

The JDA continues to recognise and embrace the City’s Smart Cities initiative. The implementation of SAP will see the realisation of the integration of the JDA into the greater smarter cities domain.

Section 11: Compliance with Laws & Regulations

The JDA monitors compliance with applicable legislation and regulations throughout the entity on a regular basis. Regulatory compliance describes the goals that JDA aspire to achieve in their efforts to ensure that they are aware of and take steps to comply with relevant laws and regulations, whereas general compliance means conforming to a rule, such as a specification, policy, standard or law.

Due to the increasing number of regulations and need for operational transparency, JDA has adopted the use of consolidated and harmonized sets of compliance controls which will be achieved through the successful implementation of the compliance management programme. This approach ensures that all necessary governance requirements can be met without the unnecessary duplication of effort and activity from resources.

The JDA has committed to undertake an annual risk analysis review of legislation, particularly of new and changed legislation, to keep the Regulatory Universe for JDA relevant and up to date. These processes:-

- Develop and maintain a system for identifying the legislation that applies to JDA's activities.
- Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented in JDA.
- Provide training for officials, and other relevant stakeholders in the legislative requirements that affect them.
- Provide officials with the resources to identify and remain up-to-date with new legislation.
- Conduct audits to ensure there is full compliance.
- Establish a mechanism for reporting non-compliance.
- Identify accidents, incidents and other situations where there may have been noncompliance.

JDA had planned to execute the following compliance management activities in the third quarter of 2015/2016:

- Develop and approve a Compliance Management Framework
- Acquisition of Automated Compliance Management Software

The three cited activities above are still in progress but at an advance level of completion. In terms of what still needs to be done is the review, approval and training and awareness of the above activities, which will be finalized in the fourth quarter of 2015/2016.

In relation to compliance performance, the JDA has not detected nor registered any forms of non-compliance with applicable legislation, nor incurred any fruitless, irregular and unauthorized transactions for the 3rd quarter of 2015/2016. It is also imperative to note that management's accountability for compliance is reinforced by Internal Audit, audit on compliance to laws and regulations are standard audit procedure on all audit engagements.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

The focus on reporting on highlights and achievement is reflected for each of JDAs substantive programme, as per the table below:

JDA Programme	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
		Count	%	Count	%	Count	%
Programme 1: Inner City Transformation	13	6	46%	1	8%	6	46%
Programme 2: TOD / Station Precinct Development	27	18	67%	2	7%	7	26%
Programme 3: Priority Area Planning and Implementation	26	14	54%	2	8%	10	38%
Programme 4: Greenways	42	32	76%	4	10%	6	14%
Programme 5: Alexandra Renewal Project (ARP)	17	9	53%	1	6%	7	41%
Programme 6: Administration and Management	14	9	64%	-	0	5	36%
Programme 7: Development Facilitation	6	3	50%	-	0	3	50%
	145	91	63%	10	7%	44	30%

On KPI targets, the JDA achieved 63% performance, 7% partially achieved and 30% not achieved. With regards to the five substantive programmes:

- Delays in key inner city projects have hampered performance Programme 1: Inner City Transformation. However in quarter 3, with finalization of the agreement regarding the Post Office land, the Kazerne development is expected to now accelerate, alternative solutions are in their final stages for the Jack Mincer taxi rank, as well as the ability to begin construction.
- Progress is above 67% for Programme 2: TOD / Station Precinct Development with delays in the Campus Square Bridge, Westbury and Noordgesig Social Precinct Redesign.
- Programme 3: Priority Area Planning and Implementation Progress in 54% with delays in Lehae Library and various clinics including Claremont, Orchards and Ebony Park.
- Programme 4: Greenways, progress is 76%, where specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and

cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services.

- Performance against KPI's is currently at 53% for Programme 5: Alexandra Renewal Project (ARP), this is an improvement from 50% in the previous quarter, as construction on many of the projects began in quarter three.

As an overview of Media Reporting and Coverage, the JDA received news coverage in 46 news reports inclusive of electronic media for the third quarter of 2015/16 with an average of 86% positive and neutral coverage overall for the indicator - positive media reports as a % of the total number of media reports on the JDA in the Johannesburg.

Period	Quarter 3						Ave
	1	2	3	4	5	6	
Programme							
# total stories	7	1	2	16	2	18	46
# negative stories	0	0	0	5	1	1	2
# neutral stories	1	0	1	4	1	8	15
# positive stories	6	1	1	7	0	9	24
% negative stories	0%	0%	0%	31%	50%	6%	14%
% positive or neutral	100%	100%	100%	69%	50%	94%	86%

Section 2: Service Delivery Challenges

Given the spatial, socioeconomic and political environment in which the JDA operates, there are often challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives. Of relevance in Quarter Three was the investigation into the collapse of scaffolding of a pedestrian bridge under construction in Sandton. While investigation is underway, the JDA has been given permission by the Department of Labour to proceed with construction of the dedicated pedestrian and cycling bridge at the Grayston off-ramp of the M1 Motor way provided certain steps have been taken and approvals given by them. The Department of Labour has approved that Murray and Roberts can continue on the broader bridge construction project but may not yet resume work on the scaffolding required to build the bridge. The City will only allow full construction of the bridge to resume when firstly, both the JDA and the contractor have demonstrated that they have put in place all possible risk mitigation measures to avoid a reoccurrence of this tragic accident and secondly, after the Department of Labour have approved the design and construction methodology going forward.

Further, the JDA is continuously challenged by community protest affecting its implementation of projects. The community demands range from allegations of poor consultations by the JDA prior to approval of interventions to protests around appointment of local SMMEs and provisions of jobs to locals. In the period under review, a number of JDA projects have been delayed as a result of community issues.

The first project is the Orlando East Transit Oriented Development due to dissatisfied members of community organized under the body called Orlando Task Team. Negotiations facilitated by an independent conciliator have been undertaken and there is hope that an agreement will be reached soon and construction will commence in the fourth quarter of 2016.

The second project is the development of the Jack Mincer Taxi Rank. This project has been delayed due to lack of space to accommodate taxis and serve as a temporary taxi ranking facility during the 24 month construction programme of the Jack Mincer Facility. The JDA has investigated a phased construction approach; however there need to lease portion of land next to the side which remains resolved.

The third project is Kazerne Intermodal Transport facility. This project has been delayed due to lack of agreement with the South African Post Office (SAPO) for their portion of the land for this facility. In December 2015 an agreement was reached with SAPO and while it was expected that construction will commence during the 3rd quarter of the financial year, a dispute was raised in the tender process which is currently under review.

Section 3: “Game Changers” Programmes

A summary of the JDA’s “game changer” programmes in response to the GDS 2040 and CoJ mayoral priorities in 2015/16 are outlined programmes below:

Game Changer	2015/16 Activities	Highlights in Third Quarter
Corridors of Freedom -	<p>JDA continues to deliver on the objective of transforming the space economy in Johannesburg through the implementation of the Corridors of Freedom by;</p> <ul style="list-style-type: none"> • Investing in the public transit and mobility infrastructure, to promote walking, cycling, and sustainable public transport, along the corridor routes (JDA Programme 4). • The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and 	<p>In the third quarter 2015/16 the major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services.</p> <p>Most of the NMT projects are being</p>

Game Changer	2015/16 Activities	Highlights in Third Quarter
	<p>amenities, and good community services.</p> <ul style="list-style-type: none"> Developing station precincts (JDA Programme 2); Investing time and resources on development facilitation necessary in the corridors in order to catalyse development 	<p>implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.</p>
Priority Development Areas	<p>The work of the JDA in priority development area is covered by three programmes:</p> <ul style="list-style-type: none"> <u>The inner-city transformation programme</u> (JDA Programme 1) within this programme there are elements of transit-oriented node and corridor development. Precinct developments will be designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes. A <u>programme on priority area planning and implementation</u> (JDA Programme 2) shifts the design of the city – including elements like streets, buildings and spaces of work and play – to catalyse economic activity, improve liveability and create sustainable human settlements. The <u>Alexandra Renewal Project</u> (ARP) forms a focus area of the JDA (JDA Programme 5) which is established to coordinate intergovernmental activities to develop Alex. 	<p>The JDA continues with strategic inner-city upgrading focus for the JDA in support of the inner-city road map implementation.</p> <p>Guided by the urban development frameworks prepared in partnership with the Department of Development Planning, the JDA implements multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrade of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multipurpose centres, public open spaces and green spaces</p> <p>Most of the work involves planning for human settlement development projects such as hostel upgrading, housing development and the construction of community facilities.</p>
Jozi@Work	<p>The JDA continues to create jobs and economic development opportunities for small businesses through its construction programme. In line with the Jozi@Work developmental service delivery model outlined by the Executive Mayor in the 2014 State of the City Address, the agency implemented a portfolio-wide enterprise development programme in 2015/16. The programme has a new approach to contracting in selected developments, with a managing contractor responsible for subcontracting local SMME construction companies, and ensuring skills transfer within a construction contract period. The Jozi@Work approach requires the JDA to set new targets for capital and operating expenditure (contracted services and repairs and maintenance) through SMMEs.</p>	<p>The agency will continue to implement the enterprise development programme in compliance with the Jozi@Work programme, along with a number of Jozi@Work packages in 2015/16.</p> <p>Through its construction work, JDA will seek to optimise the number of local construction jobs created. In addition to the normal JDA practice of reserving a percentage of the value of all construction contracts for local SMMEs, projects will also be packaged to create opportunities for local SMMEs in line with the Jozi@Work principles.</p>
Communication & Development	<p>The JDA's continues to engages communities in all its development areas, to this end we will continue to:</p> <ul style="list-style-type: none"> Enable the City to keep stakeholders informed, making sure there is accurate understanding of the impact of City developments in their area. Ensuring that stakeholders are actively engaged from the very inception of the project concept 	<p>Reflecting the priority focus the JDA places on communication and development, the performance of the JDA's Development Facilitation Department in third two in 2015/16 includes:</p> <ul style="list-style-type: none"> The JDA has developed a workshop programme that seeks to empower

Game Changer	2015/16 Activities	Highlights in Third Quarter
	<p>and play a meaningful role in shaping the development outcomes and future custodianship of the development</p> <ul style="list-style-type: none"> The introduction of Development Facilitation capacity within the JDA will allow us to actively drive investment promotion and property development deals. 	<p>Kliptown SMMEs to be better able to tender for SMME work from JDA and other COJ entities.</p> <ul style="list-style-type: none"> Kazerne intermodal facility: The JDA, in collaboration with JPC, is developing an operation and management plan for the future use of the facility, including allocation and negotiations with potential operators. Discussions were had with taxi operators on the facility in the 3rd quarter. Appointment of consultants to design the operational and management plan is to be finalised in 4th quarter. Issued a tender for implementation of the National Treasury's NDPG precinct management toolkit in Jabulani. The deed of donation for the Constitutional Hill Historic donation of constitution court land parcel has now been signed by all parties. Sessions were convened for discussion on the future development of Constitution Hill with Provincial and COJ partners, and a Request for Interest has been developed with the Conhill Devco for future development of developable portions at Constitution Hill.

Section 4: Performance against Service Standards

Section Not Applicable to JDA




Section 5: Capital Projects & Expenditure

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard.


Capital Budget Management⁸

Programme	2015/16 Adjusted Budget	Q3 Target	Q3 Actual	Q3 Actual %	Year Target YTD	Year Actual YTD	% Year Actual YTD	% Actual on Annual budget
	R' 000	R' 000	R'000	%	R' 000	R'000	%	%
Programme 1: Inner City transformation	146,000	40,020	14,421	34%	104,420	38,711	37	27%
Programme 2: TOD Node developments	353,835	93,770	28,427	30%	250,379	116,324	46	33%
Programme 3: GMS Priority development	318,840	81,994	36,154	44%	221,473	85,888	40	28%
Programme 4: Greenways	754,540	171,006	126,910	74%	529,976	476,609	90	63%
Programme 5: Alexandra Renewal Project	65,300	14,066	3,346	24%	46,686	17,628	34	23%
Programme 6: Administration and management	11,100	0	0,417	0%	6,440	1,581	25	14%
Programme 7: Development Facilitation	9,830	3,819	2,528	66%	5,784	7,291	126	74%
Total	1,659,446	406,379	212,300	52%	1,165,160	744,035	64%	45%

For each programme, the KPIs are illustrated as follows:

	Target achieved (95–100% rating)
	Target partially achieved (80–94% rating)
	Target not achieved (<79% rating)

Capital Expenditure Performance against Budget:

KPI: Percentage of capital budget spent	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Programme 1: Inner City Transformation	50%	34%	16%		Target not achieved

⁸ This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

Programme 2: TOD / Station Precinct Development	50%	30%	20%		Target not achieved
Programme 3: Priority Area Planning and Implementation	50%	44%	6%		Target not achieved
Programme 4: Greenways	50%	74%	14%		Target achieved
Programme 5: Alexandra Renewal Project (ARP)	50%	24%	26%		Target not achieved.
Programme 6: Administration and Management	60%	0%	60%		Target not achieved.
Programme 7: Development Facilitation	30%	66%	44%		Target achieved

To note, that the JDA also receives additional capital projects to implement from the CoJ during the financial year, including after the mid-year budget review and these will be reported as additional projects.

Section 5.1: Programme Performance Assessment

The JDA's progress towards achieving its KPIs is assessed using the performance scorecard, which measures performance in terms of both the JDA's service delivery mandate and financial and other resource management processes. The scorecard targets, which are set and agreed on by JDA management, the Board and the CoJ, aim to improve the JDA's performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalisation. Performance per programme and per KPA are summarised in the table below:

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
Programme 1: Inner City Transformation		13	6	46%	1	8%	6	46%
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	6	4	67%			2	33
	Economic Empowerment	4			1	25%	3	75%
	Productive Development Partnerships	2	2	100%				
Programme 2: TOD / Station Precinct Development		27	18	67%	2	7%	7	26%

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	20	16	80%	1	5%	3	15%
	Economic Empowerment	4			1	25%	3	75%
	Productive Development Partnerships	2	2	100%				
Programme 3: Priority Area Planning and Implementation		26	14	52%	2	8%	10	38%
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	19	12	63%	1	5%	6	32%
	Economic Empowerment	4			1	25%	3	75%
	Productive Development Partnerships	2	2	100%				
Programme 4: Greenways		42	32	76%	4	10%	6	14%
	Capital expenditure for Programme 1	1	1	100%				
	Development Progress per Project	36	31	86%	3	8%	2	6%
	Economic Empowerment	4			1	25%	3	75%
	Productive Development Partnerships	1					1	100%
Programme 5: Alexandra Renewal Project (ARP)		17	9	53%	1	6%	7	41%
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	10	7	70%			3	30%
	Economic Empowerment	4	1	25%	1	25%	2	50%
	Productive Development Partnerships	2	1	50%			1	50%


JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
Programme 6: Administration and Management		14	9	64%			5	36%
	Human Resources	7	6	86%			1	14%
	Financial management and corporate governance	3	3	100%				
	Economic Development	3					3	100%
	Operating expenditure	1					1	100%
Programme 7: Development Facilitation		6	3	50%			3	50%
	Capital expenditure on projects for Programme 7	1	1	100%				
	Development Progress per Project	2	1	50%			1	50%
	Economic Empowerment	3	1	33%			2	67%

Key indicators, such as jobs created and capital expenditure to date, are measured and verified by independent quantity surveyors or project managers for each of the JDA's developments. With regard to job opportunities created through the Expanded Public Works Programme (EPWP), the CoJ's Economic Development Department independently verifies the JDA's reported job numbers on a monthly basis.

The KPIs set for each JDA substantive programme were:

- Capital expenditure against budget.
- Development progress against target.
- Economic empowerment measures, including the number of short-term job opportunities created, BBBEE spend commitment as a percentage of total procurement (capital expenditure), and SMME spend commitment as a percentage of total spend (capital expenditure).
- Productive development partnership measures, including positive media reports and number of tours or stakeholder events.

For each programme, the KPIs are illustrated as follows:

	<i>Target achieved (95–100% rating)</i>
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Target partially achieved (80–94% rating)



Target not achieved (<79% rating)

Operating expenditure is not reported per programme, but general commentary on operating expenditure against target for the JDA as a whole is provided in the financial review.

Programme 1: Inner-city Transformation

Programme purpose: Manage the development of Johannesburg's inner city through capital investment in selected areas by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

Guided by the CoJ's inner-city transformation roadmap, the JDA focuses on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the CoJ; financial services networks for the city region; and cross-border trade networks for the African continent. The programme will be implemented in phases aimed at strengthening inner-city precincts, addressing movement challenges, and improving the quality of the built environment across the inner city. The programme includes elements of transit-oriented node and corridor development. Precinct developments are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.

The transit precincts that are being developed in the inner city are the Park Station precinct and the Westgate Station precinct. Beyond these nodes, other precinct and corridor projects that are intended to improve the productivity, inclusivity and liveability of the inner city as a safe, clean and sustainable neighbourhood that serves its growing population include the Hillbrow Tower precinct, Inner-city core public environment upgrade, Eastern Gateway precinct, Intelligent operations centre, Johannesburg Art Gallery and Kazerne property development.

Progress on projects

a). Park Station Precinct: Inner City Commuter Links/ Jack Mincer Taxi Facility Extension

This project is halfway through a six-year budget allocation. In 2015/16 the extension of the Jack Mincer (Noord Street) taxi facility is being prioritized. The technical nature of this construction will require a two-year construction programme that involves careful management of the phasing in order to minimize the relocation and disruption of taxi operations. In addition, the consultation and design process will begin for the first phase of railway line decking to create a new public square as a reception space in front of the Joburg Art Gallery. The deck design and construction will require consultation with the Passenger Rail Agency of South Africa, design approval from the Johannesburg Property Company and the Johannesburg Roads Agency, and a detailed engineering design and

costing analysis. An indicative budget of R90 million has been allocated for the deck construction, but this will have to be adjusted once the designs are finalised and approved.

It is envisaged that part of the deliverables for Phase 5 & 6 in 2015/16 will be to complete the upgrade of the markets project along Noord Street between Twist and Klein Streets, Jack Mincer taxi facility (Noord Street taxi rank).

b). Hillbrow Tower precinct

Hillbrow is a famous neighbourhood in the inner city of Johannesburg. The precinct is defined by the walking radius of approximately 1km around the Hillbrow Tower and transects the Hillbrow and Berea areas which are roughly bounded by Clarendon and Willie Streets in the north, Joe Slovo Drive in the east, Smit Street in the south and Hospital Street in the west. In 2015/16 Phase 2 of the project will focus on the public environment upgrade of Goldreich and Nugget Streets in Hillbrow. As a key part of the development facilitation work in this area, the JDA has engaged Telkom in a property development to establish an enterprise hub at the base of the Hillbrow Tower; and to create economic development opportunities for the creative industries in Hillbrow. In addition, Telkom has agreed to open the Tower as a tourist attraction, enabling visitors to travel to the top of the tower for breath-taking views of the City. The launch of this event is due to take place in June 2016/17.

c). Inner City Core Public Environment Upgrade

Against the backdrop of the inner-city urban design implementation plan, the CoJ prioritised the inner-city core for public environment upgrading in years three and four of the Charter implementation period. The project seeks to improve continuity and connectivity for pedestrians towards and between places of work, public transport and other facilities. It will also strive to improve access to spaces for recreational and social purposes. The project area is defined as De Villiers Street in the North, Commissioner Street in the South, Sauer Street in the West, and End Street in the East. In 2015/16 the project will focus on the public environment upgrade of Wolmarans and Plein Streets between Eloff and Klein Streets.

d). Kazerne Property Development

A new integrated transport facility with good access to Park Station will improve the quality of life of commuters, streamline the flow of traffic and strengthen the commuting connections with the rail service. The underdeveloped Kazerne taxi facility provides an opportunity for such a facility. This site is of strategic importance as it is close to Park Station and the proposed project to deck the railway line and connect Braamfontein with the inner city. There is thus an opportunity to increase the scale of this development and optimise the land use by including other land uses such as retail, hotel and residential. Designs for the new intermodal public transport facilities were approved and construction

commenced in January 2015. It is anticipated that the new facility will be completed by Medium Term Expenditure Framework.

g). Johannesburg Art Gallery Upgrade

In 2015/16, the JDA undertook to complete the structural repairs to the roof. This work included Heritage Approvals that were obtained.


h). Eastern Gateway

In 2015/16, an urban design framework of the Eastern Gateway will concentrate on the Region F's eastern boundary including linkages and the identification of catalytic projects in the area.






Programme 1: Inner-city transformation

Performance against KPIs








Programme 1: Capital Expenditure

KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Percentage of capital budget spent	50%	34%	16%		Target not achieved

Programme 1: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Park Station Precinct: Inner-City Commuter Links/Jack Mincer Taxi Facility Extension ⁹	40%	40%	0%		Site handover has been delayed due to challenges in obtaining temporary taxi ranking and parking facilities in close proximity. JDA is trying to secure alternative parking and ranking areas. The SDP has been approved an application for a Section 7-6 will be submitted in order for the works to commence.
Hillbrow Tower Precinct	70%	95%	25%		The contractor is currently onsite and progressing well. The contractor has completed the earthworks on Nugget Street and has started with excavations on Goldreich Street. All SMMEs have been appointed. There is an additional allocation of R6 million to this project. It is anticipated that construction will be completed by 30 June 2016.
Inner City Core Public Environment Upgrade	50%	68%	18%		Construction is underway. All works from King George to Rissik Street has been completed. Paving and electrical is completed from Klein to Wanderess Street. Delays are due to non-access to site on Plein Street due to the high pedestrian volumes and traders. Contractor commenced in Plein Street in January 2016. The SMMEs are progressing well onsite after having resolved all the issues with regards to the traders and taxis.
Kazeme Property Development Phase 1	45%	40%	5%		Handing over site to the main contractor is at risk, due to the fact that no correspondence has been received from the South African Post Office (SAPO). The Minister visited the site to review the project. Correspondence from the SAPO indicates that the minister will sign the offer. It is anticipated if all goes well the site will be handed over in April 2016.
Johannesburg Art Gallery	70%	97%	27%		Progress on site is generally slow due to the contractor effecting payment to subcontractors late. The contractor agreed that they have financial problems and agreed to cede their outstanding payments of their suppliers and subcontractors to the JDA. There are still snag items outstanding that has to be

⁹ The inner-city community links and Jack Mincer taxi facility extension were combined into one project.

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)	
					repaired by the subcontractors. The contractor started with the clearing of the site and is currently in penalties.	
Intelligent Operations Centre	-	-	-		KPI removed. Project to be implemented by CoJ: Public Safety and not the JDA.	
Number of Short Term EPWP job opportunities created through Programme 1 construction contracts	529	0	529		There are no new short term EPWP job opportunities created in the third quarter, but the overall of 158 short term EPWP have been created for 2015/16 financial year; under programme 1 construction contracts.	
BBBEE expenditure share as a % of total capex over the same time period	100%	91%	9%			
SMME expenditure share as a % of total Capex over the same time period	30%	3%	27%			
Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period	5%	-	-			
Positive media reports as a % of the total number of media reports on the JDA in the Johannesburg Inner City	90%	100%	10%			
Number of property developments facilitated by the JDA in the Johannesburg Inner City	0	0	-			
Additional Projects						
Eastern Gateway UDF	-	Status Quo and Initial Proposals have been drafted	-			Public Consultation has begun. A draft document is currently in progress. Final Submission is anticipated by 15 June 2016.

Programme 1: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
Park Station Precinct: Inner-City Commuter Links/Jack Mincer Taxi Facility Extension ¹⁰	30.0	20.0	0.138
Hillbrow Tower Precinct	30.0	36.0	11.34
Inner City Core Public Environment Upgrade	10.0	16.49	1.79
Kazeme Property Development Phase 1	100.0	100.0	0.0399
Johannesburg Art Gallery	2.0	10.0	1.11
Intelligent Operations Centre	4.07	1.0	0.0
Additional Projects			
Eastern Gateway UDF	1.0	1.0	0.0

¹⁰ The inner-city community links and Jack Mincer taxi facility extension were combined into one project.

Media Reports and Coverage: Inner City Programme

A total of seven stories were recorded for Programme 1 for the third quarter, six of these being positive and one rated neutral.

The Paterson Park development has long been a topic of discussion between the City of Joburg and the residents of Orange Grove and Norwood, in which about 80 new residential units will be developed, with the remainder of the land still functioning as a park.

The City stated that social infrastructure, schools, clinics, police stations and government offices would be strategically located to support the growing population. The intention of the plan is to allow more people to live closer to their workplace and without having to use private motorised transport. The plans have however been opposed by residents hence the neutral rating on this article.

The remaining six positive articles focused on the sod-turning ceremony of the Cosmo City Fire Station being developed by the JDA on behalf of the City's Public Safety Department and specifically Emergency Management Services. The Executive Mayor of Joburg, Councillor Parks Tau said "the building of any EMS facility is premised upon a strategic goal to increase on the accessibility of the services to the community. These facilities are an embodiment of the City of Joburg's commitment to building safe communities and therefore a safer city."

In January the JDA held a focus group meeting with representatives of the community with the aim of gaining insight to what the community needs in particular with the development of the Eastern Gateway in the inner city. "It is vital that these neighbourhoods be enhanced through the provision of quality affordable housing, social amenities and public open space to improve the lives of vulnerable residents of the inner city" the JDA was quoted.

Programme 2: Transit-oriented node development

Programme purpose: Manage the development of strategic transit nodes through capital investments by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

The programme involves targeted investment in transit nodes such as Gautrain stations, commuter rail stations, BRT stations and key taxi facilities. In addition to public investment, the development of transit-oriented precincts requires substantial development facilitation to re-orientate property values and land use towards agglomerated and high-intensity uses and functions (including high-density, affordable housing and suitable office and retail activities). A number of priority precincts have been identified as JDA developments, including:

- Transit precincts in established corridors, such as the Nancefield Railway Station precinct, the Orlando East Station precinct and the Jabulani node along the commuter railway line in Soweto.
- Transit precincts on the new BRT corridors such as the Empire–Perth, Alexandra–Randburg and Louis Botha trunk routes. The key development areas are Alexandra and the Randburg CBD.

Progress on projects

a). Nancefield Station Precinct

The Nancefield Station precinct is a flagship transit-oriented development project that the CoJ wishes to implement over the medium term. In 2015/16 the focus will be on the completion of Phase 3 and Phase 4. Phase 3 entails the construction of new roads and stormwater infrastructure, the construction of new water and sewer infrastructure and the construction of two new roads. This project phase has reached practical completion stage in December 2015. Phase 4 entails the construction of the multi-purpose sport centre which commenced on the 5th February 2016.

b). Jabulani node

The Jabulani Node is a key focus area for the City. An updated Urban Development Framework was approved by the City in 2015 and a number of key interventions were identified. The current projects on the ground include the construction of a new stormwater system and the construction of a new link road. Works on both projects will be completed during February 2016.

A new professional team has been appointed to continue with the programme; i.e. Phase 4, 5 & 6. The team is currently focusing on the planning and design of a second link road, the remodelling of the Bolani High Street and a new multi-purpose soccer and learning centre. It is expected that construction works on the first phase of the new programme will start by May 2016.

c). Randburg CBD

Despite its potential as a key regional transit node, Randburg CBD continues to function as a mid-level retail and office node, with less than optimal residential land usage and limited public amenities. The scope of work includes detailed designs for the larger capital expenditure programme in 2014/15 and 2015/16 and the first phase of construction. A total of R40 million was allocated for development of Randburg in 2014/15. A professional team was appointed to design the public environment upgrades, but construction was delayed. One block on Hill Street Mall has been completed, and two more blocks and public environment upgrade work will be completed in 2015/16. The second phase in 2015/16 will focus on restructuring the streets to introduce a public transport link and improve mobility.

d). Orlando East Station precinct

The project entails the development of a high density, mixed-use facility along the Mooki Street public transport corridor in Orlando East. The scheme consist of a dual rugby and soccer field, an indoor sports facility, approximately 120 social housing units and 500m² of retails space. The first phase of the project entails the construction of the sports component of the scheme. A contractor was appointed during January 2015, but works have not started as a section of the community is resisting the project. Discussions with all the relevant stakeholders in the area are continuing.

e). Rotunda Park precinct

The Turffontein strategic area framework identified Rotunda Park as a potential transit node. A multi-year allocation was awarded to the JDA for a new development, which started in 2014/15. In 2015/16 Phase 1 of the project will be completed by end January 2016. Phase 1 of the project entails the development of the gateways to the precinct. The team is also focusing on the planning and designs of the linear park which is the key feature of the precinct. An extensive stakeholder process was undertaken from June 2015 to August 2015 to ensure that the community participates meaningfully in the planning of the intervention. It is envisaged that construction of Phase 2 of the project will start during May 2016.

f). Westbury development

Westbury is a residential neighbourhood along the Empire–Perth corridor. Westbury is well located regionally, but its legacy as a racially segregated area means that its connection to surrounding suburbs is weak, enforced by significant buffer spaces – especially in the northern interface with Sophiatown. Westbury is well served by a range of transport opportunities and social infrastructure but, despite the ease of access to these services, the urban frame in which they are located is fragmented. In 2015/16 the public environment upgrading and complete streets projects will be completed and designs will be prepared for housing upgrades and improvements.

g). Knowledge precinct NMT infrastructure and bridge

The Knowledge precinct incorporates the nodes of Auckland Park and Milpark on the Empire–Perth corridor, as identified in the Empire-Perth strategic area framework. NMT infrastructure linking the University of Johannesburg and the University of the Witwatersrand to the inner city was completed. Designs for a pedestrian bridge and public environment upgrade to provide safe pedestrian crossing from the University of Johannesburg to Campus Square are under way. In 2015/16 the first phase of bridge construction will take place to be completed by October 2016.

h). Corridors of Freedom: sport facilities


The CoJ's Community Development Department is responsible for maintaining and upgrading the city's sports, recreation, libraries and other community facilities, Paterson Park and Union Stadium have been in existence for a number of years and are being used on a daily basis. These facilities are close to transport nodes, including the newly constructed BRT system, which provides easy and

affordable access to such facilities. These facilities, situated along the Corridors of Freedom, provide for different sporting codes and the surrounding schools often use them for their school activities. The facilities are showing wear and tear and need to be further developed, upgraded and refurbished to ensure continuity and sustainability for the community.

Facility	Description
Paterson Park	<p>The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community. In 2014/15 the preliminary planning began. In 2015/16 a budget of R77.5 million will be spent; it is envisaged that this development will be completed with an additional allocation of R134 million in 2016/17 for the creation of a regional sports facility.</p>
Union Stadium	<p>The facility has been in existence for a number of years and is being fully utilized on a daily basis by the community it serves. This facility is situated strategically close to transport nodes like the newly constructed Bus Rapid Transit (BRT) system which assist commuters' easy and affordable access to such facility. The facility also forms part of the facilities that are situated along the Corridors of Freedom.</p> <p>This facility has different sporting codes which makes it unique and attractive to fitness fanatics and private functions like weddings, funerals etc. The surrounding schools also utilize this facility more often than usual for their school activities. The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community.</p>
Brixton Social Cluster	<p>This project includes the creation of an integrated cluster of social and community facilities in Brixton, some of which are already located in proximity to each other. Together with Community Development and Development Planning Departments in the City of Joburg, the project scope will be refined.</p>
Pennyville Community Centre	<p>The above development was identified as a mayoral priority project and will be developed from ground up in three phases. The facility would be capacitated to support different sports and recreational requirements which make it unique and relevant to the smart city initiatives and further provide for programmes like aerobics, indoor sporting as well as cyber rooms.</p>













Performance against KPIs


Programme 2: Capital expenditure

KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
% of capital budget spent	50%	30%	20%		Target not achieved

Programme 2: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Nancefield Station Precinct (Phase 3)	100%	100%	-		Project completed.
Nancefield Station Precinct (Phase 4)	35%	43%	8%		Phase 4 contractor has been appointed and site handover date was 5 th February 2016. The anticipated completion date of this phase is 30 th September 2016.
Jabulani TOD Node (Phase 2)	100%	100%	-		Project completed.
Jabulani TOD Node (Phase 3)	100%	100%	-		Project completed.
Jabulani TOD Node (Phase 4)	20%	35%	15%		Phase 4 is at the tender procurement stage and at 35% and anticipates site handover on 1 st May 2016.
Orlando East Station Precinct (Phase 1)	20%	40%	20%		Following the site handover on the 22 June 2015, the contractor commenced with site establishment however on the 3 July 2015 the community stopped work on site due to unresolved concerns. The project has been on hold for 13 months. The JDA conducted a meeting with the project team on the 15 February 2016 to confirm the recommencement of the project. The JDA informed the Contractor that they should revise their 30% increase of the contract price as it was too high and deemed not to be acceptable by the JDA. The Contractor has managed to reduce some of their material prices but is currently sourcing acceptable structural steel prices as their price is double the industry rates.
Westbury NMT (Phase 2)	40%	100%	60%		Project completed.
Westbury Pedestrian Bridge	40%	90.93%	50.93%		Construction underway at the advanced stage.
Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade (Concept Design)	25%	0%	25%		Appointment of professional team is underway.
Knowledge Precinct: Campus Square Bridge (Detailed Design)	25%	20%	5%		Concept design has been completed. Field investigations are currently underway. Detail design is at the advanced stage.
Rotunda Park Precinct (Phase 1)	80%	95%	15%		Construction is at an advanced stage. Anticipated completion on the 28 March 2016. Unusually high rainfall in the last three weeks resulting in the loss of production and the delay in re-opening the road.
Rotunda Park Precinct (Phase 2)	20%	25%	5%		Tender procurement has been advertised and it was closed on the 11 April 2016. Construction expected to commence early June 2016.
Randburg CBD Precinct Development (Phase 1)	100%	100%	-		Project completed on 30 th October 2015.

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Randburg CBD Precinct Development (Phase 2)	40%	50%	10%		Construction commenced on the 1 st February 2016 and anticipated completion on the 30 th June 2016.
Corridors of Freedom Sports Facilities: Union Stadium	50%	91%	41%		Construction is at the advanced stage
Corridors of Freedom: Patterson Park (Phase 1)	40%	100%	60%		Project is at practical completion.
Corridors of Freedom: Patterson Park (Phase 2)	40%	40%	-		Tender was awarded at the end March 2016.
Orlando Ekhaya New Community Centre	-	-	-	-	KPI removed. The project was withdrawn by client department due to budget unavailability.
Brixton Social Cluster (Concept Design)	20%	0%	20%		Appointment of professional team is underway. Professional team appointment is anticipated in May 2016. Delays were due to City Development Planning delaying the process of finalizing the Urban Design Framework for the area.
Noordgesig Social Precinct Redesign (Concept Design)	25%	5%	20%		The project design team was appointed in December 2015. The status quo investigation has been completed and design of precinct has commenced. Heritage studies are in progress and draft Preliminary Heritage Report to be submitted.
Knowledge Precinct: UJ Cycle Lanes	-	-	-	-	KPI removed. Project not implemented as the funding was withdrawn by the client department (Transport).
Knowledge Precinct: Milpark Owl Street Precinct	-	-	-	-	KPI removed. Project not implemented as the funding is only to be made available in 2016/17 by client department (Transport).
Pennyville Community Hall	-	-	-	-	KPI removed. Project not implemented as the funding is only to be made available in 2017/18 by client department (Transport)
Balfour Park	-	-	-	-	KPI removed. Project not implemented as the funding is only to be made available in 2017/18 by client department (Transport).
Pocket Places on Louis Botha Corridor	-	-	-	-	KPI removed. Project not implemented as no funding was made available in 2017/18
Louis Botha Co-Production Zone for Social Interventions	-	-	-	-	KPI removed. Project not implemented as no funding was made available in 2015/16
Perth/Empire Corridor Co-Production Zone for Social Interventions	-	-	-	-	KPI removed. Project not implemented as no funding was made available in 2015/16
Number of Short Term EPWP job opportunities created through Programme 2 construction contracts	780	17	763		There are 17 new short term EPWP job opportunities created in the third quarter, but the overall of 399 short term EPWP have been created for 2015/16 financial year; under programme 2 construction contracts.
BBBEE expenditure share as a % of total Capex in Programme 2	100%	94%	6%		
SMME expenditure share as a % of total Capex in Programme 2	30%	43%	13%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex in Programme 2	5%	0%	5%		
Positive media reports as a % of the total number of media reports on the JDA in the Station Precincts	90%	100%	10%		
Number of property developments facilitated by the JDA in the Station Precincts	0	0	-		

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Additional Projects					
Corridors of Freedom: Westbury Transformation Development Centre	20%	20%	-		Detailed designs are completed and awaiting approval by JDA EXCO.

Programme 2: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
Nancefield Station Precinct (Phase 3 & 4)	30.0	59.0	2.39
Jabulani TOD Node (Phase 2, 3 & 4)	18.5	18.5	2.42
Orlando East Station Precinct (Phase 1)	25.0	5.0	0.649
Westbury NMT (Phase 2)	11.2	36.4	0.0
Westbury Pedestrian Bridge	10.0	24.9	7.39
Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade (Concept Design)	5.0	5.0	0.0
Knowledge Precinct: Campus Square Bridge (Detailed Design)	45.0	4.9	0.439
Rotunda Park Precinct (Phase 1 & 2)	30.0	22.5	6.97
Randburg CBD Precinct Development (Phase 1 & 2)	30.0	50.0	3.08
Corridors of Freedom Sports Facilities: Union Stadium	9.7	13.3	3.96
Corridors of Freedom: Patterson Park (Phase 1 & 2)	35.5	77.5	0.301
Orlando Ekhaya New Community Centre	4.0	1.97	0.567
Brixton Social Cluster (Concept Design)	1.5	1.5	0.0
Noordgesig Social Precinct Redesign (Concept Design)	1.5	1.5	0.069
Additional Projects			
Corridors of Freedom: Westbury Development Centre	6.0	6.0	0.183

Media Reports and Coverage: Transit oriented node development

The developments in Jabulani Precinct were covered in the Sowetan. The developments have caused the value of properties in the township to shoot up, with the starting price of ordinary four-roomed houses ranging from R350 000 to R500 000 reported the Sowetan. Bethuel Sithole of Jabulani, Soweto, never thought his neighbourhood would transform into the city that it is gradually becoming. Only one article was recorded for this programme.

Programme 3: GMS priority area planning and implementation

Programme purpose: Manage the development of strategic economic nodes in marginalised areas through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

This programme develops activity nodes in priority development areas to improve living conditions and create sustainable human settlements. It aims to create new economic opportunities, accommodate employment opportunities and provide access to markets and mass transit services. Guided by the urban development frameworks prepared in partnership with the Department of Development Planning, the JDA implements multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrade of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multipurpose centres, public open spaces and green spaces. Wherever possible, the JDA establishes community development partnerships, including partnerships in the retail and housing sectors, to stimulate private property development.

The JDA's business plan identified two area development projects and a portfolio of technical assistance projects to be implemented on behalf of the CoJ Departments of Housing, Health and Social Development, including a new assignment to develop a fire station in Cosmo City for Emergency Management Services under programme 3 in 2015/16. These projects made up a capital budget of R196.8 million, funded through:

- The urban settlements development grant allocation to the CoJ. This grant is channelled through the JDA for Kliptown.
- The neighbourhood development partnership grant allocation to the CoJ, which is channelled through the Department of Development Planning for Diepsloot.
- Various CoJ funding allocations, including the departments of Health, Housing, and Community Development, and Emergency Management Services.

Progress on projects

a). Kliptown development

In 2015/16 a COJ Technical Steering Committee was set up and consists of most of the MOE's and City Departments. The aim of the Committee is to guide the planning and prioritisation of interventions in the area over the next three years. A decision was taken to prioritise the upgrade of the interface between the WSSD and Union Road. This would define trading spaces and enable better movement for pedestrians and visitors. The scope of work also includes limited remodelling works at the Kliptown Hotel and the rollout of Wi-Fi. The upgrading of the informal trading section was deferred as the scope of works is yet to be agreed upon. The tender process for the appointment of a contractor is underway and it is envisaged that works on the new phase will start by end February 2016.

b). Diepsloot development

The CoJ's development programme for Diepsloot aims to establish the area as a socially, economically and environmentally sustainable human settlement that is spatially integrated into the

city, with access to basic services and opportunities for social mobility and economic development. In 2007, the CoJ was allocated a multi-year capital grant through the National Treasury's *neighbourhood development partnership grant* for R10 million in 2009/10, R46 million in 2010/11, R10 million in 2011/12 and R3.5 million in 2012/13. In 2015/16 the focus will be on the completion of phase 3 of the project. Construction of phase 3 is currently underway and will be completed by mid-February 2016. The City will engage National Treasury about possible funding for future projects through one of its development grants.

c). Technical assistance projects: Sol Plaatjie Road construction

In 2012/13, the JDA was requested to take on the role of implementing agent to build road infrastructure on behalf of the CoJ Department of Housing. The JDA completed phase 1 of the construction of roads and stormwater systems in area 1 and area 2 of Sol Plaatjie in 2012/13 and area 3 was completed in 2013/14. In 2015/16 the last phase of this project will entail the construction of a link road between Sol Plaatjie and Dobsonville. Construction of this phase of the project started on the 3rd November 2015 and will be completed by end June 2016.

d). Technical assistance projects: CoJ clinics programme

The CoJ's Directorate of Health appointed the JDA to manage its capital works programme. In 2015/16 the JDA will be implementing development projects for 12 clinics on behalf of the Directorate of Health

e). Technical assistance projects: Cosmo City fire station

The JDA has been appointed as implementing agent to construct a new fire station in Cosmo City for Emergency Management Services. In 2015/16 the project will entail the construction of a new quality fire station to service Cosmo City. Construction commenced in October 2015 when the budget confirmation was received on the 8 September from client department. The budget of R30 million is allocated for 2015/16.

f). Technical assistance projects: Alexandra and Bambanani automotive property developments


The CoJ Department of Economic Development initiated two property development projects to expand the automotive industry cluster in Gauteng: the Bambanani automotive node in Ivory Park and the Alexandra automotive industrial node. In 2015/16, construction of the Alexandra Automotive Park started in June 2015, with the aim of completing the construction works by end June 2016. An internal team is currently working on a sustainability plan. It is envisaged that this process will be completed prior to the anticipated completion of the construction work.

g). Technical assistance projects: Golden Harvest Rehabilitation Centre







The CoJ Social Development Department appointed the JDA to plan and design the Golden Harvest Rehabilitation Centre upgrade. The centre is located in Randburg and can currently accommodate only 20 patients at any time. The project aims to increase capacity by providing additional facilities on the premises, including a new detox unit, additional accommodation and extensive refurbishments to the administrative centre. In 2015/16 this project will focus on construction of a detox centre and the administration wing of the facility with the aim to deliver the completed project by August 2016.












Performance against KPIs









Programme 3: Capital expenditure

KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Percentage of capital budget spent	50%	44%	6%		Target not achieved

Programme 3: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Kliptown Precinct Re-Development (Phase 2)	30%	40%	10%		A contractor has been appointed for the construction work for phase 2. The contractor was introduced to the community on 23 March 2016. Appointment of SMME mentor is currently in progress. The review and approval; of the contractors safety file is currently in progress. The contractor to commence with the work after the Safety File has been approved. The revised layout for the informal traders was presented to the Department of Economic Development for sign off. This work will form part of the package for phase 3.
Diepsloot Development Ingonyama Road Upgrade (Phase 2)	100%	100%	-		Project completed.
Diepsloot Development Ingonyama Road Upgrade (Phase 3)	100%	100%	-		Project completed.
Alexandra Automotive Industrial Park	50%	55%	5%		Construction is progressing well and anticipated date of completion 10 August 2016. Delays have been experienced due to the discovery of hard rock and ground water on the site.
Cosmo City Fire Station	40%	49%	9%		Building Plans approval has been obtained. Contractor commenced with construction on 11 January 2016. Bulk Earthworks was completed on 24 February 2016. Setting out of building works commenced on 9 March 2016.
Diepsloot Community Centre	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev).
Lehae New Library	60%	40%	20%		The design work has been completed and contractor was appointed late (5 April 2016). The circulation of the SDP amongst the various City of Johannesburg departments is in progress. The approval of the SDP is expected before the end of March 2016.

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Rabie Ridge Multi-Purpose Centre	60%	40%	20%		Designs have been finalized. SDP drawings in the process of being finalized, tender process concluded. A contractor was appointed on the 25 February 2016.
CoJ Clinics: Noordgesig	40%	40%	-		Construction has commenced. The contractor is in progress with earthworks and foundation preparations. The anticipated date of completion is 28 November 2016.
CoJ Clinics: Orchards	60%	55%	5%		Construction is underway. Rezoning has been approved and the new rights have been proclaimed. Building Plans approval in progress. The SMME database had to be re-opened for registration as there was a complaint from the community that the previous process was not widely publicized; this was following the submission of profiles by SMMEs that were not on the database. Anticipated completion date 26 October 2016.
CoJ Clinics: Westbury	65%	75%	10%		Contractor was appointed for construction of the clinic in March 2015, following a 2 months delay in the contractor approval process. Construction has progressed up to roof slab for single storey portion for the building and up to first floor slab height for double story superstructure. The construction of the 2 nd storey superstructure is in progress. Delays were due to illegal occupants on site. Interventions by the City of Johannesburg's Property Company (JPC), COJ Health and JDA are in progress with escalating matter to MEC after illegal occupants failed to vacate the premises on elapse of the eviction order.
CoJ Clinics Claremont	40%	25%	15%		The project is at the final detailed design stage. Tender procurement process underway. Delays were due to delay in issuing of the Title Deeds for even consolidation application submission. The JDA has engaged the JPC to assist in tracing the Title Deeds.
CoJ Clinics: Ennerdale	100%	100%	80%		Project completed.
CoJ Clinics: River Park	85%	81.4%	3.6%		Powers of attorney and company resolution from client are still outstanding. Contractor is currently busy finalising the works on site. Delays were due to the discovery of ground water and numerous stoppages by SMMEs.
CoJ Clinics: Ebony Park (Concept Design)	20%	8%	12%		This project is currently in the inception phase. Concept and detailed designs are underway.
CoJ Clinics: Esselen Street	70%	78.4%	8.4%		The contractor is progressing well onsite. An instruction has been given to the contractor to proceed with the structural works in the Old Building; steel shop drawings approval process in progress. The revised completion date is June 2016.
To CoJ Clinics: Florida (Concept Design)	20%	8%	12%		This project is currently in the inception phase. Concept and detailed designs are underway.
Golden Harvest Rehabilitation Centre	25%	40%	15%		Site handover was done on the 16 March 2016. CLO appointment is underway and to be concluded by 29 March 2016. CPC still to arrange a public meeting to Ward 96 and 101 to introduce the contractor and inform the communities of the commencement of the construction works.

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Sol Plaatjie	40%	58%	18%		During excavation for the Stormwater and box-cut of the road, the contractor encountered a sinkhole at chainage 88+000 as a result of illegal mineshafts running under the road. The sinkhole is approximately 8-10m deep and about 2m wide in diameter. All work at that chainage stopped as instructed by the Department of Minerals and Resources. The contractor is obtaining a quote from the geotechnical engineer to proceed with further investigations and provide suitable recommendations for action. The contractor was instructed to excavate further to determine the extent of the sinkhole. The geotechnical engineer recommended a design for closing of the cavity.
Langlaagte Pharmacy Depot	35%	40%	5%		Tender Evaluation completed and contract has been awarded. Site handover was done on the 5 February 2016. The anticipated date of completion is 7 November 2016.
CoJ Clinics: Protea South	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
Strefford New Library	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev).
CoJ Clinics: New Turffontein	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
CoJ Clinics: Zandspruit	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
CoJ Clinics: Parkhurst	-	-	-	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
Number of Short Term EPWP job opportunities created through Programme 3 construction contracts	929	34	895		There are 34 new short term EPWP job opportunities created in the third quarter, but the overall of 170 short term EPWP have been created for 2015/16 financial year; under programme 3 construction contracts.
BBBEE expenditure share as a % of total capex in Programme 3	100%	97%	3%		
SMME expenditure share as a % of total Capex in Programme 3	30%	25%	5%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%		
Positive media reports as a % of the total number of media reports on the JDA in the GMS Priority Areas	90%	100%	10%		
Number of property developments facilitated by JDA in GMS priority areas including	0	0	-		

Programme 3: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
Kliptown Precinct Re-Development (Phase 2)	30.0	20.0	0.105
Diepsloot Development Ingonyama Road Upgrade (Phase 2 & 3)	5.0	10.5	1.84
Alexandra Automotive Industrial Park	54.9	48.5	4.88
Cosmo City Fire Station	30.0	30.0	4.22
Diepsloot Community Centre	4.9	0.0	0.0
Lehae New Library	10.0	10.0	0.218
Rabie Ridge Multi-Purpose Centre	9.0	9.0	1.37
CoJ Clinics: Noordgesig	25.0	25.0	0.0
CoJ Clinics: Orchards	39.0	39.0	6.93
CoJ Clinics: Westbury	20.4	20.4	5.06
CoJ Clinics Claremont	1.0	1.0	0.0037
CoJ Clinics: Ennerdale	6.5	6.5	0.909
CoJ Clinics: River Park	6.5	6.5	0.908
CoJ Clinics: Ebony Park (Concept Design)	1.0	1.0	0.0
CoJ Clinics: Esselen Street	18.9	18.9	5.24
CoJ Clinics: Florida (Concept Design)	0.7	0.7	0.0
Golden Harvest Rehabilitation Centre	21.0	21.0	0.072
Sol Plaatjie	14.0	12.0	3.47
Langlaagte Pharmacy Depot	23.0	23.0	0.877

Media Reports and Coverage: GMS Priority Development Areas

One positive report covered by the Star and one neutral report were recorded for this programme in this quarter. Nasrec - an area which was revamped at a cost of R113-million for the 2010 soccer world cup, but which is still underdeveloped is set for massive development.

Nasrec is close to many tourist facilities such as Gold Reef City, the Apartheid Museum, Vilakazi Street and Kliptown, which made the area attractive for development, say Herman Pienaar, director of the City Development Planning department.

The plans are for the area to become a link between the CBD, Soweto and Roodepoort and this new Corridor will create direct links between these areas and will eliminate old apartheid spatial planning. The international bank which has expressed an interest in establishing its African headquarters there...will act as a catalyst for development in the area.

The neutral article titled "Walter Sisulu square in Soweto lacks the pulling power of Vilakazi Street" was covered by the Business Day.

The focus of the article was on Kliptown's Walter Sisulu square, where the Freedom Charter was officially adopted and signed on June 26 1955. Despite its rich history and investment by the City the square fails to attract tourists in contrast to Vilakazi Street situated just a few kilometres away.

The article claimed that the square should be attracting tourists given its rich history, museum and tourism offices, but that has not been the case. Spread over an area about the size of a football field, the square sits amid rows of worn-out 1950s homes, with dome-shaped corrugated roofs in dusty surroundings dominated by mini-bus taxis, vendors and small-time shop keepers. But a five-star hotel and museum are testimony to its potential as a tourist attraction.

Programme 4: Greenways

Programme purpose: Manage the development of strategic mass transit services and corridors through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

The greenways programme aims to reshape land-use patterns to promote new mass public transport corridors (including the roll out of BRT infrastructure) and a network of NMT infrastructure that promotes walking, cycling and the use of streets as public open spaces.

The medium-term implementation plan (2013/14 to 2015/16) has been developed and agreed to by the National Department of Transport and the National Treasury (in terms of the medium-term grant funding commitment), the Mayoral Committee, and the JDA's Board of Directors. The plan includes the construction of dedicated bus ways and bus stations; the construction of associated infrastructure, including multi-modal interchange facilities, bridges and road upgrades to ensure mobility and access; bus depots and layovers; and associated non-motorised transit infrastructure.

The JDA's adjusted budget identified construction work to the value of R630 million on Rea Vaya BRT infrastructure and two technical assistance projects for the Department of Transport to build non-motorised transit infrastructure to support corridor development. The projects are funded through the public transport infrastructure and systems grant from the National Department of Transport and capital budgets allocated by the CoJ for NMT infrastructure and the Corridors of Freedom. The work will be dominated by the construction of bus ways and stations (sections 8 and 15), which provide for the third trunk route (1C) that connects the inner city with Alexandra (along Louis Botha Avenue) and Alexandra with Sandton (along Katherine Street).

The JDA will continue to serve as the implementing agent for the Rea Vaya BRT infrastructure. It will also seek to incorporate pathways, cycleways and pedestrian infrastructure such as shelters and

lighting into all public environment upgrading projects through a series of priority implementation projects in Soweto, the inner city and Alexandra. The JDA implemented capital works projects to the value of R738.7 million in the greenways programme in 2014/15.

Progress on projects

a). Section 15 Phase 1 and 2

This Phase is part of the Rea Vaya Phase 1C Section 15 trunk route. Section 15 starts at the corner of Empire and Victoria Avenue, turns left at Empire Road and Clarendon Road and traverses along Louis Botha Avenue until the intersection of Pretoria Main and Lees Street and is approximately 12 km long.

During 2015/16 the scope of works entails completion of the Phase 1 construction. Phase 1 entails pavements strengthening of the BRT lanes, service relocation and upgrades, resurfacing of affected streets, street lights and traffic lights upgrades. Also to be done this financial year will be the continuation of the Phase 2 construction up to 70% construction progress. Phase 2 entails construction of mixed traffic lanes, pedestrian walkways, services upgrades, road widenings, street light and traffic light upgrades.

b). Section 15I – Great Walk Pedestrian Bridge

The Great Walk Pedestrian Bridge is part of the high quality pedestrian infrastructure that includes cycle lanes, from Alexandra to Sandton. This project traverses along Roosevelt Street, 1st Avenue, Watt Avenue in Alexandra and Rautenbach Avenue in Wynberg over the Grayston Interchange. The Great Walk Pedestrian Bridge is a dedicated pedestrian bridge over the Grayston Interchange and is meant to facilitate an easy and safe crossing point to about 10 000 pedestrian that walk between Alex and Sandton daily.

During the 2015/16 financial the scope of works entails continuation of the construction stage up to 45% completion. The overall completion is planned for March 2017.

c). Section 8A – M1 Flyover Bridge

The M1 Flyover Bridge is part of the Rea Vaya Phase 1C Section 8 trunk route. The Section 8 trunk route connecting Alexandra to Sandton starts at the corner of Louis Botha Avenue and Lees Street traverses over the M1 Highway (through the M1 Flyover Bridge) and lands on Katherine Street and traverses straight until the corner of Katherine and West Street, and up to the Sandton Gautrain Station precinct.

The scope of works for this project entails construction of new BRT dedicated bridge over the M1 Highway. During the 2015/16 financial year the scope of works entails continuation of the construction stage up to 55% complete. The overall completion is planned for March 2017.

d). Section 8B – Sandspruit Bridge and Marlboro Road widening

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of the Sandspruit Bridge from two-lanes to six lanes, with the two inside side lanes dedicated for BRT. Included in the scope of works is the construction of a new right turning lane off Katherine Drive into Marlboro Drive and a new lane off Marlboro Drive onto the M1 North On-Ramp. The project also involves street light upgrade, soft and hard landscaping. All public consultation processes have been completed.

During the 2015/16 financial year the scope of works entails continuation of the construction stage up to 80% completion. The overall completion is planned for November 2016.

e). Section 8C – BRT Lanes and mixed traffic lanes between Grayston and West Street

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of certain sections of Katherine Drive, pavement strengthening, construction of pedestrian walkways and cycle lanes, street light upgrade and upgrade of infrastructure services.

During the 2015/16 financial year the scope of works entails the continuation of the construction stage up to practical completion. Practical completion is planned for June 2016.

g). Sandton Loop

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The project aims to provide a dedicated public transport circulation link in the Sandton CBD which will include BRT and non-BRT modes of public transports. The project entails the design and construction of a dedicated public transport lane along Katherine Street between West and Fifth Streets, along Fifth Street between Katherine Street and Rivonia, along Rivonia Road between West Street and Fredman Drive and along Fifth Street between Freedman and Rivonia Road.

Included in this project is the design and construction of high quality Non-Motorised Transport (NMT) infrastructure along West Street between Rivonia Road and Grayston Drive and along Maude Street, from Rivonia Road to Fifth Street.

During the 2015/16 financial year the scope of works entails commencement of the construction stage up to 45% completion. The overall completion is planned for January 2017.

h). Alexandra Public Environment Upgrade

The Alexandra Public Environment Upgrade project is part of the Rea Vaya Phase 1C operations. It aims at developing high quality pedestrian walkways and connects the greater Alexandra to all key public transport nodes and areas of economy that surrounds it. This project is based on the strategy

of liveable Cities. The project entails design and implementation of NMT strategies that connect the greater Alex communities to all areas of public interests including the Rea Vaya Phase 1C. The objective of a complete street concept is to create green and liveable streets with primary focus on pedestrian mobility rather than motorists. The scope of works entails design and implementation of high quality walkways, cycling lanes, speed calming measures, soft and hard landscaping and street lighting. For implementation purposes the project has been divided into three phases. During the 2015/16 financial year the scope of works entails continuation of the construction stage until final completion. Phase 2 will be completed in February 2016.

Also to be done this financial year is the appointment of the professional team to commence with the required planning activities for Phase 3. The scope of works in this financial year for this phase only entails, the appointment of the professional team and field investigations.

j). Section 9 Sandton to Randburg

This project is part of the Rea Vaya Phase 1C. The Section 9 trunk route aims at connecting Randburg CBD, Montecasino to Sandton CBD. It starts at the corner of Fifth Street and Rivonia Road in Sandton, traverses along Sandton Drive, William Nichol and Republic Road to both Randburg and Montecasino.

COJ Transportation has indicated that this route should be implemented as a High Occupancy Vehicle (HOV) first to determine and develop demand for future comprehensive BRT operations.

During the 2015/16 financial year the scope of works entails detailed Traffic Impact Assessment (TIA) to assess the project viability and concept development. The implementation of this project is planned to commence next financial year.

j). BRT Alex Loop

This project is one of the Rea Vaya Phase 1C complementary routes. It aims at providing BRT services into the greater Alex on non-dedicated BRT lanes. This complementary route will commence at the intersection of Louis Botha Avenue and Vasco Da Gama Road, it will traverse along Vasco Da Gama Road, Lombardy Road into London Road and back to Louis Botha Avenue.

During the 2015/16 financial year the scope of works entails a detailed Traffic Impact Assessment (TIA) to assess the viability of this complementary route and concept development.

k). Klipspruit Valley Road Rehabilitation

The Klipspruit Valley Road is part of the Rea Vaya Phase 1A. A section of this route was damaged by flooding over the last two years. This project aims at investigating the extent of the damage and a long term design solution to avoid future flood damage. The scope of works for this financial year entails detailed Geotechnical Investigation, Hydrological studies and development of possible options to be considered for interventions.

l). Rea Vaya BRT Phase 1C Station

This project entails construction of ten new BRT dedicated stations along Sections 8 and 15 (7 along Section 15 and 3 along Section 8). The scope of works for this financial year entails commencement of the construction stage on at least 3 stations. The commencement of the construction stage will be depended on City of Johannesburg completing the revised business plan timeously.

m). Phase 1A, 1B and 1C NMT

This project entails design and implementation of NMT infrastructure along the existing BRT feeder routes and around the existing station precincts. The project aims at providing high quality pedestrian walkways connecting pedestrians to the Rea Vaya feeder routes and stations.

During the 2015/16 financial year this project has been divided into separate projects that cover BRT Phase 1A, Phase 1B and Phase 1C.

Phase 1A: The scope of works this financial year entails contractor appointment and construction of Phase 1A Feeder route project to practical completion. Also contractor appointment and construction of Phase 1A Feeder route Phase 2 up to 5%. The overall completion of the projects is planned for November 2016.

n). Depots and Terminals


For the operations of Rea Vaya Phase 1B and Phase 1C two Depots and two Terminals are required. The first Depot is located in Selby and it will be a full Depot that will be shared between Phase 1B and Phase 1C operations. The second Depot is located in Midrand opposite the Gautrain Station. This Depot will be designed as a full Depot but will only be implemented as a Holding and Park and Ride facility for the September 2017 Phase 1C operations.

Over and above the two Depots, there is a Terminal / Transfer points which are required for the September 2017 Phase 1C operations.











The scope of works this financial year is to complete Preliminary and Detailed designs for Phase 1 of the Selby Depot. Phase 1 entails the parking area only. On the Midrand Depot the scope of works entails completing 75% of the Preliminary Stage. For the Ivory Park Terminal, eMthonjeni Terminal the scope of works entails completion of the concept design stage.










Performance against KPIs

Programme 4: Capital expenditure




KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
% of capital budget spent	50%	74%	14%		Target achieved

Programme 4: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Phase 1C Section 15 (Phase 1)	90%	100%	10%		Project has been completed.
Phase 1C Section 15 (Phase 2)	50%	70.15%	20.15%		Construction is underway. Delays were due to SMME issues and project was stopped several times. Anticipated project completion date is end of June 2016.
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 1)	-	-	-	-	KPI removed. Project was completed in 2014/15
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)	100%	100%	-		Project has been completed.
Phase 1C Section 8C (Alex to Sandton)	65%	100%	100%		Project has been completed.
Phase 1C Sandton CBD Loop	20%	97%	77%		Phase 1 on Eco Mobility is 100%. Phase 2 commenced in November 2015. The development progress of Phase 2: West Street South Bound: 97%, Outer loop: 20%. Anticipated project completion date is end of November 2016.
Phase 1A NMT Station Precincts (Phase 1)	-	-	-	-	KPI removed. This project was divided into sub-projects: Orlando NMT, Noordgesig and Boomtown NMT and was completed in 2014/15.
Phase 1A NMT Station Precincts (Thokoza park NMT)	90%	100%	10%		Project has been completed.
Phase 1A NMT Station Precincts (Basothong and Mavumbi)	90%	100%	10%		Project has been completed.
Edith Cavell BRT Pavement Strengthening	-	-	-	-	KPI removed. Project not implemented as project funding was withdrawn and the scope of works was relocated to Section 15 (Phase 2) project by Client Department (Transport).
Phase 1A NMT Feeder Routes (Phase 1)	60%	80%	20%		Site hand over to the contractor on the 7 th September 2015. Construction progress is slow with cash flow problems from the contractor. An advance has been paid to the contractor on numerous times. Jozi@Work packages have been approved by Region D and teams are ready to commence work mid-April 2016. It is expected that the project will be delayed by 8 weeks at least.
Phase 1C Great Walk NMT (Section 15H)	100%	100%	100%		Project has been completed.
Phase 1C Alex Spur and Great Walk Pedestrian Bridge (Section 15I - Phase 1)	45%	54.4%	9.4%		Construction is underway. The collapse of the scaffolding works will delay the project by at least four months. Department of Labour has allowed the contractor to proceed with outside foundations and approaches. Discussions with Department of Labour uplift the full site closure are underway. False work construction is likely to resume early next year.
Section 1B Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design)	10%	6%	4%		Preliminary designs and flood risk assessment is in process. Due to the complexity of the project the flood risk assessment done by a sub consultant has taken longer than expected. As all design is reliant on this data the work has been delayed. JMPD stopped the drilling investigation in December 2015. Even though wayleaves were in place the JMPD insisted that no work should take place during December and issued the subcontractor with a fine
Section 2 Road Widening	-	-	-	-	KPI removed. Project was completed in 2014/15

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Upgrading of Jukskei Bridge NMT links	-	-	-	-	KPI removed.
Phase 1B Station Precincts	-	-	-	-	KPI removed. This project was been completed in 2014/15.
Phase 1C Stations NMT	10%	10%	-		Concept designs completed and approved. Pedestrian count analysis still underway.
Station Signage	-	-	-	-	KPI removed. Project was completed in 2014/15
Selby Bus Depots : City	10%	10%	-		Phase one concept has been finalised by the professional team. The team is busy co-ordinating the second phase designs as they affect operations, ITS and security department requirements. The topographical survey and geo-tech have been completed. Contractor procurement is underway.
BRT Land Acquisition	2	4	2		There are 4 land parcels transaction that have been concluded or at point of conveyancing.
Bus Depots: Alex Layover Facility	-	-	-	-	KPI removed. Detail designs are almost complete and still to be approved by JDA EXCO.
Bus Depots: Midrand/Ivory Park	10%	25%	15%		Land acquisition has been finalized. The traffic study has been finalised. The designs layout has been finalised and the team is busy with geo-technical study.
Watt Street Interchange	-	-	-	-	KPI removed. Concept designs have been completed and approved. Detail designs underway.
Ghandi Square Interchange	-	-	-	-	KPI removed. Project is on hold until COJ confirms way forward with managed lanes plan, because COJ Transportation is also implementing the same project which may be a duplication of work.
Greenstone Terminal	-	-	-	-	KPI removed. This project does not have budget allocation.
Emthonjeni Terminal (Concept and Detailed Design)	5%	10%	5%		Concept design have been completed and approved by the affected Taxi Association. Field and traffic investigations are currently underway. Project has been delayed due to approval of Operational Plan from the City and the project team is awaiting outcome from Mayco.
Station ITS	-	-	-	-	KPI removed. This project does not have budget allocation.
Phase 1A and B Retrofit	0%	100%	-		This project has been completed.
Number of Short Term EPWP job opportunities created through Programme 4 construction contracts	1729	77	1652		There are 77 new short term EPWP job opportunities created in the third quarter, but the overall of 1135 short term EPWP have been created for 2015/16 financial year; under programme 4 construction contracts.
BBBEE expenditure share as a % of total capex in Programme 4	100%	84%	16%		
SMME expenditure share as a % of total Capex in Programme 4	30%	7%	23%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	0%	5%		
Positive media reports as a % of the total number of media reports on the JDA Rea Vaya construction work	90%	69%	21%		
Number of property developments facilitated by the JDA at Rea Vaya Stations	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			

Additional Projects					
KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (Concept Design)	5%	4%	1%		Professional team has been appointed. Design stage is underway.
Phase 1C Section 8A (M1 Flyover Bridge)	50%	73%	23%		Construction under way. Delays are due to rocks on the Lees Street side during the excavation of Pier 1 foundation. This might result in additional costs that will be confirmed once foundation has been completed.
Phase 1C Section 8B (Sandspruit River Bridge Widening)	60%	89.8%	29.8%		Contractor is progressing with construction of the widening of Sandspruit River Bridge and Marlboro Drive
Phase 1A NMT Feeder Routes (Phase 2) (Concept and Detailed Design)	10%	40%	30%		Appointment of the main contractor was approved end of March 2016. Concept design is underway.
Bus Depots: Booyens Layover Facility	100%	100%	-		Project completed and handover process underway.
Park Station to Doornfontein Cycle Lanes	90%	95%	5%		Construction is at an advanced stage. Project has been delayed by rain.
Alex BRT Loop	5%	5%	-		Geotechnical engineering studies are delayed due to wayleave processes. It is anticipated that the wayleave will be granted by the 1 April 2016. Topographic land survey has been completed and preliminary design stage has commenced.
Auckland Park Station Precinct NMT	40%	40%	-		Appointment of the main contractor was approved end of March 2016. Jozi@Work packages were presented to the community on the 16 & 17 March 2016. Anticipated date of completion is 21 September 2016.
Rosebank NMT and Cycle Lanes	5%	40%	35%		Designs have been approved. Appointment of the main contractor was approved end of March 2016.
Langlaagte to UJ NTM	90%	100%	10%		Construction on this project has been completed and handed over to CoJ Transportation.
Drieziek Public Transport Facility	5%	5%	-		Professional team has been appointed. A traffic impact assessment is currently underway. The site survey has been completed. The team is currently busy with site feasibility and concept layout design.
Phase 1C Soft and Hard Landscaping (Detailed Design)	10%	50%	40%		Site handover has been conducted. Jozi@Work packages have been finalised and approved; teams to commence work mid-end of April 2016.
Hillbrow to Park Station (Detailed Design)	90%	100%	40%		Project completed and handover process underway.
Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design)	6%	8%	2%		Geotech investigations delayed due to wayleave process at JRA only 1 wayleave outstanding. Traffic study completed. Concept stage/designs to be completed by end April 2016. COJ to confirm exclusion of Republic Road, as per currently Ph1C operations plan.
Lakeview and Klipspruit Valley NMT Strategies (Phase1)	90%	100%	10%		Project completed.
Lakeview and Klipspruit Valley NMT Strategies (Phase 2)	90%	100%	10%		This project has been completed.

Section 15J: Watt Road Work	25%	21.3%	3.7%		Construction underway.
Phase 1C Trunk Route TIA	90%	0%	-		The work is done when required.
Avalon Bus Depot	10%	7.5%	2.5%		The project was stopped at concept stage, however the Environmental Impact Assessment Process is continuing

Programme 4: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
Phase 1C Section 15 (Phase 1)	6.15	3.1	0.0
Phase 1C Section 15 (Phase 2)	161.7	117.2	29.50
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)	8.4	12.3	0.261
Phase 1C Section 8C (Alex to Sandton)	8.4	7.9	0.0
Phase 1C Sandton CBD Loop	68.9	156.4	24.00
Phase 1A NMT Station Precincts: Thokoza park NMT	000	0.10	0.0
Phase 1A NMT Station Precincts: Basothong and Mavumbi	000	1.4	0.0
Phase 1A NMT Feeder Routes (Phase 1 & 2)	15.25	17.5	7.67
Phase 1C Great Walk NMT (Section 15H)	3.78	2.8	0.0
Phase 1C Alex Spur and Great Walk Pedestrian Bridge (Section 15I) (Phase 1)	81.9	37.2	9.13
Section 1B Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design)	3.15	1.3	0.21
Phase 1C Stations NMT	2.4	0.822	0.51
Selby Bus Depots : City	1.3	4.4	0.0
BRT Land Acquisition	80.2	40.5	6.04
Bus Depots: Midrand/Ivory Park	5.1	2.9	0.268
Emthonjeni Terminal (Concept and Detailed Design)	1.0	1.0	0.0
Phase 1A and B Retrofit	6.9	6.5	0.0
Additional Projects			
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (Concept Design)	1.3	1.0	0.038
Phase 1C Section 8A (M1 Flyover Bridge)	80.8	120.9	21.96
Phase 1C Section 8B (Sandspruit River Bridge Widening)	53.5	41.3	10.15
Bus Depots: Booyens Layover Buildings	6.4	6.1	0.937
Park Station to Doornfontein Cycle Lanes	36.2	38.8	9.14
Alex BRT Loop	2.1	1.5	0.498
Auckland Park Station Precinct NMT	35.2	14.1	0.993
Rosebank NMT and Cycle Lanes	8.0	3.0	0.615
Langlaagte to UJ NTM	29.7	29.7	0.0

Drieziek Public Transport Facility	11.0	0.353	0.0
	0.63	0.638	0
Phase 1C Soft & Hard Landscaping (Detailed Design)	21.0	7.0	0.903
Hillbrow to Park Station NMT (Detailed Design)	31.5	32.9	1.69
Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design)	5.3	3.5	0.201
Lakeview and Klipspruit Valley NMT (Phase 1)	4.0	2.9	0.0
Lakeview and Klipspruit Valley NMT (Phase 2)	10.7	13.7	0.139
Section 15J: Watt Road Work	15.9	13.6	0.0
Phase 1C Trunk Route TIA	1.52	1.5	0.236
Avalon Bus Depot	0.4	0.422	0.262

Media Reports and Coverage: Greenways and Mobility

The Greenways programme was covered in 16 stories this quarter and 9 were neutral stories. The focus of the reports in this quarter was around the progress on Rea Vaya infrastructure on Louis Botha and Orange Grove which form part of Phase 1C. Road construction under way in the Sandton central business district (CBD) is set to continue for the majority of 2016, with the City of Johannesburg investing R180-million in sweeping improvements to roads and pavements in the country's financial and commercial hub. The roads upgrade project in the Sandton CBD is being undertaken by the Johannesburg Development Agency (JDA), this was reported in the Engineering News. The reports further warned motorists of further pain during construction set to continue into 2016. There were further reports on this in The Times and the Caxton Newspapers.

Speaking on Morning Live Cllr. Tau says due to South Africa's apartheid past we have many people staying in the townships travelling far away for their place of work. With Corridors of Freedom we will be developing new BRT routes to make it more accessible to more people. We are also developing housing that will bring people closer to their place of work. Further reports focused on the City's conclusion of a partnership with the Global Environment Fund to secure a grant of R120-million for its Corridors of Freedom which received a positive rating.

The Sandton Chronicle reported positively on the City of Johannesburg's investment of R180-million in massive improvements to roads and pavements in Sandton, improvement of cycling infrastructure. After the upgrades are complete, the workers and residents of Sandton Central will benefit from the world class infrastructure continued the article.

The second lot of stories were on the Department of Labour's inquiry into the temporary structure along the Grayston Bridge that collapsed in October 2015 claiming two lives in the process. The first day of the Department of Labour's inquiry into the M1 bridge collapse in Johannesburg in February

kicked off with the two companies at the centre of the probe on who was responsible for the structure's design. The first day of the Department of Labour's inquiry into the M1 bridge collapse in Johannesburg in October kicked off with the two companies at the centre of the probe unable to agree on who was responsible for the structure's design reported The Citizen. M&R also accused of deviating from the detailed drawings for the said that the played no role in the accident. But that was questioned by the JDA that contracted M&R for the construction. Questions about missing bolts and who was directly responsible for the collapsed Grayston Drive pedestrian bridge emerged at the inquiry as contractors pointed fingers at each other. The five reports which covered the Grayston incident inquiry were all negative.

The Corridors of Freedom projects were captured under Programme 4. The City's Naming and Branding of the Empire/Perth Corridor was covered. The new Age reported that Joburg residents have a chance to choose a new name for the Empire-Perth Corridor, one of the Corridors of Freedom being developed by the City of Johannesburg as part of its efforts to make a clean break with apartheid spatial planning. The five names which have been shortlisted and will be put to public vote are Ithemba lethu (hope in Nguni), //hapo (shared dream in Khoi), Sakhiwo (Nguni for stability, structure), Empilweni (healing place in Nguni) and Vusa (Nguni for awake, restore or renovate).

The New Age also reported in this quarter on the construction of dedicated bus and cycling lanes and ultra-modern bus stops already underway, as is the construction of a R24-million foot bridge near the Westbury Rea Vaya fire station. JDA's Siyabonga Genu said the bridge was 30% complete. He said the project includes a community park and outdoor gym, while a similar bridge (the Skywalk Bridge) near UJ is in planning phase and a R26-million clinic is expected to be completed by July.

Programme 5: Alexandra renewal project

Programme purpose: Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community-based initiatives and local economic development strategies.

In 2001 the urban renewal programme was established to focus on eight urban townships, including Alexandra; the lessons learnt from these eight nodes were intended to improve the manner in which government supports township renewal across the country.

The Alexandra renewal project, which has been in existence for 12 years, is funded by the Gauteng Province and the CoJ. An area development masterplan guides the development of this historic neighbourhood and a number of housing and community development projects have been implemented. Constraints to future development include an interdict against property developments

that are subject to an unresolved land claim. In 2013 the Mayoral Committee decided that the Alexandra renewal project should be amalgamated with the JDA. Projects will be moved to the JDA system as appropriate, and employees will be seconded to the JDA in a phased way to ensure the least possible disruption.

Key deliverables in 2015/16 include:

- Finalising the Alex masterplan and implementing a meaningful public participation process to agree on implementation priorities and collective action.
- The declaration of Alex as a priority housing development area (through the Housing Development Agency Act [2008], and confirmation of dedicated funding for land and housing.
- Implementing capital works projects funded by the CoJ, human settlement grants and other intergovernmental grants.

Progress on projects

a). Banakekeleni Hospice Clinic

The aim of the project is to upgrade the existing facility. An architect will be appointed to scope the works with inputs from civil, structural and electrical engineers. The operator is close to securing a 10 year lease agreement for the facility. It is envisaged that a professional team will be appointed by end March to start with the planning and design work for the upgrading of the facility.

b). 4th Avenue Clinic

The tender process for the appointment of a contractor to construct the new 4th Avenue Clinic is near finalisation and it is expected that works on site will commence by mid-February 2016. The Department of Health is in the process of relocating the health services to other clinics in the area. Completion of the works is expected by end September 2016.

c). Development of Open Spaces – Maputo Park

The development of open spaces is an on-going programme in Alexandra. This project entails design and construction of a community park in Maputo Park, Alexandra.

During the 2015/16 financial year the JDA will develop a concept designs, complete detailed designs, conduct stakeholder consultations and appoint contractors. With regard to the project progress all field investigations have been completed, concept has been completed and submitted to City Parks for comments and input. Preliminary and detailed designs have commenced.

d). Old Ikage Housing Development

The project entails the development of approximately 200 social housing units. The professional team is currently working on a number of options which will be presented to Joshco by end January 2016.

The relocation of the illegal occupants on the site will be prioritised to ensure that the site is vacant and available for construction by August 2016.

e). Vincent Tshabalala Pedestrian Bridge

This project entails the design and construction a pedestrian bridge in Alexandra Township to provide a safe crossing point. Traffic and pedestrian studies were conducted to confirm the warrant of this bridge

During the 2015/16 financial year the JDA will appoint a professional team, conduct field investigations and complete concept designs.

f). Refuse Bins – Far East Bank Extension 9

This is an on-going project to distribute 240 litre refuse bins to new households in Far East Bank. The scope of works is to purchase and distribute 680 bins in 2015/2016.

g). Thoko Mngoma Clinic

The tender process is near finalisation and it is expected that works on the site will commence by February 2016. The scope of works entails the refurbishment of the existing clinic and the construction of a new wing that will house consulting rooms and administration offices. Completion of the works is expected by July 2016.


h). Linear Markets

This project entails the design and implementation of Linear Markets / Trading Stalls in Alexandra in front of the Pan Africa Taxi Rank and in Ivory Park Ext 2.















During the 2015/16 financial year the JDA will develop a concept designs for both Pan Africa Taxi Rank and Ivory Park, complete detailed designs, conduct stakeholder consultations and appoint contractors. Stakeholder consultation is ongoing. This is taking a form of a focus group with all the affected and interested traders, and then broader public meetings will be convened to introduce the project to the affected communities.



Performance against KPIs

Programme 5: Capital expenditure

KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Percentage of capital budget spent	50%	24%	26%		Target not achieved.

Programme 5: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
4th Avenue Clinic Alexandra	35%	40%	5%		The construction is underway. The contractor started construction on the 8 March 2016. The anticipated completion date is 8 November 2016.
Banakekeleni Hospice Clinic	0%	5%	5%		Concept designs re-design is currently underway.
Jukskei River Environmental Upgrading and Rehabilitation Alexandra	-	-	-	-	KPI removed. To be funded in 2017/18
Old Ikage housing development Alexandra	60%	8%	52%		Several interactions have taken place between the JDA and JOSHCO with a view to fully assimilating the end user's requirements. The professional team has been appointed and the relevant pre-design studies (i.e. geotechnical investigations, traffic study and environmental screening) are currently being undertaken. Delay was due to inadequate handover of the project and land dispute between the school and the City.
Peoples' Court, 7th Avenue (Old Alexandra) New Heritage Facility ALEXANDRA EXT.4	-	-	-	-	KPI removed. To be funded in 2016/17
Purchase of new Refuse Bins for New Housing on Far East Bank	100%	0%	100%		Delay was due to lack of progress.
Thoko Mngoma Clinic Marlboro	35%	40%	5%		Site handover was on the 16 February 2016. The construction is underway. Delay was due to inadequate handover of the project as it was put on hold due to possibility of relocating the clinic to Marlboro.
Development of Open Space - Maputo Park	35%	35%	-		Tender procurement is underway. Delays were due to political instability and illegal occupants. JDA have conducted pro-active communication and engagement process with the local councillor, local leadership and directly affected stakeholders.
Pedestrian Bridge Vincent Tshabalala Road	25%	5%	20%		Appointment of professional team has currently been finalised. Concept design is underway.
Alexandra Heritage Centre	80%	99%	19%		The Town Planner is progressing with making applications for the rezoning of the ERVEN where the Alexandra Heritage Centre building is located. Practical completion was achieved on the 11 December 2015. The special library project concept design has been approved and signed off. Fit and installation in the exhibition space scheduled to start March 2016.
Alfred Nzo Road Widening	-	-	-	-	KPI removed. To be funded in 2016/17
Pan Africa Linear Markets	40%	40%	-		Contractor appointment was finalise end of March 2016. Anticipated completion date is end of June 2016.
Number of Short Term EPWP job opportunities created through Programme 5 construction contracts	0	0	-		There are no new short term EPWP job opportunities created in the third quarter, but the overall of 30 short term EPWP have been created for 2015/16 financial year; under programme 5 construction contracts.
BBBEE expenditure share as a % of total Capex	100%	89%	11%		
SMME expenditure share as a % of total Capex	30%	12%	18%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	-		
Positive media reports as a % of the total number of media reports on the JDA in Alex	90%	50%	40%		

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Number of property developments facilitated by JDA in Alex	0	0	-		
Additional Projects					
Ivory Park Linear Market	40%	40%	-		Contractor appointment was finalised end of March 2016. Anticipated completion date is end of June 2016.

Programme 5: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
4th Avenue Clinic Alexandra	25.0	15.0	0.149
Banakekeleni Hospice Clinic	2.5	2.5	0.0
Jukskei River Environmental Upgrading and Rehabilitation Alexandra	0.0	0.0	0.0
Old Ikage housing development Alexandra	18.0	2.5	0.107
Peoples' Court, 7th Avenue (Old Alexandra) New Heritage Facility	0.0	0.0	0.0
Purchase of new Refuse Bins for New Housing on Far East Bank	0.3	0.3	0.0
Thoko Mngoma Clinic Marlboro	15.0	15.0	0.174
Development of Open Space - Maputo Park	5.0	5.0	0.0
Pedestrian Bridge Vincent Tshabalala Road	4.0	4.0	0.251
Alexandra Heritage Centre	24.0	13.0	1.77
Alfred Nzo Road Widening	0.0	0.0	0.0
Pan Africa Linear Markets	8.0	8.0	0
Additional Projects			
Ivory Park Linear Market	8.0	8.0	0.985

Media Reports and Coverage: Alexandra Renewal Programme (ARP)

The Alexandra Renewal Programme was covered in two articles one rated neutral and one rated negative. Both stories focused on the cleanliness of Alexandra following Minister Mokonyane's assertions in Parliament that they [government] had succeeded in turning Alexandra around. The article said the JDA's policy of a block-by-block renewal of Alex totally failed and blew up because the agency did not want to listen to the voice of reason from the property owners in Alexandra. Alexandra is still the same old Alexandra with its same old filth, decay; dumping and dilapidation said the article.

The neutral article titled "Cleaning up Alexandra is a major challenge for all" is about the resident's scepticism about government's efforts to clean up Alexandra. The article said that "this is not the first clean-up campaign in Alexandra there've been a lot of clean-ups but I think what's important is that they've not been sustainable, said Lebogang Maile, Gauteng member of the executive committee (MEC) for economic development. Levels of waste are high in Sijwetla with rubbish buried into the river embankment but that efforts were necessary to improve the situation.















Programme 6: Administration and Management

Programme purpose: Provide strategic leadership and support services, including the accommodation needs and overall management of the JDA.

This programme accommodates shared services such as CEO, finance, internal audit, company secretariat, marketing and communications, risk and compliance, supply chain management, IT, human resources and facilities management.

In 2015/16 this programme will work on ensuring compliant and effective management and administration to achieve a clean audit. The welfare and morale of staff are key considerations, as is the need to resource the JDA to implement rising capital budgets.

Performance against KPIs

KPA	KPI	2015/16 Annual Target	Q3 Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score
Programme 6: Human resources	% Black employees	80%	80%	90%	10%	
	% Female employees	45%	45%	53%	8%	
	% Black female senior managers	35%	35%	40%	5%	
	Staff Turnover	<10%	7%	3.4%	3.6%	
	HIV voluntary testing opportunities	0	0	0	-	
	Compliance with Occupational Health and Safety Act at the Bus Factory	80%	80%	91%	11%	
	Investment in training	3%	3%	0.71%	2.29	
Programme 6: Financial management and corporate governance	Unqualified audit reports	Clean Audit				
	Overspending against operating budget	0%	0%	0%	-	
	IT network availability – external	98%	98%	100%	2%	
Programme 6: Economic development	BBBEE expenditure share as a % of total operating expenditure	100%	100%	54%	46%	
	SMME expenditure share as a % of total operating expenditure	40%	40%	24%	16%	
	Jozi@Work SMME expenditure share as a % of total contracted services and repairs and maintenance	10%	10%	0%	10%	
Spending of Operational Budget	Programme 6: % of operating budget spent (cumulative for the year to date)	100%	60%	14%	46%	

Media Reports and Coverage: Corporate

A total of eighteen articles were recorded for Programme 6, with one of those being negative. The City's presentation of its integrated annual report for the 2014/2015 financial year was covered extensively. The City received unqualified audit for the financial year in question with six of its municipal entities receiving a clean audit. The JDA is mentioned in all those reports as being one of the entities that received a clean audit.

The City's response to claims made by the DA's Johannesburg mayoral candidate Herman Mashaba that the City of Johannesburg Mayor Parks Tau and Member on the Mayoral Committee (MMC) Geoffrey Makhubo have completely violated the tenets of good governance by making pronouncements on the City's audit results received extensive coverage which is rated neutral. The JDA is also mentioned in these articles.

One negative story was recorded on the JDA's contribution of R859 800 to the City's recorded irregular expenditure of R1 billion.

The JDA, on behalf of the City of Johannesburg, held a meeting at Norwood Primary School to introduce the process that will ultimately lead to the production of the Grant Avenue Precinct Plan. The plan will guide future development along Grant Avenue in Norwood. The reports were rated positive.

Programme 7: Development facilitation

Programme purpose: Provide strategic leadership, coordination capacity, and analytical and negotiating skills to promote investment, establish and communicate shared development visions, and prepare a pipeline of implementation-ready property developments and capital works projects.

The programme, which gives effect to the extended mandate of the JDA as the development facilitation agency for the CoJ, includes development implementation, project development, land development and urban management support functions. The planning and strategy and development facilitation units play strategic roles at the JDA to ensure developments contribute towards the city's GDS vision and to facilitate easier, more participatory and better planned implementation of capital investments. The development facilitation and urban management specialists' work within all of the JDA development areas to popularise development plans, undertake feasibility studies and promote investment opportunities, identify property development deals by leveraging municipal owned property, lead property assembly strategy for these areas, initiate urban management and place-making partnerships and engage with stakeholders to support the achievement of the development objectives. Priority areas include the Corridors of Freedom, the Inner City and Alexandra.

In order to ensure that all stakeholders related issues are dealt with in a seamless manner across all activities of the JDA, the Board resolved to place the Stakeholder Management unit in the Development Facilitation Department. The Development Facilitation unit conducts its work in relation to stakeholder engagement in four distinct but fully integrated periods over the lifespan of a project. This ensures that the JDA is involved from the inception of a particular vision of a city precinct, to the full realisation of that vision.

The four periods identified, with some current initiatives are outlined below:

1. Vision / Concept stage
2. Translation of the vision into a concept project (Pre-approval phase)
3. The project implementation phase
4. Post-handover phase

Period	Projects	Role	Highlights Q3
Vision / Concept	African Food Hub	- To establish institutional arrangements for the optimal functioning of the food hub.	<ul style="list-style-type: none"> - Final agreement was reached with JPC on the management of the facility and the process to follow through an open call for expressions of interest for social businesses and management agencies. The call for expressions were finalised and will be sent out in line with the construction of the facility. - The JDA met with adjoining property owners, City Prop BASA School and UCKG Property (Ltd) to discuss the road closure, which was finalised in the 3rd quarter and towards long term partnerships with these land owners with the African Food Hub Facility. Ongoing discussions are taking place with UCKG Property (Ltd) on the objection of the rezoning of the road portion.
	Braamfontein	- Stakeholder development facilitation /	<ul style="list-style-type: none"> - Ongoing discussions with stakeholders on the Braamfontein Regeneration and Innovation Steering Committee (BRISC). Agreement was reached on the composition of the Committee, and Terms of Reference have been drawn up for consideration and approval in the fourth quarter, as the stakeholders have requested that the MMC for Development Planning chair the Committee. - The JDA assisted in and facilitated the establishment of a Transport Forum on transport planning in Braamfontein to ensure that the future vision of Braamfontein is based on sound transport evidence. Stakeholders include the Transport Department, the inner city office, Development Planning, the JDA, Wits and the Braamfontein City Improvement District. Through the transport working group it was established that a Traffic and Transport Study is required. COJ Transport signed a SLA with JDA for JDA to contract and manages the study. The Study was advertised and evaluated, and it is expected to be contracted in the fourth quarter.
	Inner City Eastern Gateway	- Urban design framework and	- To develop the Inner City Eastern Gateway Urban Design Framework and implementation


Period	Projects	Role	Highlights Q3
		implementation plan	<p>plan for the development of the area. The JDA reached an agreement with internal city stakeholders on the scope of the work to be included in the framework, as well as a revised study area.</p> <ul style="list-style-type: none"> - Sessions were held with multiple city departments on the development of the UDF for the area as well as presentation made to the Region F Visible Service Delivery meeting to ensure that all plans from various departments have been taken into consideration, and that key areas of concern are incorporated into the plan. Further individual meetings were held with relevant departments notably transport department for additional data input. - The JDA conducted a public participation session on 31 January with residents, businesses, property owners and other interested parties. - Further individual engagements on the plan continue as the status quo is finalised and the interventions developed.
	Main Street – Ghandi Square East Development	- Stakeholder development facilitation /	<ul style="list-style-type: none"> - With exciting developments underway in what is emerging as a creative industry and financial node in the Inner City east of Ghandi Square, interventions are required to facilitate better movement in terms of freight, private vehicles, public transport and non-motorised transport. - The JDA Development Facilitation team is part of a task team in collaboration with COJ Transport, Transnet and ABSA to co-develop a safe, vibrant and well-designed public realm in the Ghandi Square East precinct.
	Joburg Fresh Produce Market	- Draft SLA with Joburg Market	<ul style="list-style-type: none"> - On development preparation- identification of sites, and statutory approvals for the development of four distribution centres
	Inner City Investor Tour	- Promote further investment	<ul style="list-style-type: none"> - To foster partnerships with adjoining municipalities, Region F office hosted the Ekurhuleni Urban management office to demonstrate project development and management challenges in the Inner City of Johannesburg. The JDA shared landmark developments where it has played a role including Newtown, Chancellor House, Main Street, Ghandi Square and Maboneng. Ivory Park
	Ivory Park	- Stakeholder development facilitation /	<ul style="list-style-type: none"> - The JDA facilitated the integration of the proposed Emthonjeni Interchange and Ivory Park Township Economy Revitalisation projects. Presentations were made to the Department of Development Planning. The project will be planned as a holistic project and will proceed on phased basis. .
	Louis Botha Corridor	- Grant Avenue precinct plan	<ul style="list-style-type: none"> - The proposed Grant Avenue Precinct Plan was successfully launched, and detailed work with the business community, residents, Region E and the Planning Department was undertaken to structure working groups for the planning process. The final plan is expected to be completed towards the end of the financial year.

Period	Projects	Role	Highlights Q3
	Orange Grove	- Stakeholder development facilitation /	- The JDA is facilitating and assisting in private sector development initiatives in Orange Grove by providing technical advice on new development proposals in the Orange Grove. This enables private sector stakeholders to workshop development proposals with the Planning Department to that development proposal from private investor are aligned with and support the Corridors of Freedom objectives.
	Balfour Park Node:	- Stakeholder development facilitation /	- The JDA continued its support to the planning department with technical input as part of the UDF working group. The JDA was successful in facilitating ongoing private sector interest and involvement in the development of a landmark building to anchor the node, and is currently developing a stakeholder working group consisting of businesses, schools and other key role players to realise the future development potential of the node.
	Randburg	- Stakeholder development facilitation /	- The JDA continues to facilitate high level planning coordination meetings for COJ interventions in the Randburg CBD. Regular technical and operational meetings are conducted in collaboration with the Regional Office.
	Westbury Housing Project	- Stakeholder development facilitation /	- Facilitated the drafting of an SLA between the Department of Housing and JDA for the refurbishment of council housing units in Westbury with JDA as the implementing agent
Project Implementation Stage: Stakeholder Engagement	The Stakeholder and Community Engagement	- Defining participation process	- The Stakeholder and Community participation process starts with the presentation of concepts to the different Regional Directors, Ward councillors and ward committees to the community itself.
	Kliptown	- SMME Tendering workshop for Kliptown	- The JDA has developed a workshop programme that seeks to empower Kliptown SMMEs to be better able to tender for SMME work from JDA and other COJ entities.
Post-handover Phase	Jozi @ Work incubator model	- Development of model	- Development of a Jozi @ Work incubator model that will assist JDA Development Managers in developing post-handover management plans using Jozi @ Work.
	Kazerne intermodal facility	- Develop an operation and management plan for the use of the facility.	- The JDA, in collaboration with JPC, is developing an operation and management plan for the future use of the facility, including allocation and negotiations with potential operators. Discussions were had with taxi operators on the facility in the 3rd quarter. Appointment of consultants to design the operational and management plan is to be finalised in 4th quarter.
	Park Station, Turffontein and Hillbrow Tower	- Area Based Management Plan.	- In order to assist with the future management, operation and activation of areas in which the JDA delivers area based projects and services, Area Based Management Plans are designed in collaboration with JDA client departments, other city entities and local stakeholders. - Such management plans are being compiled in Turffontein and Hillbrow, where consultants have been appointed to assist in drafting such plans which are to be developed and finalised within



Period	Projects	Role	Highlights Q3
			4th quarter.
	Kliptown	- Post implementation maintenance	- Facilitated a joint planning session between JPC and JDA on the development of a post-handover management and area maintenance plan for Walter Sisulu Square of Dedication in Kliptown with the aim of using Jozi@ Work.
		- Stakeholder development facilitation /	- The JDA is finalising the appointment of a service provider to design an activation plan for the square while working with local stakeholders in the square and the greater Kliptown.
	Jabulani	- Precinct Management	- Facilitated procurement of Service Providers in the application of the National Treasury's NDPG precinct management toolkit in Jabulani
	Constitutional Hill	- Stakeholder development facilitation /	- The deed of donation for the Constitutional Hill Historic donation of constitution court land parcel has now been signed by all parties. Sessions were convened for discussion on the future development of Constitution Hill with Provincial and COJ partners, and a Request for Interest has been developed with the Conhill Devco for future development of developable portions at Constitution Hill.




Performance against KPIs

Programme 7: Capital expenditure

KPI	Q3 Expenditure Target	Q3 Actual	Q3 Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Percentage of capital budget spent	30%	66%	44%		Target achieved

Programme 7: Development progress per project

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
Corridors of Freedom: Strategic Area Framework (Phase 1)	-	-	-	-	KPI removed. Project was completed in 2014/15
Corridors of Freedom: Naming and Branding	60%	40%	20%		The naming process for the Empire Perth Corridor is well underway and the schools competition has been concluded with proposed names soon to be put out for public voting in the beginning of the third quarter. Five names have been selected for the public voting process. An awareness campaign for the Empire Perth Corridor was implemented in the second and third quarters
Corridors of Freedom: Heritage Plans (Phase 2)	60%	60%	-		Preliminary Heritage Survey (Phase 1) is completed. Detailed Architectural and Historical Research (Phase 2) is underway. Heritage Impact Assessment Reports will be submitted on 27 November 2015. Conservation Management Guidelines (Phase 3) will run from January to March. Compilation of Final Reports (Phase 4) will

KPI	Q3 Development Progress Target	Q3 Development Progress Actual	Q3 Development Progress Variance	Third Quarter Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of March 2016)
					run from April to June.
BBBEE expenditure share as a % of total Capex	100%	100%	-		
SMME expenditure share as a % of total Capex	30%	0%	30%		
Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%		

Programme 7: Expenditure Overview

Project	2015/16 Budget R'm	2015/16 Mid-Year Adjustment Budget R'm	Q3 Expenditure R'm
Corridors of Freedom: Heritage Plans (Phase 2)	4.5	4.5	0.977
Corridors of Freedom: Naming and Branding	5.3	5.3	1.55

Media Reports and Coverage: Development Facilitation

There were no stories recorded in this programme for the third quarter of 2015/16.

Section 6: Performance against Institutional SDBIP

As an amendment to previous reports, the JDA reports against the Institutional SDBIP KPIs as part of the SDBIP performance for “Number of kilometres of walkway and cycle lanes completed”

KPI	Institutional SDBIP (City Wide) 3 rd Quarter Target	JDA Contribution to Target. 3 rd Quarter Progress
Number of kilometres of walkway and cycle lanes completed	60km kilometres of walkway and cycle lanes completed	5km of walkways (pavements) – from Inner City Core Projects (Plein Street; Wolmarans; Goldreich)

Section 7: Supply Chain Management and Black Economic Empowerment

Supply Chain Management

The JDA's supply chain management policy uses committee systems for the procurement of services and goods above specified limits. Existing committees include the:

- Bid Specification Committee
- Bid Evaluation Committee

- Bid Adjudication Committee.

There are two bid adjudication committees, one for capital expenditure and the other for operating expenditure. The Capital Expenditure Bid Adjudication Committee members include the Chief Financial Officer (chairperson), two Senior Development Managers (whose bid is not being adjudicated on), the Risk and Compliance Manager, the Executive Manager: Development Facilitation and the Supply Chain Manager. The Operating Expenditure Bid Adjudication Committee includes the Chief Financial Officer (chairperson), the Supply Chain Manager, and the Executive Manager: Marketing, the IT Manager, and the Risk and Compliance Manager. Neither committee is authorised to make procurement decisions above R10 million.

Supply chain deviations and approvals:

According to regulation 36(1)(a) of the Municipal Supply Chain Management Regulations, the accounting officer may dispense with normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

- In an emergency
- If goods or services are available from a single supplier
- If acquiring special works of art
- If acquiring animals for zoos
- In any other exceptional case where it is impossible or impractical to follow official procurement processes.

To give effect to regulation 36, the CoJ’s supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation 36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

The were no Deviations and Ratification from January 2016 to March 2016

There were no unsolicited bids to the JDA from January 2016 to March 2016 with all procurement going through the Supply Chain processes. According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the state. To date the JDA has not awarded any contract to a person who is in the employment of the state.

There were two objections received on tenders awarded for the quarter under review, regarding the outcome of the tender processes and procedures. These include:

NO	PROJECT DESCRIPTION	DISPUTE / OBJECTION	PROGRESS
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NO	PROJECT DESCRIPTION	DISPUTE / OBJECTION	PROGRESS
1	Kazerne Transit Oriented Development	A letter was received from Trencon Construction dated 02 March 2016 with a query regarding the outcome of the tender process. In their request they required JDA to provide reasons why the tender was awarded to the preferred bidder and not to them. The JDA gave the bidder the evaluation reports indicating the evaluation process that was followed between Trencon and Basil Read/Ums JV; the reports included the BAC report, BAC minutes and BEC minutes. The response was forwarded to the bidder on the 09 March 2016.	The bidder reverted back to the JDA stating that they are awaiting \ their legal team to review the documents and will respond in due course.
2	4 th Avenue Clinic - Alexandra	Letters were received from LFP/Tsoseletsa JV dated 16 March 2016 and 23 March 2016 with a query regarding the outcome of the tender. In their letter they requested JDA to provide reasons as to why their bid was unsuccessful.	A letter responding to the bidders queries was sent on the 01 April 2016.

Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. In the third quarter 2015/16, the overall BBBEE share of expenditure was R 181,964,953. This constitutes an achievement of 86 per cent. This is largely due to the success achieved in awarding capital expenditure and operating expenditure contracts to BBBEE firms.

Summary of BBBEE expenditure¹¹

DESCRIPTION	TOTAL EXPENDITURE	BBBEE CLAIMED	BBBEE %
Capex	R 196,530, 440	R 173, 660, 957	88%
Opex	R 14, 699, 428	R 8,303, 996	56%
Consolidated Opex and Capex	R 211,229,869	R 181,964,953	86%

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135 per cent of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA only claims 100 per cent for service providers with BBBEE level 1 to 4 and 80 percent, 60 percent, 50 percent and 10 percent for service

¹¹ Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

providers with BBBEE level 5 to 8 respectively.

The JDA confirms the validity of BBBEE certificates by verification agencies by tracing the name of the agency to the South African National Accreditation System's list of accredited agencies. Each BBBEE level is translated into a BBBEE score reflected as a percentage. For example, BBBEE level 6 equals 60 per cent, while BBBEE level 1 equals 135 per cent. This is reflected in the table below:

B-BBEE Status Level Of Contributor	B-BBEE Recognition	Number of Points	
		Tenders up to R1 million	Tenders above R1 million
1	135%	20	10
2	125%	18	9
3	110%	16	8
4	100%	12	5
5	80%	8	4
6	60%	6	3
7	50%	4	2
8	10%	2	1
Non-Compliant contributor	0%	0	0

Enterprise / SMME Development Programme

In line with national development and shared growth imperatives, the CoJ recognises that creating jobs and ensuring that SMMEs have access to procurement opportunities are essential elements of an economically viable city.

Over the years, the JDA has established processes and practices to support job creation and enterprise and skills development for previously disadvantaged groups, including black people, women, youth and people with disabilities. But the impact of these processes and practices have not been adequately measured and reported on in the past. The agency has also recognised the need to consolidate and extend these practices by designing and implementing a programme that will drive the achievement of empowerment objectives, and align projects and approaches to address the challenges facing previously disadvantaged enterprises.

The enterprise development programme is made up of the following components:

- **Emerging contractor development** for SMMEs working on JDA projects (both subcontractors and those contracted directly by the JDA). This includes general training.
- Training on **winning business** for SMMEs (with a focus on unsuccessful bidders identified through the JDA tender process).

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 56 203 304 for the quarter under

review. This constitutes an achievement of 27% for the period under review.

Summary of SMME expenditure¹²

DESCRIPTION	SMME SPENT	SMME %
Capex	R 52 906 720	27 %
Opex	R 3 296 583	22%
Consolidated Opex and Capex	R 56 203 304	27%

Section 8: Statement on Amounts Owed by and to Government Departments and Public Entities

This measures effective debtor management and an assessment of the amounts owing by the various Government departments and entities.

Name of department	Amounts owed		Account status	Comments
	Current <30 days R' 000	>30 days R' 000		
City of Johannesburg - CAM & USDG	14,805	90,977	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - Department of transportation	90,290	263,324	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - Department of planning	28,833	29,019	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - Housing	2,349	6,395	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - Department of Health	2,263	3,450	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - GSPCR	0	8,040	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
City of Johannesburg - Other departments	3,191	9,498	Account overdue	Most claims were settled in the 3rd quarter Current balance includes March claims
Total	141,731	410,703		

¹² Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

Section 1: Human Resource Management

The JDA aims to be the employer of choice in its field. This is supported by the JDA's overall objective, as set out in its Employment Policy, to ensure that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment. The JDA periodically reviews all its employment policies and practices in line with applicable prescripts to ensure that it remains relevant and practical for the changing world of work and is attractive to potential employees.

The staff structure comprising of 109 positions was approved in 2014/15 financial year. The structure includes:

- A Top Management and Executive Management Committee, comprising the Chief Executive Officer, the Chief Financial Officer, the Executive Manager: Development Implementation, the Executive Manager: Planning and Strategy, the Executive Manager: Development Facilitation, the Executive Manager: Marketing and Communications and the Executive Manager: Corporate Services.
- The Chief Audit Executive and the Company Secretary, who both report to the Board.
- Senior management, comprising Senior Development Managers, the Human Resources Manager, the Supply Chain and Contracts Manager, the Finance Manager, the Facilities Manager, the IT Manager, the Risk and Compliance Manager, the Marketing Manager, the Stakeholder Relations Manager, the Communications Manager, the Monitoring and Evaluations Manager, the Planning Manager, Internal Audit Managers, the Budget Manager, the Legal Manager and the Executive Support Manager.
- Professional and middle management, comprising Development Managers, Accountants, Development Facilitation Managers, the Risk and Compliance Officer, the Procurement Officer, the Performance Management and Training Officer, the Employee Relations Officer, the Human Resources Officer and the Legal Officer.
- Junior management, comprising Coordinators, Personal Assistants, Accounts Payable Officers, IT Support Officers, the IT and Information Systems Administration Officer, the Fixed Asset Register Officer, Procurement Coordinator and the Messenger/Caretaker.
- Semi-skilled workers, comprising a Driver and a Receptionist.
- Unskilled workers, comprising housekeepers and cleaners.

The total staff compliment for period under review is 109 based on approved positions, 87 is total number of JDA employees, 75 on the JDA payroll and 12 employees are from Sandton office on the City Payroll. There are 22 are vacant positions (17 funded, 5 unfunded), 1 executive and 5 senior managerial positions, middle management 9, Skilled Technical /Junior Management 6, Semi-skilled 1,

Learnership Programme

There are three (3) learners in this quarter. They are all based in the Internal Audit department. This programme provides an excellent opportunity for learners to acquire practical work experience in their field of expertise as well as all other areas of the JDA's operating environment.

Injuries, sickness and suspensions

Cost of sick leave (excluding injuries on duty): Mid-Year 2015/16

The JDA has a system in place which administers all forms of statutory leave as provided in the Basic Conditions of Employment Act 75 of 1997. The table below is a reflection of sick leave analysis for the period under review across all occupational categories and cost implications thereof. A total of 75 employees in the table below are the current JDA employees in the payroll which excludes 12 employees from Sandton Office who resides in the COJ payroll and therefore their leave usage could not be verified.

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0		0	1	0	0
Executive management (including chief audit executive)	0		0	6	0	0
Senior management	3		2	16	0.18	19 345.56
Middle management	26		10	21	1.23	18 876.35
Skilled technical/junior management	15		9	23	0.68	2 854.06
Semi-skilled	4		1	2	1	511.25
Unskilled	11		4	6	1.8	721.45
TOTAL	59	0	26	75	4.89	42 308.67

No injuries at work or suspensions were reported during the period under review.

Section 2: Employee Remuneration (Total Costs including Executives)

For the period under review, the JDA had a total staff compliment of 75 and JDA's salary bill for the period was R12 455 630.61.

Section 3: Key Vacancies

In the third quarter of 2015/16, the JDA's total staff complement was 87 employees as a result of the organisation's strategy to increase capacity to deliver on its expanded mandate and the rising capital budgets that have been allocated across the CoJ departments and entities. The JDA staff establishment is comprised of Top Management, Executive Management which forms part of EXCO, HOD's of various Departments, Development Managers, Officers allocated in various Departments, Management in various roles in various Departments, Project Coordinators in Development Implementation Department, Administrators in various Departments, housekeepers and Cleaners.

Staff establishment

Description	2015/16			
	Approved no. of posts	No. of employees	No. of vacancies	% of vacancies
Top management	1	1	0	0
Executive management	8	7	1	13
Senior management	22	17	5	23
Middle management	34	25	9	26
Skilled technical/junior management	31	25	6	19
Semi-skilled	4	3	1	25
Unskilled housekeepers/cleaners	6	6	0	0
Learners and temps	3	3	0	0
Total	109	87	22	20

Turnover rates from 2010/11 to 2014/15

Historically, between 2010/2011, 2011/2012 and 2012/2013, the JDA has experienced a low staff turnover and the highest being 10% in 2011/2012. Between 2013/2014 and 2014/2015 period the JDA experienced an upsurge in staff turnover which was as a result of resignation. Percentages of staff turnover are between 14.75% in 2013/2014 and 16% in 2014/2015 and with the lowest being 5% in 2012/2013 as shown in the table below.

Turnover rate

Details	Total appointments at beginning of financial year	Terminations during financial year	Turnover rate
	No.	No.	%
2010/11	54	5	9
2011/12	50	5	10
2012/13	55	3	5
2013/14	61	9	14.75
2014/15	86	14	16

Turnover rates for 2015/16

The JDA experienced staff attrition of 3.44% on Q3, the lowest being 1.1 % in Q2 preceded by 2.3 % in Q1 as shown in the table below.

Quarterly	Turnover rate		
	Total appointments per Quarterly	Terminations per Quarter	Turnover rate
	No.	No.	%
Q1	84	2	2.3
Q2	90	1	1.1
Q3	87	3	3.44

Retention Initiatives

Despite three resignations which occurred in the third quarter, the JDA continues to mitigate resignations through various initiatives, which seek to make the JDA an employer of choice by way of offering competitive market related remunerations structures to promote staff retention as follows:

- a) Job Evaluations and Salary Benchmarking Process exercise has been undertaken and the final report with recommendation on job evaluations and salary benchmarking excise has been presented to all JDA structures EXCO, HR& REMCO and the Board for consideration and approval.
- b) Employee Climate Survey – The JDA has completed its employee climate survey through an independent service provider and a report will be presented at EXCO .The JDA feels that this approach will yield better results and will result in more effective interventions by Management.

Section 4: Employment Equity

The JDA is committed to the principles of equity, non-discrimination and diversity enshrined in the Constitution and the Employment Equity Act (1998) as amended. It aims to employ a diverse staff

complement which is of a geographical representation of our society and create equal employment opportunities to all.

The JDA's Employment Equity Policy and Plan aims to advance and protect previously disadvantaged individuals by providing opportunities for career advancement, growth, training and development. The Executive Committee and Human Resources and Remuneration Committee provide regular input into the organisation's employment equity, practices strategies direction and initiatives.

The Employment Equity Plan was developed to promote an environment and culture that supports open communication, where everyone is encouraged to express their views without fear of being victimised, and to ensure fair and consistent application and implementation of all employment practices and procedures. Structures and resources have been put in place to coordinate and monitor employment equity implementation across the organisation. The JDA undertakes an annual review of its employment equity processes and general employment practices to inform the implementation of the Employment Equity Plan. The JDA plans its annual employment equity targets in terms of its Employment Equity Policy and reports to the Department of Labour in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

Employment Equity demographics status for period under review

Occupational levels

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	1	0	0	0	0	0	0	0	0	
Executive Management	3	0	0	2	2	0	0	0	0	0	7
Senior Management	4	2	1	2	6	0	2	0	0	0	17
Professionally qualified and experienced specialists and mid-management	13	0	0	2	5	2	1	2	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	1	0	14	1	2	1	0	0	25
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	1	0	0	0	5	0	0	0	0	0	6

Occupational Levels									Foreign Nationals		Total
	Male				Female				Male	Female	
	A	C	I	W	A	C	I	W			
TOTAL PERMANENT	29	2	2	6	34	3	5	3	0	0	84
Temporary employees	2	0	0	0	1	0	0	0	0	0	3
GRAND TOTAL	31	2	2	6	35	3	5	3	0	0	87

Movements

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	0	0	0	0	0	0	0	0	0
Dismissals	0	0	0	0	0	0	0	0	0
Retirements	0	0	0	0	0	0	0	0	0
Absenteeism	0	0	0	0	0	0	0	0	0
Termination/other	1	1	1	0	0	0	0	0	3
TOTAL	1	1	1	0	0	0	0	0	3

The JDA targets and achievements for period under review:

- 90 per cent of its employees are black (target: 80 per cent).
- 53 per cent of its staff members are female (target: 45 per cent).
- 40 per cent of its employees who are black women are in management positions
- The JDA has employees with physical disabilities, exceeding the CoJ's strategic target of 2 per cent by 0.3 per cent. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

Section 5: Skills Development and Training

The JDA is committed to employee training and development, ensuring variety of skills set, thus building a pool of competent employees. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the organisation's values, enhance leadership capability and improve the JDA's capacity to meet current and future business requirements.

The JDA's Learning Strategy is based on four pillars:

- Understanding the educational requirements of the organisation, based on competency assessments and pivotal training
- Best practice learning design
- Timely and appropriate learning delivery
- Assessment of the impact of learning interventions on overall company performance.

The JDA has created a culture of both on-the-job and off-the-job learning, which is embraced by all employees. Training is an ongoing process of improving employees' knowledge, skills and attitude to enhance job performance, create opportunities for growth and advance careers.

The JDA funds appropriate training and development programmes that are practical and outcomes-based. It also supports employees who wish to attain further qualifications to improve their productivity.

A budget of R 557 760 has been allocated for training and development for the 2015/2016 financial year. The actual expenditure for period under review is R81 970.37 and to date we have spent R271 476.72 of the total annual budget. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

Section 6: Performance Management & Succession Planning

The JDA views performance management as an integral part of the JDA's business strategy which ensure that employees deliver on the agreed scorecard and excellent performers are rewarded accordingly.

The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA's objectives and the CoJ's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included.

As part of continuous employee development, coaching, mentorship and training interventions are implemented to assist employee to perform to the required performance standard.

Despite the JDA's increasing budget allocation and portfolio, which has put strain on employees' performance, the JDA will continue to implement measures to improve its operational effectiveness in 2015/16.

Section 7: Disciplinary Matters and Outcomes

During the period under review, there were no disciplinary matters.

Section 8: Leave & Productivity Management

JDA is committed to the effective management of leave for its employees, and all Line Managers have an obligation to ensure effective planned leave management within their respective Departments.

The table below shows trend analysis in three statutory leave types. The analysis shows that in January 2016, the JDA experienced a high Annual Leave approval at 132 against the total workforce and this was as a result of continuation of leave taken in December 2015 as most employees came back to work around the week ending the 15th January 2016. There was a decline in annual leave approval in February at a total of 53 days and a slight increase in March 2016 at a total of 70 annual leave days, all this amounting to 255 leave days taken for period under review. The table below indicate that in the 3rd quarter most employees were absent from work as a result of being placed on sick leave, a slight increase from 10 to 40 days sick days leave taken in February and 4 leave days taken in March 2016, all this amounting to 54 sick leave days taken for the period under review.

Family responsibility leave remains the lowest used with an average of 10 days taken in January and February 2016 with nothing reported in March 2016, all amounting to 20 days. Study leave had remained relatively low in usage, a total of 8 days taken in the period under review and this is very much controlled by the timing of the exam period.

Leave Analysis – Third Quarter 2015/16

Type of Leave	January 2016	February 2016	March 2016	Total Days Taken
Annual Leave	132	53	70	255
Sick Leave	12	40	7	59
Family Responsibility Leave	10	10	0	20
Study Leave	2	4	2	8
TOTAL	156	107	79	342

Section 9: Employee Wellness

The JDA is committed to maintaining a healthy workforce and providing a safe and hygienic working environment. The JDA's Employee Wellness Programme, which is outsourced to Right to Care Health Services, offers behavioural risk management, free trauma counselling and free legal and financial advice for all employees. Right to Care provides a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family, may access through a toll-free number for assistance with health, financial, legal and other issues.

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the particular issues raised. The identities of the employees who use this service remain strictly confidential.

The JDA holds Wellness Day events twice a year, in June and December. Employees can have their basic health assessed and receive feedback and guidance on corrective measures and counselling.

Section 10: Employee Benefits

The JDA participates in two retirement benefit schemes: eJoburg Retirement Fund (86 permanent employees) and City of Johannesburg Pension Fund (1 permanent employee). All staff are required to be members of the eJoburg Retirement Fund. The JDA contributed R1 077 347.44 to the eJoburg Retirement Fund and R12 651.15 (one staff member) to the City of Johannesburg Pension Fund for the period under review. JDA contributed an amount of R 174 280.36 to Group Life Cover for all its employees and directors.

Section 11: Occupational Health & Safety Programmes

HIV/AIDS in the Workplace

The JDA's HIV/AIDS Policy is aligned with the CoJ's policy and its HIV/AIDS coordinator attends the CoJ HIV and AIDS Committee meetings. The policy ensures that no employee is discriminated against based on their HIV status. All employees must respect the confidentiality of information regarding existing or potential employees with life-threatening illnesses. Any employee who divulges information without the employee's knowledge or consent will be disciplined in accordance with the disciplinary code and procedure of the JDA. The JDA reserves the right to request medical advice or intervention in instances where an employee's illness adversely affects performance, or where an employee claims that he/she cannot work in certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

The HIV/AIDS Programme runs awareness and educational campaigns, provides free condoms, shares videos and offers free helplines. The programme ensures that employees with HIV/AIDS are treated in a fair, consistent manner and are informed about their rights and employee benefits.

In the period under review, Right to Care circulated weekly and monthly e-mails and newsletters about HIV/AIDS, including prevention strategies, to all JDA staff.

Occupational Health and Safety

Independent consultant Empowerisk conducted monthly occupational health and safety audits during 2015/16. These audits identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared in the third quarter of 2015/16 estimated that the JDA's compliance rate for period under review was 91 per cent.

CHAPTER 5: FINANCIAL PERFORMANCE

Section 1: Statement of Financial Position and high-level notes

STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2016

ASSETS	Quarter ended 31 December 2015			Quarter ended 31 March 2016			Notes
	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000	Variance R'000	
Non-current assets	8,192	7,627	565	9,711	7,627	2,084	1
Property, plant and equipment	7,812	6,460	1,352	7,963	6,460	1,503	
Intangible assets	380	332	48	356	332	24	
Deferred tax	0	835	-835	1,392	835	557	
Current assets	790,326	371,557	418,769	669,016	371,557	297,459	2
Trade and other receivables	784,171	364,095	420,076	662,861	364,095	298,766	
Cash and cash equivalents	6,155	7,462	(1,307)	6,155	7,462	(1,307)	
Total assets	<u>798,518</u>	<u>379,184</u>	<u>419,334</u>	<u>678,727</u>	<u>379,184</u>	<u>299,543</u>	
EQUITY AND LIABILITIES							
Capital and reserves	72,491	47,374	25,117	37,543	47,374	-9,831	

Contribution from owner	16,278	16,278	0	16,278	16,278	0	
Accumulated surplus/(deficit)	56,213	31,096	25,117	21,265	31,096	-9,831	
Non-current liabilities	-73,511	15,678	-89,189	59,000	15,678	43,322	
Finance lease obligation	0	0	0	760	0	760	
Deferred taxation	12,141	5,581	6,560	12,303	5,581	6,722	
Project funds payable	-85,652	10,097	(95,749)	45,937	10,097	35,840	3
Current liabilities	799,538	316,132	568,762	582,184	316,132	266,052	4
Loans from shareholders	548,171	102,719	445,452	223,834	102,719	121,115	
Trade and other payables	241,191	200,248	40,943	328,712	200,248	128,464	
VAT payable	7,015	10,003	(2,988)	24,776	10,003	14,773	
Finance lease obligation	0	141	85,215	0	141	(141)	
Provisions – bonus	3,161	3,021	140	4,862	3,021	1,841	
Total equity and liabilities	<u>798,518</u>	<u>379,184</u>	<u>419,334</u>	<u>678,727</u>	<u>379,184</u>	<u>299,543</u>	

NOTES	
1	Non-current assets variance is mainly due to deferred taxation raised on temporary differences and fixed assets that was budgeted for in the 2014/15 year but was not purchased. Budgeted deferred taxation is based on budgeted assets and liabilities, any individual variances in these line items will affect the final calculation. The operational capex budget for the purchase of property, plant and equipment is R15 million for the current year. The major variance is due to the SAP project implementation software that is currently still in the process of being procured.
2	Current asset variance is mainly due to trade and other receivables line item. Trade and other receivables consists of trade receivables, prepaid expenditure and rental debtors. The variance is due to long outstanding claims not yet recovered from the various departments regarding capital expenditure on current year projects implemented by the JDA in June 2015 and current claims for the second and third quarter that will only be paid in the fourth quarter.

NOTES	
3	The non-current liability variance is mainly due to the Projects Funds Payable line item. The Projects Funds Payable relates to funds that we received in advance for the implementation of projects. The movement relates to expenditure incurred relating to the Alexandra Heritage project.
4	The current liability variance is mainly due to the Loans from shareholder line item which relates specifically to the overdrawn treasury account and trade and other payables. The overdrawn balance is mainly due capital claims not yet received from the City. The JDA has contractual obligations with all our capital project suppliers and payments to these suppliers are made before the City Departments reimburse the JDA for the actual expenditure incurred. The longer the delay between these two processes the greater the impact on the JDA's cashflow. The trade and other payables line item includes current amounts owing to suppliers for expenditure incurred in March 2016 and retentions withheld from projects implemented in 2014/15. The retention balances are only released to the suppliers upon final completion of the project and inspection.

Section 2: Statement of Financial Performance and high-level notes

STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2016

	Original	Revised annual	Quarter ending 31 December 2015			Quarter ending 31 March 2016			Notes
	budget	budget	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Gross revenue	97,951	105,185	36,361	43,716	-7,355	47,158	60,003	-12,845	5
Operating costs	-95,718	-98,887	-37,447	-48,153	10,706	-64,468	-70,336	5,868	6
Gross surplus/(deficit)	2,233	6,298	-1,086	-4,437	3,351	-17,310	-10,333	-6,977	
Operating surplus/(deficit)	2233	6298	-1086	-4437	3351	-17310	-10333	-6977	
Interest expense	-3298	-6298	-8093	-1,649	-6,444	-12,786	-3,224	-9,562	7
Interest income	1,065	0	0	0	0	0	0	0	7
Deficit before tax	0	0	-9,179	-6,086	-3,093	-30,096	-13,557	-16,539	
Taxation	0	0	0	0	0	0	0	0	
Surplus/(Deficit) after tax	0	0	-9,179	-6,086	-3,093	-30,096	-13,557	-16,539	

NOTES

NOTES	
5	The variance is mainly due to a lower capital expenditure target that was achieved. Only 69% of the target quarterly capital budget was achieved and 44% of the overall capital budget was achieved.
6	The variance relating to operating costs relates mainly to timing difference between the original projected monthly budget and the actual expenditure incurred. The major line item contributors to this variance are employee costs, development facilitation, planning & strategy and marketing. Employee costs variance is mainly due to vacant positions that are currently in the recruitment phases and will be completed by the fourth quarter. The under expenditure in the remaining items related to certain projects that are still currently underway for planning & strategy, development facilitation and marketing.
7	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that was received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the second quarter has increased the amount outstanding and these will only be recovered in the following quarter.

Section 3: Cash Flow Statement

CASHFLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2016

	Quarter ended 31 December 2015		Quarter ended 31 March 2016		Notes
	Actual	Budget	Actual	Budget	
	R'000	R'000	R'000	R'000	
Cash flows from operating activities					
	89,672	-160,234	91,023	-147,285	
<i>Receipts</i>					
Grants	11,191	11,191	16,785	16,785	
Interest received	0	1000	0	0	8
Cash receipts from CAPEX funding	1,315,519	365,075	552,802	386,228	9
Other receipts	60	310	1,735	2258	
			0	0	
<i>Payments</i>			0	0	
Employee cost	-26,616	-30,162	-39,304	-41,832	
Suppliers	-1,204,464	-506,000	-428,210	-506,000	10
Interest paid	-6018	-1648	-12785	-4724	11
Cash flows from investing activities	-1590	-4500	-2820	-4500	
<i>Expenditure to maintain operating capacity</i>					
Property, plant and equipment acquired	-1590	-4,500	-2514	-4500	12

Proceeds from sale of property, plant and equipment					
Purchase of intangible assets			-306		
Cash flows from financing activities	-88,087	151,785	-88,208	151,785	
Movement in project funds payable	0	0	0	0	
Proceeds from Shareholders' loan			0		
Repayments of Shareholders' loan	-88,087	151,851	-88,087	151,851	13
Finance lease repayments	0	-66	-121	-66	
Net increase/(decrease) in cash and cash equivalents	-5	-12,949	-5	0	
Cash and cash equivalents at beginning of the year	6,160	6,160	6,160	6,160	
Cash and cash equivalents at the end of the year	<u>6,155</u>	<u>-6,789</u>	<u>6,155</u>	<u>6,160</u>	

	NOTES
8	Interest income is lower than budgeted for the third quarter as the company had incurred interest expenditure on the treasury account. This was mainly due to an overdrawn treasury account balance during the quarter. Refer to interest expenditure for more detail.

	NOTES
9	Trade and other receivables consists of trade receivables, prepaid expenditure and rental debtors. The variance is due prior year claims that were only received during the current year.
10	The variance is mainly due to the lower than expected capital expenditure achievement. To date only 20% of the total capital budget has been spent. Thus extent of payments to suppliers for work done was lower than budget.
11	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that was received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the third quarter has increased the amount outstanding and these will only be recovered in the following quarter.
12	SAP implementation and office refurbishment expenditure has been slower than was originally anticipated hence the actual being less than budget.
13	The cash outflow made to project suppliers affecting the movement in the shareholders loan (treasury account) is mainly due to an lower than expected capital expenditure than achieved for the first quarter and a recovery of capital claims from departments.

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 MARCH 2016

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
		R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16,278	16,278	35,102	51,379
Adjustments	0	0	0	0	0
Prior year adjustments				0	0
Balance at 01 July 2014	60	16,278	16,278	35,102	51,379
Changes in net assets					
Surplus for the year	0	0	0	16,286	16,286
Total changes	0	0	0	16,286	16,286
Balance at 01 July 2015	60	16,278	16,278	51,388	67,666
Changes in net assets					
Deficit for the year	0	0	0	(30,123)	(30,123)
Total changes	60	16,278	16,278	21,265	37,543
Balance at 31 March 2016	60	16,278	16,278	21,265	37,543

Section 4: Ratio Analysis

RATIO ANALYSIS FOR THE QUARTER ENDED 31 MARCH 2016

Key Performance Area	Key Performance Target	Actual 31 December 2015	Actual 31 March 2016	Notes
Current ratio	Above 1 : 1	0.98: 1	1.18: 1	1
Solvency ratio	Above 1 : 1	1.10: 1	1.06: 1	2
Remuneration to expenditure ratio	Below 60%	49%	47%	3
Maintenance to expenditure ratio	1%	0.23%	0.19%	4
Interest to expenditure ratio	Below 30%	16%	17%	5
% capital budget spent	70%	30%	44%	6

	Notes
1	Current ratio exceeds target and is better than second quarter due to a lower overdraft balance and higher trade receivables than was the case in the second quarter. This is despite a higher trade payables balance in the third quarter than was the case in the second quarter.
2	Solvency ratio is lower than target and slightly lower than the second quarter mainly due to a higher deferred tax balance, a higher project funds payable balance and higher trade payables balance than was the case in the second quarter.
3	Remuneration to expenditure ratio is lower than the second quarter due to a higher operational expenditure budget as well as some of the vacant positions budgeted for but not yet filled as at end of the quarter. These include inter alia two executive, one senior management and three middle management positions.

	Notes
4	Maintenance to expenditure ratio is lower than the second quarter due to maintenance later appointments of service providers for the maintenance related work.
5	Interest to expenditure ratio is lower the second quarter due a higher operational expenditure budget despite the increased finance costs incurred as a result of late settlement of claims by City Departments
6	There has been significant delays in a number of projects which resulted in the capital expenditure been lower than budget. There were a number of reasons however the actual % spent is 2% higher than capex spent in the third quarter of the previous financial year.

Section 5: Report on Irregular, Fruitless and Wasteful Expenditure and Due Processes

No irregular, fruitless and wasteful expenditure was incurred for the current quarter.

Section 6: Pending Litigations and Possible Liabilities

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Ubuntu Kraal (Pty) Ltd vs JDA	± 23 555 160, 06 million	13/12/2013	Damages suffered by Ubuntu Kraal as a result of "alleged" negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relate to the "alleged" negligence on the part of the JDA during the widening of the Klipspruit valley road during the construction of the BRT routes around 2010. It is alleged that as a consequence of such construction, which resulted in flooding in 2010 and 2011, damages to buildings and properties to the tune of approximately R23 555 160, 06 was incurred by the plaintiff. The JDA has been cited as the first defendant and the City of Johannesburg as the second defended in the matter, together with other 5 defendants.</p> <p>The JDA has appointed Routledge Modise Attorneys (T/A Hogan Lovells) to assist in defending the matter.</p> <p>Routledge Modise have handed over the matter to the insurers attorneys at the request of the JDA's insurers (Webber Wentzel Bowens).</p> <p>The matter is being defended by the JDA and COJ's insurer's lawyers.</p>	The matter is still at pleadings stage. It has not yet been set down for trial.	Not yet determined at this stage. Further details will be shared after the first consultation with counsel.
Tembu Convenience Centre CC vs City of Johannesburg 1st Defendant and Others (JDA- 2nd Defendant)	± R10 488 324 million		Damages suffered by Tembu Convenience Centre CC as a result of "alleged" extensive permanent road diversions and/or closures having been effected in order to cater for the BRT system in the area known as "Soweto to Parktown Bus Rapid Network, Section 1, Moroka Police Station to Modderspruit	The JDA is defending the matter through its attorneys (Mchunu Inc.) The matter was set down for trial on 2 March 2016. However the parties agreed to remove the matter from the roll in order to allow the defendants to amend their pleas.	Not yet determined	Not yet determined at this stage.

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
			Culvert". It is alleged that COJ or the JDA failed to comply with the relevant legislation and ordinances.			
GOBA vs JDA	±R257, 296.21	01/2014	Alleged outstanding amount (unpaid invoices) for services rendered on Vilakazi street precinct.	The parties have reached a settlement agreement. There is no longer litigation in this regard. (The matter was handled in-house without the use of external attorneys)	Completed	
Achusim Chijoike vs (JDA 1st Defendant) and Sykmark Security Services (Pty) Ltd (2nd Defendant)	± R353000.00	10/2013	Injury suffered by Plaintiff as a result of a shooting incident that occurred in December 2010. The Plaintiff alleges that the person implicated in the shooting is linked to the JDA as its employee. Hence the claim of vicarious liability.	The JDA was incorrectly cited as a party to the proceedings. Particulars of defence were submitted to the plaintiff accordingly. The Plaintiff has to date not responded to our pleadings. A letter has been addressed by the JDA's attorneys (Routledge Modise T/A Hogan Lovells) to the Plaintiff to the effect that should we not receive any feedback from them, we shall proceed to seek court approval to withdraw the matter. We still await feedback from the Plaintiff's attorneys.	The matter stopped at pleadings stage and is likely not going to proceed.	Very good
Bertrams Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertrams Priority Block.	The JDA has through its Attorneys (Edward Nathan Sonneburg ENS) entered into legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The Few that would be left would, due to inability to meet monthly rentals will be accommodated by the Department of Housing. The parties are working together to reach agreement	On-going	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
				without a protracted litigation processes.		
Dark Fibre Africa vs JDA and Easyway Tarmac Pave and Projects CC	R42,037.85	14/03/2014	The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along the road carriage way of Orlando east, near Sefa Sonke street around 22 June 2013. The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2 nd Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando east near the intersection with sefa sonke street.	The matter is being defended by the lawyers appointed by the JDA's insurers (AON).	The matter is still at pleading stage and has not been set down for trial	
Urban Real Estate Properties (Pty) Ltd	R0	06/07/2015	A letter of intend to institute legal action (interdict) was received by the JDA on 6 July 2015 from Salant Attorneys who represent Urban Real Estate (Pty) Ltd and CP Barnes Properties (Pty) Ltd, key stakeholders with	The JDA is defending the matter through its attorneys (Mchunu Inc.)	The matter is at negotiation stage and has not entered the pleading stage.	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
			<p>interest in the Randburg Mall where the JDA is currently conducting an upgrade of in and around the mall involving construction work which to a certain extent has an impact on the above-mentioned stakeholders.</p> <p>In essence, the letter seeks to interdict the JDA (or its contractors) from proceeding with the upgrade until such time that the demands listed in letter have been met.</p>			

Section 7: Insurance Claims against/to MOE/Department

No claims for the current quarter.

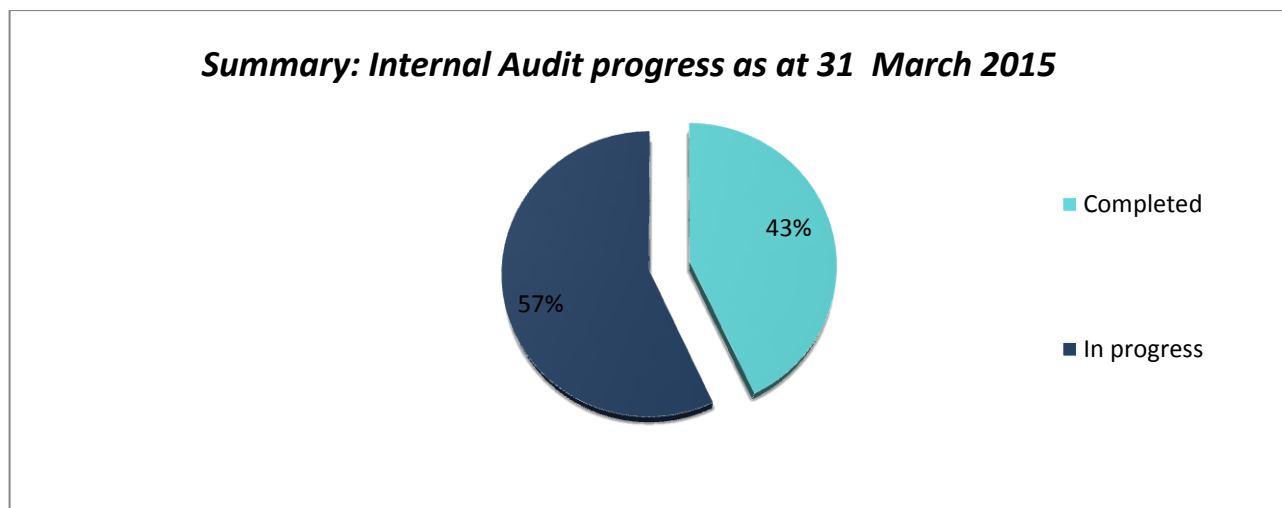
CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

Section 1: Results of Internal Audits

The chart below serves to indicate an overview of the progress at 31 March 2016 against the Internal Audit Plan for the 2015/16 financial year.

Third Quarter Progress

Figure 1: Internal Audit progress as at 31 March 2016



In terms of the annual internal audit plan, seven (7) projects were planned for the period 1 January to 31 March 2016; of the seven (7) projects planned, 43% of the projects were completed, with 57% still in progress and will be completed by 30 April 2016.

No.	Planned Audit Description	Progress as at 31 March 2016
1.	Financial Discipline Review (FDR-2015/16)	In – progress: Execution Stage
2.	Supply Chain Management Review (SCM- 2015/16)	In – progress: Execution Stage
3.	2 nd Quarter Performance Information Review(4 th PIR-2015/16)	Completed
4.	Review of the Risk Management processes (1 ST RR-2015/16)	Completed
5.	Job Creation Review (JOB CR- 2015/16)	In – progress: Execution Stage
6.	Follow up on Internal Audit Findings (FLW UP- 2015/16)	Completed
7.	SAP Implementation Review (SAPImp-2015/16)	In – progress: Execution Stage

Section 2: Progress on Resolution of Internal Audit Findings

The table below provides a summary of Internal Audit Findings;

Details	Total
Opening Balance of Unresolved Findings - 2015/2016	122
Total number of findings raised – Q1 to Q3 of 2015/16 FY	19
Total number of findings as at 31 March 2016	141
Less: resolved findings	89 (63%)
Total number resolved findings as at 31 March 2015	52 (37%)

Most of the findings that are unresolved relate to new findings for which the committed upon timelines has not expired to resolve the findings. Management is however working relentlessly to ensure that these findings are resolved and that the internal control environment is adequate and operating effectively.

Section 3: Progress on Resolution of External Audit Findings

The table below provides a summary of AG Findings raised in the 2014/2015 financial period:

Auditor General Findings

Details	Total
Number of findings	23
Resolved	23
Unresolved	0
% Resolved	100%
% Unresolved	0%

All AG finding were successfully resolved during previously during the 2nd quarter of 2015/2016 financial year.

Section 4: State of Internal Controls

Effective risk management and compliance with government regulations are driving the need for ongoing auditing. JDA is subjected to internal and external audits each year, thus making audit co-ordination and management vitally important by ensuring timeous implementation of corrective action to clear audit findings, strengthen risk management and compliance. Regular audits are essential to reduce the risk of non-compliance.

ANNEXURES

Annexure 1: Acronyms and abbreviations

ACRONYM	DEFINITION
BBBEE	Broad-based black economic empowerment
BRT	Bus rapid transit
CBD	Central business district
CPC	Community Participation Consultant
CoJ	City of Johannesburg
CSA	Capability support agents
EPWP	Expanded Public Works Programme
GDS	Growth and Development Strategy Joburg 2040
GMS	Growth Management Strategy
GRAP	Generally Recognised Accounting Practice
ICT	Information and communication technology
IT	Information technology
King III	King Report on Governance for South Africa and the King Code of Governance Principles
KPI	Key performance indicator
MFMA	Municipal Finance Management Act (2003)
NMT	Non-motorised transit
SMME	Small, medium and micro enterprise