CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

DATE:

REPORT TO: EXECUTIVE MAYOR

1. ITEM NUMBER

2. SUBJECT

2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT [E0248] [E0264]

ONDERWERP
HALFJAARLIKSE BEGROTING EN PRESTASIE-EVALUERING VIR 2019/20

ISIHLOKO
UHLAHLO-LWABIWO-MALI LOMBINDI WONYAKA LUKA-2019/20 NOVAVANYO LOKUSEBENZA

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR DECISION AND FOR NOTING BY

☐ **Committee name** :

☑ The Executive Mayor

☐ Council

4. DISCUSSION

The Municipal Finance Management Act (MFMA) requires the accounting officer of a municipality to assess the municipality's performance for the first half of the financial year by 25 January of each year. Specific matters are to be reviewed and reported to the mayor of the municipality as well as National- and Provincial Treasury.

This report presents budget and performance outcomes stemming from the mid-year budget and performance assessment and recommends a 2019/20 adjustments budget as provided for in the MFMA.

4.1. Financial Implications ☑ None ☐ Opex ☐ Capex

☐ Capex: New Projects

☐ Capex: Existing projects requiring additional funding

☐ Capex: Existing projects with no additional funding requirements

4.2. Policy and Strategy ☐ Yes ☑ No

4.3. Legislative Vetting ☐ Yes ☑ No

4.4. Legal Compliance ☑

Sections 54 and 72 of the MFMA provide directives and guidelines for the mid-year budget and performance assessment report.

Annexure A to this report represents the documentation in compliance thereto.

4.5. Staff Implications ☐ Yes ☑ No

4.6. Risk Implications ☐ Yes ☑ No

5. RECOMMENDATIONS

Delegated: for decision by the Executive Mayor

It is recommended that:

a. The mid-year budget and performance assessment report be considered and submitted to Council in terms of Section 54 and 72 of the MFMA.
b. An adjustments budget (January 2020 adjustments budget) be proposed based on the financial outcomes indicated in annexure A to this report.

AANBEVELINGS

Gedelegeer: vir besluitneming deur die uitvoerende burgemeester:

Daar word aanbeveel dat:

a. Oorweging geskenk word aan die halfjaarlikse begrotings- en prestasie-assesseringsverslag en dit ingevolge artikel 54 en 72 van die MFMA aan die Raad voorgelê word.

b. ‘n Aansuiweringsbegroting (Januarie 2020-aansuiweringsbegroting) voorgestel word wat gegrond is op die finansiële uitkomste aangetoon in bylae A by hierdie verslag.

IZINDULULO

Zigunyazisiwe: Isigqibo sesikaSodolophu wesiGqeba

Kundululwe ukuba:

a. Makuqwalasele ingxelo engohlahlo-lwabiwo-ma lombindi wonyaka novavanyo lokusebenza ize ingeniswe kwiBhunga ngokungqinelana necandelo 54 necandelo 72 oMthetho ojongene noLawulo lweeMali zikaMasipala.

b. Makuphakanyiswe uhlahlo-lwabiwo lolungelelaniso (uhlahlo-lwabiwo-mali lolungelelaniso eyoMqungu 2020) ngokusekelezelwe kwiziphumo zemali ezibonakaliswe kwisihlomelo A esiqhotyoshelwe kule ngxelo

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ANNEXURES

Annexure A – 2019/20 Mid-year budget and performance assessment.

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	Finance	FILE REF NO	-
SIGNATURE : DIRECTOR			

Making progress possible. Together.

CHIEF FINANCIAL OFFICER

NAME	Kevin Jacoby	COMMENT:
DATE		
SIGNATURE		

LEGAL COMPLIANCE

- ☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND <u>ALL</u> LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- ☐ NON-COMPLIANT

NAME		COMMENT:
DATE		
SIGNATURE		

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

JANUARY 2020

CONTENTS

LIST OF ANNEXURES

GLOSSARY OF TERMS AND ABBREVIATIONS

Adjustments Budget – Prescribed in section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations mainly comprising of National and Provincial Government allocations as well as public contributions and donations from external parties.

CCT – City of Cape Town

CRR – Capital Replacement Reserve. An internal funding source used for capital projects, which must at all times be cash-backed in line with Section 18 of the MFMA.

CTICC - Cape Town International Convention Centre

CTS – Cape Town Stadium

DORA – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

DORb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

EFF – External Financing Fund. Internal funding mechanism and funded from borrowing for capital expenditure.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Municipal Budget Reporting Regulations

MCCR – Municipal Cost Containment Regulations

MFMA - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

NT – National Treasury

Operating Expenditure – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

SDBIP – Service Delivery and Budget Implementation Plan

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Vote – One of the main segments into which a budget is divided, usually at directorate level.

PART 1 - REPORT OF THE EXECUTIVE MAYOR[1]

1. Mayor's Report

1.1. High level assessment of MFMA S71 statements for the first half of 2019/20

1.1.1. Against annual budget (latest adjustments budget)

Revenue by Source

Current revenue[2] is 4% or R765 million above the year-to-date budget projection for December 2019.

Reasons for over-/under-recovery on the revenue budget:

- **Property Rates (R64.7 million over)**
  The over-recovery is mainly due to continuous real time supplementary valuations resulting in an updated valuation base.

- **Service Charges – electricity revenue (R459.4 million over)**
  The over-recovery reflects mainly against the Large Customer (commercial customers) category (R254 million) and against the 'Time of Use' (TOU) Tariff category (R202 million). This over-recovery is due to periodic changes in consumption and the winter peak tariff seasonalisation of customers linked to these categories. The seasonalisation of the TOU tariff is not aligned to the period budget as it is wholly dependent on when customers migrate to the new tariffs. Affected customers were given the option to move to the TOU tariff category but very few responded although it is the cheaper option for them. The extent of the over-recovery will reduce as the low demand period has been reached.

- **Service Charges – water revenue (R185.7 million under) and Service Charges – sanitation revenue (R69.1 million under)**
  The forecasted revenue for 2019/20 is dependent on the consumption trends projected to sustain the cost of water and sanitation services as the City moves out of the drought period. Analysis of the financial information at this stage indicates that consumption has not increased to the anticipated levels resulting in under-recovery.

- **Interest earned – external investments (R60.4 million over)**
  The over-recovery is due to higher than expected cash and investment fund balances to date.

[1] Prepared as per MFMA Section 54 (1)
[2] Refer Table C4 – Total Revenue by Source (excluding capital transfers and contributions)

- **Fines, penalties and forfeits (R273.8 million over)**
  The over-recovery is mainly on Traffic Fines, which is linked to the number of fines issued. 80% of fines are deemed as accruals while 20% relates to the collectable portion.
  - Traffic fines (accruals) (R262 million), due to more than planned fines issued for traffic- and various by-law offences during this period; and
  - Traffic Fines (paid) (R11 million), due to more fines paid to date as more convenient payment facilities are being made available to the public as well as the impact of fines reduced by the Courts, making it more affordable for the public to pay.

- **Transfers and subsidies (R111.4 million over)**
  Over-recovery reflects against in the following directorates:
  - Human Settlements, due to period budget provisions not aligned to actual spending, which is higher than planned on projects rolled over from 2018/19 where progress on site is ahead of the original construction schedule.
  - Transport, where deviation reports and contracts with service providers for the Automated Fare Collection (AFC)/Advanced Public Transport Management Systems (APTMS) were concluded faster than anticipated resulting in payments being processed earlier than anticipated.
  - Finance, due to earlier than anticipated income realised iro the VAT portion on a number of USDG projects currently in progress.

- **Other revenue (R46.9 million over)**
  Over-recovery reflects against in the following revenue categories:
  - Recoveries of Infrastructure Maintenance, due to a refund from Eskom as a result of previous years' underspending on electrification projects in the Eskom area of supply.
  - Cash Recovery - Claims, due to a cash refund from SASRIA for higher than planned insurance claims.
  - By-product sales, due to an increase in the sale of by-products (timber) at Steenbras- and Wemmershoek dams.
  - Development Levies/BICL, due to higher than planned actual revenue received for the month under review. Development levies are linked directly to property developments in the City and accurate period planning is not possible.
  - Hire of municipal staff, due to higher than anticipated demand for law enforcement staff for externally-funded events.
  - Treatment Effluent Sales, due to an increase in the volumes of treated effluent sold.

Operating expenditure by type

Current expenditure[3] is 3% or R484 million below the year-to-date budget projection for December 2019.

Reasons for major over/under expenditure on the expenditure budget:

- **Employee Related Costs (R376.3 million under)**
  The variance is mainly due to the turnaround time in filling vacancies; internal filling of vacant positions; and appointment of seasonal workers and temporary staff, which is dependent on seasonal requirements as and when departments require additional staff.

- **Bulk Purchases (R48.2 million under)**
  The under-expenditure reflects mainly against Bulk Purchases - Water within the following elements:
  - Raw water, due to lower water volumes resulting in reduced costs as well as invoices outstanding from the National Department of Water & Sanitation;
  - Bulk water levy, due to invoices outstanding from the National Department of Water & Sanitation and lower than expected levels of consumption; and
  - Bulk water - Desalination, where invoices relating to temporary desalination plants are currently pending, due to verification of contract conditions by the project manager. In addition, the City is currently in a legal dispute with one of the contractors.

- **Contracted Services (R95.9 million over)**
  Over expenditure reflects against the following categories:
  - G&D Contracted Services - Buildings, due to faster progress on the maintenance of the Automated Fair Collection (AFC) and Advanced Public Transport Management System (APTMS) as the deviation reports were approved earlier than expected and the contract with the service providers also concluded earlier.
  - R&M Contracted Services - Buildings, due to road maintenance programmes within the Transport directorate being brought forward as one term tender will expire in March 2020 and accelerated R&M activities at facilities resulting in work being completed earlier than anticipated.
  - R&M Gardening Services, due to misalignment of the actual expenditure with the period budget provision.
  - Cleaning Cost, where work was implemented faster than anticipated resulting in misalignment of the period budget provision.
  - Security Services - Municipal Facilities, due to higher than anticipated need for services at facilities.

[3] Refer Table C4 – Total expenditure by type

- G&D Security Services, where Security Services at transport interchanges are co-funded and grant funding is utilised before City funding.
- Waste minimisation, due to the incorrect booking of cost against this category as the tender is not yet in place.

- **Other Expenditure (R112.4 million under)**
  Under expenditure reflects against the following categories:
  - Collection costs, due to unforeseen delays experienced during the reconciliation and vetting processes.
  - Electricity, mainly due to lower than planned volumetric flows requiring transportation.
  - Water research levy, due to direct alignment of the water levy with the raw water bulk purchases, which was lower than anticipated.
  - Subsidy on homeowners' redemption, due to misalignment of the budget provision with the actuals to date in the unrealised portion of the housing fund linked to property transfers.
  - Training, where dates for a number of training interventions are still being finalised.
  - Insurance premiums and claims, where the premium paid is slightly lower than planned and claims are less than planned.
  - Skills development levy, where the actuals to date is less than the period budget provision, due to negative postings in December 2019.
  - Specialised IT Services, due to a lower demand for services to date.

Capital expenditure

Year-to-date expenditure[4] amounts to R2 470 million (Dec 2018: R1 841 million) or 28.1% (Dec 2018: 20.9%), of the R8 785 million current budget, which is higher by 7.3% when compared to the expenditure against budget for the same time last year.

The year-to-date expenditure has been funded by means of grants (25.1%), borrowings (12.7%) and the balance (62.2%) from internally-generated funds and public contributions and donations.

The year-to-date expenditure is below the year-to-date target by R307.4 million or 14.2%.

Reasons for material positive variances in capital expenditure are:

- Good consultant and contractor performances resulting in projects running ahead of schedule; and
- Earlier delivery of equipment, vehicles etc. due to stock availability.

[4] Refer Table C5 – Total capital expenditure (municipal vote, standard classification and funding)

Reasons for under-expenditure on various capital projects are:

- Delays in procurement of prefab concrete structures, due to manufacturing issues being experienced by supplier;
- Late approval of building plans;
- Delays in land approval processes;
- Late finalisation of a tender;
- Late award of a professional team term tender;
- Challenges in acquiring resources on Tender 44S, as rates are lower than in the market, resulting in significant delays as the process of alternative resource within the prescript of tender 44S are explored. Sourcing of contractors also took longer than anticipated, due to the scarce skills in the market;
- Programme slippage by Eskom resulting in a revised completion date;
- Problems in finishing concrete beams on the main building of a Low Voltage (LV) depot as well as delays experienced in crushing hard rock found on site, inclement weather and recent protest action;
- Delays in renewal of expired contracts on certain Medium Voltage (MV) System infrastructure projects in Area North and Area South;
- Project plan compiled later than anticipated;
- Lower than anticipated demand for applications for new- and upgraded supplies, which is customer driven;
- New corporate tender for furniture and equipment currently in evaluation stage;
- Corporate IT tender put on hold, due to price adjustments;
- Delays in installation of CCTV cameras as a result of shortage of supply from overseas supplier;
- Initial delays on certain computer equipment resulting from a rate of exchange amendment;
- Additional requirements as determined at a recent Project Initiation Document (PID) meeting;
- Relocation of informal traders resulting in delays;
- Construction work permit still outstanding from the Department of Labour;
- Lengthy procurement process including legal consideration of objection to fencing specifications;
- Clarification being sought from bidder on compliance matters such as local content, sub-contracting, etc. as well as arithmetic errors;
- Due diligence audits being conducted on recommended bidders;
- Delays in providing guarantees, obtaining construction permits and building plan approval;
- An appeal, which was upheld; and
- Insurance provisions, which are only utilised when an insurance claim is settled.

Cash Flow

The City's cash reserves are still strong at this stage and should they remain at the current levels, the taking up of loans to fund the capital programme in the outer years will be unlikely.

1.2. High level Service Delivery and Budget Implementation Plan (SDBIP) overall performance

The mid-year corporate performance assessment contained in this report is based on the reviewed top level corporate SDBIP for the period 1 July 2019 to 31 December 2019. The 2019/20 Second Quarter SDBIP (Draft) is included as Annexure 1 to this report.

The mid-year corporate performance assessment report is discussed under part 3 (Service Delivery Performance) of this report.

1.3. 2018/19 Annual Report

The City's 2018/19 Annual Report will be tabled at Council by 31 January 2020 as legislatively required.

The Auditor-General report is included in the 2018/19 Annual Report.

Problems identified in the 2018/19 Annual Report have been resolved.

1.4. Municipal Entities

- **Cape Town International Convention Centre (CTICC)**
  The CTICC's mid-year review and performance assessment for the period 1 July 2019 to 31 December 2019 is reported in Annexure 2 to this report.

  The entity's 2018/19 Annual Report will be tabled at Council by 31 January 2020 as legislatively required.

- **Cape Town Stadium (CTS)**
  The CTS's mid-year review and performance assessment for the period 1 July 2019 to 31 December 2019 is reported in Annexure 3 to this report.

  The entity's 2018/19 Annual Report will be tabled at Council by 31 January 2020 as legislatively required.

2. Conclusion

The mid-year budget and performance assessment indicates that:

a) An adjustments budget for 2019/20 is required and this adjustments budget must be approved by Council by no later than 28 February 2020; and

b) The revised SDBIP, which forms the basis for the mid-year review and performance assessment, must include adjustments resulting from the adjustments budget and must be approved by Council.

PART 2 – FINANCIAL PERFORMANCE

The tables below were extracted from the December 2019 (M06 2020) in-year monthly budget statement (Section 71 report). Full year forecasts were revised as part of the mid-year review and performance assessment. Revised forecasts will inform the adjustments budget tabled at Council for approval.

Table C1: Monthly Budget Statement - Summary

The table below provides a high-level summation of the City's operating- and capital budgets, actuals to date, financial position and cash flow.

Description	2018/19	Budget Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	9 536 185	9 916 685	9 916 684	5 023 041	4 958 340	64 700	1.3%	9 950 180
Service charges	18 907 828	19 690 195	19 690 196	10 200 955	9 995 649	205 306	2.1%	20 056 927
Investment revenue	1 122 065	912 495	912 495	591 240	530 817	60 423	11.4%	912 473
Transfers and subsidies	7 049 218	7 376 568	7 493 226	4 613 697	4 502 335	111 362	2.5%	7 722 432
Other own revenue	3 575 074	3 026 006	3 026 006	1 788 757	1 465 766	322 991	22.0%	3 025 888
Total Revenue (excluding capital transfers and contributions)	**40 190 370**	**40 921 950**	**41 038 608**	**22 217 689**	**21 452 906**	**764 782**	**3.6%**	**41 667 901**
Employee costs	12 365 555	13 817 805	13 826 394	6 457 740	6 834 014	(376 274)	-5.5%	14 030 442
Remuneration of Councillors	161 297	179 818	179 818	81 268	81 157	111	0.1%	179 818
Depreciation & asset impairment	2 832 012	3 015 086	3 015 086	1 455 583	1 472 917	(17 334)	-1.2%	3 040 783
Finance charges	833 211	790 756	790 920	383 491	382 750	742	0.2%	800 816
Materials and bulk purchases	9 937 128	11 704 364	11 693 321	5 377 918	5 451 576	(73 657)	-1.4%	11 555 657
Transfers and subsidies	391 968	446 206	473 304	202 510	221 716	(19 206)	-8.7%	567 366
Other expenditure	9 557 855	11 825 581	11 917 432	4 812 030	4 810 884	1 146	0.0%	11 858 919
Total Expenditure	**36 079 026**	**41 779 617**	**41 896 276**	**18 770 540**	**19 255 013**	**(484 473)**	**-2.5%**	**42 033 801**
Surplus/(Deficit)	**4 111 344**	**(857 667)**	**(857 668)**	**3 447 148**	**2 197 893**	**1 249 255**	**56.8%**	**(365 900)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	2 211 385	2 211 673	600 671	599 607	1 064	0.2%	2 556 221
Contributions & Contributed assets	52 664	53 700	53 700	22 501	22 255	246	1.1%	60 887
Surplus/(Deficit) after capital transfers & contributions	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**	**1 250 565**	**44.4%**	**2 251 207**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**	**1 250 565**	**44.4%**	**2 251 207**
Capital expenditure & funds sources								
Capital expenditure	**5 316 290**	**8 388 432**	**8 784 724**	**2 470 421**	**2 163 008**	**307 413**	**14.2%**	**7 779 749**
Capital transfers recognised	2 119 370	2 265 085	2 265 373	621 162	632 226	(11 064)	-1.8%	2 617 108
Borrowing	388 077	1 091 580	1 091 580	312 763	139 882	172 880	123.6%	1 091 580
Internally generated funds	**2 808 842**	**5 031 767**	**5 427 771**	**1 536 497**	**1 390 899**	**145 597**	**10.5%**	**4 071 062**
Total sources of capital funds	**5 316 290**	**8 388 432**	**8 784 724**	**2 470 421**	**2 163 008**	**307 413**	**14.2%**	**7 779 749**
Financial position								
Total current assets	18 597 563	18 469 328	15 471 870	17 311 820				18 356 299
Total non current assets	52 356 002	58 066 233	59 024 584	55 798 201				57 124 083
Total current liabilities	9 114 291	12 857 487	8 490 539	6 250 275				9 604 900
Total non current liabilities	13 148 025	14 911 172	14 911 172	14 087 169				14 923 026
Community wealth/Equity	**48 691 250**	**48 766 902**	**51 094 743**	**52 772 576**				**50 952 456**
Cash flows								
Net cash from (used) operating	9 246 334	4 563 204	4 563 492	4 119 202	3 222 328	(896 875)	-27.8%	5 851 813
Net cash from (used) investing	(6 170 498)	(7 718 788)	(8 075 450)	(2 810 024)	(3 495 247)	(685 224)	19.6%	(7 156 823)
Net cash from (used) financing	(143 179)	748 685	748 685	899 165	899 166	1	0.0%	747 798
Cash/cash equivalents at the month/year end	**8 419 275**	**4 985 877**	**5 656 001**	**10 627 619**	**9 045 521**	**(1 582 098)**	**-17.5%**	**7 862 063**

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

Table C2: Monthly Budget Statement - Financial Performance (standard classification)[5]

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Description	2018/19	Budget Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	**15 443 185**	**15 376 936**	**15 376 950**	**8 521 764**	**8 361 012**	**160 752**	**1.9%**	**15 444 712**
Executive and council	1 085	299	299	86	101	(16)	-15.5%	2 333
Finance and administration	15 442 092	15 376 634	15 376 648	8 521 675	8 360 912	160 763	1.9%	15 442 376
Internal audit	8	3	3	3	(1)	4	-299.1%	3
Community and public safety	**3 321 949**	**3 278 566**	**3 394 402**	**1 769 683**	**1 421 690**	**347 994**	**24.5%**	**3 510 727**
Community and social services	133 503	125 649	125 649	45 100	52 576	(7 477)	-14.2%	139 675
Sport and recreation	88 066	63 591	63 591	21 909	23 363	(1 454)	-6.2%	62 318
Public safety	1 397 410	1 238 308	1 238 308	882 677	605 278	277 399	45.8%	1 205 474
Housing	1 305 811	1 374 066	1 489 902	640 757	545 953	94 804	17.4%	1 649 645
Health	397 158	476 952	476 952	179 241	194 520	(15 279)	-7.9%	453 615
Economic and environmental services	**1 820 674**	**2 297 417**	**2 297 692**	**792 982**	**751 367**	**41 615**	**5.5%**	**2 436 084**
Planning and development	361 835	450 811	450 811	198 147	197 818	329	0.2%	433 363
Road transport	1 435 992	1 831 775	1 832 049	589 708	551 895	37 813	6.9%	1 972 608
Environmental protection	22 848	14 831	14 831	5 127	1 653	3 474	210.2%	30 113
Trading services	**21 732 550**	**22 228 113**	**22 228 810**	**11 751 428**	**11 536 720**	**214 708**	**1.9%**	**22 887 359**
Energy sources	13 551 701	14 080 480	14 081 178	7 712 951	7 238 646	474 306	6.6%	14 826 243
Water management	4 539 934	4 468 355	4 468 354	2 246 635	2 430 565	(183 930)	-7.6%	4 499 568
Waste water management	2 061 455	1 956 104	1 956 104	815 251	902 130	(86 879)	-9.6%	1 864 930
Waste management	1 579 460	1 723 174	1 723 174	976 591	965 379	11 212	1.2%	1 696 618
Other	**2 736**	**6 002**	**6 127**	**5 004**	**3 980**	**1 024**	**25.7%**	**6 127**
Total Revenue - Functional	**42 321 094**	**43 187 035**	**43 303 982**	**22 840 861**	**22 074 768**	**766 093**	**3.5%**	**44 285 009**
Expenditure - Functional								
Governance and administration	**8 078 174**	**8 994 792**	**8 987 119**	**3 883 867**	**4 146 696**	**(262 829)**	**-6.3%**	**9 311 025**
Executive and council	427 984	535 009	534 855	234 160	241 823	(7 663)	-3.2%	532 487
Finance and administration	7 607 324	8 413 698	8 408 181	3 625 501	3 882 625	(257 125)	-6.6%	8 730 649
Internal audit	42 866	46 085	44 083	24 207	22 248	1 959	8.8%	47 888
Community and public safety	**7 347 035**	**7 785 248**	**7 926 434**	**3 694 248**	**3 669 127**	**25 121**	**0.7%**	**7 938 280**
Community and social services	905 997	971 924	978 182	445 925	453 083	(7 158)	-1.6%	953 465
Sport and recreation	1 192 184	1 114 871	1 122 063	569 290	522 515	46 775	9.0%	1 141 346
Public safety	2 903 921	2 910 539	2 923 725	1 442 859	1 413 837	29 022	2.1%	2 901 056
Housing	1 173 517	1 480 067	1 594 690	619 563	670 488	(50 925)	-7.6%	1 694 858
Health	1 171 416	1 307 848	1 307 774	616 612	609 206	7 406	1.2%	1 247 555
Economic and environmental services	**4 414 880**	**5 277 186**	**5 256 156**	**2 262 146**	**2 145 616**	**116 530**	**5.4%**	**5 348 462**
Planning and development	1 028 431	1 511 371	1 502 282	598 292	612 388	(14 095)	-2.3%	1 447 426
Road transport	3 238 984	3 607 973	3 592 131	1 591 815	1 461 227	130 588	8.9%	3 725 713
Environmental protection	147 465	157 842	161 743	72 039	72 001	38	0.1%	175 323
Trading services	**16 131 637**	**19 596 544**	**19 600 453**	**8 883 083**	**9 249 134**	**(366 050)**	**-4.0%**	**19 301 452**
Energy sources	10 058 040	11 596 405	11 599 477	5 468 895	5 515 318	(46 423)	-0.8%	11 630 884
Water management	2 661 718	3 747 227	3 749 880	1 609 633	1 781 745	(172 113)	-9.7%	3 338 078
Waste water management	1 546 091	2 049 818	2 048 002	877 352	967 809	(90 457)	-9.3%	2 126 489
Waste management	1 865 788	2 203 094	2 203 093	927 204	984 262	(57 058)	-5.8%	2 206 001
Other	**107 300**	**125 847**	**126 114**	**47 195**	**44 440**	**2 755**	**6.2%**	**134 582**
Total Expenditure - Functional	**36 079 026**	**41 779 617**	**41 896 276**	**18 770 540**	**19 255 013**	**(484 473)**	**-2.5%**	**42 033 801**
Surplus/ (Deficit) for the year	**6 242 068**	**1 407 418**	**1 407 706**	**4 070 322**	**2 819 755**	**1 250 566**	**44.4%**	**2 251 208**

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

[5] As per GFS classification, Trading Services expenditure above excludes Street lighting provisions (included with Community and public safety).

Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The table below reflects the budgeted financial performance in relation to revenue- and expenditure by vote as well as the resulting operating surplus/deficit.

Vote Description R thousands	2018/19 *Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - Community Services & Health	920 099	974 189	974 189	411 670	441 733	(30 063)	-6.8%	986 510
Vote 2 - Corporate Services	69 717	71 523	71 523	33 567	37 545	(3 979)	-10.6%	66 230
Vote 3 - Economic Opportunities & Asset Managemnt	282 742	181 445	181 570	114 490	94 721	19 769	20.9%	222 865
Vote 4 - Energy & Climate Change	13 350 399	13 874 705	13 875 403	7 558 653	7 084 281	474 372	6.7%	14 620 468
Vote 5 - Finance	15 957 830	16 196 525	16 196 538	9 361 392	9 180 671	180 721	2.0%	16 225 223
Vote 6 - Human Settlements	1 185 791	1 249 070	1 364 906	547 015	452 207	94 808	21.0%	1 524 649
Vote 7 - Office of the City Manager	164	6	6	22	1	22	4283.1%	6
Vote 8 - Safety & Security	1 431 606	1 291 229	1 291 229	901 678	622 944	278 734	44.7%	1 386 588
Vote 9 - Spatial Planning & Environment	152 894	166 410	166 410	74 244	79 811	(5 567)	-7.0%	168 977
Vote 10 - Transport	1 421 443	1 801 886	1 802 161	576 442	537 145	39 297	7.3%	1 807 517
Vote 11 - Urban Management	231 777	301 769	301 769	127 395	120 472	6 923	5.7%	283 268
Vote 12 - Water & Waste	7 316 631	7 078 278	7 078 277	3 134 294	3 423 238	(288 944)	-8.4%	6 992 710
Total Revenue by Vote	**42 321 094**	**43 187 035**	**43 303 981**	**22 840 861**	**22 074 768**	**766 093**	**3.5%**	**44 285 010**
Expenditure by Vote								
Vote 1 - Community Services & Health	3 414 260	3 925 379	3 925 379	1 705 370	1 699 711	5 659	0.3%	3 844 311
Vote 2 - Corporate Services	1 709 075	1 808 667	1 808 667	922 828	915 788	7 039	0.8%	1 872 745
Vote 3 - Economic Opportunities & Asset Managemnt	1 176 967	1 368 210	1 368 335	653 373	598 021	55 353	9.3%	1 425 867
Vote 4 - Energy & Climate Change	10 354 181	12 060 720	12 061 417	5 630 114	5 746 850	(116 735)	-2.0%	12 097 934
Vote 5 - Finance	3 363 625	3 004 417	3 004 417	1 423 998	1 495 064	(71 065)	-4.8%	3 321 105
Vote 6 - Human Settlements	1 164 939	1 468 810	1 584 646	619 525	669 374	(49 848)	-7.4%	1 700 804
Vote 7 - Office of the City Manager	176 978	237 561	237 561	108 014	116 871	(8 857)	-7.6%	239 114
Vote 8 - Safety & Security	3 347 986	3 598 555	3 598 555	1 678 938	1 656 113	22 825	1.4%	3 596 406
Vote 9 - Spatial Planning & Environment	575 368	711 474	711 474	315 265	339 561	(24 296)	-7.2%	697 345
Vote 10 - Transport	3 322 165	3 679 302	3 679 302	1 583 481	1 515 477	68 004	4.5%	3 664 518
Vote 11 - Urban Management	748 443	1 142 379	1 142 379	400 302	396 868	3 434	0.9%	1 097 253
Vote 12 - Water & Waste	6 725 039	8 774 142	8 774 142	3 729 332	4 105 316	(375 984)	-9.2%	8 476 396
Total Expenditure by Vote	**36 079 026**	**41 779 617**	**41 896 276**	**18 770 541**	**19 255 013**	**(484 472)**	**-2.5%**	**42 033 801**
Surplus/ (Deficit) for the year	**6 242 068**	**1 407 418**	**1 407 706**	**4 070 321**	**2 819 755**	**1 250 565**	**44.4%**	**2 251 209**

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

Table C4: Monthly Budget Statement – Financial Performance (revenue by source and expenditure by type)

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type**.**

Description	2018/19	Budget Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	9 536 185	9 916 685	9 916 684	5 023 041	4 958 340	64 700	1.3%	9 950 180
Service charges - electricity revenue	13 042 932	13 623 146	13 623 146	7 439 887	6 980 474	459 412	6.6%	14 368 248
Service charges - water revenue	3 123 527	3 212 017	3 212 017	1 399 074	1 584 753	(185 679)	-11.7%	2 969 773
Service charges - sanitation revenue	1 602 463	1 568 599	1 568 599	718 105	787 205	(69 100)	-8.8%	1 482 072
Service charges - refuse revenue	1 138 907	1 286 433	1 286 433	643 889	643 217	672	0.1%	1 236 834
Rental of facilities and equipment	395 688	311 781	311 781	134 278	159 312	(25 034)	-15.7%	319 959
Interest earned - external investments	1 122 065	912 495	912 495	591 240	530 817	60 423	11.4%	912 473
Interest earned - outstanding debtors	358 499	380 814	380 814	190 927	187 833	3 095	1.6%	394 487
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	1 485 757	1 185 453	1 185 453	855 667	581 876	273 791	47.1%	1 142 748
Licences and permits	64 881	82 218	82 219	29 904	33 116	(3 212)	-9.7%	79 696
Agency services	230 144	217 672	217 672	118 838	104 836	14 002	13.4%	219 336
Transfers and subsidies	7 049 218	7 376 568	7 493 226	4 613 697	4 502 335	111 362	2.5%	7 722 432
Other revenue	916 842	804 335	804 335	425 141	378 177	46 964	12.4%	822 156
Gains on disposal of PPE	123 262	43 732	43 733	34 002	20 616	13 385	64.9%	47 505
Total Revenue (excluding capital transfers and contributions)	**40 190 370**	**40 921 950**	**41 038 608**	**22 217 689**	**21 452 906**	**764 782**	**3.6%**	**41 667 901**
Expenditure By Type								
Employee related costs	12 365 555	13 817 805	13 826 394	6 457 740	6 834 014	(376 274)	-5.5%	14 030 442
Remuneration of councillors	161 297	179 818	179 818	81 268	81 157	111	0.1%	179 818
Debt impairment	1 582 947	2 341 628	2 341 628	1 175 939	1 164 689	11 250	1.0%	2 213 244
Depreciation & asset impairment	2 832 012	3 015 086	3 015 086	1 455 583	1 472 917	(17 334)	-1.2%	3 040 783
Finance charges	833 211	790 756	790 920	383 491	382 750	742	0.2%	800 816
Bulk purchases	8 632 303	10 092 601	10 092 601	4 717 473	4 765 719	(48 245)	-1.0%	10 069 094
Other materials	1 304 825	1 611 763	1 600 720	660 445	685 857	(25 412)	-3.7%	1 486 563
Contracted services	5 996 310	7 156 498	7 231 307	2 671 017	2 575 156	95 861	3.7%	7 388 674
Transfers and subsidies	391 968	446 206	473 304	202 510	221 716	(19 206)	-8.7%	567 366
Other expenditure	1 954 501	2 326 698	2 343 741	958 188	1 070 546	(112 358)	-10.5%	2 256 218
Loss on disposal of PPE	24 097	756	756	6 885	492	6 393	1298.2%	783
Total Expenditure	**36 079 026**	**41 779 617**	**41 896 276**	**18 770 540**	**19 255 013**	**(484 473)**	**-2.5%**	**42 033 801**
Surplus/(Deficit)	**4 111 344**	**(857 667)**	**(857 668)**	**3 447 148**	**2 197 893**	**1 249 255**	**56.8%**	**(365 900)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 078 060	2 211 385	2 211 673	600 671	599 607	1 064	0.2%	2 556 221
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	49 804	53 700	53 700	22 501	22 255	246	1.1%	60 887
Transfers and subsidies - capital (in-kind - all)	2 860	–	–	–	–	–	–	-
Surplus/(Deficit) after capital transfers &	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**			**2 251 207**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**			**2 251 207**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**			**2 251 207**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**6 242 068**	**1 407 418**	**1 407 705**	**4 070 321**	**2 819 755**			**2 251 207**

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

The table below reflects the City's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification, and funding of the capital budget, including information on capital transfers from National and Provincial departments.

Vote Description	2018/19	Budget Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation								
Vote 1 - Community Services & Health	294 231	354 281	366 393	60 520	98 389	(37 870)	-38.5%	374 140
Vote 2 - Corporate Services	252 050	149 863	158 194	27 484	69 900	(42 416)	-60.7%	187 210
Vote 3 - Economic Opportunities & Asset Managemnt	272 714	389 498	393 253	98 389	53 655	44 734	83.4%	478 520
Vote 4 - Energy & Climate Change	749 456	834 094	890 899	313 794	370 768	(56 974)	-15.4%	871 137
Vote 5 - Finance	26 225	116 957	117 129	12 109	17 131	(5 022)	-29.3%	108 721
Vote 6 - Human Settlements	670 112	869 063	885 245	344 566	253 039	91 527	36.2%	952 544
Vote 7 - Office of the City Manager	2 500	973	1 115	425	677	(252)	-37.2%	1 710
Vote 8 - Safety & Security	206 866	535 237	539 292	97 467	48 643	48 825	100.4%	552 515
Vote 9 - Spatial Planning & Environment	57 070	92 847	111 072	17 578	44 876	(27 298)	-60.8%	86 810
Vote 10 - Transport	973 584	1 326 126	1 482 117	454 200	400 919	53 281	13.3%	1 275 143
Vote 11 - Urban Management	22 429	122 981	123 901	9 731	4 623	5 108	110.5%	114 491
Vote 12 - Water & Waste	1 789 054	3 596 511	3 716 114	1 034 158	800 389	233 769	29.2%	2 776 809
Total Capital Expenditure	**5 316 290**	**8 388 432**	**8 784 724**	**2 470 421**	**2 163 008**	**307 413**	**14.2%**	**7 779 749**
Capital Expenditure - Functional Classification								
Governance and administration	**953 790**	**1 120 012**	**1 141 804**	**246 521**	**231 157**	**15 364**	**6.6%**	**1 189 309**
Executive and council	3 413	24 280	24 480	932	726	206	28.3%	5 506
Finance and administration	950 102	1 095 600	1 117 192	245 580	230 299	15 281	6.6%	1 183 211
Internal audit	275	131	131	9	131	(123)	-93.4%	591
Community and public safety	**988 852**	**1 547 286**	**1 578 387**	**437 845**	**351 185**	**86 660**	**24.7%**	**1 627 066**
Community and social services	83 095	105 089	117 423	22 700	32 774	(10 075)	-30.7%	114 958
Sport and recreation	88 538	141 792	140 524	19 915	27 090	(7 175)	-26.5%	149 174
Public safety	87 618	349 905	355 560	38 859	24 184	14 674	60.7%	330 551
Housing	670 112	869 063	885 245	344 566	253 039	91 527	36.2%	952 544
Health	59 489	81 436	79 634	11 805	14 097	(2 292)	-16.3%	79 838
Economic and environmental services	**1 066 375**	**1 534 310**	**1 707 843**	**481 218**	**449 507**	**31 711**	**7.1%**	**1 550 209**
Planning and development	51 066	151 588	165 606	22 368	41 611	(19 243)	-46.2%	160 124
Road transport	988 308	1 345 610	1 500 785	456 344	401 491	54 853	13.7%	1 348 383
Environmental protection	27 000	37 112	41 452	2 506	6 405	(3 899)	-60.9%	41 702
Trading services	**2 292 473**	**4 176 629**	**4 346 329**	**1 304 731**	**1 129 239**	**175 493**	**15.5%**	**3 409 305**
Energy sources	736 092	805 190	858 054	300 937	349 684	(48 747)	-13.9%	838 105
Water management	921 660	1 517 922	1 538 086	515 625	268 606	247 018	92.0%	1 174 679
Waste water management	533 320	1 381 056	1 429 555	405 377	305 771	99 606	32.6%	1 106 299
Waste management	101 400	472 461	520 633	82 793	205 178	(122 385)	-59.6%	290 222
Other	**14 800**	**10 195**	**10 361**	**106**	**1 921**	(1 815)	-94.5%	**3 861**
Total Capital Expenditure - Functional Classification	**5 316 290**	**8 388 432**	**8 784 724**	**2 470 421**	**2 163 008**	**307 413**	**14.2%**	**7 779 749**
Funded by:								
National Government	2 047 136	2 189 348	2 189 635	593 543	606 379	(12 836)	-2.1%	2 518 433
Provincial Government	22 430	22 038	22 038	5 128	3 592	1 536	42.8%	37 788
District Municipality	–	–	–	–	–	–	-	–
Other transfers and grants	49 804	53 700	53 700	22 491	22 255	236	1.1%	60 887
Transfers recognised - capital	**2 119 370**	**2 265 085**	**2 265 373**	**621 162**	**632 226**	**(11 064)**	**-1.8%**	**2 617 108**
Public contributions & donations	–	–	–	–	–	–	-	
Borrowing	388 077	1 091 580	1 091 580	312 763	139 882	172 880	123.6%	1 091 580
Internally generated funds	2 808 842	5 031 767	5 427 771	1 536 497	1 390 899	145 597	10.5%	4 071 062
Total Capital Funding	**5 316 290**	**8 388 432**	**8 784 724**	**2 470 421**	**2 163 008**	**307 413**	**14.2%**	**7 779 749**

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

Table C6: Monthly Budget Statement - Financial Position

The table below reflects the performance to date in relation to the financial position of the City.

Description R thousands	2018/19 *Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	302 472	146 904	146 904	126 624	146 904
Call investment deposits	10 649 133	6 199 428	7 773 568	10 649 133	9 979 630
Consumer debtors	6 215 923	9 710 204	6 538 936	4 771 338	6 610 409
Other debtors	985 204	1 826 248	528 864	1 305 068	1 132 985
Current portion of long-term receivables	8 838	15 755	4 007	8 838	6 781
Inventory	435 992	570 789	479 590	450 818	479 590
Total current assets	**18 597 563**	**18 469 328**	**15 471 870**	**17 311 820**	**18 356 299**
Non current assets					
Long-term receivables	23 794	23 333	11 450	209 666	19 374
Investments	5 342 557	5 171 322	5 765 080	7 579 589	5 765 080
Investment property	582 962	581 285	581 285	582 962	581 247
Investments in Associate	–	–	–	–	–
Property, plant and equipment	45 703 232	51 856 546	52 233 023	46 718 324	50 211 036
Biological	–	–	–	–	–
Intangible	693 178	424 856	424 856	697 380	537 066
Other non-current assets	10 280	8 891	8 891	10 280	10 280
Total non current assets	**52 356 002**	**58 066 233**	**59 024 584**	**55 798 201**	**57 124 083**
TOTAL ASSETS	**70 953 565**	**76 535 561**	**74 496 454**	**73 110 020**	**75 480 382**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	427 597	489 858	489 858	427 597	489 858
Consumer deposits	410 962	461 809	452 058	444 382	452 058
Trade and other payables	7 127 758	10 762 203	6 405 006	4 243 379	7 521 249
Provisions	1 147 974	1 143 617	1 143 617	1 134 917	1 141 735
Total current liabilities	**9 114 291**	**12 857 487**	**8 490 539**	**6 250 275**	**9 604 900**
Non current liabilities					
Borrowing	6 270 937	7 838 577	7 838 577	7 210 081	7 838 577
Provisions	6 877 088	7 072 595	7 072 595	6 877 088	7 084 449
Total non current liabilities	**13 148 025**	**14 911 172**	**14 911 172**	**14 087 169**	**14 923 026**
TOTAL LIABILITIES	**22 262 316**	**27 768 659**	**23 401 711**	**20 337 444**	**24 527 926**
NET ASSETS	**48 691 250**	**48 766 902**	**51 094 743**	**52 772 576**	**50 952 456**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	43 892 330	43 002 095	46 323 333	48 125 793	46 172 255
Reserves	4 798 920	5 764 808	4 771 410	4 646 783	4 780 201
TOTAL COMMUNITY WEALTH/EQUITY	**48 691 250**	**48 766 902**	**51 094 743**	**52 772 576**	**50 952 456**

*The ‘2018/19 Audited Outcome' column reflects pre-audited figures.

Table C7: Monthly Budget Statement - Cash Flow

The City's cash flow position and cash/cash equivalent outcome is shown in the table below.

Description R thousands	2018/19	Budget Year 2019/20						
	*Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	9 319 556	9 714 194	9 714 194	4 935 670	4 855 672	79 999	1.6%	9 769 268
Service charges	20 600 259	18 787 179	18 787 179	10 203 719	9 495 442	708 278	7.5%	19 259 186
Other revenue	2 573 710	1 746 152	1 746 152	710 384	839 947	(129 563)	-15.4%	1 743 792
Government - operating	4 468 913	7 376 568	7 493 227	5 091 660	5 630 998	(539 338)	-9.6%	7 722 432
Government - capital	2 079 448	2 211 385	2 211 673	1 053 504	1 047 751	5 753	0.5%	2 556 221
Interest	1 427 759	912 495	912 495	531 217	428 889	102 329	23.9%	912 473
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(30 505 458)	(35 467 695)	(35 584 353)	(18 066 372)	(18 735 827)	(669 455)	3.6%	(35 394 485)
Finance charges	(717 853)	(717 075)	(717 075)	(340 580)	(340 543)	37	0.0%	(717 075)
Transfers and Grants	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**9 246 334**	**4 563 204**	**4 563 492**	**4 119 202**	**3 222 328**	**(896 875)**	**-27.8%**	**5 851 813**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	151 009	97 432	97 432	–	–	–	-	108 392
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	-	–
Decrease (increase) other non-current receivables	7 513	1 228	1 228	–	–	–	-	4 419
Decrease (increase) in non-current investments	(936 202)	(267 859)	(267 859)	–	–	–	-	(267 859)
Payments								
Capital assets	(5 392 818)	(7 549 589)	(7 906 251)	(2 810 024)	(3 495 247)	(685 224)	19.6%	(7 001 774)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6 170 498)**	**(7 718 788)**	**(8 075 450)**	**(2 810 024)**	**(3 495 247)**	**(685 224)**	**19.6%**	**(7 156 823)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	-	–
Borrowing long term/refinancing	196 420	1 091 580	1 091 580	1 091 579	1 091 580	(1)	0.0%	1 091 580
Increase (decrease) in consumer deposits	29 302	41 983	41 983	–	–	–	-	41 096
Payments								
Repayment of borrowing	(368 901)	(384 878)	(384 878)	(192 414)	(192 414)	0	-	(384 878)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(143 179)**	**748 685**	**748 685**	**899 165**	**899 166**	**1**	**0.0%**	**747 798**
NET INCREASE/ (DECREASE) IN CASH HELD	**2 932 657**	**(2 406 899)**	**(2 763 274)**	**2 208 344**	**626 246**			**(557 212)**
Cash/cash equivalents at beginning:	5 486 618	7 392 776	8 419 275	8 419 275	8 419 275			8 419 275
Cash/cash equivalents at month/year end:	8 419 275	4 985 877	5 656 001	10 627 619	9 045 521			7 862 063

*The '2018/19 Audited Outcome' column reflects pre-audited figures.

Debtors' Analysis

The debtor analysis provides an age analysis by revenue source and customer category.

Table SC3 Monthly Budget Statement - Aged Debtors

Description R thousands	Budget Year 2019/20											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	342 756	59 574	56 057	46 083	43 003	40 962	229 166	1 567 491	2 385 091	1 926 705	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	815 902	45 611	29 015	16 865	22 502	15 878	53 799	242 247	1 241 820	351 292	–	–
Receivables from Non-exchange Transactions - Property Rates	731 475	80 335	87 279	67 140	47 814	41 920	243 627	729 732	2 029 322	1 130 233	–	–
Receivables from Exchange Transactions - Waste Water Management	173 058	29 444	28 360	20 985	20 029	18 293	90 463	533 212	913 843	682 981	–	–
Receivables from Exchange Transactions - Waste Management	119 693	26 526	27 682	23 219	23 601	23 522	108 952	321 435	674 630	500 729	–	–
Receivables from Exchange Transactions - Property Rental Debtors	89 106	8 245	(2 108)	12 171	8 918	10 107	24 729	542 210	693 378	598 134	–	–
Interest on Arrear Debtor Accounts	81 753	33 315	34 901	35 003	25 802	31 135	176 092	746 661	1 164 662	1 014 693	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(71 454)	(55 648)	(24 674)	(21 857)	(162 526)	(19 478)	(17 102)	(69 873)	(442 614)	(290 837)	–	–
Total By Income Source	**2 282 290**	**227 401**	**236 510**	**199 609**	**29 143**	**162 338**	**909 726**	**4 613 114**	**8 660 131**	**5 913 930**	**–**	**–**
2018/19 - totals only	**2 548 944**	**495 494**	**553 591**	**502 045**	**228 766**	**434 854**	**1 554 474**	**4 239 540**	**10 557 706**	**6 959 678**	**–**	**–**
Debtors Age Analysis By Customer Group												
Organs of State	108 737	25 467	24 213	7 514	(147 547)	(27 176)	38 418	24 984	54 611	(103 807)	–	–
Commercial	1 112 723	75 446	57 490	36 191	43 295	27 558	131 640	353 012	1 837 354	591 697	–	–
Households	1 051 316	165 888	158 762	156 520	125 021	131 224	668 863	3 796 451	6 254 044	4 878 078	–	–
Other	9 514	(39 400)	(3 954)	(616)	8 374	30 731	70 805	438 668	514 123	547 962	–	–
Total By Customer Group	**2 282 290**	**227 401**	**236 510**	**199 609**	**29 143**	**162 338**	**909 726**	**4 613 114**	**8 660 131**	**5 913 930**	**–**	**–**

Creditors' Analysis

The creditors' analysis below provides an aged analysis by customer type.

Table SC4 Monthly Budget Statement - Aged Creditors

Description R thousands	Budget Year 2019/20									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	**–**	–
Bulk Water	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	371 465	(6)	–	(4 440)	(166)	–	–	2 714	**369 568**	266 385
Auditor General	–	–	–	–	–	–	–	–	**–**	–
Other	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**371 465**	**(6)**	**–**	**(4 440)**	**(166)**	**–**	**–**	**2 714**	**369 568**	**266 385**

Transfers and Grants

Transfers and grant expenditure per allocation/grant is reflected in the table below.

Table SC7 Monthly Budget Statement - Transfers and Grants Expenditure

Description	2018/19	Budget Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Operating expenditure of Transfers and Grants								
National Government:	**533 846**	**6 273 080**	**6 273 080**	**206 372**	**158 667**	**47 705**	**30.1%**	**6 261 486**
Local Government Equitable Share	–	2 815 558	2 815 558	–	–	–	-	2 815 558
Finance Management grant	1 000	1 000	1 000	572	500	72	14.4%	1 000
Urban Settlements Development Grant	32 326	186 298	186 298	12 361	18 945	(6 585)	-34.8%	178 430
Energy Efficiency and Demand Side Management Grant	700	600	600	164	214	(50)	-23.3%	640
Dept. of Environ Affairs and Tourism	38	10 598	10 598	1 225	–	1 225	100.0%	11 204
Expanded Public Works Programme	23 266	32 877	32 877	–	–	–	-	32 147
Integrated City Development Grant	1 083	6 854	6 854	–	71	(71)	-100.0%	11 460
Public Transport Infrastructure & Systems Grant	24 843	37 183	37 183	4 150	6 151	(2 001)	-32.5%	24 221
Infrastructure Skills Development	9 600	13 605	13 605	5 947	6 803	(855)	-12.6%	11 000
Public Transport Network Grant	440 780	554 849	554 849	181 953	125 983	55 971	44.4%	554 849
Neighboorhood Development Partnership Grant	–	3 600	3 600	–	–	–	-	5 040
Informal Settlements Upgrading Partnership Grant	–	39 572	39 572	–	–	–	-	45 450
Fuel Levy	–	2 570 486	2 570 486	–	–	–	-	2 570 486
Health & Hygiene Education: Informal Settlements	11	–	–	–	–	–	-	-
Accreditation: Development Support	200	–	–	–	–	–	-	-
Provincial Government:	**918 700**	**1 088 633**	**1 204 469**	**450 980**	**432 547**	**18 433**	**4.3%**	**1 280 879**
Cultural Affairs and Sport - Provincial Library Services	45 550	47 062	47 062	22 169	23 349	(1 180)	-5.1%	47 632
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	4 944	5 150	5 150	150	157	(6)	-4.0%	5 343
Human Settlements - Human Settlement Development Grant	456 558	392 430	497 199	224 986	218 679	6 307	2.9%	568 138
Human Settlements - Municipal Accreditation Assistance	5 000	–	–	–	–	–	-	–
Human Settlement - Settlement Assistance	–	1 500	1 500	522	750	(228)	-30.3%	2 067
Health - TB	29 095	65 227	65 227	8 805	8 805	–	-	30 666
Health - ARV	234 180	257 047	257 047	119 181	114 628	4 552	4.0%	257 047
Health - Nutrition	5 470	6 248	6 248	2 947	3 088	(141)	-4.6%	6 248
Health - Vaccines	101 499	91 661	91 661	44 452	45 831	(1 379)	-3.0%	106 980
Comprehensive Health	–	173 489	173 489	–	–	–	-	192 731
Transport and Public Works - Provision for persons with special needs	8 912	10 000	10 000	7 870	7 951	(81)	-1.0%	11 155
Community Safety - Law Enforcement Auxiliary Services	5 692	4 159	4 159	–	–	–		4 714
Community Development Workers	701	–	–	–	–	–	-	2 034
Finance Management Capacity Building Grant	280	380	380	–	190	(190)	-100.0%	500
Provincial Government: Financial Management Support Grant	230	230	230	211	230	(19)	-8.1%	230
Provincial Contribution towards addressing Natural Disasters	2 500	–	–	–	–	–	-	–
Transport Safety and Compliance - Rail Safety	9 483	17 000	17 000	11 403	–	11 403	100.0%	23 517
Establishment and Support K9 unit	365	2 300	2 300	–	–	–	-	4 935
Municipal accreditation and capacity building grant	–	14 750	14 750	6 225	6 769	(544)	-8.0%	14 714
Human Settlements- Masakheni Khayelitsha	–	–	5 051	–	–	–	-	–
Human Settlements- Housing Consumer Education Manuals	108	–	8	–	–	–	-	8
Human Settlements- Edward Road Energy Efficient Project	–	–	3 787	–	–	–	-	–
Human Settlements- Eradication of registration backlog	3 133	–	2 221	2 058	2 121	(63)	-3.0%	2 221
Municipal Disaster Grant	5 000	–	–	–	–	–	-	-

Table continues on next page.

Description R thousands	2018/19 *Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Other grant providers:	**22 015**	**14 855**	**15 677**	**4 542**	**7 496**	**(2 954)**	**-39.4%**	**29 837**
Tourism	2 000	1 291	1 416	997	1 225	(229)	-18.7%	1 416
CMTF	2 323	2 000	2 000	–	600	(600)	-100.0%	2 000
CID	5 422	5 141	5 141	970	2 003	(1 034)	-51.6%	5 892
Century City Property Owners Association	539	–	–	–	–	–	-	–
Traffic Free Flow (PTY) Ltd	–	580	580	290	290	–	-	580
Westcott Primary	43	43	43	18	22	(4)	-16.7%	43
Airports Company South Africa SOC Ltd	1 333	–	–	–	–	–	-	2 052
Rockefeller Philanthropy Advisor's Inc	1 113	–	–	–	–	–	-	–
V&A Waterfront Holdings (Pty) Ltd	853	891	891	371	446	(74)	-16.7%	891
The South African Breweries	2 584	–	–	–	–	–	-	217
Bayside	510	556	556	323	263	60	22.8%	556
Big Bay	385	–	–	–	–	–	-	189
Long Street law Enforcement	–	1 583	1 583	752	749	3	0.5%	1 583
Sustainable Energy Africa	–	274	971	–	697	(697)	-100.0%	204
Prasa	3 725	–	–	–	–	–	-	12 275
Marine Circle Rent-A-Cop	173	569	569	–	269	(269)	-100.0%	–
GRAND CHINA	166	396	396	187	187	(1)	-0.4%	396
Bergvliet High Part-time Trfc Attendant	29	–	–	–	–	–	-	43
CCID - Traffic Wardnes	744	902	902	351	451	(100)	-22.2%	902
Green Point Law Enforcement	–	586	586	266	272	(7)	-2.5%	554
Part Time Trfc Attend: Rustenberg Girls	43	43	43	18	22	(4)	-16.7%	43
POPART - Stellenbosch University	28	–	–	–	–	–	-	-
Total operating expenditure of Transfers and Grants:	**1 474 561**	**7 376 568**	**7 493 227**	**661 895**	**598 711**	**63 184**	**10.6%**	**7 572 202**
Capital expenditure of Transfers and Grants								
National Government:	**2 035 630**	**2 189 348**	**2 189 635**	**593 543**	**606 379**	**(12 835)**	**-2.1%**	**2 318 114**
Minerals and Energy; Energy Efficiency and Demand Side Management Grant	9 300	10 465	10 465	8 743	8 600	143	1.7%	10 425
National Government - Other; Previous years' Dora allocations	–	50	50	41	40	1	1.9%	50
National Treasury; Informal Settlements Upgrading Partnership Grant: Municipalities	–	276 803	276 803	66 273	96 174	(29 901)	-31.1%	270 925
National Treasury; Integrated City Development Grant	54 560	48 533	48 533	9 112	14 779	(5 667)	-38.3%	46 927
National Treasury; Local Government Restructuring Grant	1 156	250	263	209	233	(24)	-10.1%	343
National Treasury; Neighbourhood Development Partnership Grant	7 166	26 400	26 400	–	–	–	-	36 960
National Treasury; Public Transport Network: Budget Facility for Infrastructure Grant	–	354 000	354 000	68 367	79 250	(10 883)	-13.7%	354 000
National Treasury; Urban Settlements Development Grant	1 107 450	1 070 051	1 070 051	325 664	305 414	20 250	6.6%	1 195 414
Transport; Public Transport Network Grant	468 073	402 796	402 796	115 156	101 889	13 267	13.0%	402 796
Transport; Public Transport Infrastructure & Systems Grant	925	–	275	–	–	–	-	275
National Treasury: DME Grant	12 234	–	–	–	–	–	-	–
Expanded Public Works Programme	1 000	–	–	–	–	–	-	–
Infrastructure Skills Development	582	–	–	–	–	–	-	–
Municipal Disaster Fund	31 219	–	–	–	–	–	-	–
Municipal Disaster Recovery Grant	307 600	–	–	–	–	–	-	–
Dept. of Environ Affairs and Tourism	1 167	–	–	–	–	–	-	–
Transport; Public Transport Network Grant - BFI	33 000	–	–	–	–	–	-	–
Accreditation: Development Support	198	–	–	–	–	–	-	–
National Treasury; Municipal Disaster Grant	–	–	–	(1)	–	–	-	–
National Treasury; Municipal Disaster	–	–	–	(21)	–	(21)	-100.0%	–
Provincial Government:	**22 430**	**22 038**	**22 038**	**5 128**	**3 592**	**1 536**	**42.8%**	**15 350**
Cultural Affairs and Sport; Library Services: Metro Library Grant	13 241	10 000	10 000	3 191	2 494	697	28.0%	11 245
Housing; Integrated Housing and Human Settlement Development Grant	8 363	11 788	11 788	1 830	1 000	830	83.0%	3 811
Provincial Government; Municipal Accreditation and Capacity Building Grant	–	250	250	107	98	9	9.0%	286
Community Development Workers	63	–	–	–	–	–	-	–
Community Safety - Law Enforcement Auxiliary Services	762	–	–	–	–	–	-	8
Other grant providers:	**49 804**	**53 700**	**53 700**	**22 491**	**22 255**	**236**	**1.1%**	**60 887**
Other; Other	49 804	53 700	53 700	22 491	22 255	236	1.1%	60 887
Total capital expenditure of Transfers and Grants	**2 107 864**	**2 265 085**	**2 265 373**	**621 162**	**632 226**	**(11 063)**	**-1.7%**	**2 394 351**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3 582 425**	**9 641 654**	**9 758 600**	**1 283 057**	**1 230 937**	**52 121**	**4.2%**	**9 966 553**

*The ‘2018/19 Audited Outcome' column reflects pre-audited figures.

Reasons for amendments on transfers and grants

- Committed 2018/19 conditional grants approved by National Treasury (NT) in terms of Section 22 (2) of the Division of Revenue Act (DoRA) (1 of 2018), dated 21 October 2019;
- Committed 2018/19 conditional grants approved by Provincial Treasury (PT) in terms of Section 10 (2) of the Western Cape Appropriation Act 2018 (3 of 2018), dated 21 November 2019;
- Additional- and amended allocations made by PT in terms of the 2019 Western Cape Adjusted Estimates Budget and Adjusted appropriation Bill 2018, Provincial Gazette Extraordinary 8181, dated 26 November 2019;
- Updated implementation programmes of projects funded from external sources i.e. Capital Grants & Donations (CGD) as well as internal sources i.e. Capital Replacement Reserve (CRR) and External Financing Fund (EFF). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD- funded projects).
- Shifting of funding to/from the operating-/capital budget; and
- Addition/reduction of other grant funding i.e. private sector.

Expenditure on Councillor Allowances and Employee Benefits

Table SC8 Monthly Budget Statement - Councillor and Staff Benefits

Summary of Employee and Councillor remuneration R thousands	2018/19 *Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	146 974	146 004	146 004	69 010	69 073	(63)	-0.1%	146 004
Pension and UIF Contributions	4 984	5 992	5 992	2 541	2 526	16	0.6%	5 992
Motor Vehicle Allowance	–	601	601	236	253	(17)	-6.9%	601
Cellphone Allowance	9 339	8 996	8 996	4 674	4 551	122	2.7%	8 996
Other benefits and allowances	–	18 225	18 225	4 808	4 755	53	1.1%	18 225
Sub Total - Councillors	**161 297**	**179 818**	**179 818**	**81 268**	**81 157**	**111**	**0.1%**	**179 818**
% increase		**11.5%**	**11.5%**					**11.5%**
Senior Managers of the Municipality								
Basic Salaries and Wages	23 285	27 879	27 879	13 393	13 940	(547)	-3.93%	27 879
Pension and UIF Contributions	1 341	4 379	4 379	1 100	2 190	(1 090)	-49.76%	4 379
Medical Aid Contributions	92	136	136	63	68	(5)	-6.73%	136
Motor Vehicle Allowance	404	439	439	339	220	119	54.06%	439
Cellphone Allowance	147	292	292	87	146	(59)	-40.12%	292
Other benefits and allowances	24	61	61	304	31	273	881.24%	61
Payments in lieu of leave	–	–	–	356	–	356	100.00%	–
Sub Total - Senior Managers of Municipality	**25 293**	**33 186**	**33 186**	**15 643**	**16 595**	**(952)**	**-5.7%**	**33 186**
% increase		**31.2%**	**31.2%**					**31.2%**
Other Municipal Staff								
Basic Salaries and Wages	8 077 775	9 640 920	9 665 548	4 621 412	4 847 525	(226 113)	-4.7%	9 444 338
Pension and UIF Contributions	1 252 341	1 713 894	1 714 356	679 897	827 962	(148 065)	-17.9%	1 585 179
Medical Aid Contributions	745 922	823 574	823 578	392 190	412 208	(20 018)	-4.9%	823 615
Overtime	680 581	606 267	608 212	289 123	249 034	40 089	16.1%	704 222
Motor Vehicle Allowance	200 746	225 780	226 307	104 977	112 566	(7 589)	-6.7%	227 986
Cellphone Allowance	21 910	24 352	24 395	11 331	12 198	(867)	-7.1%	25 091
Housing Allowances	61 444	65 440	65 430	32 594	32 720	(126)	-0.4%	65 780
Other benefits and allowances	261 709	238 910	249 351	142 795	125 113	17 682	14.1%	260 668
Payments in lieu of leave	173 125	97 768	98 984	54 588	48 808	5 780	11.8%	102 204
Long service awards	511	86 529	86 156	315	36 871	(36 555)	-99.1%	85 156
Post-retirement benefit obligations	864 199	261 187	261 187	126 182	128 209	(2 027)	-1.58%	703 314
Sub Total - Other Municipal Staff	**12 340 263**	**13 784 620**	**13 823 503**	**6 455 404**	**6 833 215**	**(377 810)**	**-5.53%**	**14 027 551**
% increase		**11.7%**	**12.0%**					**13.5%**
Total Parent Municipality	**12 526 853**	**13 997 624**	**14 036 507**	**6 552 315**	**6 930 967**	**(378 652)**	**-5.5%**	**14 240 555**

PART 3 - SERVICE DELIVERY PERFORMANCE

3.1 Introduction

The Service Delivery and Budget Implementation Plan (SDBIP) forms an integral part of the City's strategic planning, implementation, measuring and performance reporting process. The SDBIP functions as the connection between the strategic plan (Integrated Development Plan (IDP)), budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators.

The detail regarding performance management is stipulated in the City's performance management policy framework and guidelines.

3.2 About the SDBIP

The SDBIP offers stakeholders and interested parties a comprehensive overview of the City's performance. As such, the content of the SDBIP is aligned with the strategic focus areas (SFA) and underlying objectives of the City's five-year IDP.

To achieve its vision, the City builds on the SFA that it has identified as the cornerstones of a successful and thriving city, and which form the foundation of its five-year IDP.

The five SFA are:

1. **THE OPPORTUNITY CITY**
2. **THE SAFE CITY**
3. **THE CARING CITY**
4. **THE INCLUSIVE CITY**
5. **THE WELL-RUN CITY**

The City takes an integrated approach to realise its vision of ensuring that all residents of and visitors to Cape Town experience the best services, facilities and opportunities.

3.3 Service Delivery Performance

3.3.1 Service Delivery and Budget Implementation Plan (SDBIP) performance

The 2019/20 Second Quarter SDBIP (Draft) is attached as Annexure 1 to this report.

3.3.2 Some highlights from the SDBIP

3.3.2.1 The Opportunity City

- Energy use improvements in municipal operations saved over **193 GWh** of electricity, which translates to avoided emissions of **167 810 tCO2e**.
- Finalised **92.8%** (2017/18: 97.5%) of building plans within statutory timeframes.
- Brought number of building plans approved since 2012/13 to **192 097**, with a total value of approximately **R152 billion.**
- Created **36 910** Expanded Public Works Programme (EPWP) employment opportunities, bringing the total to **321 806** since 2012/13.
- Installed nearly **1 095 km** of fibre-optic cable across the metro, including cabling to connect the City's buildings as well as bus stations, cameras and other infrastructure vital for service delivery.
- Equipped **12** additional City buildings with broadband connectivity, bringing the total to date to 411.
- Installed **17** new public Wi-Fi locations, bringing the total to date to 286.
- Installed **64** new public Wi-Fi access points, bringing the total to date to 1 051.
- Invested over **R169 million** in Wesgro and the Special-Purpose Vehicles (SPVs) since 2011, which helped to facilitate over **R19.5 billion**'s worth of investment in Cape Town and created more than **32 000** direct jobs in return.
- Cape Town Air Access has helped secure **15** new routes and **21 r**oute expansions, which have doubling the international seat capacity of Cape Town International Airport.
- Most comprehensive **ambient air quality monitoring network** of all local authorities.
- Most comprehensive **diesel vehicle emissions testing programme** in the country.
- Retrofitted all traffic lights and more than **20%** of streetlights with light-emitting diode (LED) lamps.
- Diverted over **150 000 tons** of organic waste from landfill sites through the garden waste chipping programme.
- The City's Think Twice kerbside recycling programme is now offered to over **170 000** households across Cape Town - diverts over **±20 000 tonnes** of recyclables from landfill every year.
- 13 garden waste chipping facilities diverted **105 000 tonnes** of organic waste from landfill in 2018/19.
- City distributed **4 406** free composting containers to Cape Town residents.
- Cape Town is the first city in South Africa and only the third city in Africa to have an approved **Resilience Strategy.**

3.3.2.2 The Safe City

- Expanded CCTV footprint to **1 602** cameras, representing the largest public-area surveillance agency in Africa, and the only in Southern Africa that covers residential areas, informal settlements and city centres.
- Average CCTV network uptime of 85% to **90%**.
- Project EPIC (emergency policing and incident command) a **first** for South Africa.
- Expanded the safe schools project to **136** school resource officers deployed at various schools.
- Expanded the radio communications network for neighbourhood watches, bringing the number of radios, radio repeaters and base stations provided to date to **1 700**.
- The City established a **dedicated Rail Enforcement Unit** (REU).
- The City deployed an additional 198 law enforcement officers and **17** traffic officers in terms of the externally funded policing programme.

3.3.2.3 The Caring City

- Created **54 265** housing opportunities since 2012/13.
- Provided **716** new water service points (taps) to informal settlements, bringing the total to 6 252 since 2012/13.
- Provided **3 687** new sanitation service points (toilets) to informal settlements, bringing the total to 27 001 since 2012/13.
- Installed **2 440** subsidised electricity connections, bringing the total to 21 056 since 2012/13.
- Installed **164** new water and sanitation service points (toilet and tap with hand basin) for backyarders, bringing the total to 2 624 since 2014.
- Water pressure management achieved savings in excess of **60 Mℓ/day**, various leak repair programmes an estimated **4,75 Mℓ/day**.
- Reused **20 219 288 kℓ** of treated effluent, which is close to an average of **55 Mℓ/day** for the year.
- Replaced **10 069 m** of sewer mains.
- Replaced **15 964 m** of water mains.
- The City has transferred more than **13 000** title deeds.

3.3.2.4 The Inclusive City

- Answered approximately **2.1 million** calls in corporate call centre, assisting customers in their preferred language.
- Raised the number of **FreeCall lines** installed since 2012/13 to **187**.
- Increased total package of rates assistance by **R203 million** to approximately **R1.4 billion**.
- **97.3% of routine domestic water samples** complied with the SANS 241 quality standards for potable water.

- Air pollution exceeded South African ambient air quality standards for **only six days** - significantly less than the accepted maximum of 40 days.
- The City's diesel vehicle testing teams tested **8 402** vehicles - helping to curb transport-related emissions.
- **85.4%** of food samples (against a target of 75%) complied with all relevant standards.
- Safe Spaces initiative provided shelter to a total of **616** people.

3.3.2.5 The Well-Run City

- Maintained long and short-term national-scale rating of **Aaa.za** and **Prime-1**, meaning that the City has the highest possible credit quality rating in the national context.
- Recorded capital expenditure of **R5.39 billion** (2017/18: R5.73 billion), which amounts to an **80.11%** capital spend (2017/18: 72.8%)

3.4 Conclusion

During the first half of the 2019/20 financial year the City performed well in achieving its set targets. In cases where targets were not met, the City initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

PART 4 – RECOMMENDATIONS[6]

4.1 Adjustments Budget

It is recommended that an **2019/20 adjustments budget** be prepared and approved by Council no later than 28 February 2020.

This adjustments budget will take into account, inter alia,

- The appropriation of approved, committed 2018/19 grant funding from National- and Provincial Treasury;
- Rephasing of internal funds where implementation will continue in the 2020/21 and 2021/22 financial years;
- Upward/downward adjustment of revenue- and expenditure estimates based on current trends;
- The change in funding source from Capital Replacement Reserve (CRR) to Capital Grants & Donations (CGD) on projects approved by National- and Provincial Treasury as part of the 2018/19 roll-over application, which was funded on an interim basis from the CRR pending outcome of the approval process.
- The re-alignment of sundry budgetary provisions resulting from updated implementation programmes; and
- Organisational structure changes.

4.2 Mid-year changes to SDBIP

Following the approval of the adjustments budget, the revised SDBIP, which forms the basis of the mid-year assessment, be approved by Council.

[6] **Required as per MFMA Section 72 (3)**

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 1: 2019/20 SECOND QUARTER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (DRAFT)

2019/20 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2019 to 31 DECEMBER 2019 - (DRAFT VERSION)

Well Above   Above   On target   Below   Well below   AT - Annual Target

Objectives	Indicator	2019/20 (current Q2)			Reason for variance	Remedial action
		Target	Actual	Status		
SFA 1: Opportunity City						
1.1 Positioning Cape Town as a forward-looking globally competitive City	1.A Percentage Building Plans approved in statutory time-frames (30-60 days)	94%	92%		1. Lack of "recruitment and selection capacity" at corporate HR to expedite the filling of a number of building development management positions; 2. The Khayelitsha District Office suffered three burglaries resulting in the loss of computer equipment, which had a knock on effect on service delivery. Furthermore, the office also suffered from "load shedding" as well as numerous power failures.	1. To urgently obtain HR capacity to assist with the process of filling of vacancies; 2. To implement "Cross District" support to assist with short term bottlenecks. **Responsible person:** Osman Asmal/ Cheryl Walters **Due date:** On-going
	1.B Percentage of rates clearance certificate issued within ten working days [C]	92%	91.52%		SAP system (e-Services & External portal) upgrades took place during October, November and December 2019 which resulted in system downtime and ongoing network connectivity problems/delays with the electronic vendors. This resulted in backlogs of applications for rates clearances certificates. There was also an increase in the number of applications for extensions and incomplete documentation submissions and staff had to be taken off their daily functions to assist with the aforementioned. Furthermore there was also the challenge regarding 3rd party payments (Checkers/Pick n Pay etc.) made by debtors, which could not be loaded in the debtors account for over a week. This resulted in delays and the as the debtors accounts reflected an outstanding balance, when in fact a payment was made. Due to the latter the Revenue department was forced to suspend debt management actions. As a result of all of the above, the turnaround time to process and issuing of s118 certificates took longer and subsequently resulting in the target not being achieved.	Continuous monitoring. **Responsible person: Kevin Jacoby/** Trevor Blake **Due date:** On-going
	1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	0.2%	0.65%		This indicator was under-achieved due to the complex nature of commercial electricity services, taking longer than the target timeframes.	Propose an amendment to the target. **Responsible person:** Nassiep Kadri **Due date:** On-going
1.2 Leveraging technology for progress	1.D Approved business and management review of the Broadband Infrastructure Programme (BIP)	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	
1.3 Economic Inclusion	1.E Number of Mayoral Job Creation Programme (MJCP) opportunities created [C] - NKPI	19 540	17 750		Well above target	Maintain the momentum
	1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	30%	45.36%		Well above target	Maintain the momentum
1.4 Resource efficiency and security	1.G Percentage compliance with drinking water quality standards	98%	98%		Target achieved	Maintain the momentum
	1.H Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in megavolt-ampere (MVA)	1.47	5.90		Well above target	Maintain the momentum

2019/20 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2019 to 31 DECEMBER 2019 - (DRAFT VERSION)

Well Above | Above | On target | Below | Well below | AT - Annual Target

Objectives	Indicator	2019/20 (current Q2) Target	Actual	Status	Reason for variance	Remedial action
SFA 2: Safe City						
2.1 Safe Communities	2.A Number of areas in which additional CCTV cameras have been installed	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	
	2.B Community satisfaction survey (Score 1-5) - safety and security	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	
SFA 3: Caring City						
3.1 Excellence in basic service delivery	3.A Community satisfaction survey (Score 1-5) - city wide	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	
	3.B Number of outstanding valid applications for water services, expressed as percentage of total billings for the service (NKPI)	< 0.7 %	0.26%	Well Above	Well above target	Maintain the momentum
	3.C Number of outstanding applications for sewerage services, expressed as a percentage of total number of billings for the service (NKPI)	< 0.7 %	0.30%	Well Above	Well above target	Maintain the momentum
	3.D Number of outstanding valid applications for electricity services, expressed as percentage of total number of billings for the service (NKPI)	< 0.4 %	0.06%	Well Above	Well above target	Maintain the momentum
	3.E Number of outstanding valid applications for refuse collection services, expressed as a percentage of total number of billings for the service (NKPI)	< 0.4 %	0.01%	Well Above	Well above target	Maintain the momentum
	3.F Percentage adherence to Citywide service requests	90%	90.16%	Above	Target achieved	Maintain the momentum
	3.G Number of human settlement opportunities (Top structures)	1580	1692	Above	Target achieved	Maintain the momentum
	3.H Number of human settlement opportunities (Formal sites serviced)	500	152	Well below	Vahalla park project delayed due to high procurement cost of security services. Cost for security for contractors on site is unaffordable high.	Contractors have been appointed via the Provincial Panel of Contractors and are on site for the completion of the internal services. **Responsible person:** Nolwandle Gqiba / Heinrich Lotze **Due date:** On-going

2019/20 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2019 to 31 DECEMBER 2019 - (DRAFT VERSION)

Well Above — Above — On target — Below — Well below — AT - Annual Target

Objectives	Indicator	2019/20 (current Q2) Target	Actual	Status	Reason for variance	Remedial action
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.I Number of water services points (taps) provided to informal settlements (NKPI)	300	52	Well below	The non-performance was related to the unavailability of the new plumbing and maintenance tender 296Q/2016/17. The tender was envisaged to be in place within the first quarter of the current financial year (2019/20). The original award date for tender the tender was on 26th November 2018. However, due to the perceived notion that the award was incorrectly awarded, legal advice was sought after. The Legal opinion was received on the 14th May 2019 and the tender was awarded. Further administrative delays and the restructuring of the Informal Settlements department (moved from Water and Sanitation to Human Settlements) further resulted in delays. The Contract was formally released on the 23rd September 2019.	The department is currently in the process of raising purchase orders, with the project rollout anticipated to follow shortly. **Responsible person:** Michael Webster / Llast Mudondo **Due date:** On-going
	3.J Number of sanitation service points (toilets) provided to informal settlements (NKPI)	1 000	1 665	Well above	Well above target	Maintain the momentum
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.K Percentage of informal settlements receiving a door-to-door refuse collection service (NKPI)	99%	99.74%	Above	Target achieved	Maintain the momentum
	3.L Number of service points (toilet and tap with hand basin) provided to backyarders	250	364	Well above	Well above target	Maintain the momentum
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.M Number of electricity subsidised connections installed (NKPI)	750	1 610	Well above	Well above target	Maintain the momentum
	3.N Number of sites serviced in the informal settlements	200	383	Well above	Well above target	Maintain the momentum
	3.0 Number of community services facilities within informal settlements	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	

2019/20 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2019 to 31 DECEMBER 2019 - (DRAFT VERSION)						
Well Above	Above	On target	Below	Well below	AT - Annual Target	
Objectives	**Indicator**	**2019/20 (current Q2)**			**Reason for variance**	**Remedial action**
		Target	**Actual**	**Status**		
SFA 4: Inclusive City						
4.1 Dense and transit-oriented growth and development	4.A Number of passenger journeys per kilometre operated (MyCiTi)	1.07	1.12		Target achieved	Maintain the momentum
	4.B Catalytic Land Development	N/A	N/A	Annual Target	Annual Target for reporting in the 4th quarter of the 2019/20 financial year.	
4.2 An efficient, integrated transport system	4.C Total number of passenger journeys on MyCiTi	9.55 million	8.27 million		As a result of the N2 Express Service not being operational, only 86.7% of the cumulative target was achieved . If the N2 Express Service was operational, the target most likely would have been achieved.	Re-implementation of the N2 Express Service. **Responsible person:** Ernest Sass **Due date:** On-going
4.3 Building integrated communities	4.D Percentage of people from employment equity target groups employed in three highest levels of management, in compliance with the City's approved employment equity (EE plan) (NKPI)	74%	72.49%		African males increased with 3 whilst all other designated groups remained the same. White males decreased with 1, but it was a persons with disability which further impacted the designated representation growth. We have seen a net increase of 0.2% in quarter 2.	Appointment of Designated groups especially females on these levels should take priority. **Responsible person: Craig Kesson/** Zukiswa Mandlana **Due date:** On-going
	4.E Number of Strengthening Families Programmes implemented	8	9		Well above target	Maintain the momentum

2019/20 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2019 to 31 DECEMBER 2019 - (DRAFT VERSION)

Well Above **Above** **On target** **Below** **Well below** **AT - Annual Target**

Objectives	Indicator	2019/20 (current Q2) Target	Actual	Status	Reason for variance	Remedial action
SFA 5: Well Run City						
5.1 Operational sustainability	5.A Opinion of independent rating agency	High investment rating	High investment rating	On target	On target Credit rating re-affirmed - Baa3 with stable outlook.	
5.1 Operational sustainability	5.B Opinion of the Auditor General	Clean Audit for 2018/19	–	Below	The 2018/19 Audit not finalised yet by the Auditor General	
	5.C Percentage spend of capital budget (NKPI)	22.8%	28.10%	Well Above	Well above target	Maintain the momentum
	5.D Percentage spend on repairs and maintenance	41.6%	42.20%	Above	Target achieved	Maintain the momentum
	5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	2.50:1	3.05:1	Well Above	Well above target	Maintain the momentum
	5.F Net Debtors to annual income (NKPI)	19%	16.33%	Well Above	Well above target	Maintain the momentum
	5.G Debt (total borrowings) to total operating revenue (NKPI)	22.5%	25.81%	Well below	A subsidised loan was taken up. (Below-market interest rate charged on the loan)	Continuous monitoring. **Responsible person:** Kevin Jacoby/ David Valentine **Due date:** On-going

2019/20 MID-YEAR REVIEW - CORPORATE SCORECARD

SFA	Objective	Key Performance Indicator	Baseline	Audited Baseline	Audited Actual	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2016/17	2017/18	2018/19	2019/20 Q1	2019/20 Q2	2019/20 Q3	2019/20 Q4	2019/20 Q3	2019/20 Q4	
SFA 1: Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive city	1.B Percentage of rates clearance certificate issued within 10 working days	new	93.84%	94.66%	92%	92%	92%	92%	90%	90%	System enhancements to the Rates Clearance automated process have been delayed for up to 2 years. The tender has now been awarded and the Business Analyst and Project Consultant(s) have been appointed during November 2019. As these systems enhancements will only be completed by 30/06/2020, this means that staff will continue to do manual work arounds and work overtime to ensure that we can best achieve issuing of rates clearances as quick as is possible. In view of this, it is proposed that the target be adjusted to 90% until all the enhancements/system upgrades have been implemented.
		1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	new	0.59%	0.66%	0.2%	0.2%	0.2%	0.2%	0.7%	0.7%	Target amendment proposed in terms of Section 72 (a)(iii), Target has been identified as being unachievable and therefore an amendment is proposed. This is further backed up by an Internal Audit finding on this indicator.
SFA 2: Safe City	2.1 Safe Communities	2.B Community satisfaction Survey (Score1-5) - safety and security	2.9	2.8	2.3	N/A	N/A	N/A	3	Annual Target	2.5	In terms of Section 12(2) of the Municipal Planning and Performance Management regulations that forms part of the Municipal Systems Act 32 states that "A performance target must- (a) Be practical and realistic." The target amended in line with the corporate target as the current target will not be reached due to a different sampling framework used by the service provider.
SFA3: Caring City	3.1 Excellence in basic service delivery	3.A Community satisfaction survey (score 1-5) - city -wide	2.8	2.8	2.3	N/A	N/A	N/A	3	Annual Target	2.5	In terms of Section 12(2) of the Municipal Planning and Performance Management regulations that forms part of the Municipal Systems Act 32 states that "A performance target must- (a) Be practical and realistic." The target amended in line with the corporate target as the current target will not be reached due to a different sampling framework used by the service provider.
		3.G Number of human settlements opportunities (Top Structures)	4839	3749	3784	880	1580	2440	4151	2440	3375	1. The Peoples Housing Projects (PHP) are delivering slower than anticipated and only 145 units were delivered against a target of 400 units in the 1st Quarter. The request is to lower the PHP target from 1400 units to 844 units for this financial year. 2. The Provincial Top Structure contractors for the Valhalla Park Project will start later than anticipated. Contractors are currently on site for the completion of the internal services and it is anticipated that the construction of Top Structures will only commence in Quarter 4. The request is to lower the target from 220 units to 50 units. 3. The Provincial Top Structures contractors for the Gugulethu infill Erf 8448 project start later than anticipated. Community interference regarding beneficiary allocation delayed the start date for construction. The contractors commenced on site but will not reach the set target of 100 units and the request is to lower the target to 50 units.
	3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.L Number of service points (toilet and tap with hand basin) provided to backyarders	new	408	164	50	250	440	880	250	300	Target delivery has been adjusted to match maximum capital budget available for the program. The Backyarder program relates to plumbing and water management device installations in backyards, the current budget available enables the delivery of a maximum of 300 units.
		3.N Number of sites serviced in the informal settlements	new	1052	1448	100	200	350	1600	350	1300	The proposed decrease in targets is a result of the maximum number of planned target delivery per project as part of the informal settlement's annual service sites program.
SFA 4: Inclusive City	4.2. An efficient, integrated transport system	4.A Number of passenger journeys per kilometer operated (MyCiti)	New	1.11	1.06	1.07	1.07	1.07	1.07	1.00	1.00	The targets requires an amendment as a result of a decline in passenger numbers and the N2 Expressway not being operational since June 2019. Furthermore, we are anticipating a gradual increase in passenger journeys over the next 2 years after the N2 Express Service becomes available.
		4.C Total number of passenger journeys on MyCiti	19.9 Million	18 million	17.5 million	4.77 million	9.55 million	14.32 million	18.6 million	14.32 million	16.8 million	
SFA 5: Well-Run City	5.1. Operational sustainability	5.C Percentage spend of capital budget (NKPI)	92.85%	73%	80.10%	8.40%	22.80%	41.16%	90%	42.12%	90%	Projected expenditure amended, due to adjustment budget updates.
	5.1 Operational Sustainability	5.G Debt (total borrowings) to total operating revenue (NKPI)	new	24.3%	22.85%	22.5%	22.5%	22.5%	28%	22.5%	22.5%	No loans to be taken up.

2019/20 MID-YEAR REVIEW - CTICC												
INDICATOR	**IDP objective (most direct focus)**	**MEASUREMENT**	**INDICATOR DEFINITION**	**Baseline 2017/18 (Actual)**	**Audited baseline 2018/19 (Actual)**	**APPROVED QUARTERLY TARGETS**				**PROPOSED QUARTERLY TARGETS**		**Motivation**
						2019/20 Q1	**2019/20 Q2**	**2019/20 Q3**	**2019/20 Q4**	**2019/20 Q3**	**2019/20 Q4**	
Operating Profit (1)	Well-run City 5.1 Operational Sustainability	Percentage achievement of annual budgeted (1) Operating profit is defined as earnings before interest, taxation, depreciation and amortisation.	This indicator measures the operating profit achieved. Operating Profit is defined as earnings before interest, taxation, depreciation and amortisation.	235%	722%	(67%)	(26%)	52%	100%	***56%**	**100%**	Q3 YTD Operating Profit improves with Adjustment Budget.
Capital Expenditure (CTICC 2 Expansion Programme)	Well-run City 5.1 Operational Sustainability	Percentage of total capital expenditure spend	The indicator measures the total capital expenditure related to CTICC 2 as a percentage	91%	100%	n/a	n/a	n/a	n/a	***75%**	***100%**	Capital expenditure on completion of interface area to be completed by Q3.
Net Debtors to Annual Income (ND) (3)	Well-run City 5.1 Operational Sustainability	Net current debtors divided by total operating revenue	Net current debtors are a measurement of the net amounts due to the municipal entity that are realistically expected to be recovered. Net Debtors is defined as gross debtors less refunds.	4.0%	1.30%	7.50%	3.40%	2.50%	5.80%	**2.50%**	***2.00%**	Reduction in target as CoCT's debt not disclosed as Trade Debtors.

* Subject to board approval

2019/20 MID-YEAR REVIEW - CTS

SFA	Corporate Objective	IDP Programme	CSC Indicator no.	Measuring Department	Indicator (to include unit of measure)	Baseline 2017/2018	Audited Actual 2018/2019	Approved Quarterly Targets				Proposed Quarterly Targets		Adjustment Budget Motivation (Note 1)
								2019/20 Q1	2019/20 Q2	2019/20 Q3	2019/20 Q4	2019/20 Q3	2019/20 Q4	
SFA 1: The Opportunity City	Positioning Cape Town as a forward-looking, globally competitive City	1.1b Cape Town Business Brand Programme 1.1G Leveraging the City's Assets	5.1	Finance	Percentage reduction of the grant allocation from the City of Cape Town	new	24.08%	annual target	annual target	annual target	6.00%	*Annual Target	*6%	This is to be changed to an annual target as it nees to align to the annual target as per the Service Delivery and Budget Implementation Plan for the reporting year.
SFA 1: The Opportunity City	Positioning Cape Town as a forward-looking, globally competitive City	1.1b Cape Town Business Brand Programme 1.1g Leveraging the City's Assets	5.D	CT Stadium (RF)	Percentage spent on Repairs and Maintenance Budget	150%	98.85%	15%	50%	75%	95%	*70%	*80%	It is proposed that this indicator target be decreased from 95% to 80%. The motivation provide by management is that the municipal entity has a detailed Repairs and Maintenance Strategy programme which is reported on at Indicator 3. It is motivated that this indicator, read in conjunction with indicator 3 as noted above, will suffice to ensure that maintenance are performed in a cost effective manner, according to best practice and according to international standards. This will be in line with the entity's business plan which strives to optimize income and contain expenditure.

* Subject to board approval

2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2: CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2:

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) - 2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CONTENTS

PART 1 – CAPE TOWN INTERNATIONAL CONVENTION CENTRE: REPORT TO THE BOARD OF DIRECTORS AND PARENT MUNICIPALITY

1. Executive Summary

The purpose of this report is comply with Section 88 of the Municipal Finance Management Act (MFMA) and deals with the matters referred to hereunder, namely the performance of the CTICC as reflected in the monthly statements, performance against the Key Performance Indicators (KPI's) and any matters raised in the Annual Report; Mid- year budget and performance assessment.

Section 88 of the Municipal Finance Management Act (MFMA) states:

1.1. The accounting officer of a municipal entity must by 20 January of each year—
   a) assess the performance of the entity during the first half of the financial year, taking into account:
      i. the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
      ii. the entity's annual report for the past year, and progress on resolving problems identified in the annual report;
   b) submit a report on such assessment to—
      i. (i) the board of directors of the entity; and
      ii. (ii) the parent municipality of the entity.

1.2. A report referred to in subsection (1) must be made public.

The Mid-Year Report and Supporting Tables of CTICC, prepared in accordance with the Municipal Budget and Reporting Regulations are attached.

2. High level assessment of performance for the first half of 2019/20 against annual budget

Revenue by Source

Current revenue is 11.3% or R14.9 million above the year-to-date budget projection to December 2019.

Reasons for the higher revenue achieved

- Rental of facilities and other equipment and other revenue (R11.6 million over): The revenue exceeded budget for the half year as a result of more events hosted than initially budgeted. The budget for the number of events was 280 for the period, with 295 achieved.
- Interest earned – external investments (R3.2 million over)
  Net Interest Income was R3.2 million more than the budget mainly due to interest income earned from the investment of excess cash in short term and long term investments as well as money market investments.

Operating expenditure by type

Current expenditure is 3.0% or R4.7 million below the year-to-date budget projection for December 2019.

Reasons for under expenditure on operating expenditure

- Employee related costs are 15.1% below budget due to savings as well as vacancies during the period.
- Remuneration of Directors is 9.1% above the budget for the period due to additional meetings held during the recruitment of the CEO.
- Debt management is below budget due to the reversal of the bad debt provision made in 2019 no longer required.
- Depreciation and asset impairment is above budget as the majority of CTICC 2 has been capitalised and depreciated as of the 2019 financial year.
- Other materials are below budget by 5.8% due to savings and timing of expenditure.
- Contracted services are 2.3% below budget for the period.
- Other expenditure is below budget by 0.8% for the period.
- Loss on disposal of PPE amounts to R108k for the period.

Capital Expenditure

The total capital expenditure for the half year amounts to R12.1 million against the budget of R26.1 million. The timing of projects has been impacted by the projects carried over from the previous financial year and which was to be completed first.

3. Measurable performance targets: 2019/20 Quarter 2 Performance Scorecard

There has been no adjustment has been made to the Company's KPI's to 31 December 2019. This scorecard is discussed under part 3 (Service Delivery Performance) of this report.

4. 2018/19 Annual Report

The CTICC's 2018/19 Annual Report will be tabled at Council on 29 January 2020.

PART 2 - FINANCIAL PERFORMANCE

Financial performance overview

The tables below reflect the operating budget for the CTICC for the period 1 July 2019 to 31 December 2019. Full year forecasts were revised as part of the adjustment budget process. Revised forecasts will inform the adjustments budget to be tabled at Council for approval.

Table F1 Monthly Budget Statement Summary

Description	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	–	–	–	–	–	–	-	–
Service charges	–	–	–	–	–	–	-	–
Investment revenue	14,482	6,900	6,900	6,684	3,450	3,234	93.7%	6,900
Transfers recognised - operational	–	–	–	–	–	–	-	–
Other own revenue	277,782	278,700	278,700	140,834	129,139	11,695	9.1%	278,700
Total Revenue (excluding capital transfers and contributions)	**292,264**	**285,600**	**285,600**	**147,518**	**132,589**	**14,929**	**11.3%**	**285,600**
Employee costs	64,254	89,652	89,652	36,974	43,553	(6,580)	-15.1%	89,652
Remuneration of Board Members	415	581	581	317	291	26	9.1%	581
Depreciation and asset impairment	54,123	50,164	50,164	29,532	25,082	4,450	17.7%	50,164
Finance charges	–	–	–	–	–	–	-	–
Materials and bulk purchases	35,762	40,524	40,524	18,894	20,055	(1,161)	-5.8%	40,524
Transfers and grants	2,124	–	–	–	–	–	-	–
Other expenditure	117,709	137,798	137,798	66,394	67,877	(1,483)	-2.2%	137,798
Total Expenditure	**274,386**	**318,719**	**318,719**	**152,111**	**156,858**	**(4,747)**	**-3.0%**	**318,719**
Surplus/(Deficit)	**17,878**	**(33,118)**	**(33,118)**	**(4,593)**	**(24,269)**	**19,676**	**-81.1%**	**(33,118)**
Transfers recognised - capital	–	–	–	–	–	–	-	–
Contributions & Contributed assets	–	–	–	–	–	–	-	–
Surplus/(Deficit) after capital transfers & contributions	**17,878**	**(33,118)**	**(33,118)**	**(4,593)**	**(24,269)**	**19,676**	**-81.1%**	**(33,118)**
Taxation	5,394	–	–	(1,285)	–	(1,285)	100.0%	–
Surplus/ (Deficit) for the year	**12,484**	**(33,118)**	**(33,118)**	**(3,308)**	**(24,269)**	**20,961**	**-86.4%**	**(33,118)**
Capital expenditure & funds sources								
Capital expenditure	**66,087**	**42,479**	**52,217**	**12,076**	**26,108**	**(14,032)**	**-53.7%**	**52,217**
Transfers recognised - capital	–	–	–	–	–	–	-	–
Borrowing	–	–	–	–	–	–	-	–
Internally generated funds	66,087	42,479	52,217	12,076	26,108	(14,032)	-53.7%	52,217
Total sources of capital funds	**66,087**	**42,479**	**52,217**	**12,076**	**26,108**	**(14,032)**	**-53.7%**	**52,217**
Financial position								
Total current assets	252,295	181,214	171,477	253,660				171,477
Total non current assets	880,699	712,645	722,382	860,598				722,382
Total current liabilities	97,972	106,255	106,255	81,807				106,255
Total non current liabilities	335	–	–	335				–
Community wealth/Equity	**1,034,686**	**787,605**	787,605	**1,032,116**				**787,605**
Cash flows								
Net cash from (used) operating	20,004	(23,312)	(23,312)	(3,376)	3,622	6,998	-193.2%	(23,312)
Net cash from (used) investing	(61,517)	(42,479)	(52,217)	15,416	(21,240)	(36,655)	-	(52,217)
Net cash from (used) financing	–	–	–	–	–	–	-	–
Cash/cash equivalents at the year end	**182,243**	**163,428**	**106,715**	**194,284**	**211,601**	**(17,318)**	**-168.3%**	**106,714**

Table F2 Monthly Budget Statement – Financial Performance (revenue and expenditure)

Description	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	–	–	–	–	–	–	-	–
Service charges - electricity revenue	–	–	–	–	–	–	-	–
Service charges - water revenue	–	–	–	–	–	–	-	–
Service charges - sanitation revenue	–	–	–	–	–	–	-	–
Service charges - refuse revenue	–	–	–	–	–	–	-	–
Rental of facilities and equipment	128,088	131,820	131,820	62,042	55,059	6,983	12.7%	131,820
Interest earned - external investments	14,482	6,900	6,900	6,684	3,450	3,234	93.7%	6,900
Interest earned - outstanding debtors	–	–	–	–	–	–	-	–
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	–	–	–	–	–	–	-	–
Licences and permits	–	–	–	–	–	–	-	–
Agency services	–	–	–	–	–	–	-	–
Transfers and subsidies	–	–	–	–	–	–	-	–
Other revenue	149,694	146,880	146,880	78,791	74,080	4,712	6.4%	146,880
Gains on disposal of PPE	–	–	–	–	–	–	-	–
Total Revenue (excluding capital transfers and contributions)	**292,264**	**285,600**	**285,600**	**147,518**	**132,589**	**14,929**	**11.3%**	**285,600**
Expenditure By Type								
Employee related costs	64,254	89,652	89,652	36,974	43,553	(6,580)	-15.1%	89,652
Remuneration of Directors	415	581	581	317	291	26	9.1%	581
Debt impairment	414	300	300	(425)	150	(575)	-383.3%	300
Depreciation & asset impairment	54,123	50,164	50,164	29,532	25,082	4,450	17.7%	50,164
Finance charges	–	–	–	–	–	–	-	–
Bulk purchases	–	–	–	–	–	–	-	–
Other materials	35,762	40,524	40,524	18,894	20,055	(1,161)	-5.8%	40,524
Contracted services	59,538	66,227	66,227	31,244	31,988	(744)	-2.3%	66,227
Transfers and subsidies	2,124	–	–	–	–	–	-	–
Other expenditure	57,064	71,272	71,272	35,467	35,739	(272)	-0.8%	71,272
Loss on disposal of PPE	692	–	–	108	–	108	100.0%	–
Total Expenditure	**274,386**	**318,719**	**318,719**	**152,111**	**156,858**	**(4,747)**	**-3.0%**	**318,719**
Surplus/(Deficit)	**17,878**	**(33,118)**	**(33,118)**	**(4,593)**	**(24,269)**	**19,676**	**-81.1%**	**(33,118)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	-	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	-	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	-	–
Surplus/(Deficit) before taxation	17,878	(33,118)	(33,118)	(4,593)	(24,269)	19,676	-81.1%	(33,118)
Taxation	5,394	–	–	(1,285)	–	(1,285)	100.0%	–
Surplus/(Deficit) for the year	**12,484**	**(33,118)**	**(33,118)**	**(3,308)**	**(24,269)**	**20,961**		**(33,118)**

Table F3 Monthly Budget Statement – Capital expenditure

Description	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure by Asset Class/Sub-class								
Other assets	**43,391**	**22,450**	**29,520**	**7,878**	**14,760**	**(6,882)**	**-46.6%**	**29,520**
Operational Buildings	43,391	22,450	29,520	7,878	14,760	(6,882)	-46.6%	29,520
Municipal Offices	43,391	22,450	29,520	7,878	14,760	(6,882)	-46.6%	29,520
Computer Equipment	**15,559**	**17,051**	**17,919**	**1,877**	**8,959**	**(7,083)**	**-79.1%**	**17,919**
Computer Equipment	15,559	17,051	17,919	1,877	8,959	(7,083)	-79.1%	17,919
Furniture and Office Equipment	**5,797**	**1,630**	**1,630**	**1,953**	**815**	**1,138**	**139.6%**	**1,630**
Furniture and Office Equipment	5,797	1,630	1,630	1,953	815	1,138	139.6%	1,630
Machinery and Equipment	**1,340**	**1,348**	**3,148**	**369**	**1,574**	**(1,205)**	**-76.5%**	**3,148**
Machinery and Equipment	1,340	1,348	3,148	369	1,574	(1,205)	-76.5%	3,148
Total Capital Expenditure	**66,087**	**42,479**	**52,217**	**12,076**	**26,108**	**(14,032)**	**-53.7%**	**52,217**
Funded by:								
National Government	–	–	–	–	–	–	-	–
Provincial Government	–	–	–	–	–	–	-	–
Parent Municipality	–	–	–	–	–	–	-	–
District Municipality	–	–	–	–	–	–	-	–
Transfers recognised - capital	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	-	–
Internally generated funds	66,087	42,479	52,217	12,076	26,108	(14,032)	-53.7%	52,217
Total Capital Funding	**66,087**	**42,479**	**52,217**	**12,076**	**26,108**	**(14,032)**	**-53.7%**	**52,217**

Table F4 Monthly Budget Statement – Financial Position

Vote Description	2018/19	Current Year 2019/20			
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	12,023	–	–	36,232	–
Call investment deposits	170,221	163,428	153,690	158,886	153,690
Consumer debtors	–	–	–	–	–
Other debtors	65,862	16,032	16,032	54,410	16,032
Current portion of long-term receivables	2,124	–	–	2,124	–
Inventory	2,065	1,755	1,755	2,009	1,755
Total current assets	**252,295**	**181,214**	**171,477**	**253,660**	**171,477**
Non current assets					
Long-term receivables	175,051	–	–	175,051	–
Investments	–	0	–	–	0
Investment property	–	–	–	–	–
Investment in Associate	–	–	–	–	–
Property, plant and equipment	581,477	583,081	592,818	565,953	592,818
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	124,170	129,564	129,564	119,594	129,564
Total non current assets	**880,699**	**712,645**	**722,382**	**860,598**	**722,382**
TOTAL ASSETS	**1,132,993**	**893,859**	**893,859**	**1,114,258**	**893,859**
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	41,386	32,849	32,849	20,790	32,849
Trade and other payables	51,009	68,596	68,596	58,847	68,596
Provisions	5,577	4,810	4,810	2,170	4,810
Total current liabilities	**97,972**	**106,255**	**106,255**	**81,807**	**106,255**
Non current liabilities	–	–	–	–	–
Borrowing	–	–	–	–	–
Provisions	335	–	–	335	–
Total non current liabilities	**335**	**-**	**-**	**335**	**-**
TOTAL LIABILITIES	**98,307**	**106,255**	**106,255**	**82,143**	**106,255**
NET ASSETS	**1,034,686**	**787,605**	**787,605**	**1,032,116**	**787,605**
COMMUNITY WEALTH/EQUITY	–	–	–	–	–
Accumulated Surplus/(Deficit)	(242,741)	(489,823)	(489,823)	(245,312)	(489,823)
Reserves	1,277,428	1,277,428	1,277,428	1,277,428	1,277,428
TOTAL COMMUNITY WEALTH/EQUITY	**1,034,686**	**787,605**	**787,605**	**1,032,116**	**787,605**

Table F5 Monthly Budget Statement – Cash Flow

Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	–	–	–	–	–	–	-	–
Service charges	–	–	–	–	–	–	-	–
Other revenue	247,577	277,139	277,139	123,900	128,364	(4,464)	-3.5%	277,139
Government - operating	–	–	–	–	–	–	-	–
Government - capital	–	–	–	–	–	–	-	–
Interest	14,846	6,900	6,900	6,684	3,450	3,234	93.7%	6,900
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(242,419)	(307,351)	(307,351)	(133,959)	(128,192)	5,768	-4.5%	(307,351)
Finance charges	–	–	–	–	–	–	-	–
Dividends paid	–	–	–	–	–	–		–
Transfers and Grants	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**20,004**	**(23,312)**	**(23,312)**	**(3,376)**	**3,622**	**6,998**	**193.2%**	**(23,312)**
CASH FLOWS FROM INVESTING ACTIVITIES						–		
Receipts						–		
Proceeds on disposal of PPE	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	-	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	-	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	-	–
Payments	–	–	–	–	–	–	-	–
Capital assets	(61,517)	(42,479)	(52,217)	15,416	(21,240)	(36,655)	172.6%	(52,217)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(61,517)**	**(42,479)**	**(52,217)**	**15,416**	**(21,240)**	**(36,655)**	**172.6%**	**(52,217)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	-	–
Borrowing long term/refinancing	–	–	–	–	–	–	-	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	-	–
Payments	–	–	–	–	–	–	-	–
Repayment of borrowing	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	-	–
NET INCREASE/ (DECREASE) IN CASH HELD	**(41,513)**	**(65,791)**	**(75,529)**	**12,040**	**(17,618)**	**(29,658)**	**168.3%**	**(75,529)**
Cash/cash equivalents at the year begin:	223,757	229,219	182,243	182,243	229,219	(46,976)	-20.5%	182,243
Cash/cash equivalents at the year end:	182,243	163,428	106,715	194,284	211,601	(17,318)	-168.3%	106,714

Table SF1 Entity Material variance explanation

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Interest earned - external investments	3,234	The variance is due to the favourable cash balances as a result of the increase in events/revenue, timing of capital projects paid, the investment of surplus funds and favourable interest rates.	No remedial action required; budget will be achieved by 30 June 2020.
Other revenue	4,712	The increase in events has resulted in an increase in revenue from venue hire and Food & Beverages.	No remedial action required; budget will be achieved by 30 June 2020.
Rental of facilities and equipment	6,983	The variance reflects in rental income and is as a result of higher yielding events, timing of events held to date as well as international events held.	No remedial action required; budget will be achieved by 30 June 2020.
Expenditure items			
Employee related costs	(6,580)	The positive variance relates to vacancies and savings achieved as at 31 December 2019.	No remedial action required; budget will be achieved by 30 June 2020.
Other materials	(1,161)	The variance is due to the timing of costs relating to events and functions.	No remedial action required; budget will be achieved by 30 June 2020.
Contracted services	(744)	The variance is due to the timing of expenses and should equalise by year end.	No remedial action required; budget will be achieved by 30 June 2020.
Other expenditure	(272)	The variance is due to the timing difference of costs.	No remedial action required; budget will be achieved by 30 June 2020.
Capital Expenditure items			
Computer Equipment	7,083	Due to timing of capital spend as at 31 December 2019.	No remedial action required; budget will be achieved by 30 June 2020.
Furniture and Office Equipment	(1,138)	Due to timing of capital spend as at 31 December 2019.	No remedial action required; budget will be achieved by 30 June 2020.
Machinery and Equipment	1,205	Due to timing of capital spend as at 31 December 2019.	No remedial action required; budget will be achieved by 30 June 2020.
Municipal Offices	6,882	Due to timing of capital spend as at 31 December 2019.	No remedial action required; budget will be achieved by 30 June 2020.
Cash flow items			
Interest	3,234	The variance is due to timing differences.	No remedial action required; budget will be achieved by 30 June 2020.
Other revenue	(4,464)	The variance is due to timing differences.	No remedial action required; budget will be achieved by 30 June 2020.
Suppliers and employees	(5,768)	The variance is due to creditors outstanding at the end of the 2019 financial year, and settled in the current year.	No remedial action required; budget will be achieved by 30 June 2020.
Capital assets	36,655	The variance is due to timing differences.	No remedial action required; budget will be achieved by 30 June 2020.

Table SF2 Entity Financial and non-financial indicators

Description of financial indicator	Basis of calculation	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	19.7%	15.7%	15.7%	19.4%	15.7%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	9.5%	13.5%	13.5%	8.0%	13.5%
Liquidity						
Current Ratio	Current assets/current liabilities	257.5%	170.5%	161.4%	310.1%	161.4%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	257.5%	170.5%	161.4%	310.1%	161.4%
Liquidity Ratio	Monetary Assets/Current Liabilities	186.0%	153.8%	144.6%	238.5%	144.6%
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	83.2%	5.6%	5.6%	157.0%	5.6%
Other Indicators						
Employee costs	Employee costs/Total Revenue - capital revenue	22.0%	31.4%	31.4%	25.1%	31.4%
Interest & Depreciation	I&D/Total Revenue - capital revenue	18.5%	17.6%	17.6%	20.0%	17.6%

Table SF3 Entity Aged debtors

Detail	Current Year 2019/20										
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Bad Debts	>90 days
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	–	–	–	–	–	–	–	–	–	–	–
Other	3,267	1,073	3	–	32,434	–	–	6,756	43,533	–	6,756
Total By Income Source	3,267	1,073	3	–	32,434	–	–	6,756	43,533	–	6,756
Debtors Age Analysis By Customer Group											
Organs of State	–	–	–	–	–	–	–	–	–	–	
Commercial	–	–	–	–	–	–	–	–	–	–	
Households	–	–	–	–	–	–	–	–	–	–	
Other	3,267	1,073	3	–	32,434	–	–	6,756	43,533	–	
Total By Customer Group	3,267	1,073	3	–	32,434	–	–	6,756	43,533	–	

Table SF4 Entity Aged creditors

Detail	Current Year 2019/20								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–
Trade Creditors	–	–	–	–	–	–	–	–	–
Auditor General	–	–	–	–	–	–	–	–	–
Other	25,506	–	–	–	–	–	–	–	25,506
Total By Customer Type	25,506	–	–	–	–	–	–	–	25,506

Table SF5 Entity investment portfolio monthly statement

Investments by maturity Name of institution & investment ID	Current Year 2019/20							
	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
R thousands	Months					Begin	Change	End
CTICC								
Cash				-	-	217	37	254
Nedbank - Call Deposit - 03/7881544007/000105					6.3			
ABSA Bank - Current - 4072900553				4	-	1,242	2,197	3,439
ABSA Bank - Exh Serv - Current - 4072900731					-	82	102	184
ABSA Bank - Treasury Account - 40-7373-1246					-	1		1
ABSA Bank - Convenco Account - 40-7373-3701					-	2		2
ABSA Bank - Call Deposit - 4074708347					0			
Stanlib - Bank 000-402-184 (1199539) ref No. 551436367				67	7.345	17,250	138	17,387
Investec Bank - (462097) 1008645				96	7.33	24,717	138	24,855
Nedgroup Money Market - (800167964) - 8319631	-	-		122	7.36	31,711	(9,806)	21,904
ABSA Bank - CTICC Money Market - 9316676360	-	-		78	7.56	20,208	123	20,331
Nedgroup Corp Money Market - (800167964) 8292731	-	-		144	7.29	37,925	(13,770)	24,154
ABSA Bank - CTICC East - Current - 4072900228	-	-			-	2	()	2
ABSA Bank - CTICC East - Call Deposit 4083941322	-	-			6.25			
Absa Bank - CTICC East - Money Market (6241084-ZAR-2201-0)	-	-		165	6.30	50,254		50,254
Nedbank - CTICC Main Current - 1151569623	-	-		4	-	923	28,286	29,210
Nedbank - CTICC Merchant Services - 11515696658	-	-		-	-	(9)	21	11
Nedbank - CTICC Payroll - 1151569666	-	-		-	-	22	484	506
Nedbank - CTICC East - 1151569674	-	-		-	-	115	2,412	2,527
Nedbank - CTICC Daily Call Deposit Account - 037232511442	-	-		45	-	1,501	(1,405)	96
Other	-	-		289	-			
Total investments				1,014		186,162	8,956	195,118

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	415	581	581	317	291	26	9.1%	581
Sub Total - Board Members of Entities	415	581	581	317	291	26	9.1%	581
% increase		40.1%	40.1%					40.1%
Senior Managers of Entities								
Basic Salaries	8,884	9,595	9,595	4,797	4,797	–	-	9,595
Sub Total - Senior Managers of Entities	8,884	9,595	9,595	4,797	4,797	–	-	9,595
% increase		8.0%	8.0%					8.0%
Other Staff of Entities								
Basic Salaries	55,370	80,057	80,057	32,176	38,756	(6,580)	-17.0%	80,057
Sub Total - Other Staff of Entities	55,370	80,057	80,057	32,176	38,756	(6,580)	-17.0%	80,057
% increase		44.6%	44.6%					44.6%
Total Municipal Entities remuneration	64,669	90,233	90,233	37,291	43,844	(6,553)	-14.9%	90,233
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Table SF7 Entity monthly actuals & revised targets

Description	Current Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Rental of facilities and equipment	8,922	10,667	15,340	13,313	12,164	1,636	7,146	12,923	20,444	12,642	9,685	6,938	131,820	140,101	148,907
Interest earned - external investments	1,139	1,040	1,052	1,092	1,348	1,014	575	575	575	575	575	(2,659)	6,900	7,314	7,753
Other revenue	11,944	8,894	17,881	19,951	17,960	2,162	8,589	13,141	13,862	11,505	11,411	9,580	146,880	156,050	165,800
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	22,004	20,601	34,273	34,356	31,472	4,811	16,309	26,639	34,882	24,722	21,671	13,859	285,600	303,466	322,460
Employee related costs															
Employee related costs	6,070	5,713	6,769	6,242	6,450	5,730	7,683	7,683	7,683	7,683	7,683	14,263	89,652	95,801	101,549
Remuneration of Board Members	–	–	113	–	–	204	–	–	145	–	–	119	581	616	653
Debt impairment	–	–	–	(425)	–	–	25	25	25	25	25	600	300	300	300
Depreciation & asset impairment	4,132	4,132	4,132	7,266	4,920	4,950	4,180	4,180	4,180	4,180	4,180	(270)	50,164	43,787	41,186
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	2,934	2,949	3,141	4,637	4,063	1,170	2,327	3,939	3,903	3,123	3,178	5,161	40,524	43,045	45,725
Contracted services	4,620	6,191	5,050	5,747	5,277	4,359	5,090	6,004	5,854	5,671	5,584	6,780	66,227	70,212	74,449
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	5,721	5,827	4,736	7,298	5,637	6,249	5,826	5,913	6,079	5,977	5,865	6,144	71,272	75,927	80,884
Loss on disposal of PPE	–	–	–	108	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	23,477	24,811	23,941	30,872	26,348	22,661	25,131	27,746	27,870	26,659	26,516	32,797	318,719	329,688	344,746

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Description	Current Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure															
Capital assets	227	507	490	5,589	575	4,689	3,540	3,540	3,540	3,540	3,540	22,441	52,217	52,206	52,527
Total capital expenditure	**227**	**507**	**490**	**5,589**	**575**	**4,689**	**3,540**	**3,540**	**3,540**	**3,540**	**3,540**	**22,441**	**52,217**	**52,206**	**52,527**
Cash flow															
Other Revenue	15,290	18,350	23,759	25,730	24,423	16,348	15,640	25,908	34,101	24,002	20,970	32,619	277,139	296,674	316,463
Grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest	1,139	1,040	1,052	1,092	1,348	1,014	575	575	575	575	575	(2,659)	6,900	7,314	7,753
Suppliers, employees and other	(35,328)	(20,549)	(20,061)	(29,219)	(22,176)	(6,627)	(23,069)	(23,049)	(22,005)	(21,864)	(23,119)	(60,287)	(307,351)	(281,495)	(298,882)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(18,899)**	**(1,160)**	**4,750**	**(2,397)**	**3,595**	**10,735**	**(6,854)**	**3,434**	**12,671**	**2,713**	**(1,574)**	**(30,327)**	**(23,312)**	**22,494**	**25,334**
Decrease (Increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	7,514	3,614	3,642	1,689	736	(1,779)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(49,933)	(52,217)	(52,206)	(52,527)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**7,514**	**3,614**	**3,642**	**1,689**	**736**	**(1,779)**	**(3,540)**	**(3,540)**	**(3,540)**	**(3,540)**	**(3,540)**	**(49,933)**	**(52,217)**	**(52,206)**	**(52,527)**
Borrowing long term/refinancing/short term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	**(11,384)**	**2,454**	**8,392**	**(708)**	**4,331**	**8,956**	**(10,394)**	**(106)**	**9,131**	**(828)**	**(5,114)**	**(80,260)**	**(75,529)**	**(29,712)**	**(27,193)**

Table SF8a Entity capital expenditure on new assets by asset class

Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class								
Other assets	42,870	9,700	9,700	7,878	4,850	3,028	62.4%	9,700
Operational Buildings	42,870	9,700	9,700	7,878	4,850	3,028	62.4%	9,700
Municipal Offices	*42,870*	*9,700*	*9,700*	*7,878*	*4,850*	*3,028*	*62.4%*	*9,700*
Computer Equipment	14,028	4,600	5,468	1,877	2,734	(857)	-31.3%	5,468
Computer Equipment	14,028	4,600	5,468	1,877	2,734	(857)	-31.3%	5,468
Furniture and Office Equipment	5,797	455	455	1,953	228	1,725	758.3%	455
Furniture and Office Equipment	5,797	455	455	1,953	228	1,725	758.3%	455
Machinery and Equipment	1,340	481	481	369	240	129	53.6%	481
Machinery and Equipment	1,340	481	481	369	240	129	53.6%	481
Total Capital Expenditure on new assets	64,035	15,236	16,103	12,076	8,052	4,025	50.0%	16,103

Table SF8b Entity capital expenditure on the renewal of existing assets by asset class

Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Other assets	521	12,750	19,820	–	9,910	(9,910)	-100.0%	19,820
Operational Buildings	521	12,750	19,820	–	9,910	(9,910)	-100.0%	19,820
Municipal Offices	*521*	*12,750*	*19,820*	–	*9,910*	*(9,910)*	*-100.0%*	*19,820*
Computer Equipment	1,531	12,451	12,451	–	6,226	(6,226)	-100.0%	12,451
Computer Equipment	1,531	12,451	12,451	–	6,226	(6,226)	-100.0%	12,451
Furniture and Office Equipment	–	1,175	1,175	–	588	(588)	-100.0%	1,175
Furniture and Office Equipment	–	1,175	1,175	–	588	(588)	-100.0%	1,175
Machinery and Equipment	–	867	2,667	–	1,334	(1,334)	-100.0%	2,667
Machinery and Equipment	–	867	2,667	–	1,334	(1,334)	-100.0%	2,667
Total Capital Expenditure on renewal of existing assets	2,052	27,243	36,113	–	18,057	(18,057)	-100.0%	36,113

Table SF8c Entity expenditure on repairs and maintenance by asset class

Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class								
Other assets	14,681	17,003	17,003	8,299	8,501	(203)	-2.4%	17,003
Operational Buildings	14,681	17,003	17,003	8,299	8,501	(203)	-2.4%	17,003
Municipal Offices	*14,681*	*17,003*	*17,003*	*8,299*	*8,501*	*(203)*	*-2.4%*	*17,003*
Total Repairs and Maintenance Expenditure	14,681	17,003	17,003	8,299	8,501	(203)	-2.4%	17,003

Table SF8d Entity depreciation by asset class

Description	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Depreciation by Asset Class/Sub-class								
Other assets	**54,123**	**50,164**	**50,164**	**29,532**	**25,082**	**4,450**	**17.7%**	**50,164**
Operational Buildings	54,123	50,164	50,164	29,532	25,082	4,450	17.7%	50,164
Municipal Offices	54,123	50,164	50,164	29,532	25,082	4,450	17.7%	50,164
Total Depreciation	**54,123**	**50,164**	**50,164**	**29,532**	**25,082**	**4,450**	**17.7%**	**50,164**

PART 3 - SERVICE DELIVERY PERFORMANCE

Performance assessment report – KPI's

1. **Introduction**
   As a results-driven organisation, much emphasis is placed on attainment of targets, firstly at an organisational level, and then cascading down to departmental and finally to individual performance assessments. The system of performance management is integral to achieving financial and non-financial targets. The CTICC's performance is measured by the City of Cape Town against a set of KPIs which are reviewed annually by both stakeholders.

2. **Some highlights from the 2019/20 Performance Scorecard**

   a. **Operating Profit/(Loss) before tax - Percentage achievement of annual budgeted operating profit**
   CTICC is a self-sustaining business and has successfully hosted 295 events as at 31 December 2019.
   The company incurred an after tax loss of R3.3 million on a budgeted deficit of R24.3 million, thus exceeding the target by reducing the loss incurred. Total expenditure, excluding depreciation and asset impairment, reflects a saving of R9.2 million, mainly due savings in employee related costs to the delay in on-boarding flexi-staff and savings relating to vacant positions and savings in Other Materials and Other Expenditure as a result of continued cost containment measures.

   b. **Capital Projects - Percentage of the total number of capital projects for the year completed or committed**
   The company planned to complete or commit 40% projects by mid-year, and achieved 69%.

   c. **Events - Number of events hosted and international events**
   Total number of events hosted is 295 against a target of 280 and total number of international events hosted is 29 against a target of 25.

   d. **Human Capital Development – Percentage of annual total salary cost spend on training of permanent and temporary staff**
   The CTICC is committed to developing and strengthening its employees by prioritising training at all levels and for whatever skills necessary to fulfil the centre's mandate and realise its vision. The CTICC has exceeded its target of spending 2% of the annual total salary cost and has spent 4% for the year to date. Training has been accelerated to ensure that the CTICC team is well equipped in statutory, vocational and developmental training and values-based leadership.

e. Customer Centricity and Service Excellence 84% of minimum aggregate score for all CTICC internal departments and external suppliers

CTICC has repeatedly achieved and exceeded targeted scores for customer service. It all starts from recruiting passionate staff who strives to deliver world class experiences to all our clients and delegates.

Our service providers also endeavour to do the same as they are managed through service level agreements and also live by our service ethos to our clients. Our staff consistently offers what our brand promises and builds relationships with our clients. CTICC is geared and will continue to provide memorable experiences to all our local and International visitors ensuring they return, not only to the CTICC but to Cape Town as the destination of choice.

f. Procurement - Supply Chain Procurement from B-BBEE suppliers measured ito of B-BBEE Act

The CTICC is committed to growing its contribution in supporting broad based black economic empowerment (B-BBEE). The CTICC has excelled in particular in sourcing 84% of the CTICC’s total net spend by the end of the second quarter of 2019/20 from B-BBEE suppliers. This has been achieved through the continued focus on preferential procurement practices adopted in our supply chain management system.

2019/20 SECOND QUARTER PERFORMANCE SCORECARD - CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 1 OCTOBER 2019 to 31 DECEMBER 2019						
Well Above	Above	On target	Below	Well below	AT - Annual Target	
No	**Indicator**	**Status**	**Target**	**Actual**	**Reason for variance**	**Remedial action**
Strategic Focus Area 1: Opportunity City						
1.	International events		25	29		N/A
2.	Total events hosted		280	295		N/A
3.	Human Capital Development		2%	4%	Training planned early in year	N/A
4.	Supply Chain Procurement from B-BBEE Suppliers measured ito the B-BBEE Act		60%	84%	Suppliers are BEE compliant	N/A
5.	Student Programme: Contribution to Youth Employment and Skills Development		4	5		N/A
6.	Graduate Programme: Contribution to Youth Employment and Skills Development		4	6		N/A
Strategic Focus Area 4: Inclusive City						
7.	Number of people from the employment equity target groups employed in the three highest levels of management in compliance with the **municipal entity's** approved employment equity plan.		80%	83%		N/A
Strategic Focus Area 5: Well Run City						
8.	Customer Centricity and Service Excellence		80%	84%		N/A
9.	Quality Offering		Achieve 5 Star Tourism Grading Council Rating	5 Star Tourism Grading Council Rating achieved		N/A
10.	External Audit Report		Clean Audit Report for 2018/19 Financial year	Clean Audit Report for 2018/19 Financial year achieved		N/A
11.	Minimum Competency Level		7	11	Training planned early in year	N/A
12.	Operating Profit		-26%	180%	Good revenue growth with events booked and management of costs improving profitability	N/A
13.	Capital Projects		40%	69%	Projects commenced early in financial year	N/A
14.	Capital Expenditure (CTICC 2 Expansion Programme)		n/a	**n/a**	N/A	N/A
15.	Ratio of Cost Coverage maintained (RCC)		7 times	9.6 times		N/A
16.	Net Debtors to Annual Income (ND)		9,7%	2,8%	City of Cape Town debt not reflected as Trade Debtors	N/A
17	Debt Coverage by Own Billed Revenue (DC)		0%	0%	N/A	N/A

PART 4: RECOMMENDATIONS:

1. Adjustments Budget
   It is recommended that the 2019/20 adjustment budget be prepared and approved as part of the parent municipality's adjustment budget by Council no later than 31 January 2020.

2. Mid-year changes to measurable performance indicators
   It is recommended that following the approval of the adjustments budget, the revised measurable performance indicators be approved by Council.

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 3: CAPE TOWN STADIUM - 2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CAPE TOWN STADIUM

ANNEXURE 3:

CAPE TOWN STADIUM - 2019/20 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CONTENTS

PART 1 – REPORT TO THE BOARD OF DIRECTORS AND PARENT MUNICIPALITY

1. Executive Summary

The purpose of this report is to comply with Section 88 of the Municipal Finance Management Act (MFMA) and deals with the matters referred to hereunder, namely the performance of the Cape Town Stadium (CTS) as reflected in the monthly statements, performance against the Key Performance Indicators (KPI's) and any matters raised in the Annual Report and Mid- year review and performance assessment.

Section 88 of the MFMA states:

1.1. The accounting officer of a municipal entity must by 20 January of each year—
   - a) assess the performance of the entity during the first half of the financial year, taking into account:
     - i. the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
     - ii. the entity's annual report for the past year, and progress on resolving problems identified in the annual report;
   - b) submit a report on such assessment to—
     - i. (i) the board of directors of the entity; and
     - ii. (ii) the parent municipality of the entity.

1.2. A report referred to in subsection (1) must be made public.

2. High level assessment of performance for the first half of 2019/20 against annual budget

Revenue by Source

- Other own revenue - comprises of Rental of facilities and equipment and other revenue

  R11.5 million revenue was achieved against a year-to-date budget of R11.3 million for the first half of the 2019/20 financial year.

  - Rental of facilities
    R11.5 million was generated from rental of facilities against a budget of R8 million. This was primarily due to significant income received from the HSBC Rugby Sevens Tournament, which had an additional day added to the calendar a well as a marked increase in the number of film shoots hosted.

- Other revenue
  Other revenue comprises of parking, advertising and tours income.
  R49 391 was generated from tours income, however, no income was generated from parking and advertising as the respective parking- and naming rights tenders have not yet been awarded by mid-year. The budget will be realigned during the adjustment budget process as it is anticipated that the revenue from parking and advertising will not be realised.

- Grant income

  A total of R18.2 million was utilised from the R71.3 million grant income received from the city. This is primarily due to the savings realised on the operational expenditure.

Operating expenditure by type

Current expenditure is 36.1% or R16.8 million below the year-to-date budget projection for the period ending 31 December 2019.

Reason for savings on operating expenditure:

- Remuneration of Directors
  Board meetings were initially budgeted to take place on a monthly basis, however, as it is actually held on a quarterly basis the cost saving realised will be realigned to a different cost element where funds are required during the adjusted budget process.

- Other Materials
  The savings realised from other materials comprises mainly of savings realised in the printing and stationery as well as the fuel budget as a result of improved cost management under those specific cost types.

- Other Expenditure
  The R2.8 million savings generated is due to, inter alia, savings realised on the training, travel and conferences cost types.

- Contracted Services
  - Staff Costs reside under this cost type, and as a result of significant number of vacancies not being filled in this period, the cost type shows an under expenditure. The vacancy rate at present is 35.29%.
  - An amount of R11.8 million was budgeted for repairs and maintenance, of which only R6.8 million was incurred realising a saving of 42% during the first six months of the budget cycle. It is envisaged that the remaining budget will be spent during the third and fourth quarter.

Capital Expenditure

Capital expenditure is the responsibility of the City of Cape Town and not the CTS as outlined in the Service Delivery Agreement (SDA), therefore no capital projects were allocated to the CTS for this period.

3. 2019/20 Performance Scorecard

The entity's 2019/20 Performance Scorecard - 1 July 2019 to 31 December 2019 (Draft) is included as Annexure 1 to this document. This scorecard is discussed under part 3 (Service Delivery Performance) of this report.

4. 2018/19 Annual Report

The CTS's 2018/19 Annual Report will be tabled at Council on 29 January 2020.

PART 2 - FINANCIAL PERFORMANCE

The tables below reflect the operating budget for the CT Stadium for the period 1 July 2019 to 31 December 2019. Full year forecasts were revised as part of the adjustment budget process. Revised forecasts will inform the adjustments budget to be tabled at Council for approval.

Table F1 Monthly Budget Statement Summary

Description	2018/19	Current Year 2019/20						
R thousands	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	–	–	–	–	–	–	-	–
Service charges	–	–	–	–	–	–	-	–
Investment revenue	–	–	–	0	–	0	-	–
Transfers recognised - operational	55,120	71,346	71,346	18,206	35,673	(17,467)	-49.0%	71,346
Other own revenue	24,558	22,921	22,921	11,547	11,286	261	2.3%	22,921
Total Revenue (excluding capital transfers and contributions)	**79,678**	**94,267**	**94,267**	**29,753**	**46,959**	**(17,205)**	**-36.6%**	**94,267**
Employee costs	–	–	–	–	–	–	-	–
Remuneration of Board Members	320	739	739	74	370	(296)	-80.1%	739
Depreciation and asset impairment	–	–	–	–	–	–	-	–
Finance charges	–	–	–	–	–	–	-	–
Materials and bulk purchases	445	1,354	1,354	284	677	(393)	-58.1%	1,354
Transfers and grants	–	–	–	–	–	–	-	–
Other expenditure	78,912	92,174	92,174	29,396	45,537	(16,141)	-35.4%	92,174
Total Expenditure	**79,678**	**94,267**	**94,267**	**29,754**	**46,584**	**(16,830)**	**-36.1%**	**94,267**
Surplus/(Deficit)	**(0)**	–	–	**(0)**	**375**	**(375)**	**-100.0%**	–
Transfers recognised - capital	–	–	–	–	–	–	-	–
Contributions & Contributed assets	–	–	–	–	–	–	-	–
Surplus/(Deficit) after capital transfers & contributions	**(0)**	–	–	**(0)**	**375**	**(375)**	**-100.0%**	–
Taxation	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**(0)**	–	–	**(0)**	**375**	**(375)**	**-100.0%**	–
Financial position								
Total current assets	3,948	9,616	9,616	45				9,616
Total non current assets	–	–	–	–				–
Total current liabilities	3,948	9,616	9,616	45				9,616
Total non current liabilities	–	–	–	–				–
Community wealth/Equity	–	–	–	–				–
Cash flows								
Net cash from (used) operating	11	3,771	3,771	–	1,885	(1,885)	-100.0%	3,771
Net cash from (used) investing	–	–	–	–	–	–	-	–
Net cash from (used) financing	–	–	–	–	–	–	-	–
Cash/cash equivalents at the year end	**11**	**9,617**	**9,617**	**11**	**7,731**	**(7,721)**	**99.9%**	**9,617**

Table F2 Monthly Budget Statement – Financial Performance (revenue and expenditure)

Description R thousands	2018/19	Current Year 2019/20						
	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	–	–	–	–	–	–	-	–
Service charges - electricity revenue	–	–	–	–	–	–	-	–
Service charges - water revenue	–	–	–	–	–	–	-	–
Service charges - sanitation revenue	–	–	–	–	–	–	-	–
Service charges - refuse revenue	–	–	–	–	–	–	-	–
Rental of facilities and equipment	22,126	16,071	16,071	11,498	8,036	3,462	43.1%	16,071
Interest earned - external investments	–	–	–	0	–	0	-	–
Interest earned - outstanding debtors	–	–	–	–	–	–	-	–
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	–	–	–	–	–	–	-	–
Licences and permits	–	–	–	–	–	–	-	–
Agency services	–	–	–	–	–	–	-	–
Transfers and subsidies	55,120	71,346	71,346	18,206	35,673	(17,467)	-49.0%	71,346
Other revenue	2,432	6,850	6,850	49	3,250	(3,201)	-98.5%	6,850
Gains on disposal of PPE	–	–	–	–	–	–	-	–
Total Revenue (excluding capital transfers and contributions)	**79,678**	**94,267**	**94,267**	**29,753**	**46,959**	**(17,205)**	**-36.6%**	**94,267**
Expenditure By Type								
Employee related costs	–	–	–	–	–	–	-	–
Remuneration of Directors	320	739	739	74	370	(296)	-80.1%	739
Debt impairment	–	–	–	–	–	–	-	–
Depreciation & asset impairment	–	–	–	–	–	–	-	–
Finance charges	–	–	–	–	–	–	-	–
Bulk purchases	–	–	–	–	–	–	-	–
Other materials	445	1,354	1,354	284	677	(393)	-58.1%	1,354
Contracted services	58,828	73,100	73,100	22,751	36,000	(13,249)	-36.8%	73,100
Transfers and subsidies	–	–	–	–	–	–	-	–
Other expenditure	20,084	19,074	19,074	6,645	9,537	(2,892)	-30.3%	19,074
Loss on disposal of PPE	–	–	–	–	–	–	-	–
Total Expenditure	**79,678**	**94,267**	**94,267**	**29,754**	**46,584**	**(16,830)**	**-36.1%**	**94,267**
Surplus/(Deficit)	**(0)**	**–**	**–**	**(0)**	**375**	**(375)**	**-100.0%**	**–**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	-	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	-	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	-	–
Surplus/(Deficit) before taxation	**(0)**	**–**	**–**	**(0)**	**375**	**(375)**	**-100.0%**	**–**
Taxation	–	–	–	–	–	–	-	–
Surplus/(Deficit) for the year	**(0)**	**–**	**–**	**(0)**	**375**	**(375)**		**–**

Table F4 Monthly Budget Statement – Financial Position

Vote Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	11	9,616	9,616	11	9,616
Call investment deposits	–	–	–	–	–
Consumer debtors	772	–	–	34	–
Other debtors	3,165	–	–	–	–
Current portion of long-term receivables	–	–	–	–	–
Inventory	–	–	–	–	–
Total current assets	**3,948**	**9,616**	**9,616**	**45**	**9,616**
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Investment in Associate	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	**–**	**–**	**–**	**–**	**–**
TOTAL ASSETS	**3,948**	**9,616**	**9,616**	**45**	**9,616**
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	–	–
Trade and other payables	3,948	9,616	9,616	45	9,616
Provisions	–	–	–	–	–
Total current liabilities	**3,948**	**9,616**	**9,616**	**45**	**9,616**
Non current liabilities	–	–	–	–	–
Borrowing	–	–	–	–	–
Provisions	–	–	–	–	–
Total non current liabilities	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**3,948**	**9,616**	**9,616**	**45**	**9,616**
NET ASSETS	**(0)**	**–**	**–**	**–**	**–**
COMMUNITY WEALTH/EQUITY	–	–	–	–	–
Accumulated Surplus/(Deficit)	–	–	–	–	–
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**–**	**–**	**–**	**–**	**–**

Table F5 Monthly Budget Statement – Cash Flow

Description R thousands	2018/19	Current Year 2019/20						
	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	–	–	–	–	–	–	-	–
Service charges	–	–	–	–	–	–	-	–
Other revenue	22,180	22,921	22,921	11,547	11,461	87	0.8%	22,921
Government - operating	55,120	71,346	71,346	19,663	35,673	(16,010)	-44.9%	71,346
Government - capital	–	–	–	–	–	–	-	–
Interest	–	–	–	–	–	–	-	–
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(77,289)	(90,496)	(90,496)	(29,753)	(45,248)	15,495	-34.2%	(90,496)
Finance charges	–	–	–	–	–	–	-	–
Dividends paid	–	–	–	–	–	–	-	–
Transfers and Grants	–	–	–	(1,456)	–	(1,456)	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	11	3,771	3,771	–	1,885	(1,885)		3,771
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–	-	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	-	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	-	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	-	–
Payments								
Capital assets	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–	–	–	-	–
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	-	–
Borrowing long term/refinancing	–	–	–	–	–	–	-	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	-	–
Payments								
Repayment of borrowing	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	-	–
NET INCREASE/ (DECREASE) IN CASH HELD	11	3,771	3,771	–	1,885	(1,885)	-100.0%	3,771
Cash/cash equivalents at the year begin:	(0)	5,846	5,846	11	5,846	5,835	99.8%	5,846
Cash/cash equivalents at the year end:	11	9,617	9,617	11	7,731	7,721	99.9%	9,617

Table SF1: Entity Material Variance Explanation

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Rental of facilities and equipment	3 462	The over-recovery is due to the additional day added to the Rugby Sevens Tournament as well as a marked increase in the number of film shoots which were not initially included in the budget.	No remedial action required; budget will be achieved by 30 June 2020.
Transfers and subsidies	(17 467)	As the grant income is directly linked to actual expenditure, the grant income is reduced as actual YTD expenditure is significantly lower than anticipated, due to the reasons stated	No remedial action required; budget will be achieved by 30 June 2020.
Other revenue	(3 201)	The commercialisation- and parking tenders have not been awarded/activated at this stage, thus impacting directly on the expected revenue.	No remedial action required; budget will be achieved by 30 June 2020.
Expenditure items			
Remuneration of Directors	(296)	Board meetings take place on a quarterly basis. The next board meeting is scheduled for February 2020.	No remedial action required; budget will be achieved by 30 June 2020.
Other materials	(393)	Significant cost savings realised, due to improved cost management, primarily on the printing and stationery budget.	No remedial action required; budget will be achieved by 30 June 2020.
Contracted services	(13 249)	All staff have not yet been appointed resulting in savings in this category. Expenditure on Contracted Services - R&M was also below budget, however it is envisaged that the budget will be spent in Q3 and Q4.	No remedial action required; budget will be achieved by 30 June 2020.
Other expenditure	(2 892)	Significant savings were realised, due to the improved cost management on general expenditure.	No remedial action required; budget will be achieved by 30 June 2020.

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Table SF1: Entity Material Variance Explanation (continued)

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Cash flow items			
Other revenue	87	The over-recovery is due to a combination of an over recovery in Rental of facilities and equipment due to an additional day	No remedial action required; budget will be achieved by 30 June 2020.
Government - operating	(16 010)	As the grant income received is directly linked to the actual expenditure incurred, the grant income is reduced as actual YTD expenditure is significantly lower than anticipated due to the reasons given above.	No remedial action required; budget will be achieved by 30 June 2020.
Suppliers and employees	15 495	Fewer payments were made, due to significant cost savings as outlined above.	No remedial action required; budget will be achieved by 30 June 2020.
Transfers and Grants	(1 456)	The income generated exceeded the operational expenditure for December resulting in a reduction in grant income.	No remedial action required; budget will be achieved by 30 June 2020.

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration R thousands	2018/19	Current Year 2019/20						
	*Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	320	739	739	74	370	(296)	-80.1%	739
Sub Total - Board Members of Entities	320	739	739	74	370	(296)	-80.1%	739
% increase		130.9%	130.9%					130.9%
Senior Managers of Entities								
Basic Salaries	–	–	–	–	–	–	-	–
Sub Total - Senior Managers of Entities	–	–	–	–	–	–	-	–
% increase								
Other Staff of Entities								
Basic Salaries	–	–	–	–	–	–	-	–
Sub Total - Other Staff of Entities	–	–	–	–	–	–	-	–
% increase								
Total Municipal Entities remuneration	320	739	739	74	370	(296)	-80.1%	739
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Table SF7 Entity monthly actuals & revised targets

Description	Current Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	820	238	1,736	1,273	1,307	6,124	1,339	1,339	1,339	1,339	1,339	(2,123)	16,071	16,958	23,440
Transfers and subsidies	319	4,212	2,776	6,049	6,308	(1,456)	5,946	5,946	5,946	5,946	5,946	23,412	71,346	69,971	65,496
Other revenue	6	9	2	8	23	1	600	600	600	600	600	3,800	6,850	7,566	8,354
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	1,145	4,459	4,514	7,329	7,638	4,669	7,885	7,885	7,885	7,885	7,885	25,090	94,267	94,495	97,290
Expenditure By Type															
Employee related costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Remuneration of Board Members	–	–	–	74	–	–	–	–	–	–	–	–	739	776	823
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	13	59	11	125	16	60	113	113	113	113	113	506	1,354	1,428	1,514
Contracted services	1,116	3,105	3,518	5,541	6,161	3,308	6,000	6,000	6,000	6,000	6,000	20,349	73,100	74,150	75,798
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	15	1,294	984	1,590	1,461	1,300	1,589	1,589	1,589	1,589	1,589	4,481	19,074	18,141	19,156
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	1,145	4,459	4,514	7,329	7,638	4,669	7,702	7,702	7,702	7,702	7,702	25,336	94,267	94,495	97,290

Tables continues on next page.

Description	Current Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure															
Capital assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total capital expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Cash flow															
Ratepayers and other	827	247	1,738	1,281	1,330	6,125	1,910	1,910	1,910	1,910	1,910	1,823	22,921	24,524	31,794
Grants	319	4,212	2,776	6,049	6,308	(1,456)	5,946	5,946	5,946	5,946	5,946	23,412	71,346	69,971	65,496
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Suppliers, employees and other	(1,145)	(4,459)	(4,514)	(7,329)	(7,638)	(4,669)	(7,541)	(7,541)	(7,541)	(7,541)	(7,541)	(23,036)	(90,496)	(91,660)	(95,344)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	–	–	–	–	–	314	314	314	314	314	2,200	3,771	2,835	1,946
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing/short term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	–	–	–	–	–	–	314	314	314	314	314	2,200	3,771	2,835	1,946

Table SF8c Entity expenditure on repairs and maintenance by asset class

Description R thousands	2018/19 *Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class								
Community Assets	22,765	23,698	23,698	6,879	11,849	(4,970)	-41.9%	23,698
Sport and Recreation Facilities	22,765	23,698	23,698	6,879	11,849	(4,970)	-41.9%	23,698
Outdoor Facilities	22,765	23,698	23,698	6,879	11,849	(4,970)	-41.9%	23,698
Total Repairs and Maintenance Expenditure	22,765	23,698	23,698	6,879	11,849	(4,970)	-41.9%	23,698

PART 3 - SERVICE DELIVERY PERFORMANCE

1. Introduction

The CTS, since becoming an entity, has shifted focus and is very much target driven and results orientated. After successfully completing its first full year of trading, the entity continues to strive towards achieving all organisational, financial and non-financial targets. The City measures the performance of the CTS against a set of KPIs, which are reviewed annually with input from both stakeholders.

2. Highlights from the 2019/20 Performance Scorecard:

A total of 50.8% of revenue was achieved against a budget of 50%. The increase in revenue is as a result of significant income received from the HSBC Rugby Sevens Tournament, which had an additional day added to the calendar as well as a marked increase in the number of film shoots, of which some were large productions.

The approved repairs and maintenance programme as well as the compliance with all OHSA Acts and regulations for the period were fully accomplished (100%).

For the period under review, the CTS implemented 52 marketing interventions through the use of the City's newly appointed professional service provider (Hello FCB) for marketing and communications. They gained a good feel for the entity's business needs from a marketing perspective, and are therefore able to provide content at a more rapid pace than previously experienced. During Q2, the entity had good products to feed through its marketing channels i.e. HSBC Rugby 7's and related competitions.

The CTS hosted 14 film shoots against a budget of 10 exceeding the target set by 4 film shoots. The primary reason for the significant increase in film shoots relates to the change in operating procedures as implemented by the Head: Events where a dedicated event coordinator assists with the acquisition of film shoots and maintaining of key industry relations. CTS location, client centricity and indoor offering make it ideal.

Six commercial tenders were advertised and BEC meetings were concluded. Preferred suppliers are to be appointed by the BAC.

41.2% of the training budget was spent against a budget of 35%. Even though this was a very busy period for the entity, the staff managed to attend the planned required training.

77.3% of the declarations of interest were completed against a budgeted target of 75%.

The 2019/20 performance scorecard is annexured on pages 18 to 20.

3. Conclusion

During the first half of the 2019/20 financial year the CTS performed well in achieving its set targets. In certain instances, where targets were not met, particularly with bowl and non-bowl events, the entity initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate the changed circumstances.

PART 4 – RECOMMENDATIONS

1. Adjustments Budget

It is recommended that the 2019/20 adjustments budget, which was approved by the board on 6 December 2019, be considered as part of the parent municipality's adjustments budget by Council no later than 31 January 2020.

2. Mid-year changes to measurable performance indicators

It is recommended that the revised measurable performance indicators be approved by Council.

Annexure 1: 2019/20 Performance Scorecard

Cape Town Stadium Performance Assessment Report for 2019/20 - 1 September 2019 to 31 December 2019							
👍 - Meets or exceeds target ; 👎 - Currently does not meet target ; ✋ - Information not available or work on hold							
No	**Indicator**	**Annual Target 30 June 2020**	**Target Performance Q2 - 31 December 2019**	**Actual Performance Q2 - 31 December2019**	**Rating**	**Reason for variance**	**Remedial action**
Strategic Focus Area 1: Opportunity City							
Corporate Objective : Financial Sustainability							
1.	Percentage reduction of the Grant Allocation from the City of Cape Town	6%	N/A - Annual Target	N/A - Annual Target	✋	N/A - Annual Target	
2.	Percentage Achievement of Projected Revenue	90%	50%	50.77%	👍	The increase in revenue is a result of major income received from the Rugby Sevens Tournament which had an additional day added to calender as well as a marked increase in the number of film shoots , of which some were large productions.	
Corporate Objective : Positioning Cape Town as a forward looking globally competitive City							
3.	Percentage Compliance with approved Repairs and Maintenance Programme	100%	100%	100%	👍	All repairs and Maintenance Programmes were concluded as per the Repairs and Maintenance Programme.	
4.	Percentage Spent on Repairs and Maintenance Budget	95%	50%	40%	👎	Preventative maintenance was completed as per the approved programme . There were no major additional corrective maintenance flowing from the scheduled preventative maintenance required for the second quarter.	
5.	Percentage Compliance with OHSA Act and regulations (Act 85 of 1993)	100%	100%	100%	👍	Full compliance with the OHSA Act .	
6.	Number of Marketing Interventions implimented as per the approved Marketing Plan	16	7	52	👍	1. The new professional service provider, HELLO FCB, has settled nicely and has gained a good feel and understanding for our business needs from a marketing perspective. As such, they are able to churn out content at a more rapid pace than previously experienced.2. During Q2 of our financial year, we had good products to feed through our marketing channels i.e. HSBC Rugby 7's and related competitions,	

Continues on next page.

Annexure 1: 2019/20 Performance Scorecard (continued)

7.	Number of Bowl Events Hosted	35	18	17		CTS has successfully delivered seventeen (17) bowl events against the SBDIP target of eP14:Q16ighteen (18) bowl events. The seventeen (17) bowl events delivered to date comparises of the four(4) delivered during Q1 against the SDBIP Target of six (6) bowl events, while the remaining thirteen(13) bowl events were delivered in Q2 against an SDBIP target of twelve (12) bowl events. Unfortunately CTS had not been able to host any additional bowl event considering operations, pitch maintenance in addition to the predetermined PSL Soccer schedule and the hosting of a three day International World Rugby HSBC Cape Town Sevens Series 2019 .	Brand and Marketing to Increase marketing and promotional initiatives to attract and retain bowl events during Q3/Q4. Head Events to provide directive post review of the event calendar and scheduled operations/maintenance.
8.	Number of Non Bowl Events Hosted	50	30	29		During Q1 a total of sixteen (16) non-bowl events were delivered against an SDBIP target of fourteen (14) non -bowl events while in Q2 CTS has delivered a total number of thirteen (13) non -bowl events against an SDBIP Target of sixteen (16) non -bowl events, thus leaving a negative variance of - 3 for non -bowl events in Q2 while amounting to an accumulative total of twenty-nine (29) non-bowl events against the accumulative SDBIP target of thirty (30) non -bowl events. The primary reason for the negative variance in Q2 relates to cancellation and/or postponement of three non -bowl events namely: Western Cape Provincial Government Summit, City of Cape Town Job Exhibition and PWC Training and Development.	Head Events has engaged the three (3) clients who advised of postponement, them being: PWC, Western Cape Provincial Government and City of Cape Town Marketing/Communications Department to reconfirm the events for Q3 or Q4. Western Cape Provincial Government has already confirmed their booking for the 18-20 March 2020 while PWC has booked for 18-20 February 2020.
9.	Number of Film shoots hosted	15	10	14		The film shoot season in Cape Town is in full swing and thus far CTS has attracted and delivered five (5) film shoots against the SBDIP target of four (4) film shoots during Q1 while in Q2 a total of nine (9) film shoots were delivered against an SDBIP Target of six (6). Therefore leaving a positive variance of four (4). The primary reason for the significant increase in film shoots relates to the change in operating procedures as implemented by the Head Events where a dedicated Event Coordinator assists with the the acquisition of film shoots and maintaining of key industry relations. CTS location, client centricity and indoor offering makes it ideal.	
10.	Percentage approved commercialisation programmes implemented as per approved plan.	100%	100%	100%		6 Commercial tenders were advertised and BEC Meetings were concluded.Preferred suppliers to be apointed by BAC.	The approved commercial plan indicates seven interventions for the year as a target of which six were met.The indicator should be changed to an annual target and will be addressed in the adjustment budget period.

Continues on next page.

Annexure 1: 2019/20 Performance Scorecard (continued)

Corporate Objective : Economic Inclusion							
11	Percentage budget spent on implementation of WSP	95%	35%	41.2%		This period was a very busy evens period and few staff attended training. The positive percentage in the fourth quarter contributed towards the Stadium being able to meet the second quarter target.	
Strategic Focus Area 4: Inclusive City							
Corporate Objective 4.3: Building Integrated Communities							
12.	**Building Integrated Communities-** Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved emplyment equity plan (EE) (NKPI)	80%	80%	44.44%		The CFO position was filled in this period and will contribute towards the employment equity targets in the three highest levels of management being met.	The positions of Manager Commercialisation, Head Safety and Security , and ICT Systems Co Ordinator will be appointed in the next quarter which will enhance the equity goal for this indicator.
Strategic Focus Area 5: Well Run City							
Corporate Objective 5.1: Operational Sustainability							
13.	**Operational Sustainability -** Percentage of absenteeism	≤ 5%	≤ 5%	5.42%		The increase above the parameter set is due to a staff member being offsick for a prolonged time due to an operation.	Monitoring of staff in terms of excessive sick leave takes place on a monthly basis , and where required , approved process as per the policy , will be initiated.
14.	**Operational Sustainability -** Percentage of declarations of interest completed	100%	75%	77.27%		The majority of declarations was submitted by the CTS staff , but the processing and finalisation via SCM is taking longer than anticipated .	
15.	**Operational Sustainability -** Opinion of the Auditor General	Clean Audit	Annual Target	N/A - Annual Target		N/A - Annual Target	