

# 2ND CSOS INDABA 2024



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**12-13  
SEPTEMBER 2024**

 **BOLIVIA LODGE,  
POLOKWANE, LIMPOPO**



*Affordable Reliable Justice*

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**Promoting Well Governed,  
Empowered And Transformed  
Community Schemes.**



# Key Focus Areas on Transformation in response to Inaugural Indaba

**Inaugural Indaba Commitment on Transformation of the sector:** What are the things that need to be done for us to accelerate transformation in the sector?

Transformation commission - a panel with 4 speakers, and all highlighted the importance advancing transformation of the sector and together with the audience a number of recommendations were made.

There was a general acknowledgement that based on the combined value in community schemes sector estimated to be around R643 Billion, according to property firm Lightstone. Min – highlighted MA overseeing approximately 800 billion of assets – highlighting the **Opportunities (cake or Pie?)**





# Key Focus Areas on Transformation in response to Inaugural Indaba



**Inaugural Indaba Commitment on Transformation of the sector:** What are the things that need to be done for us to accelerate transformation in the sector? Recommendations:

Integration of emerging **Black Managing Agents** into the sector and ensure performance of meaningful work.

Implementation of measures to ensure that **procurement approaches mandatorily provide opportunities to emerging black SMMEs.**

**Empowerment through collaborations and Engagements.**

**Importance of tangible results.**



# Status on Transformation

Action	Date	Status/ Way Forward
18 Consultation Sessions held on Concept Note and draft Scorecard for Community Schemes and Managing Agents	April to July 2024	Analysis of input/ recommendations
<ul style="list-style-type: none"> <li>• Draft Report with recommendations from roundtable consultation sessions</li> <li>• Approval of recommendations by the Board</li> </ul>	<ul style="list-style-type: none"> <li>• July to August 2024</li> <li>• October 2024</li> </ul>	Draft Report underway - to be submitted to the Board for approval
<b>Internship Programme</b> <ul style="list-style-type: none"> <li>• 22 cohort of learners hosted: <ul style="list-style-type: none"> <li>➤ 7 learners hosted under CSOS</li> <li>➤ 15 learners hosted by Industry</li> <li>➤ 30% classroom-based learning</li> <li>➤ 70% on-the-job training</li> </ul> </li> <li>• 6 MOUs signed with Host Companies</li> </ul>	01 August '24 to 31 July '25	<ul style="list-style-type: none"> <li>• Appointment of Services SETA Accredited Service Provider</li> <li>• 30% Classroom-based learning to run for 3 months</li> </ul>
Draft Transformation Strategy	November 2024	Draft Transformation Strategy to incorporate Board approved recommendations
<ul style="list-style-type: none"> <li>• Consultation on Draft Transformation Strategy and Score card.</li> <li>• Consolidation of Input on Draft Transformation Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• October 2024 - November 2024</li> <li>• February 2025</li> </ul>	Anticipated three (3) consultations sessions to finalise the Transformation Strategy and the score card.

# TRANSFORMATION STRATEGY concept note INTERVENTIONS

- **The concept document aims** to explore the transformation of the community scheme sector, focusing on the integration of sustainability, inclusivity, and community engagement.

**CONCEPT NOTE:** "Catalysing Change: A Strategic Blueprint for Transforming the Community Schemes Sector" .

- CSOS will utilise the following themes to facilitate the transformation strategy:
  - **Theme 1:** Capacitation and access to funding.
  - **Theme 2:** Market access and opportunities.



# Transformation Strategy initiatives

Capacitation and access to funding	Market access and opportunities
<p><b>Training Programmes:</b> Provide access to training programmes aimed at providing technical skills and knowledge required for various roles in the property sector</p> <p>Working in partnership with transformed higher education institutions (universities) and Technical and Vocational Education and Training (TVET) Colleges -develop special dispensation for the training and development of the historically disadvantaged which must include recognition of prior learning.</p> <p><b>Education and Certification Programmes:</b> Offer educational opportunities and certification courses tailored to the property sector.</p> <p><b>Financial Literacy and Access to Finance Workshops</b></p>	<p>Designating and preparing PDIs to serve as <b>EMAs</b>.</p> <p>Develop <b>twinning/incubation programme</b> and/or subcontracting with seasoned Executive Managing Agent Companies that already exist (<b>Models</b>)</p> <p>In order to protect <b>public investment, qualified EMAs</b> with the necessary training and experience will be <b>assigned to government-owned Community Schemes</b>, such as Public Works and Public Schemes., SHRA social housing.</p> <p><b>Access to Information:</b> Ensure that individuals have access to information about available properties, market trends, regulations, and financing options.</p>
<p><b>Entrepreneurship Development Programmes:</b> Empower individuals to become property entrepreneurs by offering entrepreneurship development programmes.</p>	<p><b>Facilitate Incentive /financing /start up programmes</b> ( Banks , NHFC)</p> <p>Back-office support and operating System</p>
<p><b>Internship and Apprenticeship Opportunities:</b> Create internships and apprenticeship programmes with property firms, real estate agencies, construction companies, and government agencies.</p>	<p>Women in Human settlement value chain Social compact commitments</p>
<p><b>Mentorship and Networking:</b> Pair individuals with mentors and provide opportunities for networking with established professionals in the property industry. ( e.g. – MOU signed and more)</p>	<p><b>% of procurement spend</b> from businesses owned by designated groups</p>
<p><b>Networking Events and Industry Associations:</b> Facilitate networking events, workshops, and conferences where individuals can connect with industry professionals, potential employers, and peers.</p>	<p>Report on property sector code compliance within the sector</p>
<p><b>Diversity and Inclusion Training:</b> Incorporate diversity and inclusion training into capacitation programmes to raise awareness of biases and promote inclusive practices within the property sector.</p>	<p>Database of Designated group suppliers – Panels</p>

# Key highlights on input received under Theme: Capacitation and Access to Funding

Proposals from the roundtable sessions	Areas of alignment with CSOS concept note	Action required
<ul style="list-style-type: none"> <li>Funding for incubation of EMAs (currently estimated at R95 000 on operational costs)</li> <li>Costs of setting-up are a hindrance (i.e. licenses and systems)</li> <li>Stringent funding requirements</li> <li>Professional Indemnity is a challenge</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate Incentive /financing /start-up programmes (Banks, NHFC).</li> <li>Back-office support and operating systems</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate funding, the CSOS is to engage/ collaborate with the Banking Institution of South Africa (BASA)/ Banks/ Development institutions</li> <li>Engage with the NHFC</li> <li>Engage with PPRA on their Transformation Fund as legislated</li> <li><i>We IT System</i> to be explored for EMAs</li> </ul>
<ul style="list-style-type: none"> <li>CSOS to collaborate with higher institutions of learning through MOUs.</li> <li>CSOS to <b>identify capacity gaps in light of the transformation programmes to be introduced.</b></li> <li>There is a <b>gap between</b> what the <b>Universities provide</b> and what the <b>industry require.</b> Misalignment between education and career opportunities.</li> <li>Review of the <b>current EMA NQF level requirements</b> to consider Recognition of Prior Learning.</li> </ul>	<p>Training Programmes: Working in partnership with transformed higher education institutions (universities) and Technical and Vocational Education and Training (TVET) Colleges</p> <p>Current MOU between CSOS and UNISA.</p>	<ul style="list-style-type: none"> <li>Capacity gap analysis to be conducted in the property sector.</li> <li>Signing of MOUs with higher institutions of learning</li> <li>Develop an accredited training programme.</li> </ul>

# Key highlights on input received under Theme: Capacitation and Access to Funding

Proposals from the roundtable sessions	Areas of alignment with CSOS concept note	Action required
<p>CSOS value proportion; and placements, monitoring mechanism and exit strategy on the EMA programme should be clearly articulated.</p>	Current EMA Programme	CSOS to develop a framework for the EMAs
<ul style="list-style-type: none"> <li>• Consideration for learnerships and graduate programmes – youth advancement</li> <li>• A developed course should align with an apprentice/ learnership/ in-service training</li> </ul>	Internship and Apprenticeship Opportunities	Graduate programmes to be considered as part of the CSOS proposal
<ul style="list-style-type: none"> <li>• Concept note is silent on Homeowners Associations (HOAs) - Concept note to be conceptualised to include HOAs.</li> <li>• Skills gap and pool of qualified persons is diminishing.</li> </ul>	<ul style="list-style-type: none"> <li>• Scorecard on Managing Agents and Community Schemes</li> <li>• CSOS Legislation review</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with the Association of Residential Communities (ARC).</li> <li>• Establish a panel of Estate Agents and all other Services required to operate a scheme.</li> </ul>



## Key highlights on input received under Theme: Market Access and Opportunities

Proposals from the roundtable sessions	Areas of alignment with CSOS concept note	Action required
<p>There are challenge on how public schemes are ran and managed by municipalities and state-owned entities.</p> <p>Directive through the DHS to look at the parameters within which an establishment of a social scheme need to take place at provincial and municipal level.</p> <p>Parameters should cover the CSOS to a point that, if necessary, social schemes should not be considered for approval if there is no proper plan and funding in place in terms of management and upkeeping/ maintenance of such scheme.</p>	<ul style="list-style-type: none"> <li>Opportunity on managing Public Schemes</li> </ul>	<ul style="list-style-type: none"> <li>CSOS to engage with the DHS, provincial and municipalities on the proposed Directive.</li> <li>CSOS to coordinate and report on a pilot project of managing a public scheme.</li> <li>Develop a public scheme management model in consultation with the industry</li> </ul>
<p>More awareness on CSOS – CSOS is still unknown to the community schemes</p> <p>Communication Strategy on transformation to be developed</p>	<p>Access to information Current Visibility drive</p>	<p>Continued CSOS awareness and visibility drive.</p> <p>Development of Transformation Communication Strategy – share transformation messages on different social platforms .</p> <p>CSOS know your Rights and Obligation in a community scheme booklet/framework shared with Real Estate Agents via PPRA.</p>

# Opportunity : Integrated Human Settlements – Transforming Public Schemes

PRIVATE SCHEMES	STATUS	PUBLIC SCHEMES	STATUS
Governance Structures ie. Formalized body corporates, Boards of Trustees	✓ Yes	Governance Structures ie. Formalized body corporates, Boards of Trustees	X
Proclaimed Rules of the Scheme	✓ Yes	Proclaimed Rules of the Scheme	X
Maintenance and upkeep	✓ Yes	Maintenance and upkeep	X
Security Arrangements	✓ Yes	Security Arrangements	X
Levy Collection Systems	✓ Yes	Levy Collection Systems	X

# SOME COMMON JOBS FOUND IN GATED COMMUNITIES

Common Jobs	Description
Property Management Staff	Gated communities require property managers and maintenance staff to oversee the upkeep of common areas, facilities, and landscaping
Security Personnel	Gated communities often employ security guards to monitor access points, patrol the premises, and ensure the safety and security of residents
Concierge Services	Many gated communities offer concierge services to assist residents with various tasks such as package delivery, reservations, and information about community amenities.
Recreation and Fitness Staff	Gated communities may have recreational facilities such as pools, gyms, and sports courts that require staff to manage and organize activities
Community Association Managers	Gated communities typically have a homeowners' association (HOA) that hires managers to handle administrative tasks, enforce community rules, and communicate with residents
Event Planners	Gated communities often organize social events and gatherings, requiring event planners to coordinate and manage these activities
Maintenance and Repair Technicians	Gated communities employ technicians for general maintenance, repairs, and upkeep of infrastructure and amenities
Administrative Staff	Administrative staff handle tasks such as resident records management, community communication, and general administrative support
Childcare Providers	Some gated communities offer childcare services, such as daycare centers or after-school programs, requiring qualified childcare providers
Hospitality and Service Staff	Gated communities with luxury amenities may employ staff members for hospitality services, including restaurants, spas, and golf courses

**\*\*Specific job opportunities can vary depending on the size, amenities, and services provided by each gated community ( audit, landscape, Accounting)**



# The Community scheme Broad-Based Black Economic Empowerment (BBBEE) Sector Code, also known as the BBEEE scorecard

The Community scheme BBEEE scorecard, is a **framework that outlines** the criteria and guidelines for **assessing the level of economic empowerment within schemes** in South Africa. The scorecard measures the progress made in achieving transformation and empowerment objectives in key areas such as ownership, management control, skills development, enterprise and supplier development, socioeconomic development, and employment equity.

BBBEE elements	Area of measure
<b>Ownership</b>	<p>The ownership element of the BBEEE scorecard focuses on the percentage of black ownership within the scheme /Managing agent.</p> <p>This element will not be of much value on the score card, as <b>members buy into schemes by choice- free will</b>. The ownership element may be <b>used as a special element for the sector to monitor schemes that intentionally decline to accept other racial groups</b> in the schemes.</p>
<b>Management Control</b>	<p>Management control assesses the representation of black individuals in the decision-making structures and executive positions within the scheme.</p> <p><b>This element will also not be of much value on the score card, as members volunteer to seat on the boards of directors / body corporate. Although there are schemes that are intentionally closing out representative on the Boards and reserve it for 1 racial group. Maybe minimal points can be placed here.</b></p>
<b>Employment Equity</b>	<p>Measures the <b>representation of black individuals in the workforce of the schemes</b>. It focuses on promoting fair and equal employment opportunities, eliminating discrimination, and ensuring that the workforce reflects the demographic makeup of the community. Big schemes – Impact and 1 to 5 and 10 to 30.</p>

# The Community scheme Broad-Based Black Economic Empowerment (BBBEE) Sector Code, also known as the BBEEE scorecard

BBBEE elements	Area of measure
<b>Skills Development</b>	<p>Measures the investment and initiatives undertaken to enhance the skills and capabilities of black individuals within the schemes.</p> <p>This includes training programs, internships, mentorship, and bursaries aimed at empowering black individuals with the necessary skills to participate effectively in the community's economic activities.</p> <p><b>This element will be impactful for big schemes only. A number of schemes utilise service providers for most of their services instead of hiring warm bodies.</b></p>
<b>Enterprise and Supplier Development</b>	<p>This element focuses on the <b>support and development of black-owned businesses</b> and the promotion of black individuals as suppliers within the gated community.</p> <p>This element should weigh more and be given more points. <b>Its 1 element that will enable the sector to transform as all the schemes have a procurement plan and budget are spent of service providers.</b></p>
<b>Socioeconomic Development</b>	<p>Refers to the community's initiatives and investments aimed at uplifting and improving the quality of life of individuals living within and outside the schemes (community projects).</p> <p>During the round table sessions, a <b>number of stakeholders indicated that they are already having socioeconomic projects</b>, and the sector has an award category for such items. Adequate points for this element. <b>Promotes good neighbourhoods.</b></p>

# Achievements to Date

Established a database of 92 PDI Executive Managing Agents (EMA) to be utilised by Community Schemes, with an additional 50 to be appointed in 2024/25 FY

42 of 92 PDI EMA and women.

10 EMA are managing schemes and 3 of them are women.

95% of community schemes' requests for Executive Managing Agents will be awarded to previously disadvantaged individuals

10 MOUs (MidCity, Trafalgar, Pretor, NAMA, ARC/ RCC & CAISA, PSCC, UNISA, PPRA, SHRA & Dept. of Military Veterans) signed to advance transformation of the community schemes sector

More MOUs to be signed (NHBRC, HDA, NHFC and more institutions)

Finalise Transformation Strategy and submit for approval by November 2024

Partnership with Youth in Property Association (YIPA) - black owned company who are passionate about transforming the industry.

MOU Finalised pending signature

Cohort of 22 learners as part of learnership programme:

- i) Period: 01 August 2024 to 31 July 2025
- ii) Seven (7) learners hosted under CSOS
- iii) 14 learners hosted with Pretor, Trafalgar and 4 EMAs
- iv) Six (6) MOUs signed with Host Companies
- (iv) One (1) learner resigned



# MOUs signed to support Transformation initiatives.



- Incubated 3 EMA's who signed MOU with 2.
- Open doors subcontracting



- In progress :
  - Services SETA
  - ARC, RCC, CAISA

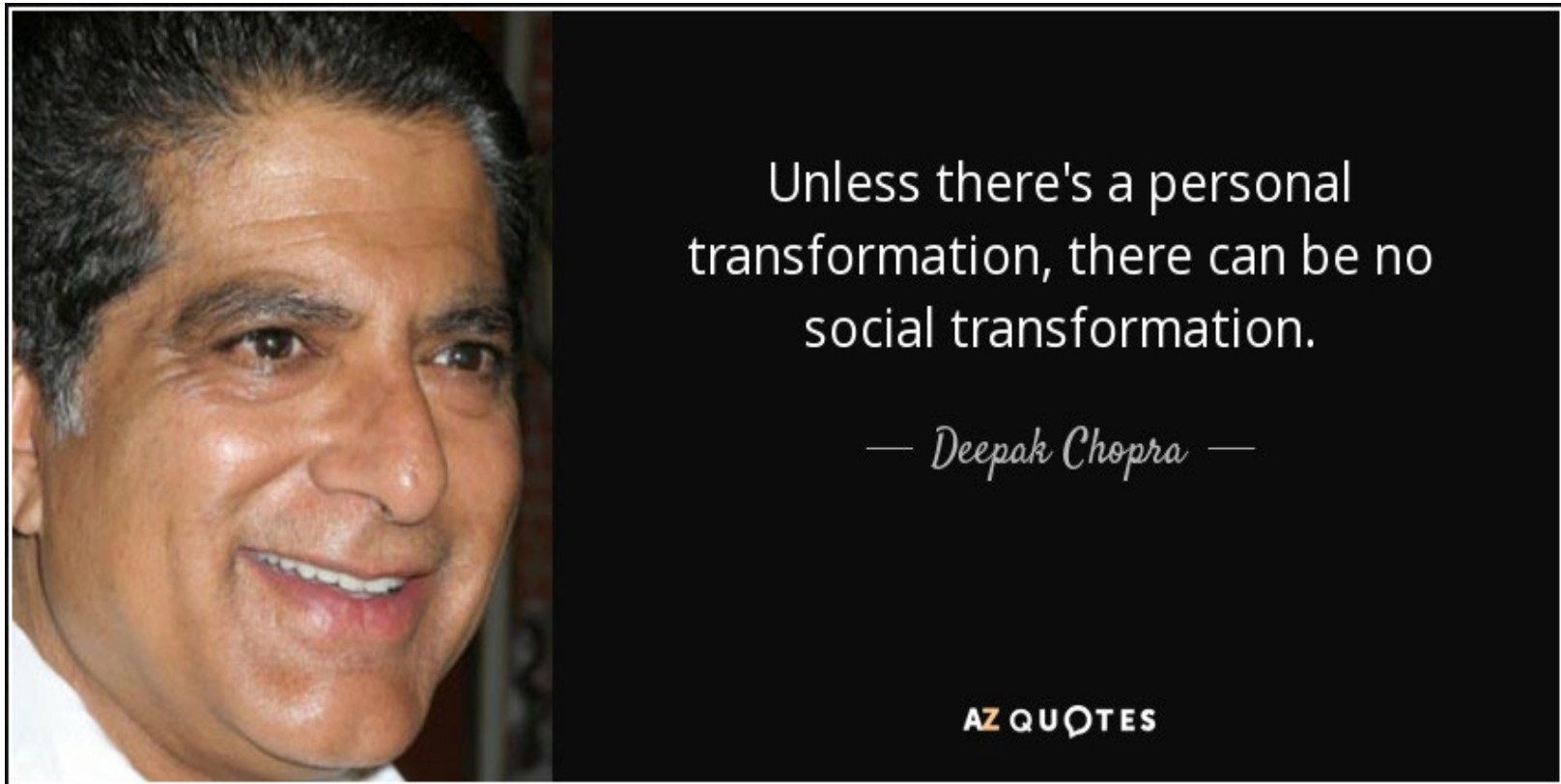


# Achievements to Date

Designated Group	% spent per Designated Group 2022/23 FY	% spent per Designated Group 2023/24 FY	Q1 - % spent per Designated Group 2024/25 FY
Percentage of annual procurement spend, targeted at business owned by <b>women</b>	33.93%(R 24 480 658,79)	66,63% (R69 459 624,34)	Annual Target: 40% Actual achieved: 67.26%
Percentage of annual procurement spend, targeted at business owned by <b>youth</b>	12,68% (R 9 153 582,62)	16,61% (R17 315 388,87)	Annual Target: 21% Actual achieved: 10.8
Percentage of annual procurement spend, targeted at business owned by <b>persons with disabilities</b>	1,01% (R 729 577,55)	1,31% (R11 365 632,72)	Annual Target: 5% Actual achieved: 5.06%
Percentage of annual procurement spend, targeted at business owned by <b>military veterans</b>	Not target – % annual procurement spend targeted at business owned by Military Veterans was not measured in the 2022/23 FY	0,97% (R1 011 193,691)	Annual Target: 5% Actual achieved: 0.27%
Percentage of annual procurement spend, targeted at businesses owned by <b>youth and persons with disabilities</b>	-	-	Annual Target: 26% Actual achieved: 15.91%



# Conclusion



**Call for Partnership and Action :**      **Embrace Change as we Transform together to ignite inclusive growth.**





Thank you



Kedibone Phetla