



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 21

STATEMENT OF INTENT TO ESTABLISH A MUNICIPAL ENTITY TO MANAGE AND OPERATE THE CAPE TOWN STADIUM

INTENTION TO ESTABLISH A MUNICIPAL ENTITY TO MANAGE AND OPERATE THE CAPE TOWN STADIUM

Statement in terms of section 17(3)(h) of the Local Government: Municipal Finance Management Act

It is intended to establish a municipal entity to manage and operate the Cape Town Stadium. A final decision will be taken at the April 2017 Council meeting.

The municipal entity will be a private company with an independent board, and will be tasked with appointing a specialised management company whose function will be to increase the utilisation of the stadium and reduce the financial burden on the municipal fiscus.

The following information is highlighted:

The municipal entity will perform the following functions:

1. General facility and operations
2. Events and entertainment services management
3. Commercialisation, marketing and hospitality management
4. Finance, legal and administration management

The 38 staff members of the City of Cape Town will be seconded to the municipal entity.

There will be no redundancies.

There will be no retrenchments.

The municipal entity will have the right of use over the property in terms of a long-term lease. Plant and equipment required for the operation of the stadium will be transferred.

No assets will become obsolete.

Liabilities (provisions for staff leave and medical aid) in the amount of R1 177 000 will be ceded to the entity.

The stadium is currently part of the rate-funded budget, which as a whole balances. There is therefore no debt attributed to the function.