

# Johannesburg Development Agency (JDA) City of Johannesburg BUSINESS PLAN 2013/14

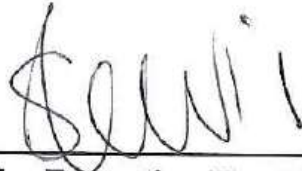


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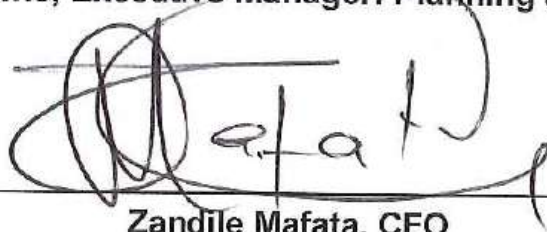
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a world class African city



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# 1. INTRODUCTION AND EXECUTIVE SUMMARY

The Joburg 2040 GDS, launched in October 2011, responds to the multiple challenges and uncertain futures faced by the city. To cope with change, the City of Johannesburg aims to strengthen the adaptive capacity of the City and its citizens, so that it may become more resilient to potential and unpredictable futures. The Joburg 2040 GDS lays the foundation for multi-level, integrated responses to the challenges the city faces.

*The Joburg 2040 GDS is driven by the goal of capable and capacitated communities and individuals. With this realised, the City of Johannesburg will be able to achieve a more sustainable, inclusive future, in which communities and the individuals who live in them hold the potential and the means to imagine and grow their neighbourhoods, their communities and themselves. A balanced focus on the environment management and services, good governance, economic growth and human and social development will assist in achieving a resilient and sustainable city – and a city in which all aspire to live.*

This business plan for the JDA for 2013/4 responds to the Joburg 2040 ideals of resilience, liveability and sustainability. It reflects an attempt to strengthen the strategic framework used in 2012/13 which was based on a cross-sectoral strategic planning process that involved all CoJ Departments and Municipal Entities in cluster discussions that have defined four outcome-driven programmes for the new 5-year Integrated Development Plan (IDP). This business plan gives effect to many cross-cutting strategic objectives, but for practical purposes it is located as part of the Sustainable Services Cluster and responds to the need to develop a **resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy** - in Johannesburg.

The JDA will structure its operations into four substantive programmes within the Sustainable Services Cluster, and two operational programmes that give effect to the cross-cutting functions that enable the JDA to work in an efficient and effective way.

The substantive programmes are:

- i) The **Greenways** programme that focuses on providing resilient, liveable and sustainable environments within the City by using roads, rivers 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.
- ii) A **Transit oriented node development** programme that encourages optimal development of transit hubs and corridors across the city, which provide access to affordable accommodation and transport, high quality public spaces and amenities, and good community services.
- iii) A programme on **priority area planning and implementation** that shifts the design of the city – including elements like streets, buildings and spaces of work and play – to improve liveability and create sustainable human settlements.
- iv) An **inner city regeneration** programme that continues the strategic inner city upgrading focus for the JDA. Within this programme there are 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.

All of these programmes are intended to restructure the space economy to give poor households better access to well-located accommodation, jobs and markets; Optimise land use and energy consumption; and improve living standards and mobility for large numbers of people in well serviced and managed transit neighbourhoods. They link back to three of the master programmes outlined in the GDS 2040: Enabling resilience, inclusion and sustainability; enabling growth and job creation; and going green.

The two operational programmes relate to strengthening the way in which the JDA works and the extension of the JDA's mandate as a result of the institutional review carried out by the City of Joburg. These are:

- v) The **Administration and Management** programme that accommodates the CEO, Finance, Marketing and Communications, Risk and Compliance, Supply Chain Management, and IT.
- vi) The **Development Facilitation** programme is a new programme which gives effect to the extended mandate of the JDA as the development facilitation agency for the City of Johannesburg. It includes Development Implementation, Project Development, Land Development and Urban Management Support.

The set of JDA projects was proposed for the multi-year funding commitment through the IDP 2011-2016. These have been refined and adjusted in this business plan.

**Table 1: IDP Sub-programme and Performance targets for 2013/14**

2012/16 IDP Sub-programme	Projects	2013/14 Performance target
Sustainable Services Cluster Sub-programme 4: Greenways	Rea Vaya BRT busways, stations and associated infrastructure	Rea Vaya BRT infrastructure for trunk route 1C Construction of bus depots, pedestrian bridges, and affected roads. Lane colourisation, station environment upgrades and operational preparations.
	Non-motorised transport infrastructure investments	Bicycle storage infrastructure as functional art in Soweto.
Sustainable Services Cluster: Sub-programme 7: Transit node developments	Randburg CBD	Further preparation of the Randburg Civic Precinct property for development and support for the social housing development
	Nancefield Station Precinct (Soweto)	Construction of bulk infrastructure to support the development of a transit oriented precinct
	Jabulani Node (Soweto)	Precinct development framework and priority infrastructure planning completed
	Orlando East Station Precinct (Soweto)	Construction of 3 <sup>rd</sup> phase of public environment upgrading.
Sustainable Human Settlements Priority programme: Inner city regeneration	Park Station Precinct	Construction of new phase of public environment upgrading including start of new metro park on Transnet land, redevelopment of Kazerne as a transit facility, Joburg Art Gallery safer city project and other taxi facility upgrades and complete streets projects.
	Westgate Station Precinct	Construction of 3 <sup>rd</sup> phase of public environment upgrading including heritage trail and complete streets in precinct.
	Inner city upgrading	Completion of public environment upgrading in support of social housing projects, planning and design for Hillbrow Tower precinct, and the public places partnership programme.
Sustainable Services Cluster: Sub-programme 10: Priority area planning and implementation	Diepsloot Development	Ndimatsheloni road upgrade and retail partnership project
	Kliptown Development (Soweto)	Construction of new phase of public environment upgrading to support new arts and culture activities

2012/16 IDP Sub-programme	Projects	2013/14 Performance target
Technical assistance projects	Various projects that are project managed by the JDA for other Departments and entities	Completion of agreed construction projects on time and within budget including clinics, Comdev projects, and bulk infrastructure for Sol Plaatjie and other housing projects

This will require an overall budget commitment of R6 billion in capital funds; and R380 million in operating funds over the Medium term expenditure framework period (2013/14 to 2017/18). Only R730 million of the capital funding will be on the JDA's budget; the rest will be on the budgets of other departments or entities with the JDA appointed as implementing agent with the mandate to manage the expenditure to achieve agreed outputs.

The capital funding is sourced from a range of intergovernmental grants as well as CoJ capital allocations. In summary, this business plan requires a five year allocation of R 2.9 billion from municipal funds; and at least R3.1 billion that will be funded through grants from National Government Votes including Transport, National Treasury and Human Settlements.

**Table 2: Indicative summary of capital funding sources (2013/14 to 2017/18)**

Source of funding	Total 5 Year Budget
<b>On budget funding</b>	
JDA Capex funding	R 550 000 000
Urban Settlement Development Grant on JDA budget	R 180 000 000
<b>Off budget funding</b>	
Urban Settlement Development Grant on Housing budget	R 180 000 000
ICF allocation on DPUM budget	R 2 310 000 000
Neighbourhood Development Partnership Grant allocation on DPUM budget	R 410 000 000
Public Transport Infrastructure and Systems Grant allocation on Transportation budget	R 4 030 000 000
Other TA projects from various sources	R 506 000 000
<b>Total</b>	<b>R 5 986 000 000</b>

The JDA's **five-year operating budget** of R380 million is funded partly by charging a development fee of 4 or 5% on all capital funds managed by the agency. This is expected to raise R197 million in own revenue over the 5-year MTEF. The other R183 million is required in the form of an annual operating grant from the CoJ.

In effect, this operating subsidy of R183 million over 5 years buys the human resources capacity and skills that allow the JDA to implement capital grant funding of at least R6 billion on behalf of the CoJ. We believe that this represents excellent value for money for the City administration.

Key risks include the retention of skilled staff; declining capital and operating funding; and maintaining the JDA's proud track record of financial management, compliance with supply chain regulations, corporate governance and service delivery excellence.

## 2. STRATEGIC ANALYSIS

The South African State of the Cities Report for 2011 defines the resilient city as one that is able to chart a different path in solving complex and unanticipated problems. It involves adapting and shaping development in order to improve the City's position through structural change. If we are to promote resilience through structural change that achieves greater equality in Johannesburg, then the restructuring of city form must be a priority for Johannesburg.

The Joburg 2040 Growth and Development Strategy (GDS) responds to the multiple challenges and uncertain futures faced by the city. To cope with change, the City of Johannesburg aims to strengthen the adaptive capacity of the City and its citizens, so that it may become more resilient to potential and unpredictable futures. Rather than develop a blueprint plan for the future, the Joburg 2040 GDS lays the foundation for multi-level, multi-scalar and integrated responses to the challenges the city faces.

According to the analysis undertaken for Joburg 2040, the legacy of Apartheid continues to dominate the national context. The inequality and divisions based on race and class continue to affect all sectors of society. Some stubborn problems persist – including low levels of education, income inequality, chronic poverty and crippling unemployment, which continue to plague South Africa. There is evidence that these conditions have not improved substantially over the last decade. To compound matters, the global financial downturn, climate change and energy insecurity are driving multiple hardships worldwide, impacting on South African growth prospects.

Joburg 2040 offers a vision, mission and framing paradigm and principles, alongside outcomes, outputs and indicators. Four major outcomes define the GDS 2040. Each outcome is linked to a corresponding set of outputs and one or more indicators of success. The outcomes originate from the GDS paradigm, and analysis. Two outcomes are particularly relevant to the JDA business plan:

### **Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy**

The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low carbon economy initiatives.

### **Outcome 3: An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens**

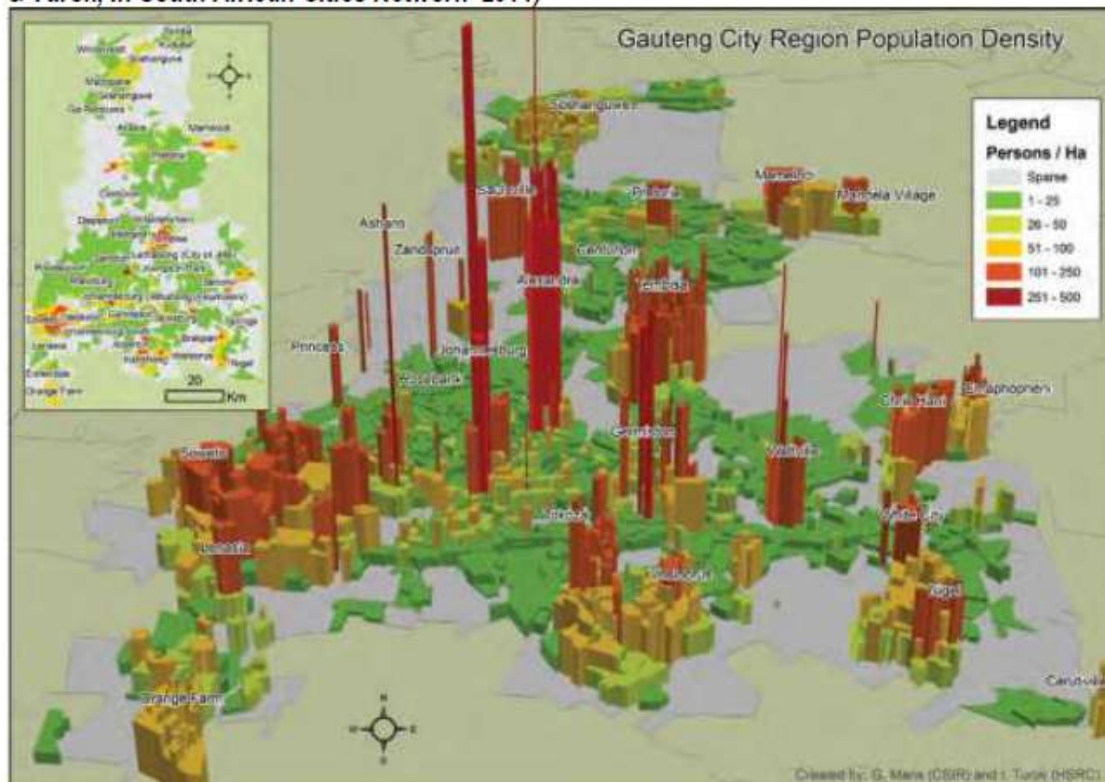
The GDS 2040 emphasises that *“the City of Johannesburg will focus on supporting the creation an even-more competitive, ‘smart’ and resilient city economy, when measured in relation to national, continent and global performance. The City will promote economic growth and sustainability through the meaningful mobilisation of all who work and live here, and through collaborating with others to build job-intensive long-term growth and prosperity, from which all can benefit.”*

Johannesburg's urban form is a consequence of its history. The city grew with the automobile, extending its edges with motorised mobility. Apartheid planning contributed further to the urban sprawl, with race-based townships deliberately developed on the periphery of the city, away from opportunity and resources. The legacy of Apartheid planning, the era of the automobile and capital flight to suburban neighbourhoods in the 1970s are all



historical conditions that, over-time, have given rise to a sprawling city. Our sprawling city is also a divided city, with places of work that are far from where the majority of the population lives. Using urban density as a proxy for compactness, Johannesburg has some of the lowest urban densities – when compared to global cities. Average densities within the metropolitan region indicate 521 persons per km<sup>2</sup>. There are large volumes of people within the inner city with considerable overcrowding in particular neighbourhoods. Average densities in the inner city are estimated to be 2 270 persons per km<sup>2</sup> within a 10 kilometre radius, but this is likely to be an underestimation. The map below provides a depiction of the city region’s population density – clearly demonstrating the focused areas of density, surrounded by large areas of low density.

**Map of Gauteng City-Region population density – depicted from a south-north perspective (Source: Man & Turok, in South African Cities Network 2011)**



An urban form that is compact and improves liveability is also one with greater resilience and sustainability. To achieve sustainability and resilience, focus is needed on upgrading informal settlements, while also addressing tenure security, job creation and resource security.

The State of World Cities Report for 2010-11 identifies access to equal opportunities and improvements in the quality of life of the poor as being important to the creation of an inclusive or equitable city. By building a more robust network of sustainable and competitive economic nodes and high density movement corridors that are well served by public transport it will be possible to increase access to markets and jobs for more people, and ensure optimal use of land and energy resources. It is also important to create new activity nodes in marginalised areas in order to bring markets, services and employment opportunities to these under-developed parts of the city.

The second key reason for restructuring the city is to achieve reduced energy consumption and greenhouse gas emissions. The spatial form of the city is important because private car use is a significant driver of energy consumption and greenhouse gas emissions in South Africa, and 80% of the variance in private car energy use is due to urban density. For



example, in the South African context, if 10% of households shift to energy efficient lighting it will reduce energy consumption by 0.1%; and if 10% of low income houses have ceilings retrofitted another reduction of 0.1% can be achieved. But, if 10% of private car users shift to public transport for their daily commute, this will result in an 8% reduction in energy consumption.

The restructuring of the space economy in Johannesburg will depend on achieving the following development outcomes:

- a) **Shifting people closer to jobs** by regenerating key economic nodes such as the Johannesburg inner city, and transit oriented precincts like the Randburg CBD and the station precincts in Soweto to enable these areas to accommodate a greater agglomeration of economic activity, high density affordable housing, and more intensity of land use.
- b) **Shifting jobs closer to people** by developing selected nodes in marginalised areas to stimulate local economies, increase competitiveness, and broaden access to markets and jobs.
- c) **Linking jobs and people** by developing high-density movement corridors anchored by transit nodes to restructure city form, promote efficient land use and transport energy consumption.

The most efficient urban form is compact, mixed land-use with an extensive public transport network that includes high intensity movement corridors and with attractive environments for walking and cycling. There are also social and economic sustainability reasons for promoting compact urban form, including access, inclusion, health, social cohesion, vibrancy, economy, household savings, and air quality.

As a City Development Agency, the JDA is positioned to take on a broader role, focusing on development areas selected for their potential to satisfy strategic objectives such as restructuring the space economy. There are opportunities for the scale of JDA operations to be extended: by increasing the number of development areas; extending the types of developments undertaken by the JDA; and increasing the development facilitation role that the JDA plays in development areas.

## 2.1. The role of the JDA

The JDA was established in April 2001 to initiate, stimulate and support development projects and rejuvenate economic activity throughout the Johannesburg metropolitan area. In its first phase of operation, the JDA's aim was to create an environment that will attract new investment, increase occupancy levels, and enhance the City's cultural and tourism potential within defined areas. This was done by coordinating private and public sector interventions and managing capital investment into area-based economic development initiatives throughout the Johannesburg metropolitan area.

The specific and agreed objectives of the JDA were to:

- promote economic growth through the development and promotion of efficient business environments in defined geographic areas.
- regenerate decaying areas of the city so as to enhance their ability to contribute to the economic development of the city and the quality of life of its residents.
- promote economic empowerment through the structuring and procurement of JDA developments.
- promote productive partnerships and cooperation between all relevant stakeholders on area-based initiatives.
- develop best practice and organisational expertise in respect of area-based development management.

In general, the JDA's interventions were directed at the urban and economic regeneration of large-scale, multi-faceted areas. The Agency intentionally avoided small-scale or piecemeal interventions in favour of bold and integrated developments. The JDA also drew on the history of the city to create new symbols of the city, such as the Nelson Mandela Bridge and Constitution Hill, which are significant to all its residents.

In the second phase of operations (between 2006 and 2011) the JDA continued to focus on developing strategic areas across the city. These included the establishment of integrated sport precincts in Nasrec and Ellis Park, the dedicated busways and bus stations for the new Rea Vaya Bus Rapid Transit system and the development of historically marginalised areas such Orlando West, Orange Farm and Diepsloot.

In this, the current Mayoral term, a new role for the JDA is being conceptualized within City structures. The JDA, through this review, is playing a role in the process by in proposing its own new institutional form. The background to the review is extensive but it primarily comes out of an external review of all the City entities undertaken by the City of Johannesburg. This exercise suggested the following role for the future JDA:

*'Johannesburg Development Agency: proposal to redefine the mandate and include development and facilitation functions currently done by the Property Company and lesser extent Planning and Housing. The mandate is also to include trade and investment promotion. There is no firm proposal on the mandate and location thereof, further report will be provided'.*

Building on this proposal and with its own additional refinement, the City itself has recommended the JDA be seen as the 'single development facilitation agency for the City'.

The two models mooted by the City for a new look JDA are defined thus:

- **CoJ Option 1:** Continuation of the current JDA outsourcing model and a limited permanent staff;
- **CoJ Option 2:** An expanded organizational structure that accommodates skills from the JPC and DED, specifically with respect to development facilitation and investment promotion.

Using these as a starting point, extensive research and consultation was undertaken to determine the viability of these options. Interviews with numerous stakeholders ranging from the private sector, to community groups to current and former City employees suggested that in fact the absolute adoption of either of these options was not necessarily practical or affordable. Instead the viable options need to showcase the JDA's efficiencies and capabilities and its ability to deliver large complex projects. At the same time though, the JDA as an organization needs to remain true to its development agency mandate.

Although numerous elements contribute to its mandate, the JDA cannot act as a 'catch all' for every City of Johannesburg economic, spatial function or infrastructure development function. Therefore, it is not the proposal of this review that the JDA take over any of the functions of the Joburg Property Company or the Department of Economic Development. Rather, it is imperative that the organization remains lean, efficient and malleable in order to deliver its projects. Furthermore, developing and maintaining good relationships with other City departments is the best mechanism for realizing development. After all, the real test of the JDA's contribution to urban development will lie in the assessment of its work in the years to come.

## **2.2. Vision, Mission and Objectives**

The JDA's vision and mission reflect the role the JDA can play in restructuring the space economy in Johannesburg.

### ***Vision***

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

### ***Mission***

JDA is a city development agency of the City of Johannesburg that manages and facilitates developments in efficient and innovative ways to build an equitable, sustainable and resilient city.

### ***Objectives***

The objectives of the JDA 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 co-operation between all stakeholders in these areas.

## **2.3. Past Performance on Key Areas:**

The JDA has implemented approximately 58 projects in 5 regions of the City in 12 years of operation. This has resulted in capital expenditure amounting to about R6.0 billion at an operating cost of R520 million.

R1.56 billion of the capital funding has come from the City of Johannesburg in the form of an annual capital grant for urban regeneration projects in the inner city and in other strategic areas across Johannesburg (especially in marginalised areas). The majority of capital expenditure is funded by intergovernmental grants from National and Provincial government, key sources include the Public Transport Infrastructure and Systems grant from the National Department of Transport (R4 billion) and the Neighbourhood Development Partnership grant from National Treasury (R170 million).

**Table 2: Summary of JDA expenditure from 2001/02 to 2011/12**

Expenditure summary for the JDA													Outcome		Total
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Estimated			
R Thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13			
<b>Expenses</b>															
Operating Expenditure	11 420	18 800	23 200	50 017	26 068	37 418	47 266	81 517	68 280	50 491	49 248	55 937	519 663		
Percentage	26	18	15	18	13	13	6	5	6	6	7	16	8		
Capital Expenditure	32 729	86 277	130 683	221 629	180 441	249 793	773 330	1 492 552	1 132 631	765 035	640 778	300 000	6 005 878		
Percentage	74	82	85	82	87	87	94	95	94	94	93	84	92		
<b>Total expenses</b>	<b>44 149</b>	<b>105 077</b>	<b>153 883</b>	<b>271 646</b>	<b>206 509</b>	<b>287 211</b>	<b>820 596</b>	<b>1 574 069</b>	<b>1 200 911</b>	<b>815 526</b>	<b>690 026</b>	<b>355 937</b>	<b>6 525 541</b>		

These projects extend across all aspects of city development – from the construction of transport infrastructure to the upgrading of recreation centres, libraries, parks and public squares. In some cases, the JDA facilitates all funding and manages the projects directly, and in others, it works as an active partner with other public or private sector investors.

Projects can be categorised by their development objective and by their location in the city. In the first five years, most of JDA's projects were for the purpose of developing economic nodes. Examples include Newtown, Braamfontein, Kliptown and the Ellis Park Sports Precinct. In the second phase of JDA's operations, there was a marked shift towards transit-oriented development driven by the funding for the Rea Vaya Bus Rapid Transit system. Because of the scale of funding, the ten-year average is also weighted towards transit-oriented development. Beyond the BRT projects, the JDA has also implemented precinct developments such as commuter railway station precinct developments at Faraday, Jeppe, Park Station, Stretford in Orange Farm, and Orlando East; and precinct developments around the new bus stations starting with the Art Gallery and Westgate bus stations.

The public service delivery projects that JDA has completed include upgrading of parks, refurbishment of municipal-owned buildings that accommodate transitional housing, recreation centres, libraries, municipal administration functions or health services.

**Table 3: JDA capital expenditure by development objective from 2001/02 to 2012/13**

Expenditure	2001/02 to 2005/06		2006/07 to 2010/11		2011/12 to 2012/13		2001/02 to 2012/13	
	R'000	%	R'000	%	R'000	%	R'000	%
<b>Total</b>	<b>R 681 759</b>		<b>R 4 527 399</b>		<b>R 849 400</b>		<b>R 6 058 557</b>	
Of which								
Economic node development	R 497 535	73	R 1 096 243	24	R 39 000	5	R 1 632 778	27
Transit oriented development	R 139 200	20	R 3 154 161	70	R 757 000	89	R 4 050 361	67
Public service delivery	R 45 011	7	R 147 307	3	R 53 400	6	R 245 718	4
Other	R 13	0	R 118 858	3	R	0	R 118 870	2

When JDA's capital expenditure is analysed in terms of the location of projects it is clear that the portfolio is equally balanced between inner city regeneration and upgrading of marginalised areas. From 2006/07 the dominance of the Rea Vaya Bus Rapid Transit project has introduced the concept of movement corridors or links to the spatial logic that JDA applies.

**Table 4: JDA capital expenditure by location from 2001/02 to 2012/13**

Expenditure	2001/02 to 2005/06		2006/07 to 2010/11		2011/12 to 2012/13		2001/02 to 2012/13	
	R'000	%	R'000	%	R'000	%	R'000	%
<b>Total</b>	<b>R 681 759</b>		<b>R 4 527 399</b>		<b>R 849 400</b>		<b>R 6 058 557</b>	
Of which								
Johannesburg inner city	R 218 215	32	R 1 212 342	27	R 92 000	11	R 1 522 557	25
Other CBDs	R 16 151	2	R 28 337	1	R 1 000	0	R 45 488	1
Marginalised areas	R 447 078	66	R 1 134 879	25	R 71 400	8	R 1 653 357	27
Rea Vaya BRT infrastructure	R 314	0	R 2 149 841	47	R 685 000	81	R 2 835 155	47

It is not feasible to describe in detail the full range of JDA activities and achievements over the last ten years in this business planning document, but the following section provides a summary of what the JDA has contributed against the City's key objectives of promoting economic growth and regenerating areas in decline.

### **2.3.1. Promoting growth and development**

The JDA has facilitated and managed investment into critical commercial and cultural infrastructure projects in order to stimulate the growth and development of business and tourism in specific urban localities. This includes support to specific sectors of historical importance to Johannesburg – such as the fashion and jewelry industries - as well as landmark initiatives such as the substantial Constitution Hill development. The JDA has also provided cross-cutting support to a wider spectrum of city residents through investment in the city's logistics infrastructure - forging connections between the City's various nodes and building effective transport and telecommunications linkages in JDA developments.

#### **JDA009: Fashion District**

The Fashion District is located in the eastern sector of the Johannesburg inner city. Approximately 800 SME's involved in the garment industry have clustered in this area. The goal of the development was to create a viable, distinctive and sustainable Fashion District that addresses the growth of SME's and the growth of value-added manufacturing in this sub-sector, currently characterised by a large number of survivalist enterprises who are unable to compete successfully in a re-structured garment and textile sector. The Fashion District Institute has been established and the construction of Fashion Square as the core public sector initiative in the heart of the district is where development efforts are focused.

#### **JDA 018: Baralink**

This development aims to stabilise, consolidate and promote economic development in the Baralink node focusing around an inter-modal transport and trading hub. The development sought to integrate Soweto and Johannesburg and improve access and employment opportunities through mixed use development. The Baralink development comprised a number of individual projects, namely the Baragwanath Public Transport Facility, Soweto Empowerment Zone (in which the JDA is directly involved) and the Orlando Ekhaya Development and Elias Motsoaledi Housing project, which are being undertaken by JPC and CoJ Housing respectively.

#### **JDA 029: Rea Vaya Bus Rapid Transit system (formerly the Strategic Public Transport Network (SPTN))**

The City of Johannesburg has received funding from the National Department of Transport to fund the implementation of the Strategic Public Transportation Network and the JDA is implementing this multi-year project on behalf of the CoJ's Department of Transportation. The SPTN was intended to consist of special public transport lanes and intersections, running north and south of the city, and west and east. Transport interchange nodes will be created, where commuters can switch from one form of transport to another. They will eventually be able to buy a single ticket, making travel via the different means of transport; rail, bus, taxi a seamless journey. The network was intended to comprise the proposed "Flagship Project" of two public transport priority corridors stretching east west from Alexandra to Roodepoort and north-south from Sunninghill to Soweto. The first phase of the network, took the form of the Rea Vaya Bus Rapid Transit system with dedicated trunk bus ways constructed from Thokoza Park in Soweto to Ellis Park, with an inner city distribution system of dedicated lanes and bus stations.

#### **JDA 032: Inner City Distribution System**

In response to the need for a reliable, frequent and low cost service to allow people to move efficiently around the city, the Inner City Distribution System was proposed to be

included in the BRT. The system serves to reduce congestion, promote economic growth in the city and popularise public transport. The 16 kilometres of new bus routes through the inner city are an integral part of the BRT trunk route to Soweto. The service has begun to popularise public transport and provides an attractive and cheaper alternative for many private car and taxi commuters.

#### **JDA 045: Trunk Routes 1A and 1B**

BRT is the idea of creating a rail-like mass transit service using road-based technologies that are more affordable than new railway lines. It refers to a high quality bus-based transit system that delivers fast, comfortable, and cost-effective urban mobility through the provision of segregated right-of-way infrastructure, rapid and frequent operations, and excellence in marketing and customer service. Specifically, the *Rea Vaya* BRT proposal calls for a total of 94 kilometres of trunk corridors encompassing a total routing length of approximately 148 kilometres. Routes have been selected in order to give the customer maximum flexibility with a minimum of cumbersome transfer. The City has received funding from the National Department of Transport to fund the implementation of the *Rea Vaya* BRT infrastructure and system. Trunk route 1A runs from Thokoza Park in Soweto, enters the inner city near Westgate Station and ends at Ellis Park on the Eastern side of the inner city. This section was completed and buses began running in August 2009. Up to 34 000 people use the service every day. Trunk route 1B runs from Soweto, through the institutional spine where hospitals and universities are clustered, and enters the inner city near the Metro Centre. The infrastructure on this route should be complete by October 2011.

### **2.3.2. Regenerating decaying areas**

In addition to new investments into buildings and infrastructure of strategic, commercial and social importance – the JDA aims to turn back urban decay in some of Johannesburg's more established urban nodes and streets. Johannesburg is experiencing intense pressure for commercial development in response to urban sprawl and the emergence of suburban malls, and in places this has resulted in degradation, changed land use activities and economic dysfunction along major arterials and mobility spines. The redevelopment and regeneration of these areas requires a balance between residential and non-residential development as well as socio-economic support. The JDA's efforts thus far have focused on restoring the inner city and its surrounds, as well as parts of Soweto and Randburg.

#### **JDA002: Greater Newtown**

The Newtown Development is located in the western sector of the Johannesburg central business district. The re-development of Newtown is a major regeneration development within the inner city, and aims to attract major investment, particularly in the creative industries, culture and tourism; create a vibrant mixed-use area, a destination centre for visitors to and residents of the City, tourism opportunities and a creative industries cluster. The attraction of new private sector investment to complement and enhance the facilities and programme already available in the cultural quarter as a destination centre and desired location for the creative industries is reaching fruition through the release of the Central Place land parcels for commercial and retail uses, and the construction of the Brickfields social housing development. Initial construction work focused on improving transport access through the construction of the Nelson Mandela Bridge and Carr Street with on-ramps to the M1 South. Mary Fitzgerald Square was improved, and heritage buildings owned by the City of Joburg were refurbished including the Bus Factory, Kippies, the Workers' Museum and Library, and transport house. New buildings were also constructed for Moving into Dance and the Market Theatre Laboratory (in the Bus Factory). The promotion of a guaranteed, developing and focused cultural programme remains a focus of activities, while the provision

of high quality management of the Cultural Quarter is gaining certainty through the establishment of the Newtown Improvement District to ensure sustainable development.

#### **JDA003: Greater Ellis Park**

The Greater Ellis Park development, which focuses on the areas of Bertrams, Ellis Park Sport Precinct, New Doornfontein and Doornfontein, aims to stabilise the area, address the collapse of the housing areas and promote new housing development, promote economic development, and to strengthen and promote the area as a major destination focusing on sports and related entertainment. Ellis Park was a key venue for the staging of the 2010 Soccer World Cup. Work included the upgrading of public spaces as the Ellis Park Square and gateways to the precinct, refurbishment of heritage houses and celebration of the history of the area through public art. The JDA also upgraded community facilities such as the Maurice Freeman cricket grounds and clubhouse and parks including Bertrams and David Webster parks.

#### **JDA047: Bertrams Neighbourhood Development Programme**

The aim of this part of the Greater Ellis Park project was to stabilise the Bertrams area and promote new housing development, promote economic development, and to strengthen and promote the area as a major destination focusing on sports and related entertainment. The JDA purchased houses on a strategically located block in Bertrams and intends to use this priority block as a mechanism to catalyse private investment in the area.

#### **JDA006: Braamfontein**

Braamfontein is a satellite economic node of the Johannesburg CBD, encompassing a range of land uses including cultural and creative activities, retail, residential, offices, education facilities, entertainment and local government. It is the fourth largest node for office space in Johannesburg, offering 428 000 m<sup>2</sup> of office space. The development included public environment upgrading along key streets and parks with the installation of public art throughout the neighbourhood, the establishment of a CID, and the upgrade of the Metro Centre and construction of the new Metro link reception building (a green building). Continued physical upgrade of the public environment in the southern section of Braamfontein is being undertaken through the commuter links project to integrate related redevelopment efforts of the private sector.

#### **JDA 014: Hillbrow Berea and Yeoville**

The City wanted to take action to make Hillbrow, Berea and Yeoville more economically self-sustaining, with increased employment potential and improved quality of life for residents. The need to create holistic and integrated neighbourhoods of choice and inclusion was seen as critical to turn around the trend of decline. There have been a variety of interventions undertaken by JDA since 2006/07 (including public environment upgrading, parks development, and the installation of public art) the focus has been on developing a Hillbrow Health Precinct, supporting the Ekhaya Neighbourhood, and Yeoville's high street.

#### **JDA015: Medical Precincts: Hillbrow Health Precinct**

This development aims to stabilize, consolidate and promote economic development in the Medical precinct north and south of the Constitution Hill area. The founding vision of the Johannesburg Medical Quarter (JMQ) was to create an environment that enables delivery of excellent, affordable, comprehensive health services, research and development through partnerships between public, private, not-for-profit organisations and academic institutions. The JDA's strategy has been to support the achievement of the Hillbrow Health precinct vision with an emphasis on strengthening and growing economic activities in the health sector primary economy and giving impetus to the development of a range of viable secondary supportive economic



activities. The upgrading of the public environment including construction of new parking facilities, the clustering of NGOs and other primary health care facilities in the Hugh Solomon Building and facilitation support to the Esselen Street Centre of Excellence have been completed.

#### **JDA035: Inner City Core Projects**

Despite many successes the Johannesburg Inner City has not yet been fully stabilised and urban decline continues in some areas. This manifests in a number of symptoms including deteriorated public environments; poorly supported and controlled informal activities; hijacked buildings and continued levels of petty crime. However there is increasing evidence that the City's interventions are revitalising the Inner City and leading to increased private sector confidence and investment. In support of the Inner City Charter the CoJ has committed money to the Inner City Fund in order to undertake key infrastructure and other projects that will continue to promote the redevelopment of the Inner City and attract private investors. The challenge going forward is to scale up regeneration efforts to ensure more rapid, even and sustained positive impacts on the entire inner city, without having a detrimental effect on inner city communities.

The inner city core has been the focus of a range of interventions. Since 2007 these have been defined through the Inner City Charter, but early projects include the High Court Precinct, Gauteng Province Precinct and others.

#### **JDA 024: High Court Precinct**

The High Court Precinct Development was a public private initiative involving the Central Johannesburg Partnership (CJP), private property owners, the Judiciary and Public Works. The boundaries of the precinct are determined as Von Brandis, Pritchard and Von Willeigh Streets. The intention of the project was to recreate the space using the High Court and the activities related as the main driver to development. This included ensuring greater and more secure public space, more suitable public facilities and traffic controls that cater for the large volume of pedestrians in the area.

#### **JDA 033/2: Ernest Oppenheimer Park**

This public space, located directly east of the Rissik Street Post Office was a degraded sinkhole that compromised further private sector investment in the vicinity. With moves ahead for redevelopment by the private sector, directly to the north, and the Government Precinct initiative gaining ground to the west, the park was upgraded as a sculpture park, offering a well-managed public space that serves as an interesting public space for use by office workers and residents.

#### **JDA052: Fordsburg Public Environment Upgrade**

Public environment upgrading has been completed in this area to acknowledge and enhance the private investment that is underway and to stimulate further upgrading of this historic and vibrant inner city precinct. The focus of investment is in the walkable core of Fordsburg which attracts a large number of locals and visitors to the area and accommodates entertainment and a cultural experience. The enhancement of the public environment to provide attractive, safe and well lit pedestrian linkages supports the continued regeneration of this unique precinct.

#### **JDA010: Greater Kliptown**

The Greater Kliptown Development continues to be a major urban regeneration initiative in a commercially important and historically significant area of Soweto. The project involves the re-development of Kliptown, with the Walter Sisulu Square of Dedication as the anchor project. The goal of the development is the creation of a prosperous, desirable, well-managed residential and commercial area and a major national and international heritage

and tourism site. This was supported by the extension of access roads in Kliptown, Soweto and Eldorado Park, the building of the parking facility on the WSSD to serve the hotel and accommodate parking needs of the area based facilities such as the museum, community centre and visitor centre. The development of a series of crossroads across the golf course to link the communities of Pimville and Eldorado Park previously separated by Apartheid planning, in line with the Kliptown Urban Design Framework. Economic development in the node has been depressed despite these significant public investments, and the need for subsidized housing remains a community priority. In 2010 a new phase of public environment upgrading was initiated to provide community infrastructure beyond the square. A pedestrian link to the Kliptown railway station has been initiated including the refurbishment of the pedestrian bridge over the railway line.

#### **JDA034/1: Vilakazi Street Precinct**

The Vilakazi Street Precinct in Soweto has been identified as a potentially important cultural, heritage, education and economic node in Soweto. The street itself is unique in that on it are located the homes of two Nobel Peace Prize winners: Archbishop Desmond Tutu and Nelson Mandela. Halfway down the street Hector Pieterse was shot and fell, on 16 June 1976, and the spot is now commemorated with a stark stone memorial to the 12-year-old boy. The Morris Isaacson High School and the Sisulu house are also located here. Many of the sights on the potential heritage route therefore have political significance. The main themes of the Vilakazi Street project are improved arrival points, new places and attractions, and a coherent movement system. The precinct's user groups are international and domestic tourists, visitors to local commercial premises and residences; local workers and residents.

#### **JDA048: Orlando East Station Precinct**

An urban development framework completed for Orlando East and Noordgesig established a number of intervention areas to improve community spaces and increase efficiency, density and rationalise development. A first intervention is the upgrading of the Orlando station node which hosts the Orlando railway station and a number of civic uses as well as two BRT stations. The node is a critical transit interchange point, an important pedestrian environment and a crucial institutional node in Orlando East. It is also the point of arrival for visitors to Orlando stadium. A number of improvements are also recommended for Noordgesig with a focus on labour intensive construction methods.

#### **JDA046: Diepsloot Development Project**

Diepsloot is situated in a transition zone between Johannesburg and Tshwane. The Diepsloot project falls within the City's marginalised areas programmes and is focused on improving the public environment in Diepsloot as well as promoting private sector investment in the area. The overall objectives of the development plans are to establish Diepsloot as a socially, economically and environmentally sustainable human settlement that is spatially integrated into the City of Johannesburg. A number of interventions in Diepsloot have been undertaken, including the formalisation of Ngonyama Road, upgrading of the taxi rank, the establishment of traders facilities, and the construction of bridges and pedestrian links.

## **2.4. Infrastructure planning for ten years:**

The "developmental state" in South Africa can be traced back to the development strategy was first articulated in the 1994 *Reconstruction and Development Programme (RDP)* programme. The RDP aimed to link growth, development, reconstruction, redistribution and reconciliation into a "unified program" held together by a broad infrastructural programme that would focus on creating and enhancing existing services in the electricity, water, telecommunications, transport, health, education and training sectors.

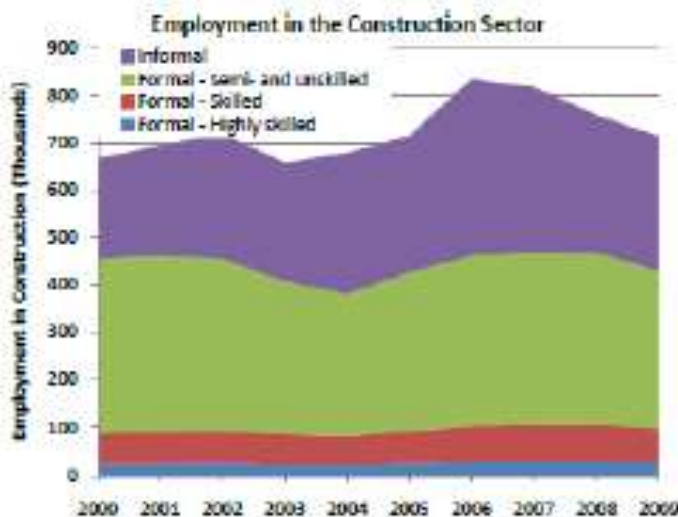
Put emphasis on programmes to meet basic needs and enhance human resource development, placed a major emphasis on social infrastructure and development programmes that address poverty and inequality.

*“A South African developmental state ... whilst acting effectively to promote growth, efficiency and productivity, it must be equally effective in addressing the social conditions of the masses of our people and realising economic progress for the poor”, Commission Report of the ANC National Policy Conference of 2007*

In effect, there is a need to balance infrastructure expenditure between three competing needs:

- The need for infrastructure that supports economic growth;
- The need for infrastructure that addresses service backlogs; and
- The need to maintain and refurbish existing infrastructure.

JDA’s investment in capital infrastructure is split between all three of these objectives. Public environment upgrades in strategic nodes such as new transit oriented nodes like the Westgate Station Precinct support property development and growth. Public environment upgrades in priority areas such as Stretford Station Precinct in Orange Farm include capital works to address backlogs such as stormwater systems and new street lighting. Finally, many of the regeneration interventions by the JDA involve the refurbishment and improvement of existing infrastructure, such as park and street upgrades.



The contribution of infrastructure delivery to economic growth and job creation is well established. Studies point to the following benefits of infrastructure delivery:

- **Infrastructure lowers transaction costs** by facilitating flows of information and goods, and interactions between markets;
- **Infrastructure investment creates the potential** for economic linkages. In particular, the ability to move

goods makes investment viable;

- **The provision of infrastructure** concentrates economic activity spatially, thus supporting backward and forward linkages
- **Access to infrastructure services could** improve the capacities for producing goods and services in communities
- **Irrigation systems, transport routes and other infrastructure** outcomes hold the potential for creating viable assets and markets;
- **Infrastructure expansion creates jobs during construction phase, and** maintenance.
- **Infrastructure expansion also boosts demand in the** economy, thus supporting forward linkages.

Hassen, Ebrahim-Khali (2000), “Infrastructure Delivery and Employment Creation in South Africa”. Paper presented at the TIPS 2000 Annual Forum

The experience of the Support Programme for Accelerated Infrastructure Development (SPAID) and other initiatives suggest that the issues of the primary mandate versus the developmental objectives is a key challenge in the South African context. Some of these challenges include:

- Lack of focus: Procuring contractors to deliver on multiple developmental outcomes or focusing on employment, gender and other targets as the primary metric at the expense of quality etc.
- Proliferation of contracts / management burden: Utilising multiple small contracts with emerging contractors to deliver outputs
- Rising costs: Facing demands for premiums from local suppliers and contractors

## 2.5. Restructuring the space economy

High inequality levels make it more difficult to reduce poverty – even in the context of a growing economy. In highly unequal societies, the poor frequently engage in subsistence living, with this potentially influencing the size of the domestic market, constraining sustained growth. Furthermore, high inequality levels may undermine safety, social cohesion and the realization of social political and civil rights. Inequality can also manifest in unequal access to infrastructure and services. Interventions that consider the gap between the wealthy and the poor, while growing the economic base from which all can benefit, and individual capabilities to meaningfully engage and contribute, have to be top of the agenda for a developmental local government. Inequality is not only experienced through economic deprivation, but is reflected in various other experiences.

Resilience is about building **economically vibrant neighbourhoods** that are diverse and distinct in urban form, structure, density and cultural identity. It requires a re-orientation of the concepts related to service delivery. The current approach focuses on the establishment and growth of sustainable human settlements. Sustainability, however, is not the only outcome viewed as important. A resilient housing market may incorporate many different approaches. In the context of Johannesburg, however, it must confront the uncomfortable reality of informality. To do this, the city must develop a new housing delivery model that changes the typology of the RDP house. The quality of housing and the design of neighbourhoods are critical. A resilient city values the quality of built form over efficient and cheap delivery. The City will only succeed in ensuring the establishment of sustainable and resilient human settlements if the criteria used in decision-making in respect of new neighbourhood development include issues of access, location, mobility, quality and liveability.

The key to accelerated and sustainable growth, development and poverty alleviation is **infrastructure investment** in physical infrastructure, socio-economic infrastructure and technological innovation. This infrastructure plays a fundamental role in safeguarding urban citizens. The ability to develop new infrastructure and extend services to new growth areas is an important aspect of building resilience to increased infrastructure pressures resulting from rapid urbanisation. Infrastructure and urban services that are orientated to ensure resilience, manage demand in multiple ways:

- New infrastructure development includes a focus on reduced carbon emissions.
- Use is made of integrated planning to manage the demand for infrastructure emerging from new economic growth and increases in population.

Two important features characterise Johannesburg's transport system: the majority of residents do not own cars and, in contrast, middle-income residents are resolutely car-oriented. There has however been no viable mass public transport system to facilitate a

modal shift change of middle income residents, from private car to public transport. Continued urban sprawl has also created conditions for more intensive private car use. The region's road network has to cope with an annual traffic increase rate of 7 percent, with 1.8 million drivers and 2.8 million registered vehicles. The average travel time to work in the region has increased from 41.5 minutes in 1995, to 50 minutes in 2003 (i.e. a 17 percent increase over eight years). By 2040, it is anticipated that Johannesburg will have an extra 2.5 million inhabitants. The existing system, with its dominant mode of private vehicle use, is unsustainable. A larger population with more cars means more congestion – with negative effects for the quality of life of residents, let alone the impact on the environment. Rising fuel costs pose an ever-increasing challenge to road freight, the mini-bus taxi industry and private car users. Petrol and diesel prices in South Africa have trebled in nominal terms over the past five years. In terms of diesel and petrol demand in Gauteng, data from the oil industry (for the period 1995 to 2005) indicates an increase in demand for diesel of 88.69 percent, and an increase in the demand for petrol of 13.92 percent. Apart from increased costs, private cars also affect the environment and quality of air. Cars produce large amounts of air pollution, with liquid fuels recognised as major contributors to greenhouse gas emission rates. 32% of carbon emissions are due to petrol and diesel consumption in Johannesburg according to the 2008 State of the Environment Report. Shifting commuters from private to public transport is therefore a matter of urgency. But to change from private to public transport, those commuters who have a choice must be able to understand the costs of not changing. They will also need to see and experience a qualitative change in the nature of the public transport system (in terms of its safety, reliability, efficiency, affordability and the extent to which each mode is part of an integrated system), for this shift may become a reality.

**Mass public transport** really is one of the few silver bullets through which to deliver resilience and sustainable development. An efficient mass public transportation system creates significant carbon emission savings, while resulting in a city that is less dependent on private vehicles for mobility, and is less exposed to the risk of fuel price shocks. A car-dominated city such as Johannesburg is unprotected from the ever-increasing risks associated with rising fuel prices, especially where these are increasing at a faster rate than incomes. Scaling up and investing in mass public transport is one of the surest ways in which to also address and manage the legacy of Johannesburg's Apartheid spatial form, by connecting people and places, and giving those who still remain in disadvantaged township communities access to new opportunities.

**Multi-modal transport infrastructure** will be critical for the goals of greater inclusivity and access to be realised. For planning to be more people-centric, the City should strive to reduce the need for transport and travel in the way it plans areas and approves developments. Being more proactive in the development of mixed-use nodes, appropriately located across the City and region, will also encourage the creation of environments where people can live, work and play – with all activities undertaken in close proximity. Transport nodes should be regarded as key areas for local economic development, with planning taking into consideration economic development factors, and the interests of prospective investors. Planning may include the development of nodes that can address transport needs, while simultaneously promoting reading, learning, access to technology and access to other aspects of the city – including arts, culture, and heritage.

The City will need to address urban planning within the context of a greater focus on alternative modes of **non-motorised transport**, encouraging a modal shift (e.g. to cycling and walking) through the design of streets and pathways that are pedestrian and bicycle friendly. This will need to be supported with infrastructure and systems such as bicycle storage facilities, and the provision of an active policing and monitoring capacity, to drive greater safety – thereby increasing use. Additional measures in this regard may include

dedicated lanes, wide sidewalks and in respect of public transport, the inclusion of lay byes. Furthermore, planning should take into consideration possible shifts to the form of the Inner City and others central business districts. One route may include a process of ensuring that the Inner City is a pedestrian and public transport friendly area, through the implementation of policies that exclude cars at certain times, with parking restricted to the edges, and traders managed in a way that acknowledges their contribution but also enables pedestrian accessibility to the sidewalks.

The design of the city – including elements like streets, buildings and spaces of work and play, are powerful determinants of **liveability**. Liveability is also created through the access citizens have to a range of cultural and social services and facilities. All of these issues require consideration when addressing the concepts incorporated into the national shift towards ‘sustainable human settlements’. The policy framework on sustainable human settlements supports the creation of liveable places of work and rest that address spaces in a holistic manner – focusing on issues of accommodation, services, the built environment and the natural environment, alongside issues of cultural identity.

The City has achieved high levels of service infrastructure coverage, with over 90 percent of its residents holding access to basic service infrastructure. The challenge, however, is still how to transform our Apartheid city, to build liveable communities and create a more humane city for all. Effective restructuring of the inefficient urban form of the city will require more than the simple management of city growth. There is a need to define, in clear and unambiguous terms, a series of spatial reconfiguration projects that pay careful attention to the form, morphology and structure of the city. A vision, followed by detailed planning equal to the vision and plan of the Apartheid city, is needed. Mobility, integration and access are important drivers to effect change. Mobility serves to counter distance and divisions, providing the means to access areas otherwise only available to the select few – with issues relating to this addressed in the section above. While a system like the BRT is an important tool to address mobility, it is only one intervention – and needs to be supplemented in many other ways. The issue of access is about bringing people closer to jobs, markets, social networks and other opportunities that promote an improved life experience. This is both an important and a fundamental right – with equity of access a key driver.

A focus on integration is also critical, not only because the city faces increasing complications as the urban edge spreads, with careful land use management increasingly important in the context of land scarcity. But integration is also essential in a diverse city, where getting to know others is a step towards optimising the creativity and strengths our diversity brings. Integration in the context of housing and human settlements requires a focus on mixed settlements, and the use of other elements of liveability to create spaces and places that encourage interaction and harmonious living.

Addressing the Apartheid urban form over the past period has required a focus on two main forms of spatial exclusion. Firstly, exclusion by design, which was based on deliberate underinvestment in township areas and planned township dormitory towns. Secondly, exclusion by decline, with well-located Inner City areas such as Hillbrow, Berea and Yeoville experiencing historical decline as a result of a collapse of the inner-city property market. Inner City regeneration initiatives have done well to address some of the issues of Inner City decline, but cheap, affordable rental supply remains a challenge. Targeted investments in Soweto have broken the cycle of underinvestment in former townships areas – with visible improvement in these property markets. The introduction of the Rea Vaya BRT system has also supported these initiatives, assisting in making areas that were previously viewed as spatially dislocated, more accessible through transport.

## 2.6. Sustainable human settlements

Sustainable Human Settlements are defined by elements such as:

- **Accessibility** – which is defined by the ease with which people, goods and information move around the urban system.
- **Integrated living spaces**- which respond to as many aspects of living (work, play, learn) as possible. Integration across uses (in a building, site, area) and income levels. Where this is neither possible nor desirable ensure ease (defined as ability and cost) of access. This requires a more intense and efficient use of space.
- **Economic opportunities** – provide for a range of employment opportunities to get as many people working as possible. Understand the different roles of the City in this regard - enabler, facilitator, regulator, and sponsor.
- **Range of housing options** –choice in terms of sizes, configuration and tenure options. Housing provision to be understood beyond the affordable housing scope as failures/ trends in market led housing solutions also perpetuate the problem.
- **Social and open space amenities** - emphasise investment in humans. Social amenities provide spaces which also foster social cohesion.
- **Social cohesion** - emphasis on an urban environment and system which consciously nurtures the evolution of a more cohesive society. This will manifest in some of the investment choices made - i.e. city sponsored public transportation system, well located and maintained social amenities, participatory approach to planning and development.

In order to support the development of sustainable human settlements, the City of Joburg will strengthen the role of the CBD and enhance its position as the continental market place by:

- Providing adequate public transport facilities
- Extending the range of housing opportunities, especially affordable stock (city to own significant rental stock)
- Providing social amenities in tandem with housing delivery (establish norms and budget accordingly)
- Resuscitating and implementing development of an International and Transit Shopping Centre

The CoJ will also define priority areas to focus land assembly, boost infrastructure capacity on the back of a public mass transit system in transit nodes and corridors such as Louis Botha and Empire, Perth, New Canada and Randburg to Diepsloot, and Parktown to Sunninghill.

Because of this priority programme, the JDA will treat the **Inner city upgrading programme** as a separate budget programme in 2013/14. The **transit oriented node development programme** will also be framed within this priority programme that is led by the Department of Development Planning.



### 3. IMPLEMENTATION AND PERFORMANCE OVERVIEW FOR THE JDA IN 2013/14

The JDA's strategic objectives are aligned with the Joburg 2040 growth and development strategy for the City of Joburg and in particular with the cluster plan for Sustainable Services in the integrated development plan. Promoting resilient city strategies by restructuring spatial logic is the primary objective towards which the JDA will work in the medium term. The restructuring of the space economy in Johannesburg will depend on achieving the following three development strategies:

#### a) **Shifting people closer to jobs**

By developing key transit nodes to enable these areas to accommodate a greater agglomeration of economic activity, higher residential densities, and more intensity of land use we will allow greater numbers of poor people to access markets and jobs through proximity to affordable and efficient transit services.

The JDA will achieve this through the **Transited-oriented node development programme**. This involves making targeted investments in transit nodes including Gautrain stations, commuter rail stations, Rea Vaya bus stations and key taxi facilities. It is also about strengthening the position of the inner city as a critical business and affordable residential node; and the primary gateway to transit networks for the city, the province and the African region.

As a separate component, the **inner city regeneration programme** will support the Sustainable Human Settlements priority that is championed by the Department of Development Planning in 2013/14. The inner city is the primary transit node for Johannesburg, with over R1 million people moving through the inner city each day. The transit precincts that will be developed in the inner city are the Park Station Precinct and the Westgate Station Precinct. Beyond these nodes, there are a number of precinct and corridor projects that are intended to improve the productivity, inclusivity and livability of the inner city as a safe, clean, and sustainable neighbourhood that serves its growing population.

#### b) **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 in these neighbourhoods is an important strategy towards making the space economy more efficient.

The JDA will achieve this through the **priority areas development programme**. This involves making priority investments in key activity nodes in marginalised areas that will create new economic opportunities, accommodate employment opportunities, and provide access to markets and mass transit services.

#### c) **Linking jobs and people**

The development of high-density movement corridors anchored by transit nodes to restructure city form, promote efficient land use and transport energy consumption is the final component of the JDA's development strategy for the medium term.

This will be achieved through the **greenways programme**. The focus will be on the establishment of new mobility systems that promote non-motorised transport and mass public transport (including the roll out of the Rea Vaya BRT infrastructure).

More detail on the three programmes is provided in the following section:

- a) **The Transit oriented node development (TOD) programme seeks to reshape land use patterns to promote new mobility systems and mass public transport use.**

In addition to public investment, the development of transit oriented precincts require substantial development facilitation to re-orientate property values and land uses towards agglomerated and high intensity uses and functions (including high density affordable housing and suitable office and retail activities).

This is a medium-term programme that has been developed as an IDP sub-programme for the sustainable services cluster and is highlighted within the Sustainable Human Settlements priority programme for 2013/14. The JDA's role will be to support the Department of Development Planning in planning and facilitation, and implementing public environment upgrading and bulk infrastructure projects that support more intensive private investment, encourage pedestrian movement and the use of public transport, and provide community facilities and amenities for larger residential populations.



*Orlando East in 2013*



*Orlando East in 2040*

A number of priority TOD precincts have been identified for JDA projects including Park Station and Westgate Station precincts in the inner city; Randburg CBD; Jabulani, Orlando East and Nancefield Railway Station Precincts in Soweto; and a number of future TOD precincts that must be planned during this Mayoral term.

**b) The prioritisation of key activity nodes in priority development areas that will create new economic opportunities, accommodate employment opportunities, and provide access to markets.**

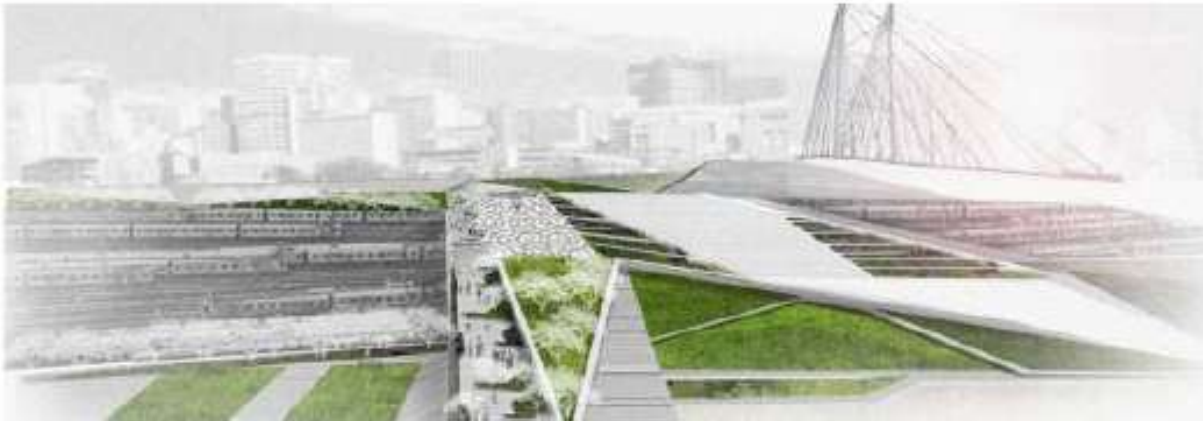
Led by urban development frameworks prepared in partnership with DPUM, JDA will continue to implement multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrading of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multi-purpose centres, public open spaces and green spaces. Wherever possible, development facilitation by the JDA will seek to establish community development partnerships, and to stimulate private property development including through partnerships in the retail and housing sectors.

In 2013/14, the JDA will focus on public environment upgrading projects in Diepsloot, and Kliptown in Soweto. The Diepsloot project will be funded through the Neighbourhood Development Partnership Grant, which is entering a new phase with a focus on fewer precinct developments with a greater concentration of interventions and funding. This means that the Diepsloot Development will have to be refocused with more compressed investment timeframes and a more assertive precinct development and management approach. The Kliptown Development will be funded through the JDA's capital grant from the City of Joburg. As this is the last year of this phase of intervention, there is a need to prioritise development facilitation activities to support the establishment of local institutions and agreements to secure the management and activation of the JDA's investment.



**c) Inner city regeneration that is driven through the application of transit oriented development principles and strategies to improve liveability**

The JDA will continue to focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city, financial services networks for the City Region, and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner city precincts, address movement challenges, and improve the quality of the built environment across the inner city.



In 2013/14 the focus will be on the transit nodes in the inner city including Park Station Precinct, which is being developed through the commuter links / Art Gallery Rea Vaya bus station project, and the Transnet Land / Metro park project; and the Westgate Station precinct. Other projects will cover the core inner city; and the Hillbrow Tower Precinct.

Over the medium term the emphasis will shift to the Southern part of the inner city (the New Centre precinct), Doornfontein Student Precinct, and the new public places partnership programme that allows the CoJ to respond to private partner initiatives.

- d) The introduction of a new Greenways sub-programme that seeks to reshape land use patterns to promote new mass public transport corridors and a new network of non-motorised transport infrastructure that promotes walking and cycling and the use of streets as public open space (complete streets).**

The JDA will continue to serve the Department of Transportation as implementing agent for the Rea Vaya Bus Rapid Transit infrastructure. We will also seek to incorporate pathways, cycleways and pedestrian infrastructure such as shelters and lighting into all public environment upgrading projects.



In 2013/14 JDA will continue to implement the Rea Vaya BRT infrastructure on behalf of the Department of Transportation and funded through the Public Transport Infrastructure and Systems Grant from the National Department of Transport.

These programmes are summarised in the table below. It should be noted that this table represents a comprehensive overview of all capital allocations that are identified for implementation by the JDA. However, some of these allocations are channeled through the



budgets of the Departments of Development Planning, Economic Development and Transportation. The detailed financial information in this business plan is therefore limited to the core capital grant from the City of Joburg and the operating budget of the JDA.

**Table 10: Summary of capital funding sources for JDA programmes over the medium term**

R'm		2013/14	2014/15	2015/16	2016/17	2017/18	Five year total
<b>ON BUDGET</b>							
CoJ capex grant	Requested	100	100	100	125	125	550
USDG	Requested	60	60	60			180
<b>OFF BUDGET</b>							
inner city upgrading	Requested	100	500	540	570	600	2 310
USDG	Requested	40	60	80			180
NDPG	Requested	40	50	100	100	120	410
PTIS	Requested	880	600	550	1 000	1 000	4 030
TA projects	Other depts	38	38	100	150	180	506
							<b>5 986</b>

The following table illustrates how the IDP sub-programmes will be operationalised by the JDA. It shows the link between IDP objectives and sub-programmes and the JDA's outcomes for 2013/14 and over the medium and longer term.

**Table 11: Link between CoJ priorities and JDA outcomes**

City priorities/ flagships and IDP programmes	Desired outcomes: Short term = 1 year	Desired outcomes: Medium term = 2-4 years	Desired outcomes: Long term = 4 years
Sustainable Services 7: Transit oriented node development (and Sustainable Human Settlements: TOD and corridor development as a priority)	Implementation of a phase of catalytic public investments in infrastructure and the built environment in at least 5 transit oriented nodes (Westgate, Park, Randburg, Nancefield and Orlando East)  Development planning and project preparation for at least 2 more transit precincts (Jabulani and Pennyville)	Increased number of affordable residential units in all of the transit nodes.  Increased value of private investment in property development in the transit nodes.	Reduction in income inequality measured through a decrease in the Gini Coefficient for Johannesburg as a whole over 10 years.

<b>City priorities/ flagships and IDP programmes</b>	<b>Desired outcomes: Short term = 1 year</b>	<b>Desired outcomes: Medium term = 2-4 years</b>	<b>Desired outcomes: Long term = 4 years</b>
Sustainable Services 10: Priority area planning and implementation	<p>Implementation of a phase of catalytic public investments in infrastructure and the built environment in at least 2 priority precincts. (Kliptown and Diepsloot)</p> <p>Development planning and project preparation for at least 1 more priority development precinct (Ivory Park)</p> <p>Implementation of supporting infrastructure, housing and services through capital works project management on behalf of other CoJ departments.</p>	<p>Increased economic activity observed in priority development areas.</p> <p>Number of local employment opportunities created through capital works projects.</p> <p>Number of local SMMEs contracted through capital works projects and value of work assigned to SMMEs.</p>	Reduction in income inequality measured through a decrease in the Gini Coefficient for Johannesburg as a whole over 10 years.
Sustainable Services: 5 Greenways	<p>Planning and implementation of first phase of Trunk Route 1C for the Rea Vaya BRT service.</p> <p>Implementation of NMT infrastructure through bicycle racks as functional art.</p>	Increasing number of people using the Rea Vaya bus service per year.	Carbon emission and fuel consumption reductions as a result of green transport strategies.
Sustainable Human Settlements: inner city regeneration	Implementation of catalytic infrastructure and built environment projects to develop transit nodes and address local neighborhood needs in the inner city.	<p>Ratio between public and private investment in properties and the built environment in the inner city.</p> <p>Increasing rental values for office space and decreasing vacancy rates.</p> <p>Number of new affordable residential units in the inner city.</p>	Reduction in income inequality measured through a decrease in the Gini Coefficient for Johannesburg as a whole over 10 years.
Institutional Review objectives: Development Facilitation by the JDA	<p>Establishment of Development Facilitation capacity in the JDA.</p> <p>Development of at least 3 property projects in JDA development areas.</p>	<p>Ratio between public and private investment in properties and the built environment in JDA development areas.</p> <p>At least 4 strategic property development deals within JDA development areas.</p>	Development of at least 4 strategic properties within 5 years.

## **4. 2013/14 SDBIP FOR THE JDA**

The following table illustrates how the Priorities can be operationalised, with indicators and performance targets calculated on the basis of the funding requested. These will be adjusted in the next draft of the business plan, once funding allocations have been made.



**Table 11a: IDP Sub-Programme Annual Implementation Plan 2013/14**

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>2012-2016 IDP Cluster Program 7: TRANSIT ORIENTED DEVELOPMENT</b>											
<b>Program KPI: A restructured space economy that gives poor households better access to well-located accommodation, jobs and markets; Optimised land use and energy consumption; and Improved living standards and mobility for large numbers of people in well serviced and managed transit neighbourhoods.</b>											
<b>Projects per sub-programme</b>		<b>CBP Project</b>	<b>Measurement unit and source</b>	<b>Baseline (2006/11)</b>	<b>2013/14 Performance Target</b>	<b>2013/14 budget</b>	<b>Cumulative performance targets</b> <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>				
							<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
<b>On-budget JDA projects</b>											
Randburg CBD	Public space and streetscape implementation Phase 1 (including Hill Street mall, pedestrian street upgrades)	JDA	N	Public: Private investment ratio of at least 1:15 over 5 years	Gateways design in 11/12	Complete streets in Hill Street and office zone.	R20.0m	Design of intervention to be implemented over 3 years	Construction procurement	Construction work	Construction completed
	Redevelopment of Civic precinct property (to deliver taxi facilities, traders market and space for civic functions)	JDA	N	Developer response to tender	None	Development lease tender issued	R2.5m	-	Roadshow and investment promotion	Development tender issued	Development bids evaluated
<b>R 22.5m</b>											
Jabulani Station Precinct	Public space and streetscape implementation (including public toilet facilities, pedestrian walkways and NMT infrastructure, Street lighting and	DPUM (JDA)	N	Public: Private investment ratio of at least 1:10 over 5 years	R1m spent on pedestrian connection to theatre	Precinct plan and project list completed	R10.0m	Professional team procurement	Project preparation and design and contractor procurement	Construction work	Construction work completed

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>2012-2016 IDP Cluster Program 7: TRANSIT ORIENTED DEVELOPMENT</b>											
<b>Program KPI:</b> A restructured space economy that gives poor households better access to well-located accommodation, jobs and markets; Optimised land use and energy consumption; and Improved living standards and mobility for large numbers of people in well serviced and managed transit neighbourhoods.											
Projects per sub-programme		CBP Project	Measurement unit and source	Baseline (2006/11)	2013/14 Performance Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				
							Q1	Q2	Q3	Q4	
	trees, and public art)										
						<b>R10.0m</b>					
Orlando East Station Precinct	Public space and streetscape implementation (including public toilet facilities, pedestrian walkways and NMT infra, Street lighting and trees, and public art)	JDA	N	Public: Private investment ratio of at least 1:10 over 5 years	Public environment upgrading in 2012/13	Public environment upgrading and facilitation of other investments	R25.0m	Design of public environment upgrading phase	Construction procurement	Construction work	Construction work completed
						<b>R25.0m</b>					
Nancefield Station precinct	Public space and streetscape implementation (including bulk infrastructure, public toilet facilities, street lighting and street trees, & public art)	DPUM (JDA)	N	Public: Private investment ratio of at least 1:15 over 5 years	None	Stormwater, water and electricity infrastructure for Nancefield Station Precinct	R60.0m	Detailed designs for infrastructure completed	Construction procurement	Construction of infrastructure	Completion of Construction of this phase
						<b>R60.0m</b>					
						<b>On-budget total</b>					
						<b>R117.5m</b>					

**Table 11b: IDP Sub-Programme Annual Implementation Plan 2012/13**

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>2012-2016 IDP Cluster Sub Program 10: GMS HIGH PRIORITY AREA BASED PLANNING AND IMPLEMENTATION</b>											
<b>Program KPI:</b> Improved living standards and environmental quality for the communities living in the currently underdeveloped marginalised areas; creating sustainable developments in large-scale housing interventions that gives poor households better access to well-located accommodation, social amenities, jobs and markets; urban regeneration to improve living standards and mobility for large numbers of people residing in the City's Inner City.											
Projects per sub-programme			CBP project	Measurement unit and source	Baseline (2006/11)	2013/14 Target	2013/14 budget	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Q1	Q2	Q3	Q4
<b>On-budget JDA projects</b>											
Kliptown Development	Public space and streetscape implementation (including street lighting, NMT and pedestrian ways, street trees, and public art)	DPUM (JDA)		Public: Private investment ratio of at least 1:5 over 5 years	R10m spent on complete streets in 2012/13	Completion of public environment upgrade to encourage investment and improve quality of life	R10.0 m	Detailed designs for public environment upgrading	Construction procurement	Infrastructure and property refurbishment to accommodate cultural activities at WSSD	Completion of works
							<b>R10.0m</b>				
<b>Off budget projects</b>											
Diepsloot Development	Public space and streetscape implementation (including street lighting, NMT and pedestrian ways, street trees, and public art)	JDA		Public: Private investment ratio of at least 1:5 over 5 years	R50m spent on government node, Ngonyama Road, Taxi rank and pedestrian bridges and pathways	New phase of development to achieve a functional economic node	R38.0m	Detailed designs and project preparation	Construction procurement	Upgrading of Ndimatsheloni Rd and water and sanitation infrastructure upgrades	Completion of Ndimatsheloni upgrade
							<b>R38.0m</b>				

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>2012-2016 IDP Cluster Sub Program 10: GMS HIGH PRIORITY AREA BASED PLANNING AND IMPLEMENTATION</b>											
<b>Program KPI:</b> Improved living standards and environmental quality for the communities living in the currently underdeveloped marginalised areas; creating sustainable developments in large-scale housing interventions that gives poor households better access to well-located accommodation, social amenities, jobs and markets; urban regeneration to improve living standards and mobility for large numbers of people residing in the City's Inner City.											
Projects per sub-programme			CBP project	Measurement unit and source	Baseline (2006/11)	2013/14 Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
								Q1	Q2	Q3	Q4
Joburg Clinics	Construction and refurbishment of selected clinics on behalf of the Directorate of Health	JDA	Y	Construction works completed and clinics handed over	R15m spent on clinics in 2012/13	Completion of 2 clinics	R38.0m	Detailed designs and project preparation	Construction procurement	Construction work	Completion of construction
							<b>R38.0m</b>				
Comdev projects	Construction and refurbishment of selected community development facilities	JDA	Y	Construction works completed and facilities handed over	R6 million spent on libraries and rec centres in 2012/13	Refurbishment of at least 4 facilities		Detailed designs and project preparation	Construction procurement	Construction work	Completion of construction
Sub-programme total							<b>R48.0m</b>				

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>2012-2016 IDP Cluster Program 5: GREENWAYS</b>											
<b>Program KPI:</b> A restructured space economy that gives poor households better access to well-located accommodation, jobs and markets; Optimised land use and energy consumption; and Improved living standards and mobility for large numbers of people in well serviced and managed transit neighbourhoods.											

Sub-programmes	Projects per sub-programme	Measurement unit and source	Baseline (2006/11)	2013/14 Performance Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				
						Q1	Q2	Q3	Q4	
<b>On-budget JDA projects</b>										
Rea Vaya Bus Rapid Transit system	Construction of bus ways, bus stations, depots and associated infrastructure	JDA	Construction of busways and stations and associated infrastructure	Completion of trunk routes 1a and 1b	Construction of 10 km of new busway and partial construction of bus stations	R880.0 m	Detailed design	Construction procurement	Construction of busways	Construction of busways and stations
<b>R880.0 m</b>										

<b>Cluster: Sustainable Services</b>										
<b>GDS Master Program: Sustainable Human Settlements</b>										
<b>INNER CITY REGENERATION (PRIORITY PROGRAMME FOR 2013/14)</b>										
<b>Program KPI:</b> Improved living standards and environmental quality for the communities living in the inner city; creating sustainable developments in large-scale housing interventions that give poor households better access to well-located accommodation, social amenities, jobs and markets; urban regeneration to improve living standards and mobility for large numbers of people residing in Inner City.										
Projects per sub-programme	CBP project	Project Key Performance Indicators	Baseline (2006/11)	2013/14 Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				
						Q1	Q2	Q3	Q4	
<b>Off-budget projects</b>										
Park Station Precinct	Public space and streetscape implementation (including a large scale Metro park, pedestrian street upgrades, street trees and lighting)	JDA	Public: Private investment ratio of at least 1:15 over 5 years	R18.5m in 2012/13	Construction of metro park and preparation of Kazerne parkade property	R15.0m	Design of further upgrade of transnet land	Construction procurement	Earthworks and landscaping of Transnet land	Landscaping completed
	Art Gallery station precinct safer city project for 2014	JDA	Safer city infrastructure constructed	R5m Art Gallery precinct	Construction completed by 2014 for 100	R25.0m	Design for fencing and access	Construction procurement	Construction of public environment	Completion of public

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>INNER CITY REGENERATION (PRIORITY PROGRAMME FOR 2013/14)</b>											
<b>Program KPI:</b> Improved living standards and environmental quality for the communities living in the inner city; creating sustainable developments in large-scale housing interventions that give poor households better access to well-located accommodation, social amenities, jobs and markets; urban regeneration to improve living standards and mobility for large numbers of people residing in Inner City.											
Projects per sub-programme			CBP project	Project Key Performance Indicators	Baseline (2006/11)	2013/14 Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
								Q1	Q2	Q3	Q4
					upgrade in 12/13	year Art Gallery anniversary			ent	upgrades	environm ent upgrades
							<b>R23.45m</b>				
Westgate Station Precinct	Public space and streetscape implementation (including Westgate Station square, and pedestrian street upgrades)	JDA		Public: Private investment ratio of at least 1:15 over 5 years	R20m in 2011/12	Taxi facility and station square upgrade	R40.0 m	Design for upgrade	Constructi on procurement	Construction work	Completi on of constructi on work
	Relocation and redevelopment of Selby Pikitup operations	JDA and JPC		Mixed use development with social facilities	None	New site identified and prepared for relocation					Relocatio n complete d
							<b>R40.0m</b>				
Public places partnership project	Upgrade of public space and streetscape in partnership with private sector in line with ICUDIP and traffic and transport study	DPUM (JDA)		Public: Private investment ratio of at least 1:10 over 5 years	R10 m spent in pilot phase in 2012/13	Development of small parks and squares and sidewalks in partnership with private sector	<b>R10.0m</b>	Projects identified for partnership	Procurement for constructi on	Construction work	Constructi on complete d for at least 4 projects
							<b>R10.0m</b>				

<b>Cluster: Sustainable Services</b>											
<b>GDS Master Program: Sustainable Human Settlements</b>											
<b>INNER CITY REGENERATION (PRIORITY PROGRAMME FOR 2013/14)</b>											
<b>Program KPI:</b> Improved living standards and environmental quality for the communities living in the inner city; creating sustainable developments in large-scale housing interventions that give poor households better access to well-located accommodation, social amenities, jobs and markets; urban regeneration to improve living standards and mobility for large numbers of people residing in Inner City.											
Projects per sub-programme			CBP project	Project Key Performance Indicators	Baseline (2006/11)	2013/14 Target	2013/14 budget	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
								Q1	Q2	Q3	Q4
Hillbrow Tower precinct	Upgrade of public space and streetscape to develop a tourist hub around the Hillbrow Tower	JDA		Public: Private investment ratio of at least 1:10 over 5 years	-	Preparation and detailed designs for new tourist precinct	R5.0m	Professionals appointed	Detailed design and consultation	Construction tender	Construction started
							R5.0m				
Constitution Hill property development	Preparation and development of Constitution hill properties	JDA		Development lease advertised	-	Preparation for development lease	-	Project development work	EAC approval for advert	Investment promotion	Development lease advertised
							-				



## **5. FINANCIAL IMPACT**

### **5.1. Annual Budget**

#### **5.1.1. Chairperson's report**

JDA's finances are structured in terms of development (capital) financing and operating (non-capital) financing.

JDA draws its development-based capital budgets from:

- The City of Johannesburg (in respect of City-defined developments)
- Intergovernmental grants from other spheres of government including the National Department of Transport, the National Treasury, and the Department of Public Works.
- Other innovative (both public and private) options defined in respect of specific development initiatives.

JDA draws its operating budget from:

- A 5% development management fee on all projects including on the capital budget of the City of Johannesburg. With regard to the BRT projects, a 4% fee has been agreed with the City's Transportation Department. The NDPG does not make allowance for a development management fee, but does allow JDA to recover the equivalent of one salary per project per year at a rate in 2010 of R650 000 per project.
- An operating transfer received from the City to accommodate JDA's non-development based operations

The JDA does not take on speculative risk nor charge a transaction or brokerage fee for its services. The JDA is structured to ensure its sustainability, core to which is its ability to re-assign development managers across developments, and to buy in skills required to meet expanding demand. As such, once a development is secured, and the JDA's role clearly defined, new capacity against new income is secured to implement the development.

The intention at one point was for JDA to become financially self-sustainable such that the development management fees cover all operating expenses. This is dependent on the quantum of developments offered by the City to JDA to implement, as there is a direct correlation between the size of capital project budgets managed and fees earned. In the current public finance environment, where capital budgets are declining, there is no chance of the JDA achieving capital budget allocations to completely fund operations through development fees. There is therefore a need for the city to continue to fund JDA operations over the medium term.

The institutional review carried out by the City of Johannesburg in 2012 also recommended that the JDA mandate should be extended in the following ways:

- a) That the JDA should take on development facilitation functions in order to fulfil the Development Agency role. For this reason, additional funding is being requested to fund development facilitation activities and human resources including specialist skills to undertake project development, and urban management support.
- b) That the JDA should extend its project management skills and systems in order to implement capital works projects on behalf of other Departments and Entities. This is to make the City of Johannesburg more efficient by reducing the duplication of skills. The JDA is in the process of identifying project managers in other Departments who can be absorbed into the JDA to achieve this mandate extension.

#### **5.1.2. Resolutions**

## Executive summary

The proposed operating expenditure is R 69 million in 2013/14. This represents a significant increase on the operating budget of R48.8 million in 2012/13. This is to accommodate an increase in the staff establishment in order to fulfil the extended mandate of the JDA as a Development Facilitation Agency for the City of Johannesburg. Within this budget, R 40.8 million is for salaries and other employee costs.

**Table 12: Summary of JDA's projected operating revenue over the medium term**

R'000	2013/14	2014/15	2015/16	2016/17	2017/18
Agency services (development management fees)	24 868	34 990	47 657	43 580	46 030
Other revenue (operating grant)	43 057	35 978	27 470	34 949	36 216
<b>Operating revenue</b>	<b>67 925</b>	<b>70 968</b>	<b>75 127</b>	<b>78 529</b>	<b>82 246</b>

The JDA anticipates that it will be possible to raise just more than R24 million through development management fees in 2013/14. These are calculated as 4 or 5% of the capital funding that will be channelled through the JDA. This means that the operating grant required by the JDA in 2013/14 is R43 million, which is a large increase on the 2012/13 allocation. This is explained by the need to significantly increase the JDA's staff establishment and operations to fulfil the new role as development facilitation agency and to ensure greater efficiency in the project management capacity within the City of Johannesburg.

## 5.2 Key Operations by general Cost Category

In 2012/13 the JDA's operating expenses will be R50.2 million. The JDA has continued to implement cost cutting measures in line with the City's expenditure review management over the medium term period. As a result, operating costs were reduced by 39.5% from R81.5 million in 2008/09 to R49.2 million three years later in 2011/12. This reduced spending level has been maintained in 2012/13, but institutional changes will drive increased expenditure in 2013/14.

**Table 13: Operational Expenditure history**

	2009/10	2010/11	2011/12	Current year 2012/13		
	Audited Outcome R 000	Audited Outcome R 000	Audited Outcome R 000	Original Budget R 000	Adjusted Budget R 000	Full Year Forecast R 000
Employee related costs	24 341	26 989	27 276	30 380		30 380
Debt impairment			107			
Depreciation & asset impairment	1 409	1 162	1 013	1 204		1 204
Repairs and maintenance		738	354	870		870
Contracted services	2 381	1 319	810	937		937
Other expenses	31 051	17 657	13 907	16 698		16 698
Loss on disposal of PPE	20	8	24	156		156
<b>DIRECT OPERATING EXPENDITURE</b>	<b>59 202</b>	<b>47 873</b>	<b>43 491</b>	<b>50 245</b>		<b>50 245</b>

While the cost savings have been achieved largely through savings in salaries by not filling posts when they become vacant, and the associated general administrative savings, there is a real danger that the JDA has achieved all possible efficiency savings and any further cost-cutting will affect service delivery outcomes and our ability to fulfill our mandate.

### **5.3. Capital Expenditure**

While the JDA is anticipating that capital projects to the value of R1.3 billion will be implemented during 2013/14, most of these are off-budget for the JDA as they are funded through allocations on the budgets of other departments and entities. The JDA's capital grant received from the City of Joburg amounts to R100 million, and will be spent as follows:

- The Orlando East Station Precinct will be further improved with further work to link the station to Mooki street and construct traders facilities at a cost of R25 million in 2013/14.
- The Randburg CBD transit precinct development will get underway with implementation of the refurbishment of the Hill Street Mall to provide a safe and convenient pedestrian link to the CBD and preparation of the civic precinct for development at a cost of R22.5 million in 2013/14.
- The Jabulani station precinct upgrades need to be planned in more detail, and work will be done on public environment upgrading and bulk infrastructure investment at a cost of R10 million in 2013/14.
- A further phase of the Kliptown Development (a multi-year project) will seek to ensure that economic development gains are extended to the communities living around the Walter Sisulu Square of Dedication. There is a need to extend the public environment upgrading project will be implemented at a cost of R10 million.

In addition, the Nancefield Station Precinct allocation of R60 million for bulk infrastructure installation to support high density affordable housing developments will be funded through the USDG on the JDA's budget.

### **5.4. Supporting Documentation**

#### **5.4.1. Overview of annual budget process**

The JDA's budget process is led by a strategic planning exercise that is consultative and is aligned with the CoJ strategic and business planning processes.

In August 2012 the JDA held an executive workshop to agree on the organisational implications of the institutional review and JDA's programme of work for 2013/14. A strategic breakaway involving all members of staff in September 2012 included a brainstorming session about future projects and focus for the JDA.

In October 2012 a consultant was also tasked with analysing the options for the expansion of the JDA's mandate in line with the Council decisions taken in relation to the institutional review.

These inputs have all informed the JDA's budget and business plan for 2013/14.

Furthermore, the strategic objectives identified by the City of Joburg through the Joburg 2040 Growth and Development Strategy, the 5-year IDP, and the more recent Mayoral Lekgotla define the JDA's budget programmes and structure.

### **Overview of budget assumptions**

Cost estimates have been prepared and justified according to the zero-based budgeting principles, and capital cost estimates are based on ten-years of JDA implementation experience along with some projections based on assumptions about inflation and construction cost escalation.

### **Overview of budget-related policies**

#### **Legislation compliance status**

The JDA achieved an unqualified audit for 2011/12. There were a few minor matters of non-compliance raised in the audit in relation to financial treatment, performance information, and payment within 30 days. These are not material matters of non-compliance, although we will strengthen our controls to avoid a repeat finding on these issues.

### **5.5 Service Delivery Budget Implementation Programme**

This business plan is aligned with the Service Delivery Budget Implementation Programme of the CoJ. The following tables are extracted from our input to this plan.

**Table 15: Alignment with GDS and IDP programmes**

GDS outcome	GDS output / Other	IDP Programme / Activity	Project
<b>2013/14 Priority programmes (off budget DP)</b>			
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Priority Programme: Inner City Regeneration	Park Station Precinct
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Priority Programme: Inner City Regeneration	Westgate Station Precinct
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Priority Programme: Inner City Regeneration	Inner City Regeneration
<b>On-budget programmes</b>			
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 7: Transit oriented development	Randburg CBD and civic precinct development
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 7: Transit oriented development	Jabulani Station Precinct
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 7: Transit oriented development	Orlando East Station Precinct
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Kliptown Development
<b>Off-budget programmes</b>			
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Diepsloot Development
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Stretford Station Precinct, Orange Farm
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable human settlements	Cluster Programme 7: Transit oriented development	Nancefield Station precinct

**Table 16 Draft medium term budget per programme activities**

GDS output / Other	IDP Programme / Activity	Project	Baseline	5 Year Target
<b>2013/14 Priority programmes</b>				
Sustainable human settlements	inner city regeneration	Park Station Precinct	First phase of upgrading on Transnet land in 2011/12	Construction of a large metro park and improved pedestrian and public transit infrastructure in precinct. Phased implementation of Kazerne redevelopment.
Sustainable human settlements	inner city regeneration	Westgate Station Precinct	1st phase of public environment upgrade in Westgate Station precinct in 2011/12	Improvements to streets and public spaces for transit and pedestrian movement, including new transit square
Sustainable human settlements	inner city regeneration	Inner city regeneration	Five year implementation of Inner City Urban Design Implementation Plan and Inner City Traffic and Transport Study	Further consolidation of inner city nodes and links and public places partnership projects
<b>On-budget programmes</b>				
Sustainable human settlements	Cluster Programme 7: Transit oriented development	Randburg CBD and civic precinct development	Urban development framework completed in 2010/11 and feasibility study in 2011/12	Redevelopment of civic precinct property and upgrading of surrounding transit precinct
Sustainable human settlements	Cluster Programme 7: Transit oriented development	Jabulani Station Precinct	New project	Public space and streetscape upgrade to improve pedestrian experience and encourage private investment
Sustainable human settlements	Cluster Programme 7: Transit oriented development	Orlando East Station Precinct	Upgrading of new square in 2010/11 and Rathebe street in 2011/12	Completion of public environment upgrading to improve pedestrian experience and encourage private investment
Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Kliptown Development	Upgrading of public environment around WSSD	Completion of public environment upgrading to improve pedestrian experience and encourage private investment
<b>Off-budget programmes</b>				
Sustainable human	Cluster Programme 7: Transit oriented development	Nancefield Station precinct	New project	Public space and streetscape upgrade to

<b>GDS output / Other</b>	<b>IDP Programme / Activity</b>	<b>Project</b>	<b>Baseline</b>	<b>5 Year Target</b>
settlements				improve pedestrian experience and encourage private investment
Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Diepsloot Development	Upgrading of Govt Node and Ngonyama Road in 2010/11 and 2011/12	Upgrading of Ndimatsheloni Road and small-scale retail development
Sustainable human settlements	Cluster Programme 10: GMS high priority area based planning and management	Stretford Station Precinct, Orange Farm	Upgrading of station precinct including stormwater infrastructure and pathways in 2010/11 and 2011/12	Completion of public environment upgrading to improve pedestrian experience and encourage private investment

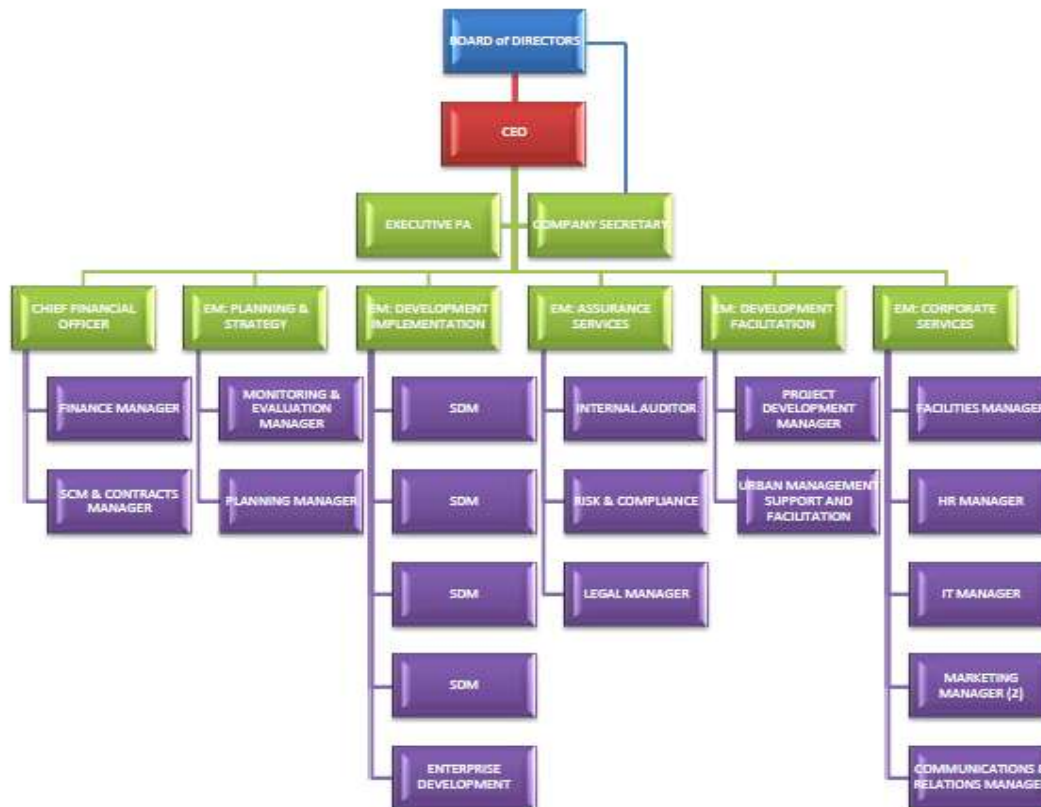
## 6. MANAGEMENT AND ORGANISATIONAL STRUCTURES

The JDA has been in a holding pattern in terms of its staffing strategy since 2011. In November 2012 the appointment of Thanduxolo Mendrew as CEO was confirmed. This means that the vacant posts in the senior management team can now be filled, and the proposals to restructure the JDA to give effect to the proposals from the CoJ's institutional review can be given effect.

Due to the nature of its business, JDA requires highly specialised technical skills such as civil and building engineers, project managers, quantity surveyors, supply chain managers, accountants, town planners and risk managers. These are very scarce skills in the country at present and this poses a serious challenge in terms of our planning. This challenge has also been intensified by the fact JDA competes with mostly private sector entities for the same skills and is unable to provide the same pay levels to be able to attract and retain them. Despite the City's cost containment drive and the inability to increase operational subsidies in the last two years, JDA has managed to retain a core technical team with requisite competencies to deliver on its strategic objectives.

Since its inception in 2001/02 the JDA has had two CEOs, each serving a term of approximately 5 years. The organisational and staffing structure has evolved through these two terms: starting as a small technical team that focussed on development facilitation in the early years; and growing into a medium sized public entity (with just over 60 staff members in 2008/09). Since then, operational expenditure limits have been managed by not filling posts when they become vacant. The JDA is currently staffed by 50 people. In 2013/14 there is a new structure proposed with 71 approved positions.

*Figure showing JDA structure proposed for 2013/14*





The JDA's organisational structure is based on the following principles:

- An executive management committee made up of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Executive Manager: Development Implementation, Executive Manager: Planning and Strategy, Executive Manager: Assurance Services, Executive Manager: Development Facilitation, and Executive Manager: Corporate Services.
- Four specialist teams focusing on developments, each with led by a Senior Development Manager (SDM) who is responsible for overseeing all development under their portfolio assisted by a number of Development Managers (DMs), Assistant Development Managers (ADMs) and Development Coordinators.
- The SDM is fully responsible for all aspects of developments, from design to implementation, while the EM: Development Implementation is responsible for strategic guidance in the conceptualization, design, implementation and handover of all JDA developments, all transverse and cross-cutting operating issues related to developments, stakeholder relations, operating systems and monitoring and quality control over development projects.
- Other administrative departments are responsible for functions such as supply chain management, finance, human resources, risk and compliance, marketing and communications and planning and strategy.
- Certain tasks and functions, such as internal audit, are outsourced, although JDA retains responsibility and full accountability for these outsourced functions.

**Table 17** *Staff estimates 2013/14*

DESIGNATION	ESTABLISHMENT (No of posts)			
	Approved	Vacancies	Proposed	Variance
CEO	1	0	1	0
CFO	1	0	1	0
Executive managers	3	2	5	2
Senior development managers	3	0	4	1
Middle management	26	6	30	4
Co-ordinator / administrator	22	4	23	1
Housekeepers / cleaners	7	1	7	0
<b>TOTALS</b>	<b>61</b>	<b>13</b>	<b>71</b>	<b>6</b>

## 6.1 Human Capital Expenditure

Salary expenditure has been stable over the medium term, and is expected to rise to accommodate cost of living adjustments in 2012/13.

**Table 18: Summary of HR performance indicators 2010/11 to 2012/13**

	2009/10	2010/11	2011/12
	Audited		
Expenditure on salaries and personnel costs (R'000)	23 547	26 291	27 483
Expenditure on internal training days for JDA staff (R'000)	309	248	250
Expenditure on tuition fees for JDA staff (R'000)	689	839	727
Expenditure on wellness programme for JDA staff (R'000)	282	282	724

<b>Total spent on training, wellness and staff development (R'000)</b>	<b>1 375</b>	<b>1 280</b>	<b>1 369</b>
% of payroll spent on formal training	2.7	3.0	3.1
% of payroll spent on training, wellness and development	5.0	5.3	
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>Audited</b>		
Total number of staff members	55	51	50
Mean salary (R'000)	461	502	550
Number of resignations	9	5	4
Number of dismissals	1	0	0
Number of internal promotions	1	2	2
Staff turnover %	18	10	8
Number of new appointments	3	5	3

**Table 19 Staff Expenditure**

<b>TOTAL STAFF EXPENDITURE</b>				
<b>Salaries and wages (R'000)</b>	<b>Previous financial year</b>	<b>Current financial year</b>	<b>Next financial year</b>	<b>Projected growth rate (%)</b>
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2012/13 – 2013/14</b>
	27 276	30 380	40 834	49.7

Note: This table does not include fees paid to non-executive directors and independent board committee members

**Table 20 Expenditure on Contracted Services**

<b>CONTRACTED SERVICES (Consultancy Services)</b>				
<b>SERVICES RENDERED</b>	<b>Previous Financial Year</b>	<b>Current Financial Year</b>	<b>Next Financial Year</b>	<b>Projected Percentage Growth/Decrease</b>
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2011/12 to 2013/14</b>
	810 000	947 000	4 095	405

The ratio between staff expenditure and other operating expenditure is expected to peak at just more than 62% in 2012/13 and is expected to reach 59% in 2013/14. This is largely due to the static annual JDA operational subsidies over the long term. In fact, JDA's operational subsidy allocation has declined over the last two to three years to below the JDA's staff expenditure budget. This has been deepened by the reduction in the JDA capital expenditure allocations from the City. Operating costs have been reduced every year since 2010/11. In 2013/14 the JDA is requesting a step change in the operating budget to accommodate the extended mandate for the JDA. It will not be possible to fulfill the role of Development Facilitation and project management for other Departments without a significant increase in the operating grant to cover 7 new posts and associated admin and management costs

**Table 21 Staff Expenditure vs. Operational Expenditure**

RATIO OF STAFF TO OPERATING EXPENDITURE			
R'000	Previous Fin Year		Next Fin Year
	2011/12	2012/13	2013/14
STAFF EXPENDITURE	27 276	30 380	40 834
OPERATING EXP	49 595	48 885	69 005
RATIO	55.0	62.1	59.2

Note: These figures include fees paid to non-execs and independents for meeting attendance

## 6.2 Employment Equity

The JDA is committed to the principles of equity, anti-discrimination and diversity as enshrined in the Constitution and the Employment Equity Act, 1998. JDA seeks to create an institution that reflects the demographic diversity of South African society, and contributes to maximising the human resource potential of all our people. In line with this, the JDA has an Employment Equity (EE) Plan in place and annually adjusts its employment equity targets and planning.

The JDA seeks, as its ultimate objective, to have a workforce that reflects the demography of the NEAP at every occupational level and in every occupational category. To this end, it has set the following EE targets for achievement by the end of the period of the plan (30 June 2012).

Black staff:	80% of total
Female staff:	50% of total
Black female staff:	45% of total
Black female management staff:	35% of total
People with disabilities:	3% of total

JDA submitted its EE Report to the Department of Labour on 1 October 2012. JDA includes the costs of implementing its Employment Equity and Affirmative Action activities adequately within its employee budgeted costs.

Youth employment is a national government priority. JDA has a relatively young staff complement, with 32% of employees younger than 35, we will seek to maintain this ratio over the 5-year period.

**Table 22 Employment Equity**

Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Senior / Executive Management	1	1		1	3	1	1	1	9
Middle Management	4	1	1	2	4	3		1	16
Co-ordination/ Administration	3	1	1		11	1	2		19
Housekeeping	1				5				6
<b>TOTAL</b>	<b>9</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>23</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>50</b>
% of total	18	6	4	6	46	10	12	4	100

### **6.3 Training and Development**

JDA is committed to sustaining a continuous programme of training and development for its management and staff in order to advance with changing times and technology, and thus ensure the on-going professional delivery of developments. In this regard, the JDA developed and submitted its annual training report and a new Workplace Skills Plan (WSP) which identified its employee training and development needs on 1 July 2010. The WSP has ensured that all employee learning plans (ILP) talk to both the individual development aspirations of the employee and the JDA's business strategies and objectives.

JDA has adopted a resolution to continue to spend 3 per cent of its payroll on training and development of staff instead of the 1 per cent legislation minimum.

### **6.4 Employee Performance Management**

The JDA Performance Management System (PMS) is an essential communication link aimed to provide alignment between the strategies, goals and objectives of the organisation, and the work objectives of teams and individuals in the Company. The PMS also focuses on the development of soft skills, whilst managing employees towards the achievement of team and individual goals and objectives. The JDA PMS is central to ensuring that every one of its people is competent, motivated and empowered.

The JDA has reviewed its PMS to ensure that it is compatible with that of the CoJ in terms of content and implementation. The revised PMS informs the JDA's reward system to ensure that it is not only market related but that it will ensure the success of its retention strategy in line with the determinations and policies of the parent municipality.

## 7. RISK ASSESSMENT

The JDA Board monitors risk through the Development and Risk Committee. 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 risk financing, risk returns and risk profiles. Further, and primarily, the Committee bears accountability for ensuring that, there is an effective risk management process and system within the organisation. This approach does not relieve the JDA Board of its accountability and responsibility in ensuring that, an adequate and effective risk management system and process is in place, as the Board is expected to exercise the duty of care, skill, and diligence identifying, assessing and monitoring risks as presented by the Development and Risk Committee. It recommends to the Board risk strategies and policies that need to be set, implemented and monitored.

JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system in terms of which all identified risk areas are managed systematically and continuously at the departmental level. The JDA has a risk register in place which is treated as a working risk management document of which the identified risks are constantly recorded and properly managed. The JDA's management monitors and evaluates the implementation and efficiency of management's controls and such actions identified as actions to improve current controls in the risk register.

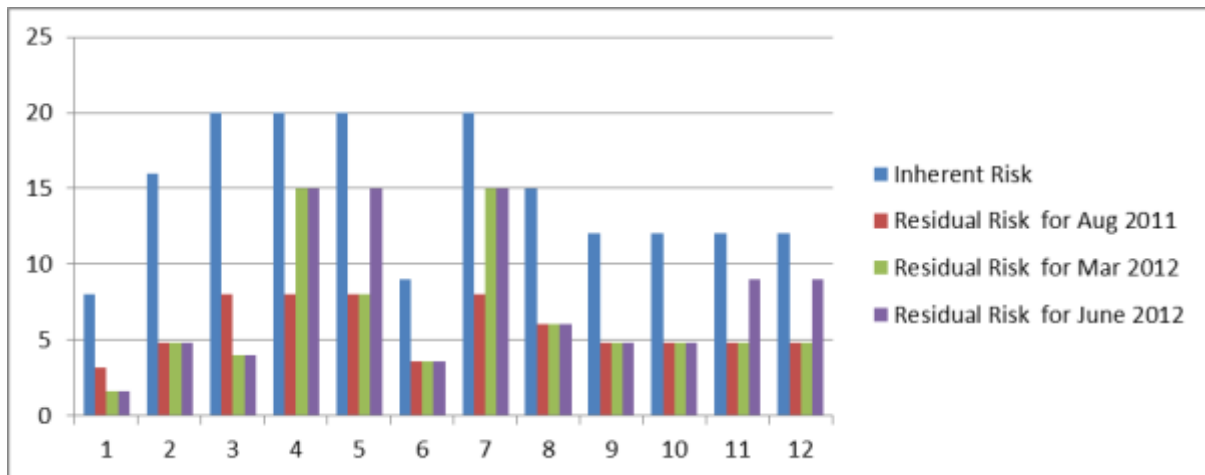
The JDA provides its risk management reports to the City's Group Risk Management Committee (GRMC). The GRMC assesses all risk affecting the City and its municipal entities in a holistic manner and provides advice and recommendations to the City Manager and Council on the general effectiveness of risk management processes within the entire City.

During the period under review, the RCU undertook a risk assessment workshop. The workshop was attended by JDA Executive and Senior Managers. The strategic risk assessment report was tabled at the JDA Development and Risk Committee which was held on 02 August 2011. The Committee noted and approved the report for submission to the JDA Audit Committee and the JDA Board.

A Strategic Risk Profile was developed based on the previous financial year's Risk Register as amended throughout the financial year based on various Internal Audit reports and other proactive processes of Risk management. In total 12 Strategic Risks were identified and assessed by management during the workshops. During the risk assessment workshop one additional risk (risk number 5) was identified and risk number 4 was redefined at the strategic level.

During the period under review, the JDA updated the Strategic and Operational Risk Register in line with the mitigation plans undertaken by management to improve the Risk Management System. The Risk and Development Committee continually monitors the implementation of the Risk Tolerance Framework by management to ensure that the organisation operates within the acceptable tolerance levels. This graph compares the residual risk of the entity between August 2011 and risks updated by end of June 2012. What is clear is that due to matters beyond JDA's control (such as budget cuts). Risks number 4, (sustainable operations), 7 (Fraudulent and corrupt activities) and 11 (Ability to deliver capital projects) and 12 (Inability to attract and retain skilled employees) have been reassessed as high risk areas that need immediate attention in order to bring them back to an acceptable level.

Inherent Risk vs. Residual Risk for August 2011 vs. Residual Risk for March 2012 VS June 2012 at Strategic Level



**Table 23: JDA Top Strategic Risks**

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
<b>KPA- Economic Development &amp; Job Creation</b>													
1.	SD	Failure to create adequate number of short term jobs	<ul style="list-style-type: none"> <li>• Non labour intensive projects</li> <li>• Delay in implementation of capital projects.</li> <li>• Use of undocumented labourers</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet IDP goals of job creation.</li> <li>• Negative political perception of JDA.</li> <li>• Service delivery protests against JDA.</li> </ul>	Amber (8)	<ul style="list-style-type: none"> <li>• The Risk and Compliance Unit will continuously monitor the implementation of EPWP guideline in developments.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum Requirement for contractors to appoint local community for unskilled work is included in the tender documents.</li> <li>• Monthly reporting for short term jobs created for the month.</li> <li>• Use of labour intensive methods prioritised.</li> <li>• A number of small contractors appointed for small scale projects</li> </ul>	Excellent (0.20)	Green (1.6)	CEO	<ul style="list-style-type: none"> <li>• The Risk and Compliance Unit will continuously monitor the implementation of EPWP guideline in developments.</li> </ul>	Risk and Audit Officer, Development Managers	On-going
2.	Fin	Failure to meet the BEE/SMME procurement targets.	<ul style="list-style-type: none"> <li>• Limited BEE business within the industry with skill and experience for big projects.</li> <li>• Failure to identify PDI with specialized skills within the industry</li> <li>• Restrictive Regulatory environment (CIDB,MFMA)</li> <li>• Lack of enterprise development programme for emerging contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Future funding might be jeopardised.</li> <li>• Failure to create opportunity for small contractors leading to distrust by the community</li> <li>• Inability to assist in transforming the construction industry.</li> <li>• Reputational damage to the JDA and the City.</li> <li>• Failure to create jobs.</li> </ul>	Red (16)	<ul style="list-style-type: none"> <li>• Working closely with the City SCM unit and DED on the implementation of new SMME guidelines from the City.</li> <li>• Closely Monitor work allocated to SMME/BEE sub-contractors.</li> <li>• Finalise the BEE and SMME audit by the first Quarter of 2011/2012</li> <li>• Implementing the new Preferential Procurement Regulations effective from 07 Dec 2011</li> <li>• DED to fund the Working Capital of emerging contractors.</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of 30% of the total contractor value is set aside for sub-contracting to BEE Companies.</li> <li>• Efficient supply chain process in place.</li> <li>• Skills audit of local contractors</li> <li>• Appointments of clerks of work for projects management support for emerging contractors</li> <li>• Priority given to SMME in Opex Projects.</li> <li>• An awareness presentation about the Implementation of the new Preferential Procurement Regulations was done during the business training day</li> </ul>	Good (0.40)	Green (4.8)	CFO	<ul style="list-style-type: none"> <li>• Working closely with the SMME for, City SCM unit and DED on the implementation of new SMME guidelines from the City.</li> <li>• Closely Monitor work allocated to SMME/BEE sub-contractors.</li> <li>• DED to fund the Working Capital of emerging contractors.</li> <li>• Implementing the new Preferential Procurement Regulations effective from 07 Dec 2011</li> <li>• SCM policy will be reviewed before the end of the current financial year</li> </ul>	Supply Chain Manager	June-12
<b>KPA: Effective Financial Management</b>													

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
3.	Fin	Failure of financial management systems.	<ul style="list-style-type: none"> <li>Lack of awareness of update of Policies and Procedures</li> <li>Human error</li> <li>Non-implementation of approved business process</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Overspending of the budget</li> <li>Irregular expenditure, fruitless expenditure and unauthorised expenditure</li> <li>Unreliable financial information.</li> <li>Bad reputation</li> </ul>	Red (20)	<ul style="list-style-type: none"> <li>Further training on the revised policy will be undertaken after the approval of the policy by the Board.</li> <li>Developing individual Development Plan for finance staff.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly Management account report</li> <li>Greats Plain financial System</li> <li>Staff at finance currently study for different financial management courses.</li> <li>MFMA monthly compliance checklist has been done.</li> <li>DMIS software upgrade</li> <li>An awareness presentation on all approved policies was done during the monthly business training day</li> <li>All financial transactions are reviewed by two senior officials</li> </ul>	Excellent (0.20)	Green (4)	CEO	<ul style="list-style-type: none"> <li>The current controls are appropriate and we will continue to monitor them</li> </ul>	CFO	30 June 12
4.		Sustainable operation of the organisation	<ul style="list-style-type: none"> <li>Operating budget short fall</li> <li>Recession and reduced city and national revenue</li> <li>Change in city priorities</li> <li>Unbalanced budget process from the City</li> <li>JDA's funding model (Minimum capital budget required by the organisation to sustain itself)</li> <li>Budget cut for implementation of Capital projects</li> </ul>	<ul style="list-style-type: none"> <li>Loss of expertise due to resignation caused by lack of projects to be implemented</li> <li>Lower staff morale</li> <li>Lower impact of projects implemented by the JDA</li> <li>Reduced service delivery</li> <li>Failure to pay for operating expenditure including salaries.</li> <li>Closure of the Entity</li> </ul>	Red (20)	<ul style="list-style-type: none"> <li>Undertake further feasibility studies for more PPPs</li> <li>Explore other national grant funding</li> <li>Work with DPUM in accessing urban settlement grant.</li> <li>Institutional strategy discussion document presented for Board approval.</li> <li>Continue to seek technical assistance assignments such as implementation of capital projects on behalf of other CoJ departments</li> </ul>	<ul style="list-style-type: none"> <li>Identification of other funding options including first allocation from USDG.</li> <li>A pipeline of projects developed and advanced.</li> <li>Other development facilitation functions, i.e. implementation of project on behalf of other COJ entities and providing technical assistance.</li> <li>Institutional strategy discussion document approved by Board.</li> <li>JDA acknowledged as implementing agent of choice for sustainable services cluster.</li> </ul>	Fair (0.75)	Red (15)	CEO	<ul style="list-style-type: none"> <li>Secure funding for JDA developments from other govt grants (EPWP, Jobs Fund)</li> <li>Submit applications for grants outside of intergovernmental system (Cities Alliance, DBSA, PPIAF)</li> <li>Establish project preparation capacity through multi-year contract and develop pipeline of property development projects.</li> <li>Get approval for new partnership programmes (inner city public places and township retail)</li> </ul>	EM: Planning & Strategy	30 June 12



No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
5.		<ul style="list-style-type: none"> <li>Institutional review of COJ and its entities</li> </ul>	<ul style="list-style-type: none"> <li>New leadership within the group</li> </ul>	<ul style="list-style-type: none"> <li>Loss of highly skilled personnel.</li> <li>Lower staff moral</li> <li>Organisation instability and uncertainty with of employees</li> <li>Non-alignment of organisation mandate and political priorities</li> <li>Change Management</li> </ul>	Red (20)	<ul style="list-style-type: none"> <li>Analysis and recommendations discussed with Board and provided as input to the CoJ institutional review process</li> <li>Analysis and recommendations on reporting lines provided to MMC DPUM</li> <li>Institutional review process and implications for JDA communicated to staff</li> <li>Evidence based briefing material prepared for incoming councilors and new city manager.</li> </ul>	<ul style="list-style-type: none"> <li>Institutional review discussion document approved by Board and submitted to SHU and consultants as input to process.</li> <li>Staff is continuously updated on the progress of Institutional review process and implications for JDA.</li> <li>JDA champion appointed to the City's Institutional Review Forum</li> <li>Briefing pack provided to new executive directors and board members.</li> </ul>	Fair (0.75)	Red(15)	CEO	<ul style="list-style-type: none"> <li>Analysis and recommendations on implications of institutional review to be refined and updated as decisions are made.</li> <li>Institutional review process and implications for JDA communicated to staff</li> <li>New approach to measuring impact of JDA interventions to be developed and implemented.</li> </ul>	EM: Planning & Strategy	
6.	MI	Ineffective Stakeholder management process within the organisation	<ul style="list-style-type: none"> <li>Ineffective consultation with different stakeholders before and after the completion of the projects</li> <li>Poor or ineffective communication about the role of the JDA</li> <li>Lack of formal Stakeholder management process within the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Bad reputation.</li> <li>Non-implementation of decisions.</li> <li>Damage to the infrastructure developed by JDA</li> </ul>	Amber (9)	<ul style="list-style-type: none"> <li>We are planning to have media training for on the spot interviews of executives who interact with the media.</li> </ul>	<ul style="list-style-type: none"> <li>EM: PS; CEO and COO are the designated spokespersons for JDA.</li> <li>JDA represented in the Inner City Forum and CID's.</li> <li>All JDA projects have a community consultant appointed.</li> <li>Regular and timeous response to all media queries</li> <li>JDA featured positively in electronic and print media in the last quarter, e.g. BBC</li> </ul>	Good (0.40)	Green (3.6)	EM:PS	<ul style="list-style-type: none"> <li>Media training for on the spot interviews of executives who interact with the media.</li> <li>Generation of more written evidence of impact and process</li> </ul>	Manager: Marketing	Ongoing
7.	F&C	Fraudulent and corrupt activities.	<ul style="list-style-type: none"> <li>Weak internal control procedures</li> <li>Collusion in tender fraud between employees and service providers</li> <li>Lack of or</li> </ul>	<ul style="list-style-type: none"> <li>Financial Loss to the organisation</li> <li>Receiving poor quality goods and services</li> <li>Legal challenges from unsuccessful bidders.</li> </ul>	Red (20)	<ul style="list-style-type: none"> <li>All tender documents will include the fraud hotline number in order to assist employees and stakeholders to report fraud and corruption.</li> <li>Finalise the Detailed Fraud Risk Assessment report and thereafter implement the</li> </ul>	<ul style="list-style-type: none"> <li>There is an Anti-fraud Hotline number for every tender advertisement and tender document.</li> <li>Annual declaration of business interest for all staff and during all Bid Committee</li> </ul>	Fair (0.75)	Red (15)	CEO	<ul style="list-style-type: none"> <li>The SCM policy will be reviewed before the end of the current financial year</li> <li>Increase the awareness of the new fraud hotline through workshop and posters around the JDA building</li> </ul>	Manager: Risk & Compliance (internal audit)	30 June 12

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
			<ul style="list-style-type: none"> <li>Ineffective hotline reporting system</li> <li>Failure to declare business interests</li> <li>Submission of false supporting tender document by service providers</li> <li>Internal Control Overriding by management</li> <li>Dishonesty by employees responsible for projects and procurement</li> </ul>	<ul style="list-style-type: none"> <li>Negative publicity for the organisation</li> <li>Appointment of unsuitable service providers.</li> <li>Financial losses to the entity.</li> <li>Poor service delivery</li> <li>Harm or loss of life to communities as a result of poor quality work</li> </ul>		<ul style="list-style-type: none"> <li>recommendations.</li> <li>Increase the awareness of the new fraud hotline through workshop and posters around the JDA building</li> </ul>	<ul style="list-style-type: none"> <li>meetings</li> <li>Verification of key information on all new appointed companies.</li> <li>Fraud and Corruption plan based in the detailed Fraud Risk assessment report in place</li> <li>An awareness presentation on fraud and corruption was done during the annual break away</li> <li>Investigations by Internal Audit of allegations received through hotline</li> </ul>						
8.	Com	Non-compliance with applicable laws and regulations	<ul style="list-style-type: none"> <li>Ineffective compliance monitoring</li> <li>Lack of awareness of new laws or amendments</li> <li>Lack of understanding of the requirement of the relevant law.</li> </ul>	<ul style="list-style-type: none"> <li>Financial penalties</li> <li>Criminal liability</li> <li>Reputation damage for the organisation</li> <li>Costly litigations.</li> <li>Liability of Board members.</li> </ul>	Red (15)	<ul style="list-style-type: none"> <li>Finalise the procurement of the Risk and Compliance software by the end of the Q1 of the 2011/2012 financial year.</li> <li>Finalise the compilation of the Regulatory Universe which will assist management in prioritising the applicable legislation that JDA must comply with.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly MFMA compliance check list, monthly SCM regulation checklist including unauthorised, wasteful and fruitless expenditure confirmation certificate by the CFO.</li> <li>Monthly conformation certificate by manager for payment with 30 days</li> <li>The Regulatory Universe to be approved by the Development and Risk Committee</li> <li>The procurement of Risk Management and Compliance Software has been completed.</li> </ul>	Good (0.40)	Amber (6)	CEO	<ul style="list-style-type: none"> <li>A Compliance Audit on the top ten legislations will be conducted and it is anticipated to be completed by the end of June 2012.</li> </ul>	All managers	30 June 12

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
9.	KIM	Inadequate business management information.	<ul style="list-style-type: none"> <li>Inappropriate IT governance model.</li> <li>Lack of information reporting framework.</li> <li>Lack of quality assurance review</li> </ul>	<ul style="list-style-type: none"> <li>Decisions may be based on unreliable / incomplete information (financial loss / reputational damage).</li> <li>Adverse audit finding</li> </ul>	Red (12)	To implement the performance information management framework during the next financial year.	<ul style="list-style-type: none"> <li>IT Governance model implemented through the IT governance Charter.</li> <li>Adoption and implementation of the COBIT framework</li> </ul>	Good (0.40)	Green (4.8)	CEO	<ul style="list-style-type: none"> <li>Continual review of the COBIT framework implementation to make sure it is improved.</li> </ul>	All managers	30 June 12
10.	KIM	Collapse of ICT environment.	<ul style="list-style-type: none"> <li>Internal / External disasters (Natural. Hackers, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Disruption of JDA business activities.</li> <li>Loss of vital information</li> </ul>	Red (12)	<ul style="list-style-type: none"> <li>To continue to test other backup information to ensure the successful restoring during disaster recovers.</li> </ul>	Backup were done and continue to be done with users to confirm that data being backed up is done so successfully. The results are documented and signed off. The same procedure was done and continues to be done for servers, including server images	Good (0.40)	Green(4.8)	CEO	<ul style="list-style-type: none"> <li>To continue to test other backup information to ensure the successful restoring during disaster recovers.</li> <li>The department continues to work with the service provider to come up with new improved ways of backing up</li> </ul>	Manager: IT	On-going
11.	SD	Inability to delivery on Capital projects.	<ul style="list-style-type: none"> <li>Downward budget adjustments</li> <li>Inadequate project management.</li> <li>Lack of co-operation by stakeholders (e.g. MOE's).</li> <li>Inappropriate project plan</li> <li>Loss of critical staff at crucial points</li> <li>Change in CoJ priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced scope of projects.</li> <li>Over/ under expenditure on budget.</li> <li>Overrun on project time frames.</li> <li>Negative publicity</li> <li>Poor service delivery.</li> </ul>	Red (12)	<ul style="list-style-type: none"> <li>Development Managers will continue to monitor implementation of the multi-year projects to ensure that these are completed on time and within budget.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly Area Management Meetings for three portfolios</li> <li>Operations manual in place.</li> <li>Stakeholder forums in place.</li> <li>Adequate project management team and design capacity</li> </ul>	Fair (0.75)	Amber (9)	CEO	<ul style="list-style-type: none"> <li>Development Managers will continue to monitor implementation of the multi-year projects to ensure that these are completed on time and within budget.</li> </ul>	SDM	30 June 12
KPA: Human Resources													
12.	HR	Inability to attract and retain skilled employees.	<ul style="list-style-type: none"> <li>Inability to offer attractive market related salaries</li> <li>Poor relationship between managers and employees</li> <li>Lack of sufficient skills in the market</li> </ul>	<ul style="list-style-type: none"> <li>Failure to deliver on the mandate.</li> <li>Delay in completion of capital projects.</li> <li>High staff turnover</li> <li>High recruitment and training &amp;</li> </ul>	Red (12)	<ul style="list-style-type: none"> <li>Management drafted an action list in view of the outcome of the climate survey.</li> <li>The EE Plan was updated and communicated to staff.</li> <li>Salary benchmarking was completed and will be</li> </ul>	<ul style="list-style-type: none"> <li>Employee assistance program and annual organisational climate survey.</li> <li>Performance incentives programme.</li> <li>Ensuring good and productive work</li> </ul>	Fair (0.75)	Amber (9)	CEO	<ul style="list-style-type: none"> <li>Management will be implementing an action list in view of the outcome of the climate survey.</li> <li>Develop a talent management strategy</li> <li>Categorise employees into (risk) profiles or</li> </ul>	HR Manager	On-going

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner	Time scale
			<ul style="list-style-type: none"> <li>Fixed term contract and uncertainty</li> <li>Poor succession and retention planning</li> <li>Salary disparities within the City and determination of low salary limits</li> <li>Reduction of budget, resulting in reductions in projects</li> <li>CoJ institutional review process uncertainty</li> <li>Absence of talent management philosophy</li> <li>No benchmarking of internal skills with the market</li> <li>Performance management policy not addressing skills retention</li> </ul>	<p>development cost</p> <ul style="list-style-type: none"> <li>Loss of talent</li> <li>Rewards and compensation lagging behind market</li> <li>Ad hoc non standardised practices aimed at dissuading employees from leaving.</li> <li>Inconsistencies in recognising and appreciating talent.</li> </ul>		<ul style="list-style-type: none"> <li>submitted to HR and REMCO.</li> <li>The Workplace Skills Plan was finalised and submitted to the SETA.</li> <li>Training is taking place in terms of the plan.</li> <li>JDA Champion appointed to the City's Institutional Review Forum</li> </ul>	<p>environment.</p> <ul style="list-style-type: none"> <li>Salary benchmarking was completed approved by HR and REMCO.</li> <li>The EE Plan was updated and communicated to staff.</li> <li>The Workplace Skills Plan was finalised and submitted to the SETA which is supported by the budget amount equal to 3% of the total payroll. Training is taking place in terms of the plan. Two employees have been appointed in line with EE plan</li> </ul>			<p>categories</p> <ul style="list-style-type: none"> <li>Yearly reviews of market vs JDA in terms of remuneration and employee engagement levels</li> </ul>			

## **8. APPENDICES**

Johannesburg Development Agency (SOC) Ltd - Table D1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	20 450	21 637	24 110	24 308	-	24 308	43 057	35 978	27 470
Other own revenue	49 038	37 925	23 775	26 912	-	26 912	28 036	38 326	50 993
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>69 488</b>	<b>59 562</b>	<b>47 885</b>	<b>51 220</b>	<b>-</b>	<b>51 220</b>	<b>71 093</b>	<b>74 304</b>	<b>78 463</b>
Employee costs	23 547	26 291	26 766	29 530	-	29 530	39 784	41 397	43 967
Remuneration of Board Members	795	697	510	850	-	850	1 050	1 050	1 050
Depreciation and debt impairment	1 409	-	107	-	-	-	-	-	-
Finance charges	4 392	23	79	100	-	100	50	50	50
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	875	-	875	781	822	864
Other expenditure	33 451	25 063	16 807	19 865	-	19 865	29 428	30 985	32 532
<b>Total Expenditure</b>	<b>63 593</b>	<b>52 075</b>	<b>44 269</b>	<b>51 220</b>	<b>-</b>	<b>51 220</b>	<b>71 093</b>	<b>74 304</b>	<b>78 463</b>
<b>Surplus/(Deficit)</b>	<b>5 894</b>	<b>7 487</b>	<b>3 616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5 894</b>	<b>7 487</b>	<b>3 616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation	4 687	(1 584)	(1 441)	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>1 207</b>	<b>9 071</b>	<b>5 057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>28 963</b>	<b>40 956</b>	<b>19 386</b>	<b>42 386</b>	<b>-</b>	<b>42 386</b>	<b>83 000</b>	<b>107 000</b>	<b>310 000</b>
Transfers recognised - capital	28 963	40 956	19 386	42 386	-	42 386	83 000	107 000	310 000
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>28 963</b>	<b>40 956</b>	<b>19 386</b>	<b>42 386</b>	<b>-</b>	<b>42 386</b>	<b>83 000</b>	<b>107 000</b>	<b>310 000</b>
<b>Financial position</b>									
Total current assets	435 382	372 394	187 999	116 269	-	116 269	123 299	130 388	136 907
Total non current assets	6 862	7 044	7 383	6 577	-	6 577	7 235	7 958	8 356
Total current liabilities	400 235	329 073	131 611	72 104	-	72 104	79 115	87 126	91 482
Total non current liabilities	4 716	4 001	13 000	3 316	-	3 316	3 178	2 832	2 974
Community wealth/Equity	37 293	46 364	50 771	47 426	-	47 426	48 241	48 388	50 807
<b>Cash flows</b>									
Net cash from (used) operating	266 593	(36 205)	(36 946)	(1 995)	-	(1 995)	55	70	74
Net cash from (used) investing	(474)	(454)	(737)	93	-	93	80	78	82
Net cash from (used) financing	(266 058)	36 710	37 734	1 997	-	1 997	-	-	(75)
<b>Cash/cash equivalents at the year end</b>	<b>1 146</b>	<b>1 196</b>	<b>1 247</b>	<b>1 342</b>	<b>1 247</b>	<b>1 342</b>	<b>1 477</b>	<b>1 625</b>	<b>1 706</b>

Johannesburg Development Agency (SOC) Ltd - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>										
<b>Revenue by Source</b>										
Property rates	1									
Property rates - penalties & collection charges										
Service charges - electricity revenue										
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment										
Interest earned - external investments										
Interest earned - outstanding debtors										
Dividends received										
Fines										
Licences and permits										
Agency services		44 710	30 237	18 800	22 894		22 894	24 018	34 095	46 762
Transfers recognised - operational		20 450	21 637	24 110	24 308		24 308	43 057	35 978	27 470
Other revenue		4 328	7 688	4 975	4 018		4 018	4 018	4 231	4 231
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>69 488</b>	<b>59 562</b>	<b>47 885</b>	<b>51 220</b>	<b>-</b>	<b>51 220</b>	<b>71 093</b>	<b>74 304</b>	<b>78 463</b>
<b>Expenditure By Type</b>										
Employee related costs		23 547	26 291	26 766	29 530		29 530	39 784	41 397	43 967
Remuneration of Directors		795	697	510	850		850	1 050	1 050	1 050
Debt impairment	4			107						
Collection costs										
Depreciation & asset impairment		1 409	1 162	1 013	1 204		1 204	1 207	1 271	1 335
Finance charges		4 392	23	79	100		100	50	50	50
Bulk purchases	2									
Other materials	5									
Contracted services		2 381	1 319	810	937		937	4 095	4 312	4 528
Transfers and grants					875		875	781	822	864
Other expenditure	3	31 050	22 573	14 960	17 568		17 568	24 076	25 352	26 619
Loss on disposal of PPE		20	8	24	156		156	50	50	50
<b>Total Expenditure</b>		<b>63 593</b>	<b>52 075</b>	<b>44 269</b>	<b>51 220</b>	<b>-</b>	<b>51 220</b>	<b>71 093</b>	<b>74 304</b>	<b>78 463</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		5 894	7 487	3 616	-	-	-	-	-	-
Contributions recognised - capital										
Contributions of PPE										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>5 894</b>	<b>7 487</b>	<b>3 616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation		4 687	(1 584)	(1 441)						
<b>Surplus/ (Deficit) for the year</b>		<b>1 207</b>	<b>9 071</b>	<b>5 057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>References</b>										
1. Revenue includes sales of: (insert description)										
2. Bulk purchases - electricity										
2. Bulk purchases - water										
3. Expenditure includes repairs & maintenance of:										

Johannesburg Development Agency (SOC) Ltd - Table D3 Capital Budget by vote and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>	1									
<b>Multi-Year expenditure</b>										
<i>Insert programme/projects description</i>										
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure</b>										
<i>Insert single year budgets and indicative estimates</i>										
Various Projects		28 963	40 956							
Kilpatoen renewal precinct development				10 000	10 000		10 000	10 000		
Orlando East Public Environment upgrade				5 000	6 000		6 000	13 000	26 000	20 000
Orlando East Noordseig EPWP				4 386	4 386		4 386			
Nancefield Station Precinct					20 000		20 000	60 000	80 000	280 000
Jabulani Station Renewal Nodal Transportation					1 000		1 000		1 000	10 000
Randburg Civic Precinct New Precinct					1 000		1 000			
Gowato Station Precincts										
<b>Capital single-year expenditure sub-total</b>	2	28 963	40 956	19 386	42 386	-	42 386	83 000	167 000	310 000
<b>Total Capital Expenditure</b>	4	28 963	40 956	19 386	42 386	-	42 386	83 000	167 000	310 000
<b>Funded by:</b>										
National Government				4 386	24 386		24 386	60 000	80 000	280 000
Provincial Government										
Parent Municipality		28 963	40 956	15 000	16 000		16 000	23 000	27 000	30 000
District Municipality										
Transfers recognised - capital		28 963	40 956	19 386	42 386	-	42 386	83 000	167 000	310 000
Public contributions & donations	6									
Borrowing	3									
Internally generated funds										
<b>Total Capital Funding</b>	4	28 963	40 956	19 386	42 386	-	42 386	83 000	167 000	310 000

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment.
3. Include finance leases and PPP capital funding component of unitary payment
4. Total Capital Funding must balance with Total Capital Expenditure
6. Include contributors from Public Entities; e.g. Eskom



Johannesburg Development Agency (SOC) Ltd - Table D4 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash		1 146	1 196	1 247	1 342		1 342	1 477	1 625	1 706
Call investment deposits										
Consumer debtors										
Other debtors		271 446	268 741	129 449	114 927		114 927	121 822	128 763	135 201
Current portion of long-term receivables		162 790	102 457	57 303	-		-	-		
Inventory										
<b>Total current assets</b>		<b>435 382</b>	<b>372 394</b>	<b>187 999</b>	<b>116 269</b>	<b>-</b>	<b>116 269</b>	<b>123 299</b>	<b>130 388</b>	<b>136 907</b>
<b>Non current assets</b>										
Long-term receivables	3		898	1 027						
Investments										
Investment property										
Property, plant and equipment	1	6 596	5 952	6 318	6 437		6 437	7 081	7 789	8 178
Agricultural assets										
Biological assets										
Intangible assets		266	194	39	140		140	154	169	177
<b>Total non current assets</b>		<b>6 862</b>	<b>7 044</b>	<b>7 383</b>	<b>6 577</b>	<b>-</b>	<b>6 577</b>	<b>7 235</b>	<b>7 958</b>	<b>8 356</b>
<b>TOTAL ASSETS</b>		<b>442 244</b>	<b>379 438</b>	<b>195 382</b>	<b>122 846</b>	<b>-</b>	<b>122 846</b>	<b>130 534</b>	<b>138 346</b>	<b>145 263</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Borrowing		135 657	82 957	64 158	104		104	115	126	132
Consumer deposits										
Trade and other payables		264 578	244 080	64 975	72 000		72 000	79 000	87 000	91 350
Provisions	3	-	2 036	2 478						
<b>Total current liabilities</b>		<b>400 235</b>	<b>329 073</b>	<b>131 611</b>	<b>72 104</b>	<b>-</b>	<b>72 104</b>	<b>79 115</b>	<b>87 126</b>	<b>91 482</b>
<b>Non current liabilities</b>										
Borrowing		4 716	4 001	13 000	3 316		3 316	3 178	2 832	2 974
Provisions	3									
<b>Total non current liabilities</b>		<b>4 716</b>	<b>4 001</b>	<b>13 000</b>	<b>3 316</b>	<b>-</b>	<b>3 316</b>	<b>3 178</b>	<b>2 832</b>	<b>2 974</b>
<b>TOTAL LIABILITIES</b>		<b>404 951</b>	<b>333 074</b>	<b>144 611</b>	<b>75 420</b>	<b>-</b>	<b>75 420</b>	<b>82 293</b>	<b>89 958</b>	<b>94 456</b>
<b>NET ASSETS</b>	2	<b>37 293</b>	<b>46 364</b>	<b>50 771</b>	<b>47 426</b>	<b>-</b>	<b>47 426</b>	<b>48 241</b>	<b>48 388</b>	<b>50 807</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)		21 015	30 087	34 493	31 148		31 148	31 963	32 110	33 716
Reserves										
Share capital		16 278	16 278	16 278	16 278		16 278	16 278	16 278	17 092
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>37 293</b>	<b>46 364</b>	<b>50 771</b>	<b>47 426</b>	<b>-</b>	<b>47 426</b>	<b>48 241</b>	<b>48 388</b>	<b>50 807</b>

Johannesburg Development Agency (SOC) Ltd - Table D5 Budgeted Cash Flow

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year #1 2014/15	Budget Year #2 2015/16
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		1 588 638	836 753	580 198	500 000		500 000	206 700	261 000	274 050
Government - operating		20 450	21 637	24 110	23 825		23 825	23 803	25 559	26 837
Government - capital										
Interest		2 319	6 736	3 882	3 659		3 659	35 000	35 000	36 750
Dividends										
<b>Payments</b>										
Suppliers and employees	2	(1 320 483)	(901 309)	(845 067)	(529 479)		(529 479)	(265 448)	(321 489)	(337 563)
Finance charges		(4 330)	(23)	(79)						
Dividends paid										
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>266 693</b>	<b>(36 205)</b>	<b>(36 846)</b>	<b>(1 995)</b>	<b>-</b>	<b>(1 995)</b>	<b>55</b>	<b>70</b>	<b>74</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		8	-		143		143	135	148	155
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(482)	(454)	(737)	(50)		(50)	(55)	(70)	(74)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(474)</b>	<b>(454)</b>	<b>(737)</b>	<b>93</b>	<b>-</b>	<b>93</b>	<b>80</b>	<b>78</b>	<b>82</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/financing		(266 058)	(8 303)	(5 746)	1 997		1 997			(75)
Increase (decrease) in consumer deposits										
<b>Payments</b>										
Repayment of borrowing		-	45 014	43 481						
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(266 058)</b>	<b>36 718</b>	<b>37 734</b>	<b>1 997</b>	<b>-</b>	<b>1 997</b>	<b>-</b>	<b>-</b>	<b>(75)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	1	<b>62</b>	<b>50</b>	<b>51</b>	<b>95</b>	<b>-</b>	<b>95</b>	<b>135</b>	<b>148</b>	<b>80</b>
Cash/cash equivalents at the year begin	2	1 084	1 146	1 196	1 247	1 247	1 247	1 342	1 477	1 625
Cash/cash equivalents at the year end	2	1 146	1 196	1 247	1 342	1 247	1 342	1 477	1 625	1 706

## Business Case 1: Transit Oriented Development (TOD) Extract

<b>NAME OF CLUSTER</b>	Sustainable Services	
<b>MASTER PROGRAMME</b>	Enabling resilience, inclusion and sustainability; and Enabling growth and job creation	
<b>CLUSTER IDP SUB-PROGRAMME</b>	Transit oriented development	
<b>LINK TO GDS OUTCOMES</b>	<p>Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy</p> <p>Outcome 3: An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens</p>	
<b>IDP SUB-PROGRAMME STATUS</b>	New programme	
<b>KEY MILESTONE DATES:</b>	<b>START DATE</b>	1 July 2012
	<b>COMMISSION DATE</b>	
	<b>DURATION (MONTHS)</b>	60 months
<b>IDP SUB-PROGRAMME DURATION</b>	This is a long-term programme, but plans have been developed for a 5-year implementation period to start.	

### IDP Sub-Programme Background

#### **Problem statement / challenges and opportunities faced:**

The South African *State of the Cities Report for 2011* defines the resilient city as one that is able to chart a different path in solving complex and unanticipated problems. It involves adapting and shaping development in order to improve the City's position through structural change. Creative and innovative development strategies are required.

If we are to promote resilience through structural change that achieves greater equality in Johannesburg, then the restructuring of city form must be a priority.

The *State of World Cities Report for 2010-11* identifies access to equal opportunities and improvements in the quality of life of the poor as being key to the creation of an inclusive or equitable city. By building a more robust network of sustainable and competitive economic nodes and high density movement corridors that are well served by public transport it will be possible to increase access to markets and jobs for more people, and ensure optimal use of land and energy resources. It is also important to create new activity nodes in marginalised areas in order to bring markets, services and employment opportunities to these under-developed parts of the city.

The second key reason for restructuring the city is to achieve reduced energy consumption and greenhouse gas emissions.

The spatial form of the city is important because private car use is a significant driver of energy consumption and greenhouse gas emissions in South Africa, and 80% of the variance in private car energy use is due to urban density. For example, in the South African context, if 10% of households shift to energy efficient lighting it will reduce energy consumption by 0.1%; and if 10% of low income houses have ceilings retrofitted another reduction of 0.1% can be achieved. But, if 10% of private car users shift to public transport for their daily commute, this will result in an 8% reduction in energy consumption.

The most efficient urban form is compact, mixed land-use with an extensive public transport network that includes high intensity movement corridors and with attractive environments for walking and cycling. Energy efficiency is not the only reason for promoting compact cities: There are also social and economic sustainability reasons, including access, inclusion, health, social cohesion, vibrancy, economy, household savings, and air quality.

**State relevant background information re sub-programme status (if sub-programme is continuation of existing):**

This is a new sub-programme that begins to sharpen the existing work that has been done on urban regeneration through area-based development by selecting new areas for development that are Transit precincts. It can be seen as an evolution and consolidation of existing programmes.

## **IDP Sub-Programme description and motivation**

### **4.1 IDP Sub-Programme objectives**

A **transit-oriented development (TOD)** precinct is a mixed-use residential or commercial area designed to maximize access to public transport, and often incorporates features to encourage transit ridership. A TOD neighborhood typically has a centre with a transit station, surrounded by relatively high-density development within a radius of 400 to 1 000 m, as this is considered to be an appropriate scale for pedestrians. In Johannesburg there are two distinct categories of TOD precincts: (a) those that have established economic functionality and potential as mixed-use hubs; and (b) those that have potential as high density residential (or community) nodes.

By encouraging the optimal development of transit hubs and corridors across the city that provide access to affordable accommodation and transport, high quality public spaces and amenities, and good community services we can achieve:

- A restructured space economy that gives poor households better access to well-located accommodation, jobs and markets;
- Optimised land use and energy consumption;
- Improved living standards and mobility for large numbers of people in well serviced and managed transit neighbourhoods.

### **4.2 Strategic risks**

The extent to which the TOD precincts are developed by private property developers will depend on property market conditions and the demand for rental housing and commercial and retail space in the precincts.

### **4.3 Challenges**

The development of the priority TOD precincts requires a complex set of interventions by the City of Joburg. These include:

- a) undertaking neighbourhood level development planning (SDF or UDF). (It is at this point that integrated energy planning and sustainable services innovations can be conceptualised and planned).
- b) establishing local development forums or City Improvement Districts if these do not exist.
- c) targeted marketing and investment promotion for the precinct.
- d) investing in bulk infrastructure to accommodate significant increases in development densities.
- e) releasing and developing municipal land to achieve the precinct development vision.
- f) Expanding and improving public transit infrastructure and facilities.
- g) investing public funds in public environment upgrading and the provision of public amenities and community facilities to serve a significantly larger and more dense population.
- h) fast-tracking development of privately owned properties to achieve higher densities, and more intensive mixed land uses.
- i) capturing the value generated through proximity to improved transit facilities by introducing special rating districts where appropriate.
- j) Implementing place-making interventions to ensure that the precinct is activated.

In order to ensure that these activities are coordinated and appropriately sequenced, there is a need for overarching development facilitation capacity. The existing Development Planning and Facilitation capacity is not adequate for this purpose.

#### **4.4 Dependencies**

The achievement of optimal land use and population densities in the TOD precincts will depend on a collective effort by all of the identified departments and entities.  
Other key dependencies include achieving inclusionary housing targets through deals with private property developers; and releasing suitable city-owned properties for development.

#### **4.5 Innovation**

While Transit Oriented Development is an internationally recognized leading practice, in almost every case the resultant rising land values and rentals cause the displacement of poor people. The up-market retail that surrounds most railway stations in European cities provides an example. In Johannesburg the TOD programme is primarily about restructuring the space economy to ensure that there is a significant supply of affordable housing and inclusionary retail in all TOD precincts (and especially those precincts in established parts of town like the inner city, Randburg and Sandton. This inclusive approach to TOD represents innovation in terms of 'making markets work for the poor' (M4P) principles in particular.

## Business Case 2 Upgrading of marginalized areas (Extract)

<b>NAME OF CLUSTER</b>	Sustainable Services	
<b>DEPARTMENT / MUNICIPAL ENTITY</b>	Johannesburg Development Agency (JDA)	
<b>MASTER PROGRAMME</b>	Enabling resilience, inclusion and sustainability; and Enabling growth and job creation	
<b>IDP SUB-PROGRAMME</b>	Priority area planning and implementation	
<b>PROJECT NAME</b>	Upgrading of marginalized areas	
<b>PROJECT DESCRIPTION</b>	<p>Public capital funds are invested in catalytic projects in priority areas in order to create public places, provide community facilities, encourage private investment, and strengthen the identity of the area as a liveable neighbourhood.</p> <p>In the five year period the JDA will focus on Kliptown in Soweto, Diepsloot, the Stretford Station precinct in Orange Farm and Ivory Park.</p> <p>In addition to building complete streets, public spaces and upgrading transit or community facilities, the JDA will roll out small scale retail partnership property developments where appropriate in these areas.</p>	
<b>PROJECT STATUS</b>	Ongoing project	
<b>KEY MILESTONE DATES</b>	<b>START DATE:</b>	1 July 2006
	<b>COMMISSION DATE:</b>	
	<b>DURATION (MONTHS):</b>	A multiyear plan has been detailed for the IDP period to June 2016
<b>PROJECT DURATION</b>	At least 10 years	

## Project background

### Problem statement / challenges faced and opportunities:

An urban form that is compact and improves liveability is also one with greater resilience and sustainability.

At a basic level, the City must improve the lives of those who reside within its area of responsibility, by ensuring access to basic infrastructure and education, health, housing and social services. Unfortunately, upgrading often stops here. In contrast, resilience is about building economically vibrant neighbourhoods that are diverse and distinct in urban form, structure, density and cultural identity. It requires a re-orientation of the concepts related to service delivery. The current approach focuses on the establishment and growth of sustainable human settlements. The quality of housing and the design of neighbourhoods are critical. The City will only succeed in ensuring the establishment of sustainable and resilient human settlements if the criteria used in decision-making in respect of new neighbourhood

development include issues of access, location, mobility, quality and liveability.

Our sprawling city is also a divided city, with places of work that are far from where the vast majority of our population lives. The historical north-south divide has contributed considerably to increased travel times – given the reality where a large number of people live in the south of the city, commuting to jobs that are located predominantly in the north. The Inner City is centrally located, closer to economic activity in the north, with demand for housing steadily increasing and now outpacing supply.

The challenge is still how to transform our Apartheid city, to build liveable communities and create a more humane city for all. Effective restructuring of the inefficient urban form of the city will require more than the simple management of city growth. There is a need to define, in clear and unambiguous terms, a series of spatial reconfiguration projects that pay careful attention to the form, morphology and structure of the city. A vision, followed by detailed planning equal to the vision and plan of the Apartheid city, is needed. Mobility, integration and access are important drivers to effect change. Mobility serves to counter distance and divisions, providing the means to access areas otherwise only available to the select few – with issues relating to this addressed in the section above. While a system like the BRT is an important tool to address mobility, it is only one intervention – and needs to be supplemented in many other ways. The issue of access is about bringing people closer to jobs, markets, social networks and other opportunities that promote an improved life experience. This is both an important and a fundamental right – with equity of access a key driver.

**State relevant background information re project status (if project is continuation of existing):**

Since 2003 the JDA has worked in marginalized areas such as Kliptown, and more recently in Diepsloot, Orange Farm, Vilakazi street and Orlando East. In each case the objective is to catalyse economic development while also improving liveability for poor residents. There have been varying successes. Vilakazi street has become a popular tourist destination as a direct result of the JDA investment and marketing initiatives and there are very clear benefits for local property and business owners. The impacts in Kliptown have been more muted, but more recent investments in pedestrian infrastructure and community facilities have been received well by community members.

## **Project description and motivation**

### **4.1 Project objectives (Indicate link to Master Programmes)**

In these areas High Priority Areas, the aim is to ensure that these areas are transformed into vibrant, sustainable and integrated communities achieving the following objectives:

- All people have equal access to proper services and facilities
- The benefits of growth are shared more broadly across the City and its citizens
- Settlement restructuring occurs
- Social mobility is facilitated
- Promotion of economic development
- Provision of social facilities and services
- Upgrading and expansion of services infrastructure, including:
  - Integration with Eskom's services plan and programme
  - Addressing storm water problems
  - Completion of gravel roads programme
  - Continued provision of basic services
- Improved environmental management
- Improved public transport linkages

### **4.2 Contribution to City's GDS outcome and outputs**

Outcome 2:	Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy
Outcome 3:	An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens

**4.3 Scope of the project / Specifications**

Neighbourhood plans that respond to local development needs, competitive advantages, and a deep understanding of local conditions are produced and priority projects implemented to achieve the development vision.

**4.4 Strategic risks**

- Public investment may not immediately attract private investment.
- Lack of alignment between the various budgets in government

**4.5 Challenges**

- Establishing local development forums if these do not exist.
- Community empowerment initiatives to care for the assets
- Releasing of municipal land to residents to enable private investment and ownership.
- Expanding and improving public transit infrastructure and facilities.
- Investing public funds in public environment upgrading and the provision of public amenities and community facilities to serve a significantly larger and more dense population.
- Massive requirements for bulk engineering services.

**4.6 Stakeholders**

Most Departments and Entities in the Sustainable Services Cluster are involved in this project, including DPUM, DED, Transportation, DCD, EISD, City Power, Johannesburg Water, JRA, JPC and Joshco.

**4.7 Dependencies**

Social and Economic clusters for project implementation.

**4.8 Innovation**

This is a continuation of existing programmes. The difference would be that implementation of projects will address the green economy and low carbon infrastructure.

**4.9 Details of anticipated cost benefits**

The area based development model is administratively efficient, and results in the selection of strategic and catalytic projects that have the greatest impact.



## Business Case 3: Inner city upgrading (Extract)

<b>NAME OF CLUSTER</b>	Sustainable Services	
<b>DEPARTMENT / MUNICIPAL ENTITY</b>	Johannesburg Development Agency (JDA)	
<b>MASTER PROGRAMME</b>	Enabling resilience, inclusion and sustainability; and Enabling growth and job creation	
<b>IDP SUB-PROGRAMME</b>	Priority area planning and implementation	
<b>PROJECT NAME</b>	Inner city regeneration	
<b>PROJECT DESCRIPTION</b>	<p>Public capital funds are invested in catalytic projects in the inner city in order to create public places, provide community facilities, encourage private investment, and strengthen the identity of the area as a liveable neighbourhood and economic hub.</p> <p>In the five year period the JDA will focus on improving the performance of existing precincts such as Newtown and Ellis Park, establishing new precincts (especially the two transit hubs of Park Station and Westgate Station Precinct), developing stronger pedestrian links across the inner city and improving environments and public infrastructure throughout the inner city.</p> <p>In addition to building complete streets, public spaces and upgrading transit or community facilities, the JDA will launch a public places partnership programme to respond to private investments in small public places through some co- funding and facilitation support.</p>	
<b>PROJECT STATUS</b>	Ongoing project	
<b>KEY MILESTONE DATES</b>	<b>START DATE:</b>	1 July 2001
	<b>COMMISSION DATE:</b>	
	<b>DURATION (MONTHS):</b>	A multiyear plan has been detailed for the IDP period to June 2016
<b>PROJECT DURATION</b>	At least 10 years	

## Project background

### Problem statement / challenges faced and opportunities:

An urban form that is compact and improves liveability is also one with greater resilience and sustainability.

At a basic level, the City must improve the lives of those who reside within its area of responsibility, by ensuring access to basic infrastructure and education, health, housing and social services. Unfortunately, upgrading often stops here. In contrast, resilience is about

building economically vibrant neighbourhoods that are diverse and distinct in urban form, structure, density and cultural identity. It requires a re-orientation of the concepts related to service delivery. The current approach focuses on the establishment and growth of sustainable human settlements. The quality of housing and the design of neighbourhoods are critical. The City will only succeed in ensuring the establishment of sustainable and resilient human settlements if the criteria used in decision-making in respect of new neighbourhood development include issues of access, location, mobility, quality and liveability.

Our sprawling city is also a divided city, with places of work that are far from where the vast majority of our population lives. The historical north-south divide has contributed considerably to increased travel times – given the reality where a large number of people live in the south of the city, commuting to jobs that are located predominantly in the north. The Inner City is centrally located, closer to economic activity in the north, with demand for housing steadily increasing and now outpacing supply.

The challenge is still how to transform our Apartheid city, to build liveable communities and create a more humane city for all. Effective restructuring of the inefficient urban form of the city will require more than the simple management of city growth. There is a need to define, in clear and unambiguous terms, a series of spatial reconfiguration projects that pay careful attention to the form, morphology and structure of the city. A vision, followed by detailed planning equal to the vision and plan of the Apartheid city, is needed. Mobility, integration and access are important drivers to effect change. Mobility serves to counter distance and divisions, providing the means to access areas otherwise only available to the select few – with issues relating to this addressed in the section above. While a system like the BRT is an important tool to address mobility, it is only one intervention – and needs to be supplemented in many other ways. The issue of access is about bringing people closer to jobs, markets, social networks and other opportunities that promote an improved life experience. This is both an important and a fundamental right – with equity of access a key driver.

The inner city has been a key part of CoJ's strategy to achieve a more sustainable and equitable city form, and in the last 10 years more than 150 000 new affordable rental housing units have been delivered by private property owners in the inner city (mostly through refurbishment of office buildings). There are now more than 400 000 residents in the inner city, and there is a need to provide public places and community services to ensure that the inner city is more liveable.

At the same time, there has been renewed interest in investing in property development in the inner city (driven partly by investor confidence, and partly by the UDZ tax depreciation incentive).

**State relevant background information re project status (if project is continuation of existing):**

Since its establishment in 2001, the JDA has worked to regenerate the inner city. Over an 8 year period, for every Rand that the JDA has invested, the private sector has invested R29 in property developments in the inner city. This reflects a significant shift in attitude towards this important part of the space economy in the city and in the city region.

The inner city has shrugged off an identity as a dirty and unsafe neighbourhood and some parts are emerging as popular arts and culture or student precincts that attract residents and visitors. Johannesburg's brand is very closely aligned to the iconic images of the inner city skyline, the Nelson Mandela Bridge and even the inner city parks and public places.

Much of the inner city regeneration has been framed by the Inner city Charter that was signed in 2007 and is coming to an end in June 2012. A new 5 year partnership agreement is proposed for this Mayoral term.

## Project description and motivation

### 4.1 Project objectives (Indicate link to Master Programmes)

The vision of the partners to the proposed Inner City Charter for the IDP period is to realise a resilient, regenerated and transformed Inner City of Johannesburg that is functional, economically productive, and is welcoming of all who work, live and play there and of those who move through it.

The Inner City will be resilient. This resilience is built on an environment where all future developments and activities are undertaken with a focus on the long-term sustainability of the environment and the functions that the Inner City serves. This resilience is built on three platforms - a functional inner city, a productive inner city and an inclusive inner city.

### 4.2 Contribution to City's GDS outcome and outputs

Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy

Outcome 3: An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens

### 4.3 Scope of the project / Specifications

Coordinated public investment in infrastructure and amenities in the inner city to entrench the regeneration trends and ensure that it is a liveable, equitable and resilient part of the city.

### 4.4 Strategic risks

- Public investment may not immediately attract private investment.
- Global and local economic conditions will affect the impact of public investment.
- Lack of alignment between the various budgets in government

### 4.5 Challenges

- Establishing local development forums if these do not exist.
- Community empowerment initiatives to care for the assets
- Releasing of municipal land to residents to enable private investment and ownership.
- Expanding and improving public transit infrastructure and facilities.
- Investing public funds in public environment upgrading and the provision of public amenities and community facilities to serve a significantly larger and more dense population.
- Maintenance of existing municipal infrastructure

### 4.6 Stakeholders

Most Departments and Entities in the Sustainable Services Cluster are involved in this project, including DPUM, DED, Transportation, DCD, EISD, City Power, Johannesburg Water, JRA, JPC and Joshco.

### 4.7 Dependencies

Social and Economic clusters for project implementation.

### 4.8 Innovation

There is room to innovate on how to provide sustainable and efficient public services that are affordable in the high density residential environment. There is also a need to ensure that the inner city remains accessible and inclusive of poor residents and informal economic functions in the face of rising land values.

#### **4.9 Details of anticipated cost benefits**

The area based development model is administratively efficient, and results in the selection of strategic and catalytic projects that have the greatest impact.

Providing services to high density neighbourhoods with 24 hour activities is cost effective

Land use and energy use efficiencies are also achieved by developing the inner city to optimal levels.