CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

DATE:

REPORT TO: EXECUTIVE MAYOR

1. ITEM NUMBER

2. SUBJECT

2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT [E0248] [E0264]

ONDERWERP
HALFJAARLIKSE BEGROTING EN PRESTASIE-EVALUERING VIR 2020/21

ISIHLOKO
UHLAHLO-LWABIWO-MALI LOMBINDI WONYAKA LUKA-2020/21 NOVAVANYO LOKUSEBENZA

3. DELEGATED AUTHORITY

In terms of delegation

This report is for DECISION AND FOR NOTING BY

- ☐ **Committee name** :
- ☑ The Executive Mayor together with the Mayoral Committee (MAYCO)
- ☐ Council

4. DISCUSSION

Section 72 of 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 2020/21 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

<u>Delegated: for decision by the Executive Mayor</u>

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 2021 adjustments budget) be proposed based on the financial outcomes indicated in annexure A to this report.

AANBEVELINGS

<u>Gedelegeer: vir besluitneming deur die uitvoerende burgemeester:</u>

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 2021-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 2021) ngokusekelezelwe kwiziphumo zemali ezibonakaliswe kwisihlomelo A esiqhotyoshelwe kule ngxelo

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ANNEXURES

Annexure A – 2020/21 Mid-year budget and performance assessment

FOR FURTHER DETAILS CONTACT

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E-MAIL ADDRESS	Johan.steyl@capetown.gov.za		
DIRECTORATE		FILE REF NO	-
SIGNATURE : DIRECTOR			

Making progress possible. Together.

CHIEF FINANCIAL OFFICER

NAME Kevin Jacoby

DATE

SIGNATURE

COMMENT:

LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME

DATE

SIGNATURE

COMMENT:

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

JANUARY 2021

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.

City – 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 2020/21

1.1.1. Against annual budget (latest adjustments budget)

Revenue by Source

Current revenue[2] is 1.7% or R393 million below the year-to-date budget projection for December 2020.

Reasons for under-recovery on the revenue budget:

- **Property Rates (R32.3 million under-recovery)**
  The variance is largely due to resolution of GV2018 objections and appeals. All GV2018 objections and appeal values are effective from 01/07/2019. Changes in rating category for five B&Bs and guest houses from business and commercial to residential further contributed to this variance.

- **Service Charges – electricity revenue (R86.8 million under-recovery)**
  The variance is as a result of a change in the billing cycle for Large Power User customers resulting in delayed billing of revenue.

- **Service Charges – sanitation revenue (R36.1 million under-recovery)**
  The variance is mainly due to the current consumption levels for sewer sales-industrial/commercial being lower than anticipated.

- **Service Charges – Refuse Revenue (R31.5 million under-recovery)**
  The variance reflects mainly against the following subcategories:
  - Refuse Charges, due to the data clean-up process of billing errors; and
  - Disposal coupon fees, where disposal of general waste is consumption driven and the actual trend at present is lower than anticipated.

- **Transfers and subsidies (R261.2 million under-recovery)**
  Under-recovery reflects in the following directorates:
  - Community Services & Health, due to misalignment of the period budget provision with the actual expenditure on Pharmaceutical Supplies and Vaccines for Health;
  - Safety & Security, where fewer officers were appointed as a result of the hold placed on Phase 2 of the LEAP project;

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

- Economic Opportunities & Asset Management, where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements, which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged;
- Water & Waste Services, where changes in the appointed of service providers for supply and service of chemical toilets resulted in community unrest; and
- Transport, due to the Rail Safety project (Rail Enforcement Unit) being terminated on 30 June 2020 as a result of PRASA not committing to co-funding for the financial year.

Operating expenditure by type

Current expenditure[3] is 3.3% or R689.8 million below the year-to-date budget projection for December 2020.

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

- **Employee Related Costs (R431.4 million under expenditure)**
  The variance is mainly due to the turnaround time in filling vacancies, internal filling of vacancies, slower than planned implementation of job creation projects, appointment of seasonal workers and temporary staff based on when departments require additional staff, and the temporary hold placed on some vacancies.

- **Depreciation & Asset Impairment (R234.7 million under expenditure)**
  The variance is due to:
  - The impact of assets capitalised in the 2019/20 financial year;
  - The update to the useful life of various infrastructure assets within the Water & Sanitation Services department, which reduced the actual depreciation on these assets; and
  - The impact of the corporate review on the capital budget to be implemented with the upcoming adjustment budget.

- **Contracted Services (R156.4 million over expenditure)**
  The over expenditure reflects against the following subcategories:
  - R&M - Contracted Services Building, where maintenance work was completed earlier than anticipated;
  - R&M Electrical, mainly due to outstanding maintenance work done on UV lights at various wastewater plants as well as impact of a once-off electrical breakdown;
  - R&M Gardening Services, where the actual requirement to date is higher than planned as a result of good weather as well as catching up on backlogs of services not rendered as a result of the COVID-19 lockdown;

[3] **Refer Table C4 – Total expenditure by type**

- Security Services Municipal Facilities, due to misalignment of the period budget and actuals as well as an increase in demand for security services;
- Waste Minimisation, where the budget was reduced as it was expected that disposal sites would be closed for longer, however, it opened earlier resulting in more than planned expenditure;
- Haulage, where the amount of waste being hauled from Transfer Stations/Drop-off Sites to landfill sites has been higher than anticipated to date;
- Professional Services Engineering, due to an increase in demand for services relating to housing- and water projects;
- Legal cost, due to the actuals being higher than planned;
- Graphic Design, due to higher than expected demand to date;
- G&D Laboratory Services – Medical, due to higher than expected demand to date; and
- G&D Transportation Service People, where Station Management AEM invoices were approved earlier than expected.

- **Other Expenditure (R77.8 million under expenditure)**
  The under expenditure reflects against the following subcategories:
  - Levy - Skills Development, due the misalignment of the period budget provision with the actual expenditure trends of LGSETA payments. The Skills Development Levy 'payment holiday' (as announced by the President of SA) as a result of the COVID-19 pandemic further contributed to the under expenditure;
  - Advertising - corporate and municipal accounts, due to misalignment of the monthly budget provision and actual expenditure on corporate and Mayoral advertising requirements;
  - G&D Training and Uniforms, due to the hold placed on LEAP-related expenditure (uniforms, training etc.) because of the possible reduction of funding;
  - Uniforms and Protective Clothing, due to delays in the appointment of additional EPWP staff as well as the hold placed on LEAP-related expenditure (uniforms, training etc.) because of a possible reduction of funding;
  - Rehabilitation of Closed Landfill Sites, where the tender for the Radnor Landfill site rehabilitation was awarded later than anticipated as a result of protractive tender processes;
  - Commission Revenue Sharing, where commission for contravention system service providers was less than anticipated as well as system setup delays;
  - Subsidy on Homeowners Redemption, due to less than planned expenditure linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy; and
  - Indigent Relief: Electricity - Eskom Reimbursement, where processing of the indigent payment for November 2020 was delayed.

Capital expenditure

Year-to-date expenditure[4] amounts to R2 907 million (Dec 2019: R2 470 million) or 33.6% (Dec 2019: 28.1%), of the current budget of R8 665 million, which is higher by 5.5% 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 (19.2%), borrowings (25.5%) and the balance (55.3%) from internally-generated funds and public contributions and donations.

The year-to-date expenditure is below the year-to-date target by R53 million or 1.8%.

Reasons for material positive variances in capital expenditure are:

- Early than anticipated delivery of corporate fleet replacements including fire vehicles and specialised vehicles;
- Early than anticipated completion of work on strategic assets such as the City Hall Upgrade project etc.; and
- More than planned spend against some of the Water & Sanitation department's major projects due to the conservative budgeting approach taken as a result of the uncertainty around the impact of COVID-19 pandemic and the lockdown regulations on implementation of projects.

Reasons for under expenditure on various capital projects:

- The impact of the COVID-19 pandemic and related regulations on implementation of various community service facility projects; Wayleave System implementation; Helderberg Nature Reserve Development; delivery of goods from suppliers, etc.;
- Initial uncertainties with regard to the Fisantekraal Clinic being transferred to the Western Cape Health Services;
- Corporate transversal IT tender not being fully available;
- Planning and prioritisation of detailed requirements taking longer than anticipated;
- Unavailability of relays causing delays in project scheduling;
- Late receipt of final cost estimates for various work packages;
- Delays in implementation of COVID-19 de-densification projects managed by the Western Cape Government in the following areas: Du Noon (objections received), Kosovo (transfer of land pending), and Ithemba (land release not secured);
- Delays in a tender as a result of forward cover on rate of exchange (ROE);
- Delays as a result of legal proceedings;
- Community resistance challenges;
- Delays in finalising priorities and needs on the IT Equipment, Furniture and Office Equipment project;
- Rectification of outstanding snags;

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

- Concept development review to incorporate total life cycle costing and cost saving to bring projects in line with budget;
- Planning of implementation phase taking longer than anticipated;
- Project review taking longer than anticipated and term tender not being in place;
- Residents objecting to a path being constructed in a public open space;
- Disruptions caused by workers relating to issues with the Department of Labour;
- The National Department of Water & Sanitation did not approve the construction drawings on the Vissershok Landfill Airspace Development project;
- Community unrest resulting in the contractor having to cease work for a month;
- Delays caused by health and safety compliance processes;
- Delays in finalising performance guarantees;
- Purchase orders being finalised later than anticipated;
- Outstanding engagements with strategic stakeholders; and
- Delays in appointment of suitable service providers.

Cash Flow

The City's cash reserves are still strong and the extent to which it could fund the capital programme in the outer years would have to be assessed going forward.

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 2020 to 31 December 2020. The 2020/21 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. 2019/20 Annual Report

Due to the potential constraints placed on public entities as a consequence of the COVID-19 pandemic and resultant nationwide lockdown, National Treasury issued an exemption which allowed an extension of two (2) months to all spheres of government to submit their financial statements to the Auditor General of South Africa (AGSA) for auditing (National Government exemption notice 851). As a consequence, the AGSA has extended their audit report submission due dates accordingly to allow for the application of the required due diligence and care during the audit process.

Although the City submitted their financial statements within the deadlines as stipulated in the Municipal Finance Management Act (MFMA), the AGSA has informed the City that it will be unable to complete the audit within the legislative due date as a result of the effect that the exemption, issued by National Treasury, has had on the availability of their resources. The AGSA has resolved that the date of the audit report submission to the Accounting Officer of the City be extended from 31 December 2020 to 28 February 2021.

The audit report from the AGSA is a critical legislative component of the City's annual report. The AGSA is committed to continue with their attempts to complete the audit as soon as possible and will keep the City management informed of the progress at the audit steering committee meetings.

The Annual Report process timeline will be adjusted in line with the timelines outlined below.

Action	Start	End	Comment
Receive audit report from AGSA	-	28 February 2021	-
Table Annual Report in Council	-	31 March 2021	Tentative - process to be monitored continuously.
Publish the Annual Report	1 April 2021	20 April 2021	-
Oversight of the Annual Report	1 April 2021	20 May 2021	-
Table Oversight Report in Council	End of May	-	-
Publish the Oversight Report	Beginning of June	-	-

The Auditor-General report will be included in the 2019/20 Annual Report.

Problems identified in the 2019/20 Annual Report will be address according to the corrective action schedule in the 2019/20 Annual Report document.

1.4. Municipal Entities

- **Cape Town International Convention Centre (CTICC)**
  The CTICC's mid-year review and performance assessment for the period 1 July 2020 to 31 December 2020 is reported in Annexure 2 to this report.

  The entity's 2019/20 Annual Report will be tabled at Council as per MFMA sections 127 to 129.

- **Cape Town Stadium (CTS)**
  The CTS's mid-year review and performance assessment for the period 1 July 2020 to 31 December 2020 is reported in Annexure 3 to this report.

  The entity's 2019/20 Annual Report will be tabled at Council as per MFMA sections 127 to 129.

2. Conclusion

The mid-year budget and performance assessment indicates that:

a) An adjustments budget for 2020/21 is required and this adjustments budget must be approved by Council by no later than 28 February 2021; 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 2020 (M06 2021) 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	2019/20	Budget Year 2020/21						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	10 081 179	10 511 519	10 511 519	5 167 575	5 199 873	(32 298)	-0.6%	10 525 121
Service charges	20 100 461	19 885 709	19 885 709	9 938 306	10 084 497	(146 191)	-1.4%	19 872 799
Investment revenue	1 283 558	847 535	847 535	443 506	447 367	(3 861)	-0.9%	976 104
Transfers and subsidies	7 553 698	5 608 724	6 194 021	3 676 797	3 937 948	(261 152)	-6.6%	6 127 552
Other own revenue	3 362 648	5 371 631	5 371 631	3 248 899	3 198 080	50 819	1.6%	5 336 202
Total Revenue (excluding capital transfers and contributions)	**42 381 544**	**42 225 117**	**42 810 414**	**22 475 083**	**22 867 766**	**(392 683)**	**-1.7%**	**42 837 777**
Employee costs	12 775 413	15 203 365	15 174 141	7 169 058	7 600 474	(431 415)	-5.7%	14 875 460
Remuneration of Councillors	167 521	189 675	189 675	83 212	83 583	(371)	-0.4%	189 675
Depreciation & asset impairment	2 921 723	3 300 067	3 300 067	1 380 742	1 615 407	(234 665)	-14.5%	2 850 866
Finance charges	814 407	828 460	828 530	386 620	414 713	(28 094)	-6.8%	851 450
Materials and bulk purchases	11 169 610	11 590 007	11 585 313	5 321 599	5 353 689	(32 090)	-0.6%	11 545 490
Transfers and subsidies	453 464	498 081	550 603	185 277	241 428	(56 151)	-23.3%	552 688
Other expenditure	11 661 832	13 220 438	13 290 653	5 768 355	5 675 318	93 037	1.6%	13 437 280
Total Expenditure	**39 963 971**	**44 830 094**	**44 918 983**	**20 294 862**	**20 984 612**	**(689 750)**	**-3.3%**	**44 302 910**
Surplus/(Deficit)	**2 417 574**	**(2 604 976)**	**(2 108 569)**	**2 180 221**	**1 883 153**	**297 067**	**15.8%**	**(1 465 133)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 911 311	2 815 828	1 337 349	522 328	603 108	(80 780)	-13.4%	1 746 911
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)	40 524	189 226	189 226	115 468	90 636	24 832	27.4%	195 569
Surplus/(Deficit) after capital transfers & contributions	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**	**241 119**	**9.4%**	**477 347**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**	**241 119**	**9.4%**	**477 347**
Capital expenditure & funds sources								
Capital expenditure	**5 970 668**	**9 605 874**	**8 664 567**	**2 907 891**	**2 960 920**	**(53 029)**	**-1.8%**	**7 378 901**
Capital transfers recognised	1 946 844	2 883 814	1 405 335	558 435	634 417	(75 982)	-12.0%	1 812 397
Borrowing	1 060 298	2 500 000	2 500 000	740 848	534 448	206 400	38.6%	–
Internally generated funds	**2 963 525**	**4 222 060**	**4 759 231**	**1 608 609**	**1 792 056**	**(183 448)**	**-10.2%**	**5 566 504**
Total sources of capital funds	**5 970 668**	**9 605 874**	**8 664 567**	**2 907 891**	**2 960 920**	**(53 029)**	**-1.8%**	**7 378 901**
Financial position								
Total current assets	19 584 521	15 462 550	17 198 543	17 263 214				17 168 216
Total non current assets	56 552 793	62 552 759	61 611 451	57 712 308				60 711 261
Total current liabilities	9 777 564	9 025 173	10 801 929	5 950 439				10 505 785
Total non current liabilities	13 299 091	17 684 925	17 684 925	13 129 558				13 835 686
Community wealth/Equity	**53 060 659**	**51 305 210**	**50 323 139**	**55 895 524**				**53 538 005**
Cash flows								
Net cash from (used) operating	7 005 549	3 778 849	2 816 631	3 033 828	2 342 903	(690 925)	-29.5%	3 632 952
Net cash from (used) investing	(6 773 466)	(8 822 386)	(7 975 209)	(3 198 278)	(3 163 661)	34 617	-1.1%	(6 818 857)
Net cash from (used) financing	715 211	2 173 711	2 173 711	(185 747)	(185 747)	0	-	(384 839)
Cash/cash equivalents at the month/year end	**9 366 569**	**4 660 933**	**6 381 702**	**9 016 371**	**8 360 063**	**(656 308)**	**-7.9%**	**5 795 825**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis								
Total By Income Source	1 966 528	431 301	270 707	230 576	147 694	1 136 928	4 991 923	9 351 184
Creditors Age Analysis								
Total Creditors	685	(15)	(943)	–	667	–	–	394

*The '2019/20 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 R thousands	2019/20 Audited Outcome	Budget Year 2020/21 Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	**16 147 143**	**16 142 580**	**16 405 318**	**9 034 556**	**9 077 396**	**(42 839)**	**-0.5%**	**16 543 829**
Executive and council	680	1 348	1 348	567	318	249	78.5%	2 932
Finance and administration	16 146 448	16 141 229	16 403 968	9 033 989	9 077 077	(43 088)	-0.5%	16 540 894
Internal audit	15	3	3	1	1	(1)	-51.2%	3
Community and public safety	**3 393 953**	**3 207 693**	**3 097 183**	**1 481 193**	**1 594 773**	**(113 580)**	**-7.1%**	**3 088 151**
Community and social services	167 238	134 928	115 723	42 416	59 046	(16 630)	-28.2%	121 085
Sport and recreation	66 160	54 043	45 160	14 664	22 834	(8 169)	-35.8%	48 237
Public safety	1 299 561	1 132 243	1 117 673	658 752	645 094	13 659	2.1%	1 142 418
Housing	1 437 443	1 384 590	1 329 167	544 828	621 774	(76 946)	-12.4%	1 316 312
Health	423 550	501 889	489 459	220 532	246 026	(25 493)	-10.4%	460 100
Economic and environmental services	**1 878 446**	**3 358 490**	**2 250 968**	**855 873**	**1 040 837**	**(184 964)**	**-17.8%**	**2 477 666**
Planning and development	379 116	483 906	486 241	197 120	241 159	(44 040)	-18.3%	469 677
Road transport	1 478 434	2 836 039	1 726 182	642 920	780 167	(137 247)	-17.6%	1 959 448
Environmental protection	20 895	38 545	38 545	15 834	19 511	(3 677)	-18.8%	48 541
Trading services	**22 911 973**	**22 516 457**	**22 578 475**	**11 738 727**	**11 846 076**	**(107 349)**	**-0.9%**	**22 665 564**
Energy sources	14 678 436	14 252 289	14 233 495	7 381 868	7 479 818	(97 950)	-1.3%	14 278 183
Water management	4 532 188	4 473 233	4 487 185	2 405 456	2 376 303	29 153	1.2%	4 673 556
Waste water management	1 967 306	2 015 133	2 081 993	1 001 382	1 010 871	(9 489)	-0.9%	1 996 689
Waste management	1 734 042	1 775 801	1 775 801	950 020	979 084	(29 064)	-3.0%	1 717 136
Other	**1 865**	**4 951**	**5 046**	**2 528**	**2 427**	**102**	**4.2%**	**5 046**
Total Revenue - Functional	**44 333 380**	**45 230 171**	**44 336 989**	**23 112 878**	**23 561 509**	**(448 631)**	**-1.9%**	**44 780 257**
Expenditure - Functional								
Governance and administration	**7 879 527**	**10 228 608**	**10 188 386**	**4 386 513**	**4 863 039**	**(476 526)**	**-9.8%**	**10 176 099**
Executive and council	490 652	616 260	612 742	272 727	283 486	(10 759)	-3.8%	617 575
Finance and administration	7 341 249	9 558 956	9 522 252	4 087 971	4 552 282	(464 312)	-10.2%	9 506 089
Internal audit	47 626	53 392	53 392	25 815	27 271	(1 456)	-5.3%	52 434
Community and public safety	**7 966 564**	**8 127 027**	**8 157 277**	**4 048 137**	**3 923 040**	**125 098**	**3.2%**	**8 290 600**
Community and social services	1 013 034	1 013 228	1 014 315	476 020	496 803	(20 783)	-4.2%	1 022 478
Sport and recreation	1 264 673	1 159 069	1 160 160	622 047	554 587	67 460	12.2%	1 195 399
Public safety	3 025 538	3 162 129	3 132 562	1 560 164	1 557 681	2 483	0.2%	3 144 413
Housing	1 378 494	1 391 023	1 445 486	657 651	635 396	22 255	3.5%	1 494 794
Health	1 284 824	1 401 579	1 404 754	732 255	678 572	53 683	7.9%	1 433 516
Economic and environmental services	**4 837 900**	**5 707 789**	**5 763 685**	**2 321 745**	**2 346 113**	**(24 368)**	**-1.0%**	**5 581 404**
Planning and development	1 316 743	1 375 526	1 396 317	622 148	642 358	(20 210)	-3.1%	1 418 344
Road transport	3 328 634	4 117 236	4 152 959	1 599 903	1 602 680	(2 777)	-0.2%	3 919 972
Environmental protection	192 522	215 027	214 409	99 694	101 075	(1 381)	-1.4%	243 088
Trading services	**19 164 973**	**20 581 635**	**20 614 870**	**9 474 996**	**9 774 791**	**(299 796)**	**-3.1%**	**20 053 490**
Energy sources	11 245 900	11 992 018	12 033 377	5 656 466	5 748 472	(92 006)	-1.6%	11 904 764
Water management	3 454 946	3 570 275	3 544 454	1 574 125	1 656 374	(82 249)	-5.0%	3 340 103
Waste water management	2 266 022	2 530 258	2 547 955	1 102 454	1 143 415	(40 961)	-3.6%	2 423 646
Waste management	2 198 106	2 489 084	2 489 084	1 141 951	1 226 531	(84 580)	-6.9%	2 384 976
Other	**115 007**	**185 034**	**194 765**	**63 471**	**77 629**	**(14 158)**	**-18.2%**	**201 317**
Total Expenditure - Functional	**39 963 971**	**44 830 094**	**44 918 983**	**20 294 862**	**20 984 612**	**(689 750)**	**-3.3%**	**44 302 910**
Surplus/ (Deficit) for the year	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**	**241 119**	**9.4%**	**477 347**

*The ‘2019/20 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	2019/20	Budget Year 2020/21						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - Community Services & Health	914 528	1 066 078	1 255 839	702 582	783 007	(80 424)	-10.3%	1 230 326
Vote 2 - Corporate Services	70 585	57 780	57 780	17 402	28 890	(11 487)	-39.8%	56 762
Vote 3 - Economic Opportunities & Asset Managemnt	262 150	283 469	295 686	112 883	148 741	(35 858)	-24.1%	248 704
Vote 4 - Energy & Climate Change	14 473 143	14 028 935	14 010 141	7 214 307	7 312 268	(97 961)	-1.3%	14 066 385
Vote 5 - Finance	16 964 279	16 939 234	16 905 057	9 569 548	9 589 731	(20 183)	-0.2%	17 039 101
Vote 6 - Human Settlements	1 312 455	1 253 326	1 197 903	446 332	523 301	(76 969)	-14.7%	1 185 048
Vote 7 - Office of the City Manager	35	6	6	28	3	25	777.0%	6
Vote 8 - Safety & Security	1 467 522	1 616 047	1 658 369	876 210	939 260	(63 050)	-6.7%	1 710 815
Vote 9 - Spatial Planning & Environment	136 040	187 521	187 734	76 855	92 350	(15 495)	-16.8%	215 360
Vote 10 - Transport	1 364 477	2 369 495	1 269 383	497 486	560 059	(62 572)	-11.2%	1 488 620
Vote 11 - Urban Management	259 816	275 239	265 239	131 982	130 791	1 191	0.9%	278 562
Vote 12 - Water & Waste	7 108 350	7 153 041	7 233 852	3 467 262	3 453 109	14 152	0.4%	7 260 569
Total Revenue by Vote	**44 333 380**	**45 230 171**	**44 336 989**	**23 112 878**	**23 561 509**	**(448 632)**	**-1.9%**	**44 780 257**
Expenditure by Vote								
Vote 1 - Community Services & Health	3 776 978	4 403 961	4 395 935	1 937 659	2 132 186	(194 527)	-9.1%	4 388 182
Vote 2 - Corporate Services	1 865 719	2 061 818	2 061 626	976 113	960 296	15 816	1.6%	2 131 156
Vote 3 - Economic Opportunities & Asset Managemnt	1 350 697	1 414 661	1 426 705	635 525	641 408	(5 883)	-0.9%	1 414 612
Vote 4 - Energy & Climate Change	11 543 139	12 412 445	12 412 274	5 795 303	5 934 057	(138 755)	-2.3%	12 254 004
Vote 5 - Finance	2 695 551	3 686 308	3 686 116	1 797 398	1 844 103	(46 705)	-2.5%	3 798 693
Vote 6 - Human Settlements	1 381 141	1 394 457	1 456 270	661 181	641 043	20 138	3.1%	1 504 048
Vote 7 - Office of the City Manager	230 007	258 605	258 386	126 686	145 780	(19 094)	-13.1%	259 447
Vote 8 - Safety & Security	3 673 950	4 293 174	4 284 734	1 940 931	1 922 794	18 137	0.9%	4 177 054
Vote 9 - Spatial Planning & Environment	667 815	789 228	789 270	365 826	390 087	(24 261)	-6.2%	827 966
Vote 10 - Transport	3 257 070	3 640 210	3 672 794	1 417 359	1 477 337	(59 978)	-4.1%	3 515 767
Vote 11 - Urban Management	982 355	1 127 346	1 127 155	477 376	473 896	3 480	0.7%	1 149 482
Vote 12 - Water & Waste	8 539 549	9 347 882	9 347 719	4 163 506	4 421 625	(258 119)	-5.8%	8 882 498
Total Expenditure by Vote	**39 963 971**	**44 830 094**	**44 918 983**	**20 294 862**	**20 984 612**	**(689 750)**	**-3.3%**	**44 302 910**
Surplus/ (Deficit) for the year	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**	**241 119**	**9.4%**	**477 347**

*The '2019/20 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 R thousands	2019/20 Audited Outcome	Budget Year 2020/21 Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	10 081 179	10 511 519	10 511 519	5 167 575	5 199 873	(32 298)	-0.6%	10 525 121
Service charges - electricity revenue	14 253 069	13 789 334	13 789 334	7 116 685	7 203 497	(86 813)	-1.2%	13 829 694
Service charges - water revenue	3 021 344	3 194 459	3 194 459	1 489 242	1 480 981	8 261	0.6%	3 212 865
Service charges - sanitation revenue	1 550 298	1 616 486	1 616 486	738 338	774 424	(36 086)	-4.7%	1 616 883
Service charges - refuse revenue	1 275 750	1 285 431	1 285 431	594 042	625 595	(31 553)	-5.0%	1 213 356
Rental of facilities and equipment	340 986	359 559	359 559	183 183	183 285	(102)	-0.1%	355 765
Interest earned - external investments	1 283 558	847 535	847 535	443 506	447 367	(3 861)	-0.9%	976 104
Interest earned - outstanding debtors	406 848	389 137	389 137	250 299	194 895	55 404	28.4%	416 982
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	1 313 161	1 063 333	1 063 333	647 882	622 137	25 745	4.1%	1 063 333
Licences and permits	45 587	76 875	76 875	20 332	28 328	(7 996)	-28.2%	65 092
Agency services	200 585	242 236	242 236	146 769	118 810	27 959	23.5%	242 236
Transfers and subsidies	7 553 698	5 608 724	6 194 021	3 676 797	3 937 948	(261 152)	-6.6%	6 127 552
Other revenue	1 003 030	3 190 491	3 190 491	1 984 909	2 026 125	(41 215)	-2.0%	3 138 795
Gains	52 451	50 000	50 000	15 525	24 500	(8 975)	-36.6%	54 000
Total Revenue (excluding capital transfers and contributions)	**42 381 544**	**42 225 117**	**42 810 414**	**22 475 083**	**22 867 766**	**(392 683)**	**-1.7%**	**42 837 777**
Expenditure By Type								
Employee related costs	12 775 413	15 203 365	15 174 141	7 169 058	7 600 474	(431 415)	-5.7%	14 875 460
Remuneration of councillors	167 521	189 675	189 675	83 212	83 583	(371)	-0.4%	189 675
Debt impairment	2 804 042	3 640 353	3 640 353	1 835 200	1 822 676	12 524	0.7%	3 210 936
Depreciation & asset impairment	2 921 723	3 300 067	3 300 067	1 380 742	1 615 407	(234 665)	-14.5%	2 850 866
Finance charges	814 407	828 460	828 530	386 620	414 713	(28 094)	-6.8%	851 450
Bulk purchases	9 858 442	9 990 881	9 990 881	4 685 910	4 696 153	(10 243)	-0.2%	9 993 531
Other materials	1 311 168	1 599 125	1 594 432	635 689	657 536	(21 847)	-3.3%	1 551 958
Contracted services	6 710 842	7 215 975	7 217 211	2 912 193	2 755 815	156 377	5.7%	7 704 327
Transfers and subsidies	453 464	498 081	550 603	185 277	241 428	(56 151)	-23.3%	552 688
Other expenditure	2 129 290	2 362 108	2 431 082	1 017 973	1 095 729	(77 756)	-7.1%	2 519 883
Losses	17 659	2 002	2 007	2 989	1 097	1 892	172.4%	2 134
Total Expenditure	**39 963 971**	**44 830 094**	**44 918 983**	**20 294 862**	**20 984 612**	**(689 750)**	**-3.3%**	**44 302 910**
Surplus/(Deficit)	**2 417 574**	**(2 604 976)**	**(2 108 569)**	**2 180 221**	**1 883 153**	**297 067**	**15.8%**	**(1 465 133)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 911 311	2 815 828	1 337 349	522 328	603 108	(80 780)	-13.4%	1 746 911
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	40 465	189 226	189 226	115 468	90 636	24 832	27.4%	195 569
Transfers and subsidies - capital (in-kind - all)	60	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**			**477 347**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**			**477 347**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**			**477 347**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**4 369 409**	**400 078**	**(581 994)**	**2 818 016**	**2 576 897**			**477 347**

*The '2019/20 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	2019/20	Budget Year 2020/21						
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	283 453	453 758	443 616	79 325	162 490	(83 165)	-51.2%	327 256
Vote 2 - Corporate Services	157 647	242 020	249 968	94 033	116 809	(22 777)	-19.5%	225 143
Vote 3 - Economic Opportunities & Asset Managemnt	391 416	580 321	585 754	131 810	96 700	35 110	36.3%	359 072
Vote 4 - Energy & Climate Change	622 239	1 049 131	1 049 221	308 871	344 922	(36 051)	-10.5%	852 722
Vote 5 - Finance	63 051	268 787	295 583	160 362	126 295	34 067	27.0%	274 033
Vote 6 - Human Settlements	858 297	894 903	812 741	296 921	400 145	(103 224)	-25.8%	781 009
Vote 7 - Office of the City Manager	1 329	2 130	2 176	80	1 318	(1 237)	-93.9%	1 585
Vote 8 - Safety & Security	429 428	438 954	428 195	139 936	123 716	16 220	13.1%	385 688
Vote 9 - Spatial Planning & Environment	54 776	157 205	158 489	55 575	60 490	(4 916)	-8.1%	136 452
Vote 10 - Transport	873 070	1 793 342	978 338	324 531	406 793	(82 261)	-20.2%	917 980
Vote 11 - Urban Management	57 350	81 503	84 261	13 728	22 318	(8 590)	-38.5%	66 978
Vote 12 - Water & Waste	2 178 611	3 643 819	3 576 224	1 302 719	1 098 925	203 794	18.5%	3 050 982
Total Capital Expenditure	**5 970 668**	**9 605 874**	**8 664 567**	**2 907 891**	**2 960 920**	**(53 029)**	**-1.8%**	**7 378 901**
Capital Expenditure - Functional Classification								
Governance and administration	**940 353**	**1 396 272**	**1 422 162**	**415 214**	**535 925**	**(120 712)**	**-22.5%**	**1 127 337**
Executive and council	4 114	19 414	20 310	401	17 195	(16 794)	-97.7%	18 882
Finance and administration	935 724	1 376 447	1 401 400	414 812	518 488	(103 676)	-20.0%	1 108 195
Internal audit	516	411	452	–	242	(242)	-100.0%	260
Community and public safety	**1 316 924**	**1 745 862**	**1 666 304**	**622 078**	**708 047**	**(85 969)**	**-12.1%**	**1 497 036**
Community and social services	87 086	121 397	122 003	33 725	51 363	(17 638)	-34.3%	99 760
Sport and recreation	85 176	357 122	374 234	173 380	142 741	30 640	21.5%	335 724
Public safety	234 506	279 623	269 630	107 504	84 400	23 104	27.4%	223 944
Housing	858 297	894 903	812 741	296 921	400 145	(103 224)	-25.8%	781 009
Health	51 860	92 816	87 696	10 548	29 398	(18 851)	-64.1%	56 600
Economic and environmental services	**1 047 234**	**2 106 139**	**1 291 187**	**407 778**	**489 417**	**(81 640)**	**-16.7%**	**1 176 923**
Planning and development	92 747	112 992	115 650	33 089	23 387	9 702	41.5%	119 076
Road transport	934 542	1 879 199	1 061 382	333 319	420 722	(87 403)	-20.8%	974 368
Environmental protection	19 945	113 949	114 154	41 369	45 309	(3 939)	-8.7%	83 479
Trading services	**2 664 218**	**4 338 922**	**4 266 137**	**1 458 976**	**1 222 560**	**236 416**	**19.3%**	**3 565 041**
Energy sources	593 665	1 027 660	1 021 012	301 255	329 019	(27 764)	-8.4%	829 841
Water management	993 839	1 287 888	1 297 153	546 350	402 301	144 049	35.8%	1 290 857
Waste water management	883 414	1 465 161	1 359 656	471 261	257 826	213 435	82.8%	1 023 217
Waste management	193 299	558 214	588 316	140 110	233 414	(93 304)	-40.0%	421 126
Other	**1 938**	**18 679**	**18 777**	**3 846**	**4 970**	(1 125)	-22.63%	**12 563**
Total Capital Expenditure - Functional Classification	**5 970 668**	**9 605 874**	**8 664 567**	**2 907 891**	**2 960 920**	**(53 029)**	**-1.8%**	**7 378 901**
Funded by:								
National Government	1 869 804	2 803 382	1 323 757	516 892	597 212	(80 321)	-13.4%	1 733 295
Provincial Government	36 561	12 446	13 592	5 436	3 270	2 166	66.3%	13 616
District Municipality	–	–	–	–	–	–	-	–
Other transfers and grants	40 480	67 986	67 986	36 107	33 935	2 173	6.4%	65 486
Transfers recognised - capital	**1 946 844**	**2 883 814**	**1 405 335**	**558 435**	**634 417**	**(75 982)**	**-12.0%**	**1 812 397**
Borrowing	**1 060 298**	**2 500 000**	**2 500 000**	**740 848**	**534 448**	**206 400**	**38.6%**	**–**
Internally generated funds	**2 963 525**	**4 222 060**	**4 759 231**	**1 608 609**	**1 792 056**	**(183 448)**	**-10.2%**	**5 566 504**
Total Capital Funding	**5 970 668**	**9 605 874**	**8 664 567**	**2 907 891**	**2 960 920**	**(53 029)**	**-1.8%**	**7 378 901**

*The ‘2019/20 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	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	277 285	121 758	121 758	259 969	121 758
Call investment deposits	11 525 335	6 505 170	8 225 939	11 525 335	7 640 062
Consumer debtors	6 320 661	6 999 547	7 014 770	3 755 059	7 677 462
Other debtors	1 021 212	1 302 932	1 302 932	1 195 952	1 265 569
Current portion of long-term receivables	8 524	5 594	5 594	8 524	8 526
Inventory	431 504	527 549	527 549	518 375	454 840
Total current assets	**19 584 521**	**15 462 550**	**17 198 543**	**17 263 214**	**17 168 216**
Non current assets					
Long-term receivables	11 616	15 984	15 984	6 998	963
Investments	6 267 808	5 908 894	5 908 894	5 904 791	5 908 894
Investment property	581 247	579 534	579 534	581 247	579 534
Investments in Associate	–	–	–	–	–
Property, plant and equipment	49 082 175	55 655 771	54 714 464	50 609 325	53 775 249
Biological	–	–	–	–	–
Intangible	599 678	382 296	382 296	599 678	436 352
Other non-current assets	10 269	10 280	10 280	10 269	10 269
Total non current assets	**56 552 793**	**62 552 759**	**61 611 451**	**57 712 308**	**60 711 261**
TOTAL ASSETS	**76 137 314**	**78 015 309**	**78 809 994**	**74 975 521**	**77 879 477**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	446 355	628 487	628 487	446 355	407 221
Consumer deposits	419 421	497 264	497 264	461 255	438 715
Trade and other payables	7 527 442	6 602 127	8 378 883	3 669 794	8 239 071
Provisions	1 384 347	1 297 295	1 297 295	1 373 035	1 420 779
Total current liabilities	**9 777 564**	**9 025 173**	**10 801 929**	**5 950 439**	**10 505 785**
Non current liabilities					
Borrowing	6 871 889	9 784 054	9 784 054	6 702 355	6 580 592
Provisions	6 427 203	7 900 871	7 900 871	6 427 203	7 255 094
Total non current liabilities	**13 299 091**	**17 684 925**	**17 684 925**	**13 129 558**	**13 835 686**
TOTAL LIABILITIES	**23 076 656**	**26 710 099**	**28 486 855**	**19 079 997**	**24 341 472**
NET ASSETS	**53 060 659**	**51 305 210**	**50 323 139**	**55 895 524**	**53 538 005**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	47 421 464	46 737 031	46 226 796	50 983 727	48 583 971
Reserves	5 639 194	4 568 179	4 096 344	4 911 798	4 954 034
TOTAL COMMUNITY WEALTH/EQUITY	**53 060 659**	**51 305 210**	**50 323 139**	**55 895 524**	**53 538 005**

*The ‘2019/20 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	2019/20	Budget Year 2020/21						
R thousands	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	9 841 785	10 031 409	10 031 409	5 141 962	5 022 616	119 345	2.4%	10 136 463
Service charges	20 880 394	18 045 505	18 045 505	10 216 463	8 956 922	1 259 541	14.1%	18 364 553
Other revenue	1 756 755	4 122 832	4 001 592	3 226 496	2 590 246	636 250	24.6%	3 968 169
Transfers and Subsidies - Operational	4 957 485	5 608 724	6 194 021	3 594 472	4 290 648	(696 176)	-16.2%	6 127 552
Transfers and Subsidies - Capital	1 911 311	2 815 828	1 458 589	961 017	1 231 563	(270 546)	-22.0%	1 876 994
Interest	1 642 305	847 535	847 535	449 977	442 096	7 881	1.8%	976 104
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(33 265 559)	(36 939 655)	(37 008 691)	(20 186 532)	(19 821 178)	365 354	-1.8%	(37 063 555)
Finance charges	(718 927)	(753 329)	(753 329)	(370 027)	(370 010)	17	0.00%	(753 329)
Transfers and Grants	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**7 005 549**	**3 778 849**	**2 816 631**	**3 033 828**	**2 342 903**	**(690 925)**	**-29.5%**	**3 632 952**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	73 195	117 986	50 000	–	–	–	-	119 486
Decrease (increase) in non-current receivables	10 826	3 390	3 390	–	–	–	-	963
Decrease (increase) in non-current investments	(886 819)	(298 475)	(298 475)	–	–	–	-	(298 475)
Payments								
Capital assets	(5 970 668)	(8 645 287)	(7 730 124)	(3 198 278)	(3 163 661)	34 617	-1.1%	(6 640 831)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6 773 466)**	**(8 822 386)**	**(7 975 209)**	**(3 198 278)**	**(3 163 661)**	**34 617**	**-1.1%**	**(6 818 857)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	-	–
Borrowing long term/refinancing	1 091 580	2 500 000	2 500 000	–	–	–	-	–
Increase (decrease) in consumer deposits	8 459	45 206	45 206	–	–	–	-	(13 344)
Payments								
Repayment of borrowing	(384 828)	(371 495)	(371 495)	(185 747)	(185 747)	-	-	(371 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**715 211**	**2 173 711**	**2 173 711**	**(185 747)**	**(185 747)**	**-**	**-**	**(384 839)**
NET INCREASE/ (DECREASE) IN CASH HELD	**947 294**	**(2 869 825)**	**(2 984 867)**	**(350 197)**	**(1 006 505)**			**(3 570 744)**
Cash/cash equivalents at beginning:	8 419 275	7 530 759	9 366 569	9 366 569	9 366 569			9 366 569
Cash/cash equivalents at month/year end:	9 366 569	4 660 933	6 381 702	9 016 371	8 360 063			5 795 825

*The ‘2019/20 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	Budget Year 2020/21											
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	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	326 575	99 531	65 618	80 746	65 353	62 737	292 468	1 538 382	2 531 410	2 039 686	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	535 806	97 478	27 232	39 478	9 190	27 278	107 495	266 451	1 110 407	449 891	–	–
Receivables from Non-exchange Transactions - Property Rates	734 273	176 930	114 730	98 762	101 394	58 503	267 521	833 242	2 385 355	1 359 423	–	–
Receivables from Exchange Transactions - Waste Water Management	168 191	47 878	31 068	36 133	26 783	29 256	126 899	546 369	1 012 577	765 441	–	–
Receivables from Exchange Transactions - Waste Management	99 039	29 615	19 606	21 030	17 843	23 889	131 251	456 297	798 570	650 309	–	–
Receivables from Exchange Transactions - Property Rental Debtors	97 527	13 675	13 266	11 539	(587)	10 891	68 838	559 761	774 910	650 443	–	–
Interest on Arrear Debtor Accounts	84 757	44 593	42 811	36 053	32 664	31 262	187 984	905 280	1 365 403	1 193 242	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(79 640)	(78 399)	(43 623)	(148 212)	(22 064)	(96 122)	(45 529)	(113 859)	(627 448)	(425 786)	–	–
Total By Income Source	**1 966 528**	**431 301**	**270 707**	**175 529**	**230 576**	**147 694**	**1 136 928**	**4 991 923**	**9 351 184**	**6 682 649**	**–**	**–**
2019/20 - totals only	**2 282 290**	**227 401**	**236 510**	**199 609**	**29 143**	**162 338**	**909 726**	**4 613 114**	**8 660 131**	**5 913 930**	**–**	**–**
Debtors Age Analysis By Customer Group												
Organs of State	82 640	27 135	16 697	(94 279)	16 145	(74 217)	37 937	27 796	39 854	(86 618)	–	–
Commercial	1 046 144	165 692	104 558	91 446	81 396	54 218	198 758	388 279	2 130 491	814 097	–	–
Households	1 009 502	261 835	175 454	186 824	144 290	164 100	821 658	4 100 900	6 864 563	5 417 773	–	–
Other	(171 758)	(23 361)	(26 002)	(8 462)	(11 255)	3 593	78 575	474 947	316 277	537 397	–	–
Total By Customer Group	**1 966 528**	**431 301**	**270 707**	**175 529**	**230 576**	**147 694**	**1 136 928**	**4 991 923**	**9 351 184**	**6 682 649**	**–**	**–**

Creditors' Analysis

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

Table SC4 Monthly Budget Statement - Aged Creditors

Description	Budget Year 2020/21									Prior year totals (same period)
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	685	(15)	(943)	–	–	667	–	–	**394**	369 568
Auditor General	–	–	–	–	–	–	–	–	**–**	–
Other	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**685**	**(15)**	**(943)**	**–**	**–**	**667**	**–**	**–**	**394**	**369 568**

The City's creditors are paid within 30 days as stipulated in the MFMA. Outstanding creditors older than 31 days are due to debit balances that will be deducted from the next payment run as well as payments that have been blocked due to incorrect vendor banking details. The City has a continuous management follow-up control system in place to facilitate the ultimate payment of these invoices.

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	2019/20	Budget Year 2020/21						
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:	**645 415**	**6 747 281**	**7 293 433**	**307 130**	**393 467**	**(86 336)**	**-21.9%**	**7 185 731**
Local Government Equitable Share	–	3 081 195	3 509 590	–	–	–	-	3 509 590
Finance Management grant	1 000	1 000	1 000	740	538	202	37.5%	1 000
Urban Settlements Development Grant	125 233	137 635	329 301	89 777	149 840	(60 063)	-40.1%	366 153
Energy Efficiency and Demand Side Management Grant	640	950	950	215	495	(280)	-56.6%	825
Dept. of Environ Affairs and Tourism	276	11 219	11 432	481	941	(460)	-48.9%	4 658
Expanded Public Works Programme	24 146	43 566	43 566	10 556	16 074	(5 518)	-34.3%	51 208
Integrated City Development Grant	2 664	14 904	14 904	1 923	3 719	(1 796)	-48.3%	31 087
Public Transport Infrastructure & Systems Grant	9 822	120 202	121 053	9 561	28 564	(19 003)	-66.5%	44 170
Infrastructure Skills Development	10 963	11 000	11 000	3 104	5 500	(2 396)	-43.6%	9 869
Public Transport Network Grant	468 257	608 396	528 401	175 028	161 849	13 179	8.1%	484 193
Neighboorhood Development Partnership Grant	–	6 900	3 800	–	–	–	-	–
Informal Settlements Upgrading Partnership Grant	–	45 427	41 427	1 037	–	1 037	100.0%	43 139
National Skills Fund	–	50 320	62 441	3 927	15 052	(11 125)	-73.9%	25 460
National Treasury General Budget Support	–	19 595	19 595	10 783	10 895	(113)	-1.0%	19 408
Peninsula Wetlands Rehabilitation Project	660	–	–	–	–	–	-	–
Special Projects	1 740	–	–	–	–	–	-	–
Terrestrial Invasive Alien Plants	15	–	–	–	–	–	-	–
Fuel Levy	–	2 594 972	2 594 972	–	–	–	-	2 594 972
Provincial Government:	**1 055 292**	**1 421 609**	**1 460 589**	**488 662**	**570 735**	**(82 073)**	**-14.4%**	**1 523 054**
Cultural Affairs and Sport - Provincial Library Services	47 110	49 192	41 287	25 138	25 122	15	0.1%	46 124
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	5 294	5 338	5 338	923	152	771	506.1%	5 374
Human Settlements - Human Settlement Development Grant	390 687	266 999	327 184	100 248	121 100	(20 852)	-17.2%	358 729
Health - TB	30 666	81 085	81 085	9 635	9 635	–	-	32 138
Health - ARV	257 047	273 756	273 756	133 000	135 407	(2 407)	-1.8%	278 156
Health - Nutrition	5 373	6 548	6 548	2 586	3 260	(674)	-20.7%	6 548
Health - Vaccines	98 845	91 661	91 661	70 454	45 831	24 624	53.7%	112 115
Comprehensive Health	–	173 489	173 489	–	–	–	-	201 982
LEAP	79 568	417 000	417 000	131 755	218 199	(86 444)	-39.6%	431 029
Transport and Public Works - Provision for persons with special needs	11 150	10 000	10 000	5 972	4 000	1 972	49.3%	10 102
Economic Development and Tourism: Public Access Centres TSLE	–	12 689	3 590	2 157	901	1 257	139.5%	3 590
Community Safety - Law Enforcement Auxiliary Services	4 207	4 388	4 388	–	–	–	-	4 917
Community Development Workers	451	1 034	1 034	507	–	507	100.0%	2 618
Informal Settlements	927	–	–	–	–	–	-	–
Enhanced Extended Discount Benefit Scheme	31 537	–	–	–	–	–	-	–
Finance Management Support Grant	230	–	–	–	–	–	-	–
Disaster Fund	52 575	–	–	–	–	–	-	–
Finance Management Capacity Building Grant	500	400	400	–	182	(182)	-100.0%	300
Transport Safety and Compliance - Rail Safety	22 548	18 000	12 000	–	–	–	-	14 000
Establishment and Support K9 unit	4 258	2 530	2 530	–	1 265	(1 265)	-100.0%	3 207
Municipal accreditation and capacity building grant	11 897	7 500	7 500	4 506	3 882	624	16.1%	10 325
Human Settlements- Eradication of registration backlog	421	–	1 800	1 780	1 800	(19)	-1.1%	1 800
Other grant providers:	**24 450**	**34 805**	**34 970**	**1 208**	**6 916**	**(5 709)**	**-82.5%**	**7 708**
CID	8 069	3 586	3 586	1 195	1 878	(683)	-36.4%	5 272
Bergvliet High Part-time Trfc Attendant	36	50	50	–	25	(25)	-100.0%	–
Integrated Public Transport Network	12 343	15 400	15 400	–	1 041	(1 041)	-100.0%	1 500
KFW- Technical Assistance (GDB)	–	15 000	15 000	–	3 500	(3 500)	-100.0%	–
Orio - IRT Phase 2	–	770	770	–	308	(308)	-100.0%	770
Tourism	1 322	–	95	(30)	95	(125)	-132.1%	95
ACSA Traffic Officer	1 710	–	–	–	–	–	-	–
Rustenberg Junior Girls School - Traffic Attendant	36	–	–	–	–	–	-	–
Westcott Primary School - Traffic Attendant	36	–	–	–	–	–	-	–
V & A Trafiic Officer	778	–	–	–	–	–	-	–
Medicins SANS Fronteries	119	–	–	–	–	–	-	–
University of Connecticut	2	–	71	43	71	(27)	-38.8%	71
Total operating expenditure of Transfers and Grants	**1 725 157**	**8 203 696**	**8 788 993**	**797 000**	**971 119**	**(174 118)**	**-17.9%**	**8 716 492**

Table continues on next page.

Description R thousands	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure of Transfers and Grants								
National Government:	**1 870 619**	**2 803 382**	**1 323 757**	**516 892**	**597 212**	**(80 321)**	**-13.4%**	**1 733 295**
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	–	9 050	8 050	3 363	4 000	(637)	-15.9%	8 175
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	10 425	–	–	(5)	–	(5)	-100.0%	–
National Government - Other: Previous years' Dora allocations	–	50	50	–	20	(20)	-100.0%	–
National Treasury: Expanded Public Works Programme	594	1 206	1 206	478	392	85	21.8%	1 342
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	–	291 515	258 721	61 953	136 495	(74 542)	-54.6%	271 098
National Treasury: Infrastructure Skills Development Grant	–	–	–	–	–	–	0.0%	1 000
National Treasury: Integrated City Development Grant	52 723	53 040	53 040	5 762	23 275	(17 513)	-75.2%	45 169
National Treasury: Local Government Restructuring Grant	–	280	280	123	105	18	17.1%	280
National Treasury: Neighbourhood Development Partnership Grant	42 000	59 636	28 136	96	16 000	(15 904)	-99.4%	19 604
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	1 045 000	–	(3)	–	(3)	-100.0%	318 270
National Treasury: Urban Settlements Development Grant	1 387 491	1 007 028	707 696	366 513	305 859	60 654	19.8%	801 779
National Treasury: Municipal Disaster Recovery Grant	–	–	–	(0)	–	(0)	-	–
Transport: Public Transport Network Grant	377 386	336 578	266 578	78 612	111 066	(32 454)	-29.2%	266 578
Provincial Government:	**32 710**	**12 446**	**13 592**	**5 436**	**3 270**	**2 166**	**66.3%**	**13 616**
Housing: Integrated Housing and Human Settlement Development Grant	279	–	712	478	–	478	100.0%	712
Cultural Affairs and Sport: Library Services: Metro Library Grant	12 607	10 550	10 550	3 820	3 120	700	22.4%	11 574
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	779	1 000	1 000	–	–	–	-	–
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	19 045	896	1 330	1 138	150	988	658.5%	1 330
Other grant providers:	**65 468**	**67 986**	**67 986**	**36 107**	**33 935**	**2 173**	**6.4%**	**65 486**
Other: Other	65 468	67 986	67 986	36 107	33 935	2 173	6.4%	65 486
Total capital expenditure of Transfers and Grants	**1 968 796**	**2 883 814**	**1 405 335**	**558 435**	**634 417**	**(75 982)**	**-12.0%**	**1 812 397**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3 693 953**	**11 087 510**	**10 194 328**	**1 355 435**	**1 605 535**	**(250 100)**	**-15.6%**	**10 528 889**

*The '2019/20 Audited Outcome' column reflects pre-audited figures.

Reasons for amendments on transfers and grants

- Committed 2019/20 conditional grants approved by National Treasury (NT) in terms of section 22(2) of the 2019 Division of Revenue Act (DoRA), (Act No. 16 of 2019), dated 26 October 2020;
- Committed 2019/20 conditional grants approved by Provincial Treasury (PT) in terms of Section 10 (2) of the Western Cape Appropriation Act 2019 (4 of 2019), dated 10 November 2020;
- Amendments on national funding in terms of the Division of Revenue Amendment Bill, gazette number 43660 of 28 August 2020 as well as the Division of Revenue Second Amendment Act, 2020;
- Amendments on provincial funding in terms of the Provincial Gazette Extraordinary, number 8358 of 26 November 2020;
- 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 between the operating- and 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	2019/20	Budget Year 2020/21						
R thousands	Audited Outcome	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	143 964	154 911	154 911	71 394	71 455	(60)	-0.1%	154 911
Pension and UIF Contributions	5 100	6 358	6 358	2 634	2 680	(46)	-1.7%	6 358
Motor Vehicle Allowance	475	638	638	243	268	(25)	-9.3%	638
Cellphone Allowance	9 372	9 544	9 544	4 659	4 829	(170)	-3.5%	9 544
Other benefits and allowances	8 609	18 225	18 225	4 282	4 351	(69)	-1.6%	18 225
Sub Total - Councillors	**167 521**	**189 675**	**189 675**	**83 212**	**83 583**	**(371)**	**-0.4%**	**189 675**
% increase		**13.2%**	**13.2%**					**13.2%**
Senior Managers of the Municipality								
Basic Salaries and Wages	27 514	32 580	30 998	15 645	15 725	(80)	-0.51%	30 998
Pension and UIF Contributions	2 352	3 742	3 175	1 471	1 587	(117)	-7.36%	3 175
Medical Aid Contributions	150	185	185	86	93	(6)	-6.98%	185
Motor Vehicle Allowance	641	643	603	302	301	1	0.36%	603
Cellphone Allowance	192	290	290	150	146	4	2.83%	290
Other benefits and allowances	334	67	67	31	34	(2)	-7.27%	68
Payments in lieu of leave	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**31 183**	**37 507**	**35 317**	**17 686**	**17 886**	**(200)**	**-1.1%**	**35 318**
% increase		**20.3%**	**13.3%**					**13.9%**
Other Municipal Staff								
Basic Salaries and Wages	9 010 509	10 771 328	10 805 840	5 056 326	5 509 155	(452 829)	-8.2%	10 231 628
Pension and UIF Contributions	1 394 775	1 751 417	1 679 678	748 713	831 253	(82 539)	-9.9%	1 586 214
Medical Aid Contributions	823 268	901 410	901 410	436 525	449 809	(13 284)	-3.0%	900 544
Overtime	763 953	698 138	706 782	400 704	284 767	115 937	40.7%	826 053
Motor Vehicle Allowance	209 435	248 056	248 126	104 408	122 464	(18 055)	-14.7%	250 658
Cellphone Allowance	22 764	26 834	24 456	20 964	14 183	6 780	47.8%	30 716
Housing Allowances	65 086	69 645	69 645	34 354	34 768	(414)	-1.2%	69 603
Other benefits and allowances	289 411	306 112	309 251	161 615	141 576	20 039	14.2%	321 098
Payments in lieu of leave	292 120	86 607	87 723	60 045	45 472	14 573	32.0%	88 760
Long service awards	73 555	49 434	49 034	823	22 545	(21 722)	-96.4%	48 522
Post-retirement benefit obligations	(176 418)	280 120	280 120	136 960	137 533	(573)	-0.42%	509 590
Sub Total - Other Municipal Staff	**12 768 458**	**15 189 101**	**15 162 067**	**7 161 436**	**7 593 524**	**(432 088)**	**-5.69%**	**14 863 386**
% increase		**19.0%**	**18.7%**					**16.4%**
Total Parent Municipality	**12 967 162**	**15 416 283**	**15 387 059**	**7 262 334**	**7 694 994**	**(432 660)**	**-5.6%**	**15 088 379**

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 SDBIP performance

The 2020/21 Second Quarter SDBIP (Draft) is attached as Annexure 1 to this report.

3.3.2 Some highlights from the Second Quarter SDBIP

3.3.2.1 The Opportunity City

- Average of **99.5% of building plans** finalised within statutory timeframes. Total number of **building plans approved** of **8 423** up until end of Quarter 2.
- Created **16 335 employment opportunities** through the Mayoral Job Creation Programme.

3.3.2.2 The Safe City

- City's CCTV footprint includes **2 439** cameras - the largest public-area surveillance agency in Africa.
- Average CCTV network uptime of **82% to 85%**
- The City employed an additional **38** traffic warden pointsmen on the EPWP Skills project. These members are trained and skilled to be pointsmen and provide a valuable service in terms of their newly acquired skills gained through this programme. They will form part of a 3-year program, which will equip them to apply for permanent positions when these become available.
- Additional **6 new CCTV Surveillance camera** installed up until Quarter 2.

3.3.2.3 The Caring City

- Created **2 951 human settlement opportunities** over the first half of the financial year.
- Provided **1 454 new sanitation service points** (toilets) to **informal settlements**.
- Installed **771 subsidised electricity connections**.
- Installed **142 new water and sanitation service points** (toilet and tap with hand basin) for backyarders.
- Provided **99,74% integrated refuse removal** and **area cleaning service** to **informal settlements** with one informal settlement in the planning process to roll out service.

3.3.2.4 The Inclusive City

- The City closed **407 274** service requests, achieving a **90.66%** adherence to Citywide service requests.
- The MyCiTi recoded **502 0724** passenger journeys over the scheduled trips.

3.3.2.5 The Well-Run City

- City credit profile reflects a **strong financial performance** with favourable performance according to Moody's Credit Rating.
- Capital spend is on par with the target set for the period ending 31 December 2020.

3.4 Conclusion

During the first half of the 2020/21 financial year the City performed well in achieving its set targets with an average of **80% over** the first half of the financial year.

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 **2020/21 adjustments budget** be prepared and approved by Council no later than 28 February 2021.

This adjustments budget will take into account, inter alia,

- The appropriation of approved committed 2019/20 grant funding from National- and Provincial Treasury;
- Review of the capital programme with the view to reduce the City's borrowing requirement;
- Rephasing of internal funds where implementation of projects will continue in the 2021/22 and 2022/23 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 2019/20 roll-over application, which was funded from the CRR on an interim basis 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 (Annexure 1), which forms the basis of the mid-year assessment, be approved by Council.

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

QUALITY CERTIFICATE

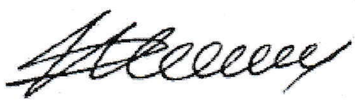
I, **LUNGELO MBANDAZAYO**, the municipal manager of **CITY OF CAPE TOWN**, hereby certify that –

- [ ] the monthly budget statement
- [ ] quarterly report on the implementation of the budget and financial state affairs of the municipality
- [x] mid-year budget and performance assessment

for the **2020/21 financial year** has been prepared in accordance with the Municipal Finance Management Act (MFMA) and regulations made under that Act.

Print name ----------Lungelo Mbandazayo------------

Municipal Manager of City of Cape Town (CPT)



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2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 1: 2020/21 SECOND QUARTER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (DRAFT)

ANNEXURE 1

Context: CCT Corporate 202021 **Scorecard as of:** Dec 2020-latest quarter (to date) **Printed date**: 15 Jan 2021

Name	Status	Actual	Target	Reason for Variance/Remedial Action Comment
CCT Corporate 202021				
SFA 1: Opportunity City				
1.1 Position Cape Town as a forward-looking, globally competitive city				
1.A Percentage Building plans approved in statutory time (30-60d)		100.00	94.00	
1.B Percentage of rates clearance certificate issued within ten working days [C]		87.87	90.00	Reason for variance: The lower percentage is still an indication that COVID 19 is negatively impacting on turnaround times. The following are adding to the negative impact on the targets and actuals: The delays and backlogs of the downloads of property registrations between the Deeds Office and the City of Cape Town for updating of new owernership The delays and non-timeous updating of new ownership on the SAP-LUM system The continuous extensions of Rates Clearance Certificates (RCC) to be issued (RCC?s only valid for 60 days and because they expire, conveyancers re-apply increasing the volumes The dependency on other Directorates/Departments in the Municipal System Act ? section 118 process to complete their part of the work-flow timeously e.g.: final meter readings, resolving conditions on properties etc. Remedial action: Meetings have taking place with our internal Departments to ensure that they complete their work-flows impacting on the RCC process, timeously. The issue of the backlogs at the Cape Town Deeds office has been taken up with National Treasury by the CFO for their intervention and action. A request was made to the Chief Registrar and National Treasury to extend the validity of RCC to 120 days instead of the 60 days, to reduce the applications for extensions of the RCCs and decrease volumes.
1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers		0.26	0.70	
1.2. Leveraging technology for progress				
1.D Broadband Infrastructure Programme (BIP)				
1.3. Economic inclusion				
1.E Number of Mayoral Job Creation Programme (MJCP) oppertunities created [C] - NKPI		16,335.00	10,000.00	
1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)		30.27	30.00	
1.4. Resource efficiency and security				
1.G Percentage compliance with drinking water quality standards		99.14	98.00	

Name	Status	Actual	Target	Reason for Variance/Remedial Action Comment
1.H Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in mega-volt ampere (MVA)		5.96	2.25	
SFA 2: Safe City				
2.1. Safe communities				
2.A Number of areas in which additional CCTV cameras have been installed [AT]				
2.B Community satisfaction survey (Score 1-5) - safety and security (AT)				
SFA 3: Caring City				
3.1. Excellence in basic service delivery				
3.A Community satisfaction survey (Score 1-5)- city wide(AT)				
3.B Number of outstanding valid applications for water services expressed as a % of total number of billings for the service (NKPI)		0.21	0.70	
3.C Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service (NKPI)		0.22	0.70	
3.D Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service (NKPI)		0.05	0.30	
3.E Number of outstanding valid applications for refuse collection service expressed as a % of total number of billings for the service (NKPI)		0.01	0.20	
3.F Percentage adherence to Citywide service requests		90.66	80.00	
3.G Number of human settlement opportunities (Top structures)		1,454.00	1,135.00	
3.H Number of human settlement opportunities (Formal sites serviced)		1,497.00	795.00	
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		229.00	300.00	Reason for variance: In December 2020 a total of 100 taps were provided to Informal Settlements: Area 4. This would have increased our year to date total to 329 tap provisions, thereby achieving our SDBIP second quarter target. However, these taps could not be included at the time of reporting due to payment challenges regarding incorrect purchase orders that were experienced, which subsequently delayed contractor payment. Remedial action: Informal Settlements Basic Services: Finance has been in constant communication with Supply Chain Management to correct the error regarding the purchase order to enable payment. These installations are therefore anticipated to form part of the 3rd quarter reporting cycle.
3.J Number of sanitation service points (toilets) provided to informal settlements NKPI		1,454.00	1,100.00	

Name	Status	Actual	Target	Reason for Variance/Remedial Action Comment
3.K Percentage of areas of informality receiving waste removal and area cleaning service (NKPI)		99.79	99.00	
3.L Number of service points (toilet and tap with hand basin) provided to backyarders		142.00	100.00	
3.M Number of electricity subsidised connections installed [C] - NKPI		771.00	750.00	
3.N Number of sites serviced in the informal settlements		422.00	400.00	
3.O Number of community services facilities within informal settlements [AT]				
SFA 4: Inclusive City				
4.1. Dense and transit oriented growth and development				
4.A Catalytic Land Development				
4.B Number of passenger journeys per kilometreoperated [AT]		0.71	0.65	
4.2. An efficient, integrated transport system				
4.C Total number of passenger journeys on MyCiti		5,020,724.00	4,410,000.00	
4.3. Building integrated communities				
4.D Percentage of people from EE target groups employed in 3 highest levels of management in compliance with the City's approved EE plan (EE)		74.36	75.00	Reason for variance: Designated appointments to reach target was lower than the required number, but did make significant progress/growth toward the 75% target. Remedial action: Continued appointments in line with the required number to reach target.
4.E Number of strengthening families programmes implemented [C]		2.00	6.00	Reason for variance Strengthening Families Programme is a socially inclusive programme and promotes interaction amongst families and participants. Due to Covid-19, implementation has been staggered and reduced. As a precautionary measure a submission to reduce the number of implementations from 20 to 12 was submitted in the mid-year adjustment period. Remedial Action The Department applied a number of precautionary measures to ensure the amended target of 12 implementations are met by the end of Quarter 4 for the 2020/2021 financial year.
SFA 5: Well-Run City				
5.1. Operational sustainability				
5.A Opinion of independent rating agency		1.00	1.00	
5.B Opinion of the Auditor General			1.00	Audit process by the Auditor General of South Africa is still in process.
5.C Percentage spend of capital budget [C] - NKPI		33.56	29.38	

Name	Status	Actual	Target	Reason for Variance/Remedial Action Comment
5.D Percentage spend on repairs and maintenance [C]	Well Below	34.67	41.20	Reason for variance: The underspending is mainly on R&M Electrical and R&M of Equipment, where COVID-19 lockdown restrictions resulted in a reduction in maintenance work. In addition, there were delays in the renewal of the Public Lighting maintenance contract due to minimal responses received for the tender from prospective vendors. Remedial action: Ongoing monitoring on a monthly basis via MFMA section 71 reporting.
5.E Cash/cost coverage ratio (excluding unspent conditional grants) [C] - NKPI	Well Below	1.79	2.00	Reason for variance: Indicator 5.E is compensated by the positive of indicator 5.G. The two KPIs are interrelated to ensure a cost effectiveness strategy at all time. Remedial action: Indicator 5.E is within Treasury risk parameter of 1.5 times, so no remedial action is required.
5.F Net Debtors to annual income [C] - NKPI	Well Above	13.34	17.99	
5.G Debt (total borrowings) to total operating revenue [C] - NKPI	Above	24.75	26.57	

Well Below Below On Target Above Well Above Trend Up Trend Stable Trend Down

ANNEXURE 1.1

Context: Cape Town Stad 2021 **Scorecard as of:** Dec 2020-latest month **Printed date**: 15 Jan 2021

Name	Status	Actual	Target	Reason for Variance Comment
Cape Town Stad 2021				
1: Opportunity City				
Financial Sustainability				
Positioning Cape Town as a forward looking globally competitive City				
Percentage Compliance with approved Repairs and Maintenance Programme		100	100	
Percentage Compliance with OHSA Act and regulations (Act 85 of 1993)		100	100	
Number of Marketing Interventions implemented as per the approved Marketing Plan		6	6	
Number of Bowl Events Hosted		10	1	Due to the COVID-19 regulations in place, CTS projected a target of only one (1) bowl event by the end of the 2nd quarter. The entity hosted and delivered a total of ten (10) bowl events during Q2, thus outperforming the SDBIP target. At the time of the planning of the performance document, no events were allowed at the Stadia. This has since changed as PSL and NFD soccer matches are now allowed, but on the condition that no spectators are allowed at these events. The entity has hosted both PSL and NFD matches, without spectators during the quarter under review.
Number of Non Bowl Events Hosted		6	5	The entity hosted a total of six (6) non-bowl events. These events were hosted with some spectators following stringent COVID-19 protocols.
Number of Film shoots hosted		8	3	CTS managed to secure and host four (4) film shoots for the current quarter alone, and a total of eight (8) film shoots as at 31 December. This is due to film shoots being smaller events, which are allowed under the current COVID-19 regulations. No spectators but only film crew are permitted following the film industry COVID-19 SOP.
Economic Inclusion				
Percentage budget spent on implementation of WSP		5	25	Reason for variance: The extreme limitations on training interventions due to COVID-19 impacted negatively on this performance indicator as staff could not attend relevant training interventions. The training interventions that was captured on the individual WSP were not available in this quarter. Although some online course were attended, this was free of charge and carried by corporate, thus not showing the impact on the training budget. Remedial action: The entity staff is dependent on the training interventions chosen being actually available via the City's service providers. A number of interventions are available in the next quarter and the entity will focus on staff attendance at relevant and requested training as per individual WSP.
4: Inclusive City				
4.3: Building Integrated Communities				

Name	Status	Actual	Target	Reason for Variance Comment
Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE) (NKPI)		50	80	Currently the top three (3) levels of management is not fully representative as the set target due. This is due to historical appointments still occupying positions on the current structure in the levels applicable. Remedial action: As vacancies in the top three (3) levels of management occurs, the employment strategy will focus on reaching the 80% target set in the indicator.
5: Well Run City				
5.1: Operational Sustainability				
Percentage of absenteeism		5	5	The underperformance is due to an extended number of sick leave days as a result of one staff member undergoing an operation. Remedial action: Although the underperformance is due to one staff member undergoing an operation which resulted in sick leave days being extended, the absence days in general will be monitored closely.
Percentage of declarations of interest completed		77	70	The target is exceeded. This is due to effective communication from management, and in prioritizing staff to complete their DOI's.
Opinion of the Auditor General				Annual Target
Percentage reduction of the Grant Allocation from the City of Cape Town				Annual Target
Percentage Achievement of Projected Revenue		5	10	The under achievement of the revenue target is in direct relation to the COVID-19 lockdown restrictions place on large, bowl events. The assumptions of the budget envisaged that the entity would be able to earn revenue as from the December '20 month with the HSBC World Rugby Sevens series taking place. Due to the extension of the COVID-19 restrictions, this event had to be cancelled. The entity did however earn some revenue from film shoots and soccer matches for the period under review with these events being smaller type of events which are allowed to take place without any spectators.

Well Below   Below   On Target   Above   Well Above   Trend Up   Trend Stable   Trend Down

ANNEXURE 1.2

Context: CTICC 2021 **Scorecard as of:** Dec 2020-latest month **Printed date**: 14 Jan 2021

Name	Status	Actual	Target	Reason for Variance Comment
CTICC 2021				
An Opportunity City				
Number of international events hosted		0	0	
Number of events hosted		17	0	Events booked at short notice and hosted for below 250 people in terms of the revised regulations.
Percentage of annual total salary cost spent on training of permanent and temporary staff		2	1	The CTICC made use of the downtime during the pandemic to conduct training at all levels of the organization.
Percentage BBBEE spend		91	60	SCM processes are effective in procuring from BEE suppliers.
Number of student opportunities provided		0	4	The COVID-19 pandemic, and the regulations negatively impacted student placements for the quarter under review. Remedial action: Higher education and training institutions have indicated that consideration for placement of students will only be from January 2021.
Number of graduate opportunities provided		5	4	Internal departments were able to accommodate the graduates.
An Inclusive City				
Percentage of exco, manco and leadership positions held by persons from designated groups		79	80	Due to the impact of the COVID-19 regulations on the entity's operations, vacancies have been frozen, which has impacted the entity missing its target by 1%. Remedial action: Persons from designated groups will be given preference when filling the vacancies once the process has commenced.
A Well Run City				
Percentage of minimum aggregate score for all CTICC internal departments and external suppliers		83	75	Excellent service was delivered to those clients that held events during the period.
Maintain five star tourism grading through effective management of maintenance quality service delivery				Annual target
Unqualified audit report			1	Annual target
Number of senior managers registered for MFMA Competency Course		9	7	Additional training was put in place during the downtime caused by the pandemic.
Percentage achievement of annual budgeted Operating profit		87	100	The loss incurred for the period was 13% below the budgeted target.
Percentage of the total number of capital projects for the year completed or committed		81	15	Construction activity resumed and were able to take place during the lockdown period.
Percentage of total capital expenditure spend		55	0	Construction activity resumed and were able to take place during the lockdown period.
Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)		7	4	Reduction in costs, deferral of non-critical vacancies and expenditure assisted in preserving cash.
Net Debtors to Annual Income (NKPI)		2	13	Due to no large events being held, no new debtors were added during the period.

Name	Status	Actual	Target	Reason for Variance Comment
Debt (total borrowings) to total operating revenue (NKPI)		0	0	The target is set as 0 as the CTICC does not have debt and strives to keep it this way. This indicator is included as it forms part of a National Key Performance Indicator (NKPI).

Well Below Below On Target Above Well Above Trend Up Trend Stable Trend Down

2020/21 CORPORATE SCORECARD MID-YEAR AMENDMENTS

ANNEXURE 1.3

SFA	OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED BASELINES[1]			UNAUDITED BASELINE [2]	APPROVED QUARTER 3 TARGET	APPROVED ANNUAL (Q4) TARGETS	PROPOSED QUARTER 3 TARGET	PROPOSED ANNUAL (Q4) TARGETS	ADJUSTMENT MOTIVATION
			2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2020/21	
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%	94.61%	90.74%	90%	93%	no change	90%	Currently the City is struggling to meet the target of 93%, in spite of staff working overtime with the increased workloads and manual workaround. The further automation and enhancements to the rates clearance system and processes is currently underway. The Low Bulk Cost Housing registrations has also been added to be automated. In view of this, it is proposed that the target for 2020/2021 and 2021/2022 of 93% be reduced to 90%. Once all the Rates Clearance enhancements and the Low Bulk Cost Housing registrations have been automated and implemented, this target can be re-looked at.
	1.3. Economic inclusion	1.E Number of Mayoral Job Creation Programme (MJCP) opportunities created - NKPI	45 370	35 145	36 910	31 871	15 000	35 500	18 000	28 000	The performance of the indicator has been negatively affected by Covid-19 and related restrictions. The majority of EPWP projects had to be halted/started late and a limited number of EPWP appointments is possible, except within essential services. As a result of the lockdown restrictions and possible second wave of infections, the submission, capturing and verification of labour reports might also be affected. Most line departments have been negatively impacted financially and some budgets have been re-allocated due to the City's financial constraints. As a result, certain line departments indicated that they will not be able to meet their allocated EPWP targets, as the current Covid-19 restrictions, taking into account the possible second wave of infections, do not provide any certainty with regard to future financial years. It is recommended that the EPWP target be reduced from 35 500 opportunities to 28 000 work opportunities.
		1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	92.30%	95.42%	95.58%	89.82%	70%	95%	65%	90%	In support of the financial sustainability initiative Directorates/departments were requested to focus on essential and critical training. There will be no new internal financial support (bursaries) awarded for the 2020/2021 financial year. These amendments will have an impact on the directorates training expenditure.
SFA 3: CARING CITY	3.1. Excellence in basic service delivery	3.G Number of human settlement opportunities (Top structures)	4 839	3 749 [3]	3 784 [3]	2 738	1 815	4 225	1 700	2 050	There were significant budget cuts on the HSDG budget allocation for 20/21. The significant budget cuts will impact the Top Structure targets as the planned delivery of top structures are directly linked to the budget provision for each project.
		3.H Number of human settlement opportunities (Formal sites serviced)	1 189	4 346 [3]	1 908 [3]	785	1 272	3 088	1 497	2 800	There were significant budget cuts on the USDG budget allocation for 20/21. The significant budget cuts will impact the Serviced Sites target as the planned delivery of Serviced Sites are directly linked to the budget provision for each project.
SFA 3: CARING CITY	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.O Number of community services facilities within informal settlements	New	New	New	0	Annual Target	2	no change	0	The facilities planned for upgrade in the Informal Settlements has been put on hold due to land invasions and community unrest. The project is technically ready and will be implemented in FY22.

2020/21 CORPORATE SCORECARD MID-YEAR AMENDMENTS

ANNEXURE 1.3

CITY OF CAPE TOWN
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STAD KAAPSTAD
Making progress possible. Together.

SFA	OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED BASELINES[1]			UNAUDITED BASELINE [2]	APPROVED QUARTER 3 TARGET	APPROVED ANNUAL (Q4) TARGETS	PROPOSED QUARTER 3 TARGET	PROPOSED ANNUAL (Q4) TARGETS	
			2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2020/21	ADJUSTMENT MOTIVATION
SFA 4: INCLUSIVE CITY	4.2. An efficient, integrated transport system	4.B Number of passenger journeys per kilometer operated (MyCiti)	New	1.11	1.06	1.00	0.73	1.00	**0.71**	**0.73**	Currently the passenger journeys recorded is about 65% of the normal demand. It is projected that demand will return to between 70% and 85% by June 2021. The impact of Covid-19 and the risk of contracting the virus on public transport resulted in commuters changing their travel patterns, making use of alternative transport, or working from home. It is also possible that some commuters became unemployed. It will take some time for the demand to increase to pre-Covid-19 levels. The service is currently operating normal pre-Covid-19 scheduled kilometres to maintain a minimum service on some routes and to prevent buses being loaded to capacity in the peaks and therefore attempting to assist commuters in maintaining "social distance" where possible. The lower demand and running of normal scheduled kilometres effects this indicator negatively.
		4.C Total number of passenger journeys on MyCiti	19.9 Million	18 million	17.5 million	13 276 698	8 million	16.8 million	**7 million**	**10.2million**	Currently the passenger journeys recorded is about 65% of the normal demand. It is projected that demand will return to between 70% and 85% by June 2021. The impact of Covid-19 and the risk of contracting the virus on public transport resulted in commuters changing their travel patterns, making use of alternative transport, or working from home. It is also possible that some commuters became unemployed. It will take some time for the demand to increase to pre-Covid-19 levels. Furthermore, budget cuts in Direct Operating cost will result in fewer service being delivered and will have a negative impact on passenger journeys recorded.
SFA 4: INCLUSIVE CITY	4.3. Building integrated communities	4.E Number of strengthening families programmes implemented	New	20	19	10	12	18	**3**	**12**	Due to COVID-19, programmes could not be implemented in Q1 in Q2 Two programme were implemenmted and a 3rd one being finalised.. With an anticipated second wave predicted during March/April 2021, this may affect the completion of some of the programmes leading to the original annual target not being met.
SFA 5: WELL-RUN CITY	5.1. Operational sustainability	5.C Percentage spend of capital budget (NKPI)	92.85%	73%	80.10%	89%	52%	90%	**TBD**	no change	Target for Q3 will only be amended after the January 2021 adjustments budget.
		5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	2.28:1	3.02:1	3.85:1	1.91	1:6	2:1	**TBD**	**TBD**	Targets for Q3 and Q4 will only be amended after the January 2021 adjustments budget.
		5.F Net Debtors to annual income (NKPI)	21.15%	21.11%	19.94%	19.44%	18.72%	21.50%	**TBD**	**TBD**	Targets for Q3 and Q4 will only be amended after the January 2021 adjustments budget.
		5.G Debt (total borrowings) to total operating revenue (NKPI)	New	24.30%	22.85%	24.6%	26.57%	30%	**TBD**	**TBD**	Targets for Q3 and Q4 will only be amended after the January 2021 adjustments budget.

2020/21 CORPORATE SCORECARD MID-YEAR AMENDMENTS											ANNEXURE 1.3
SFA	OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED BASELINES[1]			UNAUDITED BASELINE [2]	APPROVED QUARTER 3 TARGET	APPROVED ANNUAL (Q4) TARGETS	PROPOSED QUARTER 3 TARGET	PROPOSED ANNUAL (Q4) TARGETS	CITY OF CAPE TOWN ISIXEKO SASEKAPA STAD KAAPSTAD Making progress possible. Together.
			2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2020/21	ADJUSTMENT MOTIVATION

Notes:

NKPI - National Key Performance Indicator

[1] The 2016/17, 2017/18 and 2018/19 baseline figures reflects the audited actual achievements as at 30 June 2017, 30 June 2018 and 30 June 2019 respectively.

[2] The actual achievements for the financial year ending 30 June 2020 are currently under audit by the Auditor-General.

[3] Trends were tracked on the Directorate SDBIP for these specific years.

TBD -to be updated once budget adjustment is tabled in Council

2020/21 CAPE TOWN STADIUM (RF) ONE YEAR SCORECARD MID-YEAR AMENDMENTS										Annexure 1.4
SFA	Objective	Key Performance Indicator	Audited Baseline 2017/18	Audited Baseline 2018/19	Unaudited Baseline 2019/20	Approved Quarterly Targets		PROPOSED QUARTERLY TARGETS [1]		Adjustment Budget Motivation
						2020/21 Q3	2020/21 Q4 (Annual Target)	2020/21 Q3	2020/21 Q4 (Annual Target)	
SFA 1 Opportunity City Objective 1.1	Positioning Cape Town as a forward-looking, globally competitive City	2. Percentage achievement of projected Revenue	New	118.23%	90%	45%	90%	10%	70%	Target adjusted due to reduction in rental income/rigths fees as a result of COVID 19
	Positioning Cape Town as a forward-looking, globally competitive City	8. Number of film/still shoot events hosted	New	16	15	6	9	8	9	Due to lockdowns abroad the film industry is in a lull and this will impact on film shoots and productions locally.
SFA 1 Opportunity City Objective 1.3	1.3 Economic inclusion	9. Percentage budget spent on implementation of WSP (NKPI)	137%	91.76%	95%	40%	60%	20%	40%	Training Interventions are at present more limited than before . Certain training initiatives for which the CTS Staff applied , have not been activated by providers yet.

1 Subject to board approval

The baseline figures currently reflects the audited actual achievement as at 30 June 2017, 2018 and 2019.

The unaudited baseline refers to Q4 actual of 30 June 2020 submitted to the Auditor-General for the annual audit.

2020/21 CTICC ONE YEAR SDBIP (MID-YEAR AMENDMENT)											Annexure 1.5
SFA	IDP objective	Key Performance indictor	Audited baseline	Audited baseline	Audited baseline	Unaudited Baseline 2019/2020	Approved Quarterly Targets		Proposed Quarterly Targets [1]		Adjustment Budget Motivation
			2016/2017	2017/2018	2018/2019	2019/2020	2020/21 Q3	2020/21 Q4	2020/21 Q3	2020/21 Q4	Comments
SFA1: Opportunity City	1.1 Positioning Cape Town as a forward-looking, globally competitive City	1. Number of international events hosted	36	32	34	34	2	6	**0**	**0**	Due to events being cancelled and postponed as a result of the current COVID-19 regulations.
	1.1 Positioning Cape Town as a forward-looking, globally competitive City	2. Number of events hosted	482	525	560	545	20	50	**21**	**28**	Due to events being cancelled and postponed as a result of the current COVID-19 regulations.
	1.3 Economic inclusion	5. Number of student opportunities provided	9	12	14	6	6	8	**4**	**4**	No recruitment for new applicants will be done during this period.
	1.3 Economic inclusion	6. Number of graduate opportunities provided	14	13	11	6	5	7	5	5	No recruitment for new applicants will be done during this period. The Q3 and Q4 target amendments to align to Q2 actual results.
SFA4: Inclusive City	4.3 Building integrated communities	7. Percentage of exco,manco and leadership positions held by persons from designated groups	86%	83%	80%	80%	80%	80%	**75%**	**75%**	In response to the impact of the COVID-19 pandemic, and to reduce costs where possible, all non-critical vacancies have been frozen and therefore the target be adjusted downwards. Furthermore, the entity cannot rule out the possibility of resignations due to the impact that the COVID-19 pandemic has had on the entity's operations and the future uncertainty.
SFA4: Well-run City	5.1 Operational Sustainability	11. Percentage of the total number of capital projects for the year completed or committed	100%	89%	97%	90%	20%	50%	**92%**	**95%**	The target has been increased as a result of the revision of the projects for the year and the actual projects completed as at the end of Q2.
	5.1 Operational Sustainability	12. Percentage of total capital expenditure spend	90%	91%	100%	100%	50%	100%	**75%**	**100%**	The target for Q3 has increased due to progress being made on the project.

2020/21 CTICC ONE YEAR SDBIP (MID-YEAR AMENDMENT)											Annexure 1.5
SFA	IDP objective	Key Performance indictor	Audited baseline 2016/2017	Audited baseline 2017/2018	Audited baseline 2018/2019	Unaudited Baseline 2019/2020 2019/2020	Approved Quarterly Targets 2020/21 Q3	Approved Quarterly Targets 2020/21 Q4	Proposed Quarterly Targets [1] 2020/21 Q3	Proposed Quarterly Targets [1] 2020/21 Q4	Adjustment Budget Motivation Comments
SFA4: Well-run City	5.1 Operational Sustainability	13. Unqualified audit report	Clean Audit for the 2015/16 Financial Year Achieved	Clean Audit for the 2016/17 Financial Year Achieved	Clean Audit for the 2017/18 Financial Year Achieved	Clean Audit Report (2nd Quarter)	Clean Audit Report (2nd Quarter)	Clean Audit Report (2nd Quarter)	<u>**Clean Audit Report (3rd Quarter)**</u>	<u>**Clean Audit Report (3rd Quarter)**</u>	The Audit Report will be issued later due to the delay in the audit being conducted by the AGSA.
	5.1 Operational Sustainability	15. Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	13 times	14.2 times	10 times	7 times	4.0 times	3.8 times	<u>**1 times**</u>	<u>**0 times**</u>	The hosting of events are further delayed due to the COVID-19 regulations which negatively impacts the cash resources of the company. The targets are in line with the adjustment budget figures.
	5.1 Operational Sustainability	16. Net Debtors to annual income (NKPI)	0.9%	4%	1.3%	2.0%	9.0%	5.0%	<u>**14%**</u>	<u>**9%**</u>	Due to the lower anticipated revenue, it is forecasted that the debtors percentage at year end will likely be higher.

<u>Notes:</u>

1 Subject to board approval

The baseline figures currently reflects the audited actual achievement as at 30 June 2017, 2018 and 2019.

The unaudited baseline refers to Q4 actual of 30 June 2020 submitted to the Auditor-General for the annual audit.

2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2: CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) - 2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

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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. the board of directors of the entity; and
  - 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 2020/21 against annual budget

Revenue by Source

Current revenue is 52.5% or R38.3 million below the year-to-date budget projection to December 2020.

Reasons for the lower revenue achieved:

- Rental of facilities (R27.3 million under) and Other revenue (R9.7 million under)
  The budget was prepared on the basis that the Western Cape Provincial Government (WCPG) would extend the contract to operate the COVID-19 temporary care facility in CTICC 1 until the end of December 2020. The contract was not extended, and the temporary facility was decommissioned during September 2020. As a result of the COVID-19 restrictions in place the company is not able to host major events.

- Interest earned – external investments (R1.3 million under)
  Net Interest Income was below budget mainly due to the reduction in the available funds as a result of the company not being able to operate under the current regulations, and the reductions in the repo interest rate during the year.

Operating expenditure by type

Current expenditure is 22.5% or R32.0 million below the year-to-date budget projection for December 2020.

Reasons for under expenditure on operating expenditure:

- Employee related costs are 17.2% below budget due to savings as well as vacancies during the first half of the year.
- Debt management is below budget as no debt has been written-off during the period.
- Other materials are below budget by 67.7% due to savings, cost management and the closure of CTICC 1 as it is not in use currently.
- Contracted services and Other expenditure are below budget by 33.5% and 36.4% respectively for the period due to savings, cost management and the closure of CTICC 1 as it is not in use currently.

Capital Expenditure

The total capital expenditure for the half year amounts to R14.7 million against the year to date budget of R43.0 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: 2020/21 Quarter 2 Performance Scorecard

There has been no adjustment made to the Company's KPI's to 31 December 2020. This scorecard is discussed under part 3 (Service Delivery Performance) of this report.

4. 2019/20 Annual Report

The audit for the 2019/20 financial year is currently still in progress due to delays experienced by the AGSA. It is expected that the audit will be concluded by the end of January 2021. Thereafter, the CTICC's 2019/20 Annual Report will be tabled at Council during February or March 2021.

PART 2 - FINANCIAL PERFORMANCE

Financial performance overview

The tables below reflect the operating budget for the CTICC for the period 1 July 2020 to 31 December 2020. 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	2019/20	Current Year 2020/21						
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	15,296	8,075	8,075	2,771	4,038	(1,267)	-31.4%	3,665
Transfers recognised - operational	–	–	–	–	–	–	-	–
Other own revenue	205,612	207,907	207,907	31,872	68,868	(36,996)	-53.7%	36,988
Total Revenue (excluding capital transfers and contributions)	**220,908**	**215,982**	**215,982**	**34,643**	**72,905**	**(38,263)**	**-52.5%**	**40,653**
Employee costs	75,721	90,325	90,325	36,293	43,838	(7,545)	-17.2%	76,461
Remuneration of Board Members	628	581	581	358	291	68	23.2%	651
Depreciation and asset impairment	136,708	54,499	54,499	29,121	27,237	1,884	6.9%	237,218
Finance charges	–	–	–	–	–	–	-	–
Materials and bulk purchases	26,083	28,061	28,061	2,502	7,753	(5,251)	-67.7%	3,743
Transfers and grants	2,124	–	–	1,162	–	1,162	100.0%	2,124
Other expenditure	115,352	138,941	138,941	40,506	62,821	(22,316)	-35.5%	91,926
Total Expenditure	**356,617**	**312,407**	**312,407**	**109,942**	**141,940**	**(31,998)**	**-22.5%**	**412,123**
Surplus/(Deficit)	**(135,709)**	**(96,425)**	**(96,425)**	**(75,299)**	**(69,035)**	**(6,264)**	**9.1%**	**(371,470)**
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) after capital transfers & contributions	**(135,709)**	**(96,425)**	**(96,425)**	**(75,299)**	**(69,035)**	**(6,264)**	**9.1%**	**(371,470)**
Taxation	(34,396)	(25,520)	(25,520)	(21,084)	(18,481)	(2,602)	14.1%	(104,011)
Surplus/ (Deficit) for the year	**(101,313)**	**(70,906)**	**(70,906)**	**(54,215)**	**(50,553)**	**(3,662)**	**7.2%**	**(267,459)**
Capital expenditure & funds sources								
Capital expenditure	**56,408**	**75,483**	**86,063**	**14,727**	**43,031**	**(28,304)**	**-65.8%**	**23,531**
Transfers recognised - capital	–	–	–	–	–	–	-	–
Borrowing	–	–	–	–	–	–	-	–
Internally generated funds	56,408	75,483	86,063	14,727	43,031	(28,304)	-65.8%	23,531
Total sources of capital funds	**56,408**	**75,483**	**86,063**	**14,727**	**43,031**	**(28,304)**	**-65.8%**	**23,531**
Financial position								
Total current assets	219,744	110,167	99,586	108,221				38,223
Total non current assets	832,621	884,708	895,288	839,311				725,675
Total current liabilities	117,108	78,525	78,525	66,490				60,231
Total non current liabilities	136	–	–	136				–
Community wealth/Equity	935,121	916,350	916,350	880,905				703,667
Cash flows								
Net cash from (used) operating	45,213	(16,944)	(16,944)	(68,717)	(43,558)	(25,160)	57.8%	(169,382)
Net cash from (used) investing	(56,408)	(75,483)	(86,063)	(14,727)	(43,031)	28,304	-65.8%	12,469
Net cash from (used) financing	–	–	–	–	–	–	-	–
Cash/cash equivalents at the year end	**171,049**	**81,599**	**71,018**	**87,604**	**87,436**	**168**	**0.2%**	**17,112**

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

Description R thousands	2019/20	Current Year 2020/21						
	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	98,946	115,960	115,960	17,337	44,593	(27,256)	-61.1%	19,909
Interest earned - external investments	15,296	8,075	8,075	2,771	4,038	(1,267)	-31.4%	3,665
Interest earned - outstanding debtors	–	–	–	–	–	–	-	–
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	–	–	–	–	–	–	-	–
Licences and permits	–	–	–	–	–	–	-	–
Agency services	–	–	–	–	–	–	-	–
Transfers and subsidies	–	–	–	–	–	–	-	–
Other revenue	106,666	91,947	91,947	14,535	24,275	(9,740)	-40.1%	17,022
Gains	–	–	–	–	–	–	-	57
Total Revenue (excluding capital transfers and contributions)	**220,908**	**215,982**	**215,982**	**34,643**	**72,905**	**(38,263)**	**-52.5%**	**40,653**
Expenditure By Type								
Employee related costs	75,721	90,325	90,325	36,293	43,838	(7,545)	-17.2%	76,461
Remuneration of Directors	628	581	581	358	291	68	23.2%	651
Debt impairment	(222)	450	450	–	225	(225)	-100.0%	360
Depreciation & asset impairment	136,708	54,499	54,499	29,121	27,237	1,884	6.9%	237,218
Finance charges	–	–	–	–	–	–	-	–
Bulk purchases	–	–	–	–	–	–	-	–
Other materials	26,083	28,061	28,061	2,502	7,753	(5,251)	-67.7%	3,743
Contracted services	52,458	60,033	60,033	16,832	25,302	(8,470)	-33.5%	35,503
Transfers and subsidies	2,124	–	–	1,162	–	1,162	100.0%	2,124
Other expenditure	63,125	78,458	78,458	23,731	37,294	(13,564)	-36.4%	56,063
Losses	(9)	–	–	(57)	–	(57)	-100.0%	–
Total Expenditure	**356,617**	**312,407**	**312,407**	**109,942**	**141,940**	**(31,998)**	**-22.5%**	**412,123**
Surplus/(Deficit)	**(135,709)**	**(96,425)**	**(96,425)**	**(75,299)**	**(69,035)**	**(6,264)**	**9.1%**	**(371,470)**
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	(135,709)	(96,425)	(96,425)	(75,299)	(69,035)	(6,264)	9.1%	(371,470)
Taxation	(34,396)	(25,520)	(25,520)	(21,084)	(18,481)	(2,602)	14.1%	(104,011)
Surplus/(Deficit) for the year	**(101,313)**	**(70,906)**	**(70,906)**	**(54,215)**	**(50,553)**	**(3,662)**		**(267,459)**

Table F3 Monthly Budget Statement – Capital expenditure

Description	2019/20	Current Year 2020/21						
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	**38,256**	**41,713**	**48,606**	**10,549**	**24,303**	**(13,754)**	**-56.6%**	**12,162**
Operational Buildings	38,256	41,713	48,606	10,549	24,303	(13,754)	-56.6%	12,162
Municipal Offices	38,256	41,713	48,606	10,549	24,303	(13,754)	-56.6%	12,162
Computer Equipment	**13,314**	**26,586**	**29,157**	**4,019**	**14,578**	**(10,560)**	**-72.4%**	**10,254**
Computer Equipment	13,314	26,586	29,157	4,019	14,578	(10,560)	-72.4%	10,254
Furniture and Office Equipment	**3,219**	**4,518**	**5,019**	**160**	**2,510**	**(2,350)**	**-93.6%**	**614**
Furniture and Office Equipment	3,219	4,518	5,019	160	2,510	(2,350)	-93.6%	614
Machinery and Equipment	**1,619**	**2,667**	**3,280**	**–**	**1,640**	**(1,640)**	**-100.0%**	**501**
Machinery and Equipment	1,619	2,667	3,280	–	1,640	(1,640)	-100.0%	501
Total Capital Expenditure	**56,408**	**75,483**	**86,063**	**14,727**	**43,031**	**(28,304)**	**-65.8%**	**23,531**
Funded by:								
National Government	–	–	–	–	–	–	-	–
Provincial Government	–	–	–	–	–	–	-	–
Parent Municipality	–	–	–	–	–	–	-	–
District Municipality	–	–	–	–	–	–	-	–
Transfers recognised - capital	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	-	–
Internally generated funds	56,408	75,483	86,063	14,727	43,031	(28,304)	-65.8%	23,531
Total Capital Funding	**56,408**	**75,483**	**86,063**	**14,727**	**43,031**	**(28,304)**	**-65.8%**	**23,531**

Table F4 Monthly Budget Statement – Financial Position

Vote Description R thousands	2019/20	Current Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	2,309	–	–	3,519	–
Call investment deposits	168,740	81,598	71,018	84,085	17,112
Consumer debtors	–	–	–	–	–
Other debtors	43,603	24,077	24,077	17,519	17,059
Current portion of long-term receivables	2,124	2,124	2,124	1,062	2,124
Inventory	2,968	2,367	2,367	2,036	1,929
Total current assets	**219,744**	**110,167**	**99,586**	**108,221**	**38,223**
Non current assets					
Long-term receivables	172,927	170,803	170,803	172,927	170,803
Investments	–	-	-	–	-
Investment property	–	–	–	–	–
Investment in Associate	–	–	–	–	–
Property, plant and equipment	501,128	543,992	554,572	486,734	292,294
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	158,566	169,912	169,912	179,649	262,577
Total non current assets	**832,621**	**884,708**	**895,288**	**839,311**	**725,675**
TOTAL ASSETS	**1,052,364**	**994,875**	**994,875**	**947,531**	**763,898**
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	66,698	32,700	32,700	22,090	24,467
Trade and other payables	46,134	41,229	41,229	40,124	35,764
Provisions	4,276	4,596	4,596	4,276	–
Total current liabilities	**117,108**	**78,525**	**78,525**	**66,490**	**60,231**
Non current liabilities	–	–	–	–	–
Borrowing	–	–	–	–	–
Provisions	136	–	–	136	–
Total non current liabilities	**136**	**–**	**–**	**136**	**–**
TOTAL LIABILITIES	**117,244**	**78,525**	**78,525**	**66,626**	**60,231**
NET ASSETS	**935,121**	**916,350**	**916,350**	**880,905**	**703,667**
COMMUNITY WEALTH/EQUITY	–	–	–	–	–
Accumulated Surplus/(Deficit)	(342,307)	(361,078)	(361,078)	(396,522)	(609,761)
Reserves	1,277,428	1,277,428	1,277,428	1,277,428	1,313,428
TOTAL COMMUNITY WEALTH/EQUITY	**935,121**	**916,350**	**916,350**	**880,905**	**703,667**

Table F5 Monthly Budget Statement – Cash Flow

Description R thousands	2019/20	Current Year 2020/21						
	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	244,401	207,907	207,907	14,369	68,868	(54,498)	-79.1%	36,931
Transfers and Subsidies - Operational	–	–	–	–	–	–	-	–
Transfers and Subsidies - Capital	–	–	–	–	–	–	-	–
Interest	15,330	8,075	8,075	2,771	4,038	(1,267)	-31.4%	3,665
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(214,518)	(232,926)	(232,926)	(85,857)	(116,463)	30,606	-26.3%	(209,977)
Finance charges	–	–	–	–	–	–	-	–
Dividends paid	–	–	–	–	–	–	-	–
Transfers and Grants	–	–	–	–	–	–	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**45,213**	**(16,944)**	**(16,944)**	**(68,717)**	**(43,558)**	**(25,160)**	**57.8%**	**(169,382)**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–	-	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	-	36,000
Decrease (increase) in non-current investments	–	–	–	–	–	–	-	–
Payments	–	–	–	–	–	–		–
Capital assets	(56,408)	(75,483)	(86,063)	(14,727)	(43,031)	28,304	-65.8%	(23,531)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(56,408)**	**(75,483)**	**(86,063)**	**(14,727)**	**(43,031)**	**28,304**	**-65.8%**	**12,469**
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	**(11,195)**	**(92,426)**	**(103,007)**	**(83,445)**	**(86,589)**	**3,144**	**-3.6%**	**(156,913)**
Cash/cash equivalents at the year begin:	182,243	174,025	174,025	171,049	174,025	(2,976)	-1.7%	174,025
Cash/cash equivalents at the year end:	171,049	81,599	71,018	87,604	87,436	168	0.2%	17,112

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	(1,267)	The variance is due to a reduction in cash resources as well as the drop in the repo interest rate after the budget was approved.	Budget to be amended in the January 2021 adjustments budget.
Other revenue	(9,740)	The variance is due to the contract with the Western Cape Government (WCG) for the temporary hospital not being extended as initially budgeted for.	Budget to be amended in the January 2021 adjustments budget.
Rental of facilities and equipment	(27,256)	The variance is due to the contract with the WCG for the temporary hospital not being extended as initially budgeted for.	Budget to be amended in the January 2021 adjustments budget.
Expenditure items			
Employee related costs	(7,545)	The variance relates to vacancies and savings achieved to date.	Budget to be amended in the January 2021 adjustments budget.
Other materials	(5,251)	The variance is due to lower expenditure as a result of no events being hosted due to COVID-19 Regulations and the closure of CTICC1.	Budget to be amended in the January 2021 adjustments budget.
Contracted services	(8,470)	The variance is due to lower expenditure as a result of no events being hosted due to COVID-19 Regulations and the closure of CTICC1.	Budget to be amended in the January 2021 adjustments budget.
Other expenditure	(13,564)	The variance is due to lower expenditure as a result of no events being hosted due to COVID-19 Regulations and the closure of CTICC1.	Budget to be amended in the January 2021 adjustments budget.
Capital Expenditure items			
Computer Equipment	(10,560)	The variance is due to the reduction in capital expenditure for the year.	Budget to be amended in the January 2021 adjustments budget.
Furniture and Office Equipment	(2,350)	The variance is due to the reduction in capital expenditure for the year.	Budget to be amended in the January 2021 adjustments budget.
Machinery and Equipment	(1,640)	The variance is due to the reduction in capital expenditure for the year.	Budget to be amended in the January 2021 adjustments budget.
Municipal Offices	(13,754)	The variance is due to the reduction in capital expenditure for the year.	Budget to be amended in the January 2021 adjustments budget.
Cash flow items			
Interest	(1,267)	The variance is due to a reduction in cash resources as well as the drop in the repo interest rate after the budget was approved.	Budget to be amended in the January 2021 adjustments budget.
Other revenue	(54,498)	The variance is due to the contract with the WCG for the temporary hospital not being extended as initially budgeted for.	Budget to be amended in the January 2021 adjustments budget.
Suppliers and employees	30,606	The variance is due to lower procurement of services and supplies during the current year.	Budget to be amended in the January 2021 adjustments budget.
Capital assets	28,304	The variance is due to the reduction in capital expenditure for the year.	Budget to be amended in the January 2021 adjustments budget.

Table SF2 Entity Financial and non-financial indicators

Description of financial indicator	Basis of calculation	2019/20	Current Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	38.3%	17.4%	17.4%	26.5%	57.6%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	12.5%	8.6%	8.6%	7.6%	8.6%
Liquidity						
Current Ratio	Current assets/current liabilities	187.6%	140.3%	126.8%	162.8%	63.5%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	187.6%	140.3%	126.8%	162.8%	63.5%
Liquidity Ratio	Monetary Assets/Current Liabilities	146.1%	103.9%	90.4%	131.8%	28.4%
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	99.0%	91.2%	91.2%	552.8%	467.3%
Other Indicators						
Employee costs	Employee costs/Total Revenue - capital revenue	34.3%	41.8%	41.8%	104.8%	188.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue	61.9%	25.2%	25.2%	84.1%	583.5%

Table SF3 Entity Aged debtors

Detail	Current Year 2020/21										
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 Deb	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	–	–	–	–	–	–	–	–	–	–	–
Other	34	0	–	–	3,921	–	–	–	3,955	–	3,921
Total By Income Source	**34**	**0**	**–**	**–**	**3,921**	**–**	**–**	**–**	**3,955**	**–**	**3,921**
Debtors Age Analysis By Customer Group											
Organs of State	–	–	–	–	–	–	–	–	–	–	
Commercial	–	–	–	–	–	–	–	–	–	–	
Households	–	–	–	–	–	–	–	–	–	–	
Other	34	0	–	–	3,921	–	–	–	3,955	–	
Total By Customer Group	**34**	**0**	**–**	**–**	**3,921**	**–**	**–**	**–**	**3,955**	**–**	

Table SF4 Entity Aged creditors

Detail R thousands	Current Year 2020/21 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	7,165	–	–	–	–	–	–	–	7,165
Total By Customer Type	**7,165**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7,165**

Table SF5 Entity investment portfolio monthly statement

Investments by maturity Name of institution & investment ID R thousands	Current Year 2020/21 Accrued interest for the month	Yield %	Market value Begin	Change	End
CTICC					
Cash	-	-	259	10	268
Nedbank - Call Deposit - 03/7881544007/000105	-	3.4	-	-	-
ABSA Bank - Current - 4072900553		-	187	(2)	185
ABSA Bank - Exh Serv - Current - 4072900731		-	35	5	40
ABSA Bank - Treasury Account - 40-7373-1246	-	-		-	()
ABSA Bank - Convenco Account - 40-7373-3701	-	-	1	-	1
Stanlib - Bank 000-402-184 (1199539) ref No. 551436367	38	4.001	19,540	(1,428)	18,112
Investec Bank - (462097) 1008645	38	4.015	19,647	(1,426)	18,220
Nedgroup Money Market - (800167964) - 8319631	22	4.46	10,441	41	10,481
ABSA Bank - CTICC Money Market - 9316676360	44	4.41	21,123	(1,912)	19,211
Nedgroup Corp Money Market - (800167964) 8292731	36	4.33	17,839	57	17,897
ABSA Bank - CTICC East - Current - 4072900228		-		-	()
ABSA Bank - CTICC East - Call Deposit 4083941322	-	3.25		-	
Absa Bank - CTICC East - Money Market (6241084-ZAR-2201-0)	-	3.30	165		165
Nedbank - CTICC Main Current - 1151569623	-	-	1,665	924	2,590
Nedbank - CTICC Merchant Services - 11515696658	-	-	22	3	25
Nedbank - CTICC Payroll - 1151569666	-	-	27	363	390
Nedbank - CTICC East - 1151569674	-	-	1	-	3
Nedbank - CTICC E-Commerce - 1151569682	-	-		-	
Nedbank - CTICC Daily Call Deposit Account - 037232511442	8	-	2,747	(2,732)	16
Total investments	**186**		**93,699**	**(6,095)**	**87,604**

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration R thousands	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	628	581	581	358	291	68	23.2%	651
Sub Total - Board Members of Entities	**628**	**581**	**581**	**358**	**291**	**68**	**23.2%**	**651**
% increase		-7.5%	-7.5%					3.7%
Senior Managers of Entities								
Basic Salaries	10,755	11,212	11,212	5,606	5,606	–	-	9,760
Sub Total - Senior Managers of Entities	**10,755**	**11,212**	**11,212**	**5,606**	**5,606**	**–**	**-**	**9,760**
% increase		4.3%	4.3%					-9.2%
Other Staff of Entities								
Basic Salaries	65,374	79,112	79,112	30,687	38,232	(7,545)	-19.7%	66,701
Sub Total - Other Staff of Entities	**65,374**	**79,112**	**79,112**	**30,687**	**38,232**	**(7,545)**	**-19.7%**	**66,701**
% increase		21.0%	21.0%					2.0%
Total Municipal Entities remuneration	**76,757**	**90,906**	**90,906**	**36,651**	**44,129**	**(7,478)**	**-16.9%**	**77,112**
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Table SF7 Entity monthly actuals & revised targets

Description	Current Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	8,497	7,689	38	45	134	936	6,433	10,258	19,212	8,558	14,806	39,356	115,960	118,138	125,692
Interest earned – external investments	679	626	516	424	339	186	673	673	673	673	673	1,940	8,075	8,560	9,074
Other revenue	7,152	4,493	(824)	1,373	1,266	1,075	6,465	11,176	17,521	9,509	10,796	21,946	91,947	141,593	150,573
Gains	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**16,328**	**12,808**	**(270)**	**1,841**	**1,739**	**2,196**	**13,571**	**22,107**	**37,406**	**18,739**	**26,275**	**63,241**	**215,982**	**268,290**	**285,338**
Expenditure By Type															
Expenditure By Type	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Employee related costs	6,902	6,912	6,561	4,842	6,122	4,954	7,747	7,747	7,747	7,747	7,752	15,292	90,325	96,419	102,085
Remuneration of Board Members	–	–	146	–	–	212	–	–	145	–	–	78	581	610	641
Debt impairment	–	–	–	–	–	–	38	38	38	38	38	263	450	450	450
Depreciation & asset impairment	4,854	4,854	4,854	4,854	4,854	4,854	4,587	4,559	4,533	4,594	4,525	2,580	54,499	52,319	50,750
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	1,394	268	300	256	170	115	1,925	3,097	5,556	2,635	3,533	8,813	28,061	39,651	42,183
Contracted services	3,346	4,010	2,355	3,218	2,992	910	5,108	5,650	6,768	5,455	5,916	14,303	60,033	63,641	67,473
Transfers and grants	177	177	277	177	177	177	–	–	–	–	–	(1,162)	–	–	–
Other expenditure	4,137	4,722	4,602	3,425	3,761	3,083	6,707	6,649	7,072	6,595	6,839	20,865	78,458	84,149	90,261
Losses	–	1	(8)	2	(53)	0	–	–	–	–	–	57	–	–	–
Total expenditure	**20,810**	**20,943**	**19,086**	**16,774**	**18,023**	**14,305**	**26,112**	**27,739**	**31,858**	**27,064**	**28,602**	**61,089**	**312,407**	**337,240**	**353,842**

Table continues on next page.

Description	Current Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Capital expenditure															
Capital assets	777	818	4,457	4,177	1,219	3,279	6,290	6,290	6,290	6,290	6,290	39,884	86,063	74,894	63,394
Total capital expenditure	**777**	**818**	**4,457**	**4,177**	**1,219**	**3,279**	**6,290**	**6,290**	**6,290**	**6,290**	**6,290**	**39,884**	**86,063**	**74,894**	**63,394**
Cash flow															
Ratepayers and other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other revenue	12,134	(407)	2,406	(3,023)	634	2,625	12,898	21,434	36,733	18,066	25,603	78,804	207,907	259,730	276,265
Transfers and Subsidies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest	679	626	516	424	339	186	673	673	673	673	673	1,940	8,075	8,560	9,074
Suppliers, employees and other	(23,507)	(12,624)	(18,475)	(12,315)	(13,311)	(5,626)	(19,411)	(19,411)	(19,411)	(19,411)	(19,411)	(50,016)	(232,926)	(271,092)	(309,492)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(10,694)**	**(12,404)**	**(15,552)**	**(14,914)**	**(12,337)**	**(2,815)**	**(5,839)**	**2,696**	**17,996**	**(671)**	**6,865**	**30,727**	**(16,944)**	**(2,802)**	**(24,154)**
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	(777)	(818)	(4,457)	(4,177)	(1,219)	(3,279)	(7,172)	(7,172)	(7,172)	(7,172)	(7,172)	(35,476)	(86,063)	(74,894)	(63,394)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(777)**	**(818)**	**(4,457)**	**(4,177)**	**(1,219)**	**(3,279)**	**(7,172)**	**(7,172)**	**(7,172)**	**(7,172)**	**(7,172)**	**(35,476)**	**(86,063)**	**(74,894)**	**(63,394)**
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	**(11,471)**	**(13,222)**	**(20,009)**	**(19,091)**	**(13,556)**	**(6,095)**	**(13,011)**	**(4,476)**	**10,824**	**(7,843)**	**(307)**	**(4,748)**	**(103,007)**	**(77,695)**	**(87,547)**

Table SF8a Entity capital expenditure on new assets by asset class

Description	2019/20	Current Year 2020/21						
R thousands	Audited Outcome	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	**37,785**	**37,857**	**37,857**	**10,549**	**18,929**	**(8,380)**	**-44.3%**	**1,413**
Operational Buildings	37,785	37,857	37,857	10,549	18,929	(8,380)	-44.3%	1,413
Municipal Offices	*37,785*	*37,857*	*37,857*	*10,549*	*18,929*	*(8,380)*	*-44.3%*	*1,413*
Computer Equipment	**13,314**	**13,590**	**13,590**	**2,721**	**6,795**	**(4,074)**	**-60.0%**	**8,277**
Computer Equipment	13,314	13,590	13,590	2,721	6,795	(4,074)	-60.0%	8,277
Furniture and Office Equipment	**3,219**	**1,618**	**2,119**	**160**	**1,060**	**(900)**	**-84.9%**	**614**
Furniture and Office Equipment	3,219	1,618	2,119	160	1,060	(900)	-84.9%	614
Machinery and Equipment	**1,619**	**919**	**1,533**	**–**	**766**	**(766)**	**-100.0%**	**174**
Machinery and Equipment	1,619	919	1,533	–	766	(766)	-100.0%	174
Total Capital Expenditure on new assets	**55,937**	**53,984**	**55,099**	**13,429**	**27,550**	**(14,120)**	**-51.3%**	**10,478**

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

Description	2019/20	Current Year 2020/21						
R thousands	Audited Outcome	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	**471**	**3,855**	**10,749**	**–**	**5,375**	**(5,375)**	**-100.0%**	**10,749**
Operational Buildings	471	3,855	10,749	–	5,375	(5,375)	-100.0%	10,749
Municipal Offices	*471*	*3,855*	*10,749*	–	*5,375*	*(5,375)*	-100.0%	*10,749*
Computer Equipment	**–**	**12,996**	**15,567**	**1,298**	**7,783**	**(6,485)**	**-83.3%**	**1,977**
Computer Equipment	–	12,996	15,567	1,298	7,783	(6,485)	-83.3%	1,977
Furniture and Office Equipment	**–**	**2,900**	**2,900**	**–**	**1,450**	**(1,450)**	**-100.0%**	**–**
Furniture and Office Equipment	–	2,900	2,900	–	1,450	(1,450)	-100.0%	–
Machinery and Equipment	**–**	**1,748**	**1,748**	**–**	**874**	**(874)**	**-100.0%**	**327**
Machinery and Equipment	–	1,748	1,748	–	874	(874)	-100.0%	327
Total Capital Expenditure on renewal of existing assets	**471**	**21,498**	**30,963**	**1,298**	**15,482**	**(14,184)**	**-91.6%**	**13,053**

Table SF8c Entity expenditure on repairs and maintenance by asset class

Description R thousands	2019/20	Current Year 2020/21						
	Audited Outcome	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	**14,599**	**17,772**	**17,772**	**6,565**	**8,886**	**(2,320)**	**-26.1%**	**10,783**
Operational Buildings	14,599	17,772	17,772	6,565	8,886	(2,320)	-26.1%	10,783
Municipal Offices	*14,599*	*17,772*	*17,772*	*6,565*	*8,886*	*(2,320)*	*-26.1%*	*10,783*
Total Repairs and Maintenance Expenditure	**14,599**	**17,772**	**17,772**	**6,565**	**8,886**	**(2,320)**	**-26.1%**	**10,783**

Table SF8d Entity depreciation by asset class

Description R thousands	2019/20	Current Year 2020/21						
	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	**136,708**	**54,499**	**54,499**	**29,121**	**27,237**	**1,884**	**6.9%**	**57,907**
Operational Buildings	136,708	54,499	54,499	29,121	27,237	1,884	**6.9%**	57,907
Municipal Offices	136,708	54,499	54,499	29,121	27,237	1,884	6.9%	57,907
Total Depreciation	**136,708**	**54,499**	**54,499**	**29,121**	**27,237**	**1,884**	**6.9%**	**57,907**

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 2020/21 Performance Scorecard

a. Operating Profit/(Loss) before tax - Percentage achievement of annual budgeted operating profit

The CTICC has successfully hosted 17 events as at 31 December 2020, which was allowed in terms of the current COVID-19 regulations.

The company incurred an after-tax loss of R54.2 million against the budgeted loss of R50.6 million. The reason for the higher than expected loss was mainly due to the WCG not extending the contract for the temporary care facility located in CTICC1 to 31 December 2020.

Total expenditure, excluding depreciation and asset impairment, reflects a saving of R 33.9 million, mainly due to savings in payroll costs as a result of the freeze on vacancies, savings relating to utility costs, maintenance, travel and marketing costs.

b. Capital Projects - Percentage of the total number of capital projects for the year completed or committed

The company planned to complete or commit 15% projects by mid-year, and achieved 81%.

c. Events - Number of events hosted and international events

Total number of events hosted is 17 against a target of zero. The amendments to the regulations allowed events below 250 persons to be hosted.

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 1% of the annual total salary cost and has spent 2% 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 83% 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 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 i.t.o. the 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 sourcing 91% of the CTICC's total net spend from B-BBEE suppliers by the end of the second quarter of 2020/21. This has been achieved through the continued focus on preferential procurement practices adopted in our supply chain management system.

2020/21 Second Quarter Performance Scorecard – CTICC – 1 October 2020 to 31 December 2020

2020/21 SECOND QUARTER PERFORMANCE SCORECARD - CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 1 OCTOBER 2020 to 31 DECEMBER 2020						
Well Above	Above		On target	Below	Well below	AT - Annual Target / TBC
No	**Indicator**	**Status**	**Target**	**Actual**	**Reason for variance**	**Remedial action**
Strategic Focus Area 1: Opportunity City						
1.	International events		0	0		None
2.	Total events hosted		0	17	Events booked at short notice and hosted for below 250 people in terms of the revised regulations.	None
3.	Human Capital Development		1.0%	2.0%	The CTICC made use of the downtime during the pandemic to conduct training at all levels of the organisation.	None
4.	Supply Chain Procurement from B-BBEE Suppliers measured ito the B-BBEE Act		60%	91%	Our SCM processes are effective in procuring from BEE suppliers.	None
5.	Student Programme: Contribution to Youth Employment and Skills Development		4	0	Covid-19 pandemic impacted student placement - Higher education and training institutions have indicated that consideration for placement of students will only be from January 2021.	None
6.	Graduate Programme: Contribution to Youth Employment and Skills Development		4	5	Internal departments were able to accommodate the graduates	None
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%	79%	Due to the impact of the COVID-19 regulations on our operations vacancies have been frozen, which has impacted us not achieving the target of 80% and missing it by 1%.	Persons from the designated groups will be given preference when filling the vacancies once the process has commenced.
Strategic Focus Area 5: Well Run City						
8.	Customer Centricity and Service Excellence		75%	83%	Excellent service was delivered to those clients that held events during the period.	None
9.	Quality Offering		Achieve 5 Star Tourism Grading Council Rating	Annual target		None
10.	External Audit Report		Clean Audit Report for 2019/20 Financial year	Annual target	The Audit will only be comcluded during the 3rd quarter.	None
11.	Minimum Competency Level		7	9	Additional training was put in place during the downtime caused by the pandemic.	None
12.	Operating Profit		100%	87%	The loss incurred for the period was 13% below the budgeted target.	None
13.	Capital Projects		15%	81%	Construction activity resumed during the lockdown	None
14.	Capital Expenditure (CTICC 2 Expansion Programme)		0%	55%	Construction activity resumed during the lockdown	None
15.	Ratio of Cost Coverage maintained (RCC)		3.7 times	6.5 times	Reduction in costs, deferral of non-critical vacancies and expenditure assisted in preserving cash	None
16.	Net Debtors to Annual Income (ND)		13.0%	1.9%	No new debtors added during the past 6 months due to no events being held	None
17	Debt Coverage by Own Billed Revenue (DC)		0%	0%		None

* - Clean Audit is defined as an unqualified audit report with no material findings on compliance to laws, regulations and predetermined objectives.

PART 4: RECOMMENDATIONS:

1. Adjustments Budget

   It is recommended that the 2020/21 adjustment budget be prepared and approved as part of the parent municipality's adjustment budget by Council no later than 31 January 2021.

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

2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 3: CAPE TOWN STADIUM - 2020/21 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CAPE TOWN STADIUM

2020/21 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 2020/21 against the annual budget

Revenue by Source

A total of R1.3 million was achieved against a year-to-date budget of R6.5 million for the first half of the 2020/21 financial year.

- **Rental of facilities**
  The budget of R6.5 million included the assumption that the entity would be able to host the HSBC Rugby Sevens event in December 2020. The event had to be cancelled due to the extended COVID-19 lockdown restrictions.

  The R1.3 million revenue earned year to date is income earned mainly from bowl and non-bowl events, and film shoots which are smaller type of events with no spectators that are allowed to take place under the current COVID-19 restrictions. It also includes income earned in relation to preferred rights earned from all the operational tender suppliers. The bowl events relate to soccer events which were held with no spectators.

- **Other revenue**
  Other revenue of R3k relates to rebate income earned from service providers for services which are sold to clients such as cleaning, security etc. The stadium earns a rebate on the revenue which the service provider generates for events held at the stadium.

- **Transfers and subsidies (grant income)**
  A total of R32.4 million was utilised against a budget of R39.4 million resulting in a year to date savings of R7 million. The total approved grant funding budgeted for the year is R65.7 million. The favourable variance is primarily due to the savings realised on the operational expenditure directly linked to events.

Expenditure by type

Current total expenditure is 26.5% or R12.1 million below the year-to-date budget projection for the period ending 31 December 2020. It is envisaged that the savings on operational expenditure will be utilised to cover the shortfall on revenue as a result of COVID-19. Operational expenditure budgets will be adjusted in the adjustment budget to ensure that no additional grant funding is required.

Savings reflect on the following categories:

- **Other Materials**
  The savings of R225k comprises mainly of savings realised in printing and stationery as well as the fuel budget as a result of improved cost management under those specific cost types.

- **Other Expenditure**
  The R3.5 million savings generated is due to, inter alia, savings realised on the training, travel and conferences cost types. The savings are also due to certain event-related costs classified under this expenditure category, which is included in the budget but did not materialise due to the cancellation of planned events.

- **Contracted Services**
  The total savings of R8.4 million is due to, inter alia, savings on event-related budgeted costs as certain events cannot take place due to the current COVID-19 lockdown restrictions.

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. 2020/21 Performance Scorecard

The entity's 2020/21 Performance Scorecard for the period 1 July 2020 to 31 December 2020 is included in Annexure 1 of the City of Cape Town 2020/21 Mid-Year Budget and Performance Assessment report.

This scorecard is discussed under Part 3 (Service Delivery Performance) of this report.

4. 2019/20 Annual Report

The entity's 2019/20 Annual Report will be tabled at Council in the first quarter of the calendar year. Due to the delay in the completion of the external audit as a result of the COVID-19 pandemic, the annual report will only be approved at the AGM in February 2021.

PART 2 - FINANCIAL PERFORMANCE

The tables below reflect the operating budget for the CT Stadium for the period 1 July 2020 to 31 December 2020. Full year forecasts were revised to reflect the figures as per the January 2021 adjustments budget process. Revised forecasts will inform the adjustments budget to be tabled at Council for approval.

Table F1 Monthly Budget Statement Summary

Description	2019/20	Current Year 2020/21						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Financial Performance</u>								
Property rates	–	–	–	–	–	–	-	–
Service charges	–	–	–	–	–	–	-	–
Investment revenue	1	–	–	–	–	-	-	–
Transfers recognised - operational	59,454	65,718	65,718	32,414	39,459	(7,046)	-17.9%	65,718
Other own revenue	2,020,979	27,433	27,433	1,351	6,500	(5,149)	-79.2%	8,897
Total Revenue (excluding capital transfers and contributions)	**2,080,433**	**93,150**	**93,150**	**33,764**	**45,959**	**(12,195)**	**-26.5%**	**74,615**
Employee costs	732	1,409	1,409	699	704	(5)	-0.7%	1,409
Remuneration of Board Members	272	424	424	192	212	(20)	-9.5%	424
Depreciation and asset impairment	–	–	–	–	–	–	-	–
Finance charges	–	–	–	–	–	–	-	–
Materials and bulk purchases	687	674	674	112	337	(225)	-66.9%	615
Transfers and grants	–	–	–	–	–	–	-	42,597
Other expenditure	103,743	90,643	90,643	32,761	44,706	(11,944)	-26.7%	69,570
Total Expenditure	**105,433**	**93,150**	**93,150**	**33,764**	**45,959**	**(12,195)**	**-26.5%**	**114,615**
Surplus/(Deficit)	**1,975,000**	**(0)**	**(0)**	**–**	**–**	**–**	**-**	**(40,000)**
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) after capital transfers & contributions	**1,975,000**	**(0)**	**(0)**	**–**	**–**	**–**	**-**	**(40,000)**
Taxation	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**1,975,000**	**(0)**	**(0)**	**–**	**–**	**–**	**-**	**(40,000)**
<u>Financial position</u>								
Total current assets	44,453	6,392	6,392	–				46,382
Total non current assets	1,935,000	–	–	–				1,895,000
Total current liabilities	4,453	6,392	6,392	–				6,382
Total non current liabilities	–	–	–	–				–
Community wealth/Equity	1,975,000	–	–	–				1,935,000
<u>Cash flows</u>								
Net cash from (used) operating	(11)	(3,771)	(3,771)	–	–	–		(3,781)
Net cash from (used) investing	–	–	–	–	–	–	-	–
Net cash from (used) financing	–	–	–	–	–	–	-	–
Cash/cash equivalents at the year end	**0**	**10**	**10**	**0**	**3,781**	**(3,781)**	**-100.0%**	**(0)**

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

Description	2019/20	Current Year 2020/21						
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	17,086	21,376	21,376	1,347	6,500	(5,153)	-79.3%	4,800
Interest earned - external investments	1	–	–	–	–	–	-	–
Interest earned - outstanding debtors	–	–	–	–	–	–	-	–
Dividends received	–	–	–	–	–	–	-	–
Fines, penalties and forfeits	–	–	–	–	–	–	-	–
Licences and permits	–	–	–	–	–	–	-	–
Agency services	–	–	–	–	–	–	-	–
Transfers and subsidies	59,454	65,718	65,718	32,414	39,459	(7,046)	-17.9%	65,718
Other revenue	2,003,893	6,057	6,057	3	–	3	100.0%	4,097
Gains	–	–	–	–	–	–	-	–
Total Revenue (excluding capital transfers and contributions)	**2,080,433**	**93,150**	**93,150**	**33,764**	**45,959**	**(12,195)**	**-26.5%**	**74,615**
Expenditure By Type								
Employee related costs	732	1,409	1,409	699	704	(5)	-0.7%	1,409
Remuneration of Directors	272	424	424	192	212	(20)	-9.5%	424
Debt impairment	–	–	–	–	–	–	-	–
Depreciation & asset impairment	–	–	–	–	–	–	-	–
Finance charges	–	–	–	–	–	–	-	–
Bulk purchases	–	–	–	–	–	–	-	–
Other materials	687	674	674	112	337	(225)	-66.9%	615
Contracted services	64,117	68,715	68,715	26,644	35,040	(8,396)	-24.0%	56,644
Transfers and subsidies	–	–	–	–	–	–	-	42,597
Other expenditure	39,626	21,928	21,928	6,117	9,666	(3,549)	-36.7%	12,926
Losses	–	–	–	–	–	–	-	–
Total Expenditure	**105,433**	**93,150**	**93,150**	**33,764**	**45,959**	**(12,195)**	**-26.5%**	**114,615**
Surplus/(Deficit)	**1,975,000**	**(0)**	**(0)**	–	–	–	-	**(40,000)**
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	**1,975,000**	**(0)**	**(0)**	–	–	–	-	**(40,000)**
Taxation	–	–	–	–	–	–	-	–
Surplus/(Deficit) for the year	**1,975,000**	**(0)**	**(0)**	–	–	–		**(40,000)**

Table F4 Monthly Budget Statement – Financial Position

Vote Description	2019/20	Current Year 2020/21			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	–	10	10	–	–
Call investment deposits	–	–	–	–	–
Consumer debtors	496	–	–	–	–
Other debtors	3,957	6,382	6,382	–	6,382
Current portion of long-term receivables	40,000	–	–	–	40,000
Inventory	–	–	–	–	–
Total current assets	44,453	6,392	6,392	–	46,382
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Investment in Associate	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	1,935,000	–	–	–	1,895,000
Total non current assets	1,935,000	–	–	–	1,895,000
TOTAL ASSETS	1,979,453	6,392	6,392	–	1,941,382
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	–	–
Trade and other payables	4,453	6,392	6,392	–	6,382
Provisions	–	–	–	–	–
Total current liabilities	4,453	6,392	6,392	–	6,382
Non current liabilities	–	–	–	–	–
Borrowing	–	–	–	–	–
Provisions	–	–	–	–	–
Total non current liabilities	–	–	–	–	–
TOTAL LIABILITIES	4,453	6,392	6,392	–	6,382
NET ASSETS	1,975,000	–	–	–	1,935,000
COMMUNITY WEALTH/EQUITY	–	–	–	–	–
Accumulated Surplus/(Deficit)	1,975,000	–	–	–	1,935,000
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,975,000	–	–	–	1,935,000

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	(5,153)	The HSBC World Rugby Sevens Series, meant to take place in this reporting period, was canceled due to the current COVID-19 lockdown restrictions.	Budget provision to be updated in the January 2021 adjustments budget.
Transfers and subsidies	(7,046)	As the entity is incurring less expenditure due to the current COVID-19 lockdown regulations, the grant income received from the City is less than anticipated.	No remedial action required.
Other revenue	3	Rebate fees received.	No remedial action required.
Expenditure items			
Employee related costs	(5)	Immaterial variance.	-
Remuneration of Directors	(20)	Variance is due to timing of expenditure.	No remedial action required; budget will be utilised during the course of the financial year.
Other materials	(225)	Expenditure incurred is lower than anticipated as a result of the COVID-19 lockdown restrictions.	Budget provision to be updated in the January 2021 adjustments budget.
Contracted services	(8,396)	Expenditure incurred is lower than anticipated, due to the COVID-19 lockdown restrictions as well as no planned events currently taking place.	Budget provision to be updated in the January 2021 adjustments budget.
Other expenditure	(3,549)	Expenditure incurred is lower than anticipated, due to the COVID-19 lockdown restrictions as well as no planned events currently taking place.	Budget provision to be updated in the January 2021 adjustments budget.
Cash flow items			
Other revenue	(5,149)	The HSBC World Rugby Sevens Series, meant to take place in this reporting period, was canceled due to the current COVID-19 lockdown restrictions.	Budget provision to be updated in the January 2021 adjustments budget.
Government - Operating	(7,046)	As the entity is incurring less expenditure due to the current COVID-19 lockdown regulations, the grant income received from the City is less than anticipated.	No remedial action required.
Suppliers and employees	12,195	Expenditure incurred is lower than anticipated, due to the COVID-19 lockdown restrictions as well as no events currently taking place.	No remedial action required; budget will be utilised during the course of the financial year.

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration R thousands	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	272	424	424	192	219	(27)	-12.4%	424
Sub Total - Board Members of Entities	272	424	424	192	219	(27)	-12.4%	424
% increase		56.2%	56.2%					56.2%
Senior Managers of Entities								
Basic Salaries	732	1,409	1,409	699	702	(3)	-0.4%	1,409
Sub Total - Senior Managers of Entities	732	1,409	1,409	699	702	(3)	-0.4%	1,409
% increase		92.5%	92.5%					92.5%
Other Staff of Entities								
Basic Salaries	–	–	–	–	–	–	-	–
Sub Total - Other Staff of Entities	–	–	–	–	–	–	-	–
% increase								
Total Municipal Entities remuneration	1,003	1,833	1,833	891	921	(30)	-3.3%	1,833
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Table SF7 Entity monthly actuals & revised targets

Description	Current Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	11	1	298	188	474	376	2,480	2,480	2,480	2,480	2,480	7,628	21,376	63,076	69,743
Other revenue	1,662	4,149	6,730	5,083	7,062	7,731	5,145	5,145	5,251	5,145	5,145	13,529	71,776	51,708	55,673
Gains	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**1,673**	**4,150**	**7,028**	**5,270**	**7,536**	**8,107**	**7,625**	**7,625**	**7,731**	**7,625**	**7,625**	**21,157**	**93,150**	**114,784**	**125,416**
Expenditure By Type															
Employee related costs	115	128	110	115	115	115	118	118	118	118	118	120	1,409	1,528	1,658
Remuneration of Board Members	–	–	117	–	–	75	–	–	106	–	–	126	424	460	500
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	21	4	18	53	16	–	56	56	56	56	56	282	674	704	736
Contracted services	1,530	3,147	5,869	3,435	6,241	6,422	5,840	5,840	5,840	5,840	5,840	12,870	68,715	84,635	92,039
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	8	871	913	1,668	1,164	1,494	1,611	1,611	1,611	1,611	1,611	7,756	21,928	27,456	30,482
Losses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	**1,673**	**4,150**	**7,028**	**5,270**	**7,536**	**8,107**	**7,625**	**7,625**	**7,731**	**7,625**	**7,625**	**21,155**	**93,150**	**114,784**	**125,416**

Continues on next page.

Description	Current Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2020/21	2021/22	2022/23
<u>Capital expenditure</u>															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<u>Cash flow</u>															
Ratepayers and other	11	1	298	188	474	379	3,057	3,057	3,057	3,057	3,057	10,798	27,433	84,289	93,244
Transfers and Subsidies	1,662	4,149	6,730	5,083	7,062	7,728	4,568	4,568	4,674	4,568	4,568	10,359	65,718	29,918	29,296
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Suppliers, employees and other	(1,673)	(4,150)	(7,028)	(5,270)	(7,536)	(8,107)	(7,625)	(7,625)	(7,731)	(7,625)	(7,625)	(24,928)	(96,921)	(114,207)	(122,540)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	–	–	–	–	(0)	–	–	–	–	–	(3,771)	(3,771)	0	(0)
Decrease (increase) in 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	–	–	–	–	–	(0)	–	–	–	–	–	(3,771)	(3,771)	0	(0)

Table SF8c Entity expenditure on repairs and maintenance by asset class

Description	2019/20	Current Year 2020/21						
R thousands	Audited Outcome	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	**22,912**	**26,068**	**26,068**	**10,130**	**9,202**	**928**	**10.1%**	**20,398**
Sport and Recreation Facilities	22,912	26,068	26,068	10,130	9,202	928	10.1%	20,398
Outdoor Facilities	22,912	*26,068*	26,068	10,130	9,202	928	10.1%	20,398
Total Repairs and Maintenance Expenditure	**22,912**	**26,068**	**26,068**	**10,130**	**9,202**	**928**	**10.1%**	**20,398**

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 second 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 Key Performance Indicators (KPIs), which are reviewed annually with input from both stakeholders.

2. Highlights from the 2020/21 Performance Scorecard

A total of seven of the eleven targets were achieved at the end of the second quarter. There are two annual performance indicators being the reduction on grant allocation and the target of achieving a clean audit.

For the indicator measuring the entity's percentage achievement of projected revenue, a total of 5.4% of revenue was achieved against a target of 10%. The under achievement is due to the cancellation of HSBC Rugby Sevens Tournament, which was included in revenue for December 2020. The event was cancelled due to the extended COVID-19 lockdown restrictions on large bowl events.

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

CTS implemented six marketing interventions against a target of six through the use of the City's professional service provider (Hello FCB) for marketing and communications.

CTS hosted ten bowl events against a target of one since the current lockdown restrictions allowed for soccer matches to take place without spectators. Furthermore, the target set for film shoots as well as non-bowl events were exceeded.

Through a conservative effort the entity ensured that 77% of the declarations were completed against a budgeted target of 70%.

The 2020/21 performance scorecard is annexed on pages 17 to 19.

3. Conclusion

The CTS has had a challenging start in terms of achieving revenue in the first half of the 2020/21 financial year due to the impact of the COVID-19 lockdown restrictions. Overall the entity performed well in achieving its other targets. Targets will be amended for the second half of the year, where applicable, in the January 2021 adjustments budget to accommodate the changed circumstances.

PART 4 – RECOMMENDATIONS

1. Adjustments Budget

It is recommended that the 2020/21 adjustments budget, which was approved by the board on 4 December 2020, 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: 2020/21 Q2 Performance Scorecard

Cape Town Stadium Performance Assessment Report for 2020/21 - 1 October 2020 31 December 2020

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

No	Indicator	Target Performance Q2 - 31 December 2020	Actual Performance Q2 - 31 December 2020	Rating	Reason for variance	Remedial action
Strategic Focus Area 1: Opportunity City						
Corporate Objective : Positioning Cape Town as a forward looking globally competitive City						
1.	Percentage reduction of the Grant Allocation from the City of Cape Town	Annual Target	Annual Target	AT	Annual Target	N/A- Annual Target
2.	Percentage Achievement of Projected Revenue	10%	5,44%	Well below	The under achievement of the revenue target is in direct relation to the COVID-19 lockdown restrictions placed on large, bowl events. The assumptions of the budget envisaged that the entity would be able to earn revenue as from the December 2020 month with HSBC World Rugby Sevens series taking place. Due to the extention of the current lockdown restrictions, this was not possible and the event had to be cancelled. The entity did however earn some revenue from filmshoots and soccer matches for the first part of the year as these are smaller events which are allowed to take place under the current restrictions and with no spectators.	Budget to be updated with the January 2021 adjustments budget process.
Corporate Objective : Positioning Cape Town as a forward looking globally competitive City						
3.	Percentage Compliance with approved Repairs and Maintenance Programme	100%	100%	On target	CTS is 100% compliant with the approved Repairs and Maintenance Programme	Continued Compliance at 100%
4.	Percentage Compliance with OHSA Act and regulations (Act 85 of 1993)	100%	100%	On target	CTS is 100% compliant with the OHSA Act and Regulations (Act 85 of 1993)	Continued Compliance at 100%
5.	Number of Marketing Interventions implimented as per the approved Marketing Plan	6	6	On target	As per the revised target set, the entity had actioned four (4) marketing interventions in the second quarter, thus achieving a consolidated 6 marketing interventions for the year to date. These included the creation of two pieces of digital content in the form of a newsletter and a construction video, one Instagram post relating to the launch of the highly anticipated video game called Dirt 5 which the Cape Town Stadium featured strongly in, and one Website update relating to a soccer match.	On Track

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Annexure 1: 2020/21 Q2 Performance Scorecard (continued)

No	Indicator	Target Performance Q2 - 31 December 2020	Actual Performance Q2 - 31 December 2020	Rating	Reason for variance	Remedial action
6.	Number of Bowl Events Hosted	1	10	✓	Due to COVID 19 regulations, CTS projected a target of one (1) bowl event for QRT 2 (two) of the 2020/2021 financial year. The entity hosted and delivered a total of ten (10) bowl events during QRT 2 (two) thus outperforming the SDBIP target in relation to the total number of bowl events. At the time of planning and populating this performance document, no events were allowed at Stadia. This has sinced changed and PSL and NFD soccer matches are now allowed but without any spectators. We have hosted both PSL and NFD matches during this quarter.	The Entity is in close contact with the PSL through its clubs, to keep abreast of the latest developments with small amounts of spectators being allowed.
7.	Number of Non Bowl Events Hosted	5	6	✓	The entity hosted a total of 6 (six) non -bowl events. These events were hosted with some spectators following stringent COVID 19 protocols.	Currently Covid is still a huge inhibative factor in this space.
8.	Number of Film shoots hosted	3	8	✓	CTS secured and hosted four (4) film shoots for the current quarter alone, and a total of 8 films shoots as at 31 December, thus exceeding the total number of film shoot target. No spectators only film crew permitted following the Film Industry COVID 19 SOP.	CTS is in continous engagement with the Film Industry to secure additional shoots in the quarter 3 and 4 of the 2020/21 Financial year.
Corporate Objective : Economic Inclusion						
9.	Percentage budget spent on implementation of WSP	25%	4,98%	✗	The extreme limitations on training interventions due to Covid 19 impacted negatively on this performance indicator as staff could not attend relevant training interventions. The training interventions that was captured on the individual WSP were not available in this quarter.	The Entity staff is dependant on the training interventions chosen being actually available via the City's service providers. A number of interventions are available in the next quarter and the Entity will focus on staff attendance at relevant and requested training as per individual WSP. Some online courses were attended which was free of charge or carried by corporate and therefore does not show an impact on our expenditure target.
Strategic Focus Area 4: Inclusive City						
Corporate Objective 4.3: Building Integrated Communities						
10.	**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%	50%	✗	Currently top three levels of management is not fully representative as per the set target due. This is due to the historical appointments still occupying positions on the current structure in the levels applicable.	As vacancies in the top three levels of management occurs, the employment strategy will focus on reaching the 80% target set in the indicator.

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Annexure 1: 2020/21 Q2 Performance Scorecard (continued)

No	Indicator	Target Performance Q2 - 31 December 2020	Actual Performance Q2 - 31 December 2020	Rating	Reason for variance	Remedial action
Strategic Focus Area 5: Well Run City						
Corporate Objective 5.1: Operational Sustainability						
11.	**Operational Sustainability -** Percentage of absenteeism	≤ 5%	5,29%		The underperformance is due to an extended number of sick leave days as a result of one staff member undergoing an operation.	The underperformance was due to one of the staff members who undergone an operation and resulted in sick leave days extended. The absent days in general, will be monitored closely going forward.
12.	**Operational Sustainability -** Percentage of declarations of interest completed	70%	77%		Target exceeded. This is due to effective communication from management, and in prioritizing staff to complete their DOI's.	
13.	**Operational Sustainability -** Opinion of the Auditor General	Clean Audit (Annual Target)	Annual Target	**AT**	Annual Target	N/A- Annual Target