DATE:

REPORT TO: MAYORAL COMMITTEE

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1. ITEM NUMBER

2. SUBJECT

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT [E0248] [E0264]

ONDERWERP
HALFJAARLIKSE BEGROTING EN PRESTASIE-EVALUERING VIR 2018/19

ISIHLOKO
UHLAHLO-LWABIWO-MALI LOMBINDI WONYAKA LUKA-2018/19 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

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 2018/19 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. Legal Compliance ☑

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

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

4.3. Staff Implications ☐ Yes ☑ No

4.4. Risk Implications ☐ Yes ☑ No

5. RECOMMENDATIONS

Delegated: for decision by the Executive Mayor

It is recommended that:

a. The mid-year budget and performance assessment report be considered and submitted to Council in terms of Section 54 and 72 of the MFMA.
b. An adjustments budget (January 2019 adjustments budget) be proposed based on the financial outcomes indicated in annexure A to this report.

AANBEVELINGS

Gedelegeer: vir besluitneming deur die uitvoerende burgemeester:

Daar word aanbeveel dat:

a. Oorweging geskenk word aan die halfjaarlikse begrotings- en prestasie-assesseringsverslag en dit ingevolge artikel 54 en 72 van die MFMA aan die Raad voorgelê word.
b. ‘n Aansuiweringsbegroting (Januarie 2019-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 2019) ngokusekelezelwe kwiziphumo zemali ezibonakaliswe kwisihlomelo A esiqhotyoshelwe kule ngxelo.

ANNEXURES

Annexure A - 2018/19 Mid-year budget and performance assessment

FOR FURTHER DETAILS CONTACT

NAME	Johan Steyl	CONTACT NUMBER	021 400 2070
E-MAIL ADDRESS	Jacobus.steyl@capetown.gov.za		
DIRECTORATE	Finance	FILE REF NO	-
SIGNATURE : DIRECTOR			

EXECUTIVE DIRECTOR

NAME	Kevin Jacoby	COMMENT:	
DATE			
SIGNATURE			

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

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

JANUARY 2019

CONTENTS

LIST OF ANNEXURES

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

CCT – City of Cape Town

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

CTICC - Cape Town International Convention Centre

CTS – Cape Town Stadium

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

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

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

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

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

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

MBRR – Municipal Budget Reporting Regulations

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 2018/19

1.1.1. Against annual budget (original approved and latest adjustments)

Revenue by Source

Current revenue[2] is 8.0% or R1 641 million above the year-to-date budget projection for December 2018.

Reasons for over-recovery on the revenue budget:

- **Property Rates (R29.9 million over)**
  The over-recovery is mainly due to account reversals/corrections and real time valuation of properties.

- **Service Charges – electricity revenue (R291.1 million over)**
  The over-recovery is due to periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources. Variances on the different individual sales revenue elements are due to continuous movement of consumers between tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff.

- **Service Charges – water revenue (R912.0 million over) and Service Charges – sanitation revenue (R208.6 million over)**
  The over-recovery is due to some consumers still using water above restriction levels. This was specifically applicable during the level 6 tariff stage implemented to discourage high consumption in order to keep saving water. It must, however, be emphasised that the over-recovery on sales is not all cash backed. High consumption by non-paying consumers will mean that the over-recovery on "billed revenue" will be offset by the over expenditure as would be reflected by the provision for the non-cash backed portion of the amount billed. The introduction of Level 5 restrictions has slowed down the over-recovery of "billed revenue" reflecting a closer alignment to the monthly budget. This also meant that the cumulative effect of over-recovery has stabilised. This stabilising effect is expected to continue under the Level 3 restriction levels and depending on the usage levels (and impact of seasonal usage) the anticipated cash backed portion of the current over-recovery can be used as a buffer potential under-recovery later in the financial year.

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[1] **Prepared as per MFMA Section 54 (1)**

[2] **Refer Table C4 – Total Revenue by Source (excluding capital transfers and contributions)**

- **Interest earned – outstanding debtors (R29.0 million over)**
  The over-recovery is due to higher than planned interest on outstanding consumer debtor accounts for Water, Sanitation, and Solid Waste.

- **Fines, penalties and forfeits (R162.2 million over)**
  The over-recovery is a combination of variances on Traffic Fines (under) and Traffic Fines Accruals (over), due to a number of reasons i.e. public's ability to pay fines, capacity of courts to deal with case volumes, outcome of court cases and more fines being issued than planned.

- **Other revenue (R25.7 million over)**
  The variance is a combination of over-/under-recovery on various revenue elements within this category.
    - Collection charges recovered (over), due to higher than planned recovery to date resulting from improvements in debt management procedures and processes.
    - Development contribution/levy (over), as a result of the extent of property development in the City being higher than planned to date.
    - Hire of municipal staff (over), due to accruals raised for externally-funded law enforcement officer appointments.
    - Camp/Resort fees and admission fees (under), due to lower than anticipated demand for facilities during winter.
    - Service charges - infrastructure and facilities (over), due to incorrect posting to this element.
    - Building levies (under), where revenue is dependent on property developments, which fluctuates constantly and therefore difficult to predict accurately.
    - Recoveries of operational expenditure (over), due to recoveries to date being higher than planned.
    - Service charges - infrastructure (under), due to two Broadband tenders that must still be awarded resulting in lower than planned revenue to date as well as delays in concluding a contract with the SA Police Service for radio trunking.
    - Busfares - transit products (under), due to unprocessed journals iro the fare system and the negative impact of bus driver strikes on MyCiTi services.

Operating expenditure by type

Current expenditure[3] is 6.6% or R1 208 million below the year-to-date budget projection for December 2018.

Reasons for major under expenditure on the expenditure budget:

- **Employee Related Costs (R775.8 million under)**
  The variance is mainly due to the turnaround time in filling vacancies; internal filling of vacant positions; and appointment of seasonal workers and temporary staff, which is dependent on seasonal requirements as and when departments require additional staff.

- **Finance charges (R185.1 million under)**
  The under expenditure is due to fewer than planned external loans taken up.

- **Bulk Purchases (R103.9 million under)**
  The under-expenditure reflects mainly against Bulk Purchases - Water within the following elements:
  - Raw water, due to a one-month lag between payments as a result of the different cut-off dates between the City and the National Department of Water & Sanitation resulting in invoices for December 2018 still being outstanding.
  - Bulk water levy, due to outstanding invoices for December 2018.
  - Bulk water - desalination, due to water being produced at a slower rate than originally anticipated.

- **Contracted Services (R169.3 million under)**
  The variance is a combination of over-/under expenditure.
  - Administrative and support staff (under), due to the changed strategy when hiring non-permanent staff, which allows flexibility especially with annual peak periods, campaigns and projects resulting in savings.
  - Advisory services - communication (over), due to professional services required for communication with communities.
  - Transportation services - people (under), due to the Vehicle Operating Companies (VOC) failing to submit signed invoices for October 2018 and November 2018 as well as the recent bus drivers' strike.
  - Recreation, sport and social development programmes (under), due to lower than planned expenditure incurred on sport and recreation programmes.
  - Chipping (under), due to a decrease in the volume of green waste being disposed of at drop-off facilities.

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

  - Haulage (under), due to lower than planned volumes of waste being generated in informal settlements resulting in less waste being transported to landfill sites.
  - R&M - Contracted services building (over), due to higher than anticipated volumes of notifications at Housing Rental Units.
  - Advisory services - Project management (under), due to less project management services needed for the period under review.
  - Contracted services - Mayors Job Creation Projects (under), due to delays in finalisation of contracts and appointment of workers.
  - R&M gardening (over), due to the higher demand for services as a result of the good rainfall over the last few months.
  - Refuse removal (over), where the cost of external refuse removal contractors is slightly more than planned to date.
  - Litter picking and street cleaning (over), due to higher than planned cost for street cleaning and litter picking as well as the annual increases in tender value.
  - R&M equipment (under), due to a lower than planned demand for repairs and maintenance of equipment.

- **Other Expenditure (R168.9 million under)**
  The under expenditure is a combination of over-/under expenditure on the various categories within ‘Other expenditure’.
  - Subsidy on home-owners’ redemption (under), due to the Enhanced Extended Discount Benefit Scheme (EEDBS) grant provided to qualifying occupants of housing units. This was previously funded from the Housing Fund (operating budget), but is now funded from the Human Settlement Development Grant (HSDG).
  - Training and learner ships (under), mainly due to delays in the roll-out of training programmes and the prioritisation process currently underway.
  - Computer services - software licences (under) and Specialised IT services (over), due to SAP licences being debited against the incorrect G/L account.
  - Bank charges (under), due to the change of the City's official banker resulting in lower banking fees.
  - Hire of LDV/cars (under), due to the lower demand for vehicles as well as tender issues experienced for the hiring of heavy equipment by the Centralised Fleet department.
  - Electricity (under), due to lower than planned demand of water being pumped by pump stations as a result of the drought and the consequential water restrictions.
  - Water research levy (under), due to outstanding invoices from the National Department of Water & Sanitation.

Capital expenditure

Year-to-date expenditure[4] on the capital budget amounts to R1 841 million (Dec 2017: R2 154 million) or 20.8% (Dec 2017: 24.9%), of the R8 851 million current budget, which is higher by 4.1% 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 (33.1%), borrowings (29.4%) and the balance from internally-generated funds and public contributions and donations.

The year-to-date expenditure is below the year-to-date target by 9.4% or R190.8 million.

Reasons for material positive variances in capital expenditure

- Early than anticipated delivery and installation of equipment;
- Good contractor performance; and
- Less community interference on certain projects.

It should also be noted that under-expenditure was recorded on certain projects, mainly due to:

- Unavailability of certain stock from suppliers;
- Delivery of equipment reliant on the opening of a Walk-in-Centre, which was delayed;
- Late award of a new plumbing tender;
- Court case outcome, which is awaited;
- Delays in obtaining approval to utilise certain term tenders;
- Challenges with contractors to sign contracts timeously;
- Densification/congestion of underground services at locations causing delays on certain projects;
- Redesign of bulk store, due to its proximity to a bulk sewer line;
- Contractors being liquidated;
- Delays in award of tenders as a result of appeals;
- Community concerns;
- Outstanding payment certificates;
- Delays in re-prioritisation of needs;
- Re-advertising of tenders;
- Commissioning of permanent power supply from Eskom still awaited;

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

- Bid Evaluation Committee (BEC) process delayed, as clarification from tenderers had to be sought during the evaluation process;
- Absence of a corporate tenders e.g. IT consultant tender, CCTV tender;
- Contractor being forced to vacate site, due to security concerns;
- Delayed progress due to environmental matters when drilling in a nature reserve, which is a World Heritage Site; and
- Misalignment of cash flow.

Cash Flow

The City's cash reserves are currently strong and together with a reduced 2018/19 capital programme has resulted in the external loan budget being reduced substantially.

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 2018 to 31 December 2018. The 2018/19 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. 2017/18 Annual Report

The City's 2017/18 Annual Report will be tabled at Council by 31 January 2019 as legislatively required.

The Auditor-General report is included in the 2017/18 Annual Report.

Problems identified in the 2016/17 Annual Report have been resolved.

1.4. Municipal Entities

Cape Town International Convention Centre (CTICC)

The CTICC's mid-year review and performance assessment for the period 1 July 2018 to 31 December 2018 is reported in Annexure 2 to this report.

The CTICC's 2017/18 Annual Report will be tabled at Council on 31 January 2019.

Cape Town Stadium (CTS)

The CTS’s mid-year review and performance assessment for the period 1 July 2018 to 31 December 2018 is reported in Annexure 3 to this report.

The CTS’s 2017/18 Annual Report will be tabled at Council on 31 January 2019.

2. Conclusion

The mid-year budget and performance assessment indicates that:

a. an adjustments budget for 2018/19 is required and this adjustments budget must be approved by Council by no later than 28 February 2019; 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 2018 (M06 2019) 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	2017/18	Budget Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	8,669,308	9,361,952	9,361,952	4,710,917	4,680,976	29,941	0.6%	9,362,895
Service charges	17,019,653	19,179,838	19,179,838	11,057,292	9,682,886	1,374,406	14.2%	19,476,569
Investment revenue	877,984	936,513	936,513	483,506	468,257	15,249	3.3%	940,288
Transfers and subsidies	6,450,645	6,803,608	7,057,030	4,299,170	4,284,561	14,610	0.3%	7,369,203
Other own revenue	3,763,693	3,067,907	3,067,907	1,728,271	1,521,534	206,737	13.6%	3,033,368
Total Revenue (excluding capital transfers and contributions)	**36,781,283**	**39,349,818**	**39,603,240**	**22,279,156**	**20,638,213**	**1,640,943**	**8.0%**	**40,182,322**
Employee costs	10,865,323	12,920,115	12,909,337	5,854,784	6,630,569	(775,785)	-11.7%	12,452,662
Remuneration of Councillors	154,923	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,640
Depreciation & asset impairment	2,578,561	2,814,336	2,814,336	1,369,520	1,373,918	(4,398)	-0.3%	2,850,051
Finance charges	781,948	1,089,285	1,089,285	338,439	523,530	(185,091)	-35.4%	906,679
Materials and bulk purchases	9,345,475	10,742,417	10,750,534	4,628,617	4,748,860	(120,243)	-2.5%	10,308,408
Transfers and subsidies	408,037	333,807	401,689	168,095	127,836	40,259	31.5%	484,901
Other expenditure	8,767,007	11,194,339	11,382,541	4,773,895	4,935,261	(161,366)	-3.3%	11,216,909
Total Expenditure	**32,901,274**	**39,263,938**	**39,517,360**	**17,211,480**	**18,419,286**	**(1,207,806)**	**-6.6%**	**38,389,249**
Surplus/(Deficit)	**3,880,009**	**85,879**	**85,879**	**5,067,677**	**2,218,928**	**2,848,749**	**128.4%**	**1,793,073**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,732,882	2,067,896	2,749,880	621,919	578,314	43,605	7.5%	2,528,996
Contributions & Contributed assets	78,248	76,200	77,790	26,003	22,920	3,083	13.5%	54,526
Surplus/(Deficit) after capital transfers & contributions	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**	**2,895,437**	**102.7%**	**4,376,595**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**	**2,895,437**	**102.7%**	**4,376,595**
Capital expenditure & funds sources								
Capital expenditure	**5,603,619**	**8,407,556**	**8,850,922**	**1,840,894**	**2,031,755**	**(190,861)**	**-9.4%**	**6,611,832**
Capital transfers recognised	1,732,882	2,067,896	2,749,880	621,919	743,990	(122,071)	-16.4%	2,528,996
Public contributions & donations	72,532	76,200	77,790	24,516	28,230	(3,713)	-13.2%	54,526
Borrowing	2,533,155	4,000,000	3,446,950	553,444	601,537	(48,093)	-8.0%	500,000
Internally generated funds	**1,265,050**	**2,263,460**	**2,576,302**	**641,015**	**657,999**	**(16,984)**	**-2.6%**	**3,528,310**
Total sources of capital funds	**5,603,619**	**8,407,556**	**8,850,922**	**1,840,894**	**2,031,755**	**(190,861)**	**-9.4%**	**6,611,832**
Financial position								
Total current assets	14,968,444	15,622,361	15,711,895	14,521,590				15,711,895
Total non current assets	49,601,006	56,541,886	56,963,084	52,463,986				56,963,084
Total current liabilities	8,876,008	12,459,589	12,839,797	5,827,441				12,839,797
Total non current liabilities	12,717,712	16,872,693	16,872,693	12,490,102				16,872,693
Community wealth/Equity	**42,975,729**	**42,831,965**	**42,962,488**	**48,668,033**				**42,962,488**
Cash flows								
Net cash from (used) operating	7,349,603	4,809,613	5,491,597	4,778,012	2,556,988	(2,221,024)	-86.9%	5,491,597
Net cash from (used) investing	(6,037,208)	(7,683,492)	(8,080,932)	(2,217,594)	(4,258,458)	(2,040,865)	47.9%	(8,080,932)
Net cash from (used) financing	724,030	3,556,102	3,003,052	(176,439)	(333,105)	(156,667)	47.0%	3,003,052
Cash/cash equivalents at the month/year end	**5,486,618**	**5,810,803**	**5,900,336**	**7,870,598**	**3,452,043**	**(4,418,555)**	**-128.0%**	**5,900,336**
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	2,548,944	495,494	553,591	228,766	434,854	1,554,474	4,239,540	10,557,706
Creditors Age Analysis								
Total Creditors	261,726	832	820	–	2,916	4	1	266,357

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	2017/18	Budget Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	**14,271,943**	**14,763,272**	**14,764,363**	**8,050,274**	**7,971,802**	**78,472**	**1.0%**	**14,805,339**
Executive and council	849	3,240	4,252	496	1,324	(827)	-62.5%	3,219
Finance and administration	14,271,074	14,760,024	14,760,103	8,049,782	7,970,474	79,308	1.0%	14,802,117
Internal audit	20	8	8	(5)	4	(9)	-221.4%	3
Community and public safety	**1,709,404**	**1,861,831**	**2,106,645**	**748,974**	**849,336**	**(100,362)**	**-11.8%**	**2,229,465**
Community and social services	117,303	130,825	122,960	43,024	51,641	(8,617)	-16.7%	154,557
Sport and recreation	83,533	91,320	99,185	37,250	38,330	(1,080)	-2.8%	96,417
Public safety	36,980	11,726	11,726	5,327	5,863	(536)	-9.1%	46,731
Housing	1,091,120	1,211,961	1,456,775	504,020	566,588	(62,567)	-11.0%	1,531,667
Health	380,469	415,999	415,999	159,353	186,914	(27,561)	-14.7%	400,093
Economic and environmental services	**3,247,954**	**3,188,342**	**3,324,872**	**1,542,919**	**1,314,897**	**228,022**	**17.3%**	**3,254,432**
Planning and development	351,649	369,522	369,522	175,256	179,918	(4,662)	-2.6%	370,687
Road transport	2,887,880	2,805,489	2,942,019	1,356,119	1,128,450	227,669	20.2%	2,848,122
Environmental protection	8,425	13,331	13,331	11,544	6,529	5,015	76.8%	35,622
Trading services	**19,366,263**	**21,673,945**	**22,228,505**	**12,558,382**	**11,260,598**	**1,297,784**	**11.5%**	**22,470,084**
Energy sources	12,386,476	13,086,625	13,086,625	6,932,018	6,641,262	290,756	4.4%	13,507,735
Water management	3,640,245	4,650,411	5,209,871	3,513,185	2,551,729	961,456	37.7%	5,167,293
Waste water management	1,864,535	2,311,354	2,306,454	1,225,624	1,154,107	71,517	6.2%	2,215,719
Waste management	1,475,007	1,625,554	1,625,554	887,554	913,500	(25,945)	-2.8%	1,579,336
Other	**2,477**	**6,524**	**6,524**	**3,511**	**2,262**	**1,249**	**55.2%**	**6,524**
Total Revenue - Functional	**38,598,041**	**41,493,914**	**42,430,910**	**22,904,060**	**21,398,895**	**1,505,165**	**7.0%**	**42,765,844**
Expenditure - Functional								
Governance and administration	**6,785,360**	**8,518,224**	**8,497,880**	**3,489,853**	**4,081,445**	**(591,592)**	**-14.5%**	**8,230,702**
Executive and council	398,148	450,141	450,871	215,224	221,137	(5,913)	-2.7%	456,714
Finance and administration	6,344,903	8,016,966	7,995,893	3,253,062	3,834,212	(581,150)	-15.2%	7,728,870
Internal audit	42,309	51,116	51,116	21,567	26,096	(4,529)	-17.4%	45,118
Community and public safety	**4,717,683**	**5,101,875**	**5,357,088**	**2,342,171**	**2,515,493**	**(173,323)**	**-6.9%**	**5,306,409**
Community and social services	852,925	894,025	897,605	420,917	446,328	(25,411)	-5.7%	894,560
Sport and recreation	1,111,964	1,174,156	1,174,154	539,574	557,518	(17,943)	-3.2%	1,107,621
Public safety	547,035	615,325	615,175	279,596	302,774	(23,178)	-7.7%	591,310
Housing	1,129,742	1,239,650	1,484,471	552,920	623,113	(70,193)	-11.3%	1,543,707
Health	1,076,017	1,178,718	1,185,682	549,164	585,761	(36,598)	-6.2%	1,169,211
Economic and environmental services	**6,083,375**	**6,551,208**	**6,566,660**	**3,024,068**	**3,029,889**	**(5,821)**	**-0.2%**	**6,806,985**
Planning and development	919,377	1,060,433	1,063,778	509,174	487,346	21,828	4.5%	1,092,293
Road transport	5,035,093	5,353,664	5,365,771	2,451,461	2,476,045	(24,584)	-1.0%	5,560,962
Environmental protection	128,905	137,111	137,111	63,433	66,498	(3,065)	-4.6%	153,730
Trading services	**15,226,251**	**18,995,590**	**18,997,045**	**8,322,615**	**8,748,810**	**(426,195)**	**-4.9%**	**17,940,242**
Energy sources	9,531,637	10,321,587	10,323,042	4,957,489	4,843,876	113,614	2.3%	10,467,425
Water management	2,626,299	4,823,188	4,823,363	1,699,023	2,113,283	(414,259)	-19.6%	3,828,297
Waste water management	1,360,110	1,935,220	1,935,045	817,580	898,505	(80,924)	-9.0%	1,728,275
Waste management	1,708,205	1,915,595	1,915,595	848,522	893,148	(44,625)	-5.0%	1,916,245
Other	**88,606**	**97,042**	**98,687**	**32,773**	**43,648**	**(10,875)**	**-24.9%**	**104,911**
Total Expenditure - Functional	**32,901,274**	**39,263,938**	**39,517,360**	**17,211,480**	**18,419,286**	**(1,207,806)**	**-6.6%**	**38,389,249**
Surplus/ (Deficit) for the year	**5,696,766**	**2,229,975**	**2,913,549**	**5,692,580**	**2,979,609**	**2,712,971**	**91.1%**	**4,376,595**

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[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	2017/18	Budget Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - Area-Based Service Delivery	211,152	219,073	220,084	113,100	109,240	3,860	3.5%	223,764
Vote 2 - Assets & Facilities Management	536,241	420,518	429,941	177,855	202,168	(24,313)	-12.0%	430,052
Vote 3 - City Manager	26	11	11	(4)	5	(10)	-178.9%	6
Vote 4 - Corporate Services	90,485	84,187	84,267	33,402	39,120	(5,718)	-14.6%	76,920
Vote 5 - Energy	12,148,435	12,884,959	12,884,959	6,780,780	6,489,988	290,792	4.5%	13,306,070
Vote 6 - Finance	14,237,021	15,352,286	15,352,286	8,712,657	8,658,282	54,374	0.6%	15,426,277
Vote 7 - Informal Settlements, Water & Waste Services	6,832,038	7,905,464	8,468,201	4,973,604	3,986,753	986,851	24.8%	8,294,272
Vote 8 - Safety & Security	1,531,935	1,358,899	1,361,700	844,783	680,434	164,349	24.2%	1,375,175
Vote 9 - Social Services	846,157	918,952	918,952	414,407	413,981	426	0.1%	939,743
Vote 10 - Transport & Urban Development Authority	2,164,551	2,349,564	2,710,510	853,476	818,924	34,553	4.2%	2,693,567
Total Revenue by Vote	**38,598,041**	**41,493,914**	**42,430,910**	**22,904,060**	**21,398,895**	**1,505,165**	**7.0%**	**42,765,845**
Expenditure by Vote								
Vote 1 - Area-Based Service Delivery	487,963	576,498	577,450	260,728	276,812	(16,083)	-5.8%	564,753
Vote 2 - Assets & Facilities Management	1,397,816	1,657,547	1,666,970	727,871	750,818	(22,947)	-3.1%	1,722,932
Vote 3 - City Manager	113,144	160,619	160,619	73,721	88,768	(15,047)	-17.0%	142,447
Vote 4 - Corporate Services	1,937,623	2,184,462	2,184,462	1,001,899	990,425	11,474	1.16%	2,148,492
Vote 5 - Energy	9,805,546	10,673,982	10,673,982	5,112,206	5,016,191	96,015	1.9%	10,793,015
Vote 6 - Finance	2,534,174	3,146,896	3,146,896	1,301,937	1,599,413	(297,476)	-18.6%	3,062,973
Vote 7 - Informal Settlements, Water & Waste Services	6,349,933	9,521,764	9,529,940	3,721,125	4,344,784	(623,659)	-14.4%	8,309,914
Vote 8 - Safety & Security	2,925,178	3,316,731	3,319,531	1,565,840	1,662,441	(96,602)	-5.8%	3,231,757
Vote 9 - Social Services	3,161,690	3,617,408	3,617,408	1,562,950	1,733,433	(170,484)	-9.8%	3,585,867
Vote 10 - Transport & Urban Development Authority	4,188,209	4,408,030	4,640,101	1,883,203	1,956,201	(72,998)	-3.7%	4,827,099
Total Expenditure by Vote	**32,901,274**	**39,263,938**	**39,517,360**	**17,211,480**	**18,419,286**	**(1,207,806)**	**-6.6%**	**38,389,249**
Surplus/ (Deficit) for the year	**5,696,766**	**2,229,975**	**2,913,549**	**5,692,581**	**2,979,609**	**2,712,972**	**91.1%**	**4,376,596**

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	2017/18	Budget Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	8,669,308	9,361,952	9,361,952	4,710,917	4,680,976	29,941	0.6%	9,362,895
Service charges - electricity revenue	11,810,552	12,591,403	12,591,403	6,680,099	6,388,955	291,143	4.6%	13,027,472
Service charges - water revenue	2,636,177	3,574,755	3,574,755	2,699,447	1,787,377	912,070	51.0%	3,511,828
Service charges - sanitation revenue	1,515,535	1,811,048	1,811,048	1,114,173	905,524	208,649	23.0%	1,781,428
Service charges - refuse revenue	1,057,163	1,202,059	1,202,059	563,573	601,030	(37,457)	-6.2%	1,155,841
Service charges - other	226	573	573	–	–	–		–
Rental of facilities and equipment	455,331	381,262	381,262	166,944	183,039	(16,096)	-8.8%	381,872
Interest earned - external investments	877,984	936,513	936,513	483,506	468,257	15,249	3.3%	940,288
Interest earned - outstanding debtors	307,916	340,970	340,970	199,471	170,485	28,986	17.0%	322,691
Dividends received	–	–	–	–	–	–		–
Fines, penalties and forfeits	1,666,379	1,280,160	1,280,160	802,309	640,080	162,229	25.3%	1,230,730
Licences and permits	52,141	46,050	46,050	29,863	22,943	6,920	30.2%	53,841
Agency services	213,550	201,723	201,723	111,794	100,862	10,932	10.8%	201,723
Transfers and subsidies	6,450,645	6,803,608	7,057,030	4,299,170	4,284,561	14,610	0.3%	7,369,203
Other revenue	987,900	773,871	773,871	409,171	383,440	25,731	6.7%	798,641
Gains on disposal of PPE	80,477	43,870	43,870	8,720	20,685	(11,965)	-57.8%	43,870
Total Revenue (excluding capital transfers and contributions)	**36,781,283**	**39,349,818**	**39,603,240**	**22,279,156**	**20,638,213**	**1,640,943**	**8.0%**	**40,182,322**
Expenditure By Type								
Employee related costs	10,865,323	12,920,115	12,909,337	5,854,784	6,630,569	(775,785)	-11.7%	12,452,662
Remuneration of councillors	154,923	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,640
Debt impairment	1,360,558	2,988,951	2,988,951	1,495,852	1,494,476	1,376	0.1%	2,401,378
Depreciation & asset impairment	2,578,561	2,814,336	2,814,336	1,369,520	1,373,918	(4,398)	-0.32%	2,850,051
Finance charges	781,948	1,089,285	1,089,285	338,439	523,530	(185,091)	-35.4%	906,679
Bulk purchases	8,122,430	9,487,132	9,487,132	4,050,624	4,154,497	(103,873)	-2.5%	8,987,316
Other materials	1,223,045	1,255,285	1,263,402	577,993	594,363	(16,370)	-2.8%	1,321,091
Contracted services	5,443,431	6,004,687	6,160,537	2,271,789	2,441,109	(169,320)	-6.9%	6,565,771
Transfers and subsidies	408,037	333,807	401,689	168,095	127,836	40,259	31.5%	484,901
Other expenditure	1,950,158	2,200,213	2,232,564	830,583	999,477	(168,895)	-16.9%	2,074,648
Loss on disposal of PPE	12,861	488	488	175,672	200	175,473	87892.8%	175,112
Total Expenditure	**32,901,274**	**39,263,938**	**39,517,360**	**17,211,480**	**18,419,286**	**(1,207,806)**	**-6.6%**	**38,389,249**
Surplus/(Deficit)	**3,880,009**	**85,879**	**85,879**	**5,067,677**	**2,218,928**	**2,848,749**	**128.4%**	**1,793,073**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,732,882	2,067,896	2,749,880	621,919	578,314	43,605	7.5%	2,528,996
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	72,532	76,200	77,790	24,516	22,920	1,597	7.0%	54,526
Transfers and subsidies - capital (in-kind - all)	5,716	–	–	1,486	–	1,486	100.0%	–
Surplus/(Deficit) after capital transfers & contributions	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**			**4,376,595**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**			**4,376,595**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**			**4,376,595**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**5,691,139**	**2,229,975**	**2,913,549**	**5,715,598**	**2,820,161**			**4,376,595**

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	2017/18	Budget Year 2018/19						
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 - Area-Based Service Delivery	19,019	13,110	14,991	1,887	2,738	(851)	-31.1%	9,666
Vote 2 - Assets & Facilities Management	410,913	413,287	429,349	114,081	96,052	18,029	18.8%	462,895
Vote 3 - City Manager	2,211	735	1,004	578	687	(109)	-15.9%	1,767
Vote 4 - Corporate Services	369,055	354,597	356,417	67,891	51,133	16,758	32.8%	270,473
Vote 5 - Energy	1,024,550	1,113,506	1,153,232	333,378	310,515	22,863	7.4%	863,239
Vote 6 - Finance	14,009	20,549	21,011	5,040	9,074	(4,034)	-44.5%	26,851
Vote 7 - Informal Settlements, Water & Waste Services	2,112,080	4,206,581	4,344,089	733,593	945,092	(211,500)	-22.4%	2,859,198
Vote 8 - Safety & Security	158,094	196,078	196,155	64,501	34,324	30,177	87.9%	208,149
Vote 9 - Social Services	260,647	315,508	321,135	92,241	112,230	(19,989)	-17.8%	308,447
Vote 10 - Transport & Urban Development Authority	1,233,040	1,773,606	2,013,539	427,704	469,910	(42,206)	-9.0%	1,601,148
Total Capital Expenditure	**5,603,619**	**8,407,556**	**8,850,922**	**1,840,894**	**2,031,755**	**(190,861)**	**-9.4%**	**6,611,832**
Capital Expenditure - Standard Classification								
Governance and administration	**1,207,240**	**902,516**	**922,311**	**206,979**	**171,912**	**35,067**	**20.4%**	**814,782**
Executive and council	4,328	4,380	6,003	1,243	978	265	27.1%	3,272
Finance and administration	1,202,160	898,005	916,032	205,465	170,664	34,802	20.4%	811,171
Internal audit	751	131	276	271	271	0	0.1%	339
Community and public safety	**755,562**	**1,082,792**	**1,103,545**	**298,115**	**338,436**	**(40,321)**	**-11.9%**	**1,014,171**
Community and social services	131,174	97,129	89,599	29,362	38,072	(8,711)	-22.9%	102,845
Sport and recreation	94,055	84,261	96,077	38,379	37,175	1,204	3.2%	100,929
Public safety	20,342	35,064	35,064	11,527	4,362	7,165	164.3%	40,914
Housing	464,900	794,497	809,854	203,574	239,133	(35,559)	-14.9%	705,755
Health	45,090	71,841	72,952	15,274	19,693	(4,420)	-22.4%	63,727
Economic and environmental services	**1,117,077**	**1,389,642**	**1,624,427**	**360,898**	**380,025**	**(19,127)**	**-5.0%**	**1,300,233**
Planning and development	33,694	39,904	42,026	6,966	9,097	(2,131)	-23.4%	54,790
Road transport	1,065,047	1,331,443	1,563,949	352,260	367,952	(15,691)	-4.3%	1,215,407
Environmental protection	18,337	18,294	18,452	1,672	2,977	(1,305)	-43.8%	30,037
Trading services	**2,516,840**	**5,023,787**	**5,192,064**	**974,601**	**1,138,207**	**(163,607)**	**-14.4%**	**3,471,022**
Energy sources	930,773	1,071,737	1,111,220	331,156	305,620	25,536	8.4%	845,932
Water management	893,393	2,366,730	2,399,145	404,399	418,013	(13,615)	-3.3%	1,664,442
Waste water management	583,306	1,135,113	1,174,267	148,203	342,382	(194,179)	-56.7%	638,817
Waste management	109,367	450,207	507,432	90,843	72,192	18,651	25.8%	321,831
Other	**6,901**	**8,818**	**8,575**	**301**	**3,174**	(2,874)	-90.5%	**11,625**
Total Capital Expenditure - Standard Classification	**5,603,619**	**8,407,556**	**8,850,922**	**1,840,894**	**2,031,755**	**(190,861)**	**-9.4%**	**6,611,832**
Funded by:								
National Government	1,699,597	2,015,146	2,697,071	615,747	733,025	(117,277)	-16.0%	2,502,769
Provincial Government	33,285	52,750	52,809	6,171	10,965	(4,794)	-43.7%	26,227
District Municipality	–	–	–	–	–	–		–
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**1,732,882**	**2,067,896**	**2,749,880**	**621,919**	**743,990**	**(122,071)**	**-16.4%**	**2,528,996**
Public contributions & donations	72,532	76,200	77,790	24,516	28,230	(3,713)	-13.2%	54,526
Borrowing	2,533,155	4,000,000	3,446,950	553,444	601,537	(48,093)	-8.0%	500,000
Internally generated funds	1,265,050	2,263,460	2,576,302	641,015	657,999	(16,984)	-2.6%	3,528,310
Total Capital Funding	**5,603,619**	**8,407,556**	**8,850,922**	**1,840,894**	**2,031,755**	**(190,861)**	**-9.4%**	**6,611,832**

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	2017/18	Budget Year 2018/19			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	249,821	103,918	103,918	191,325	103,918
Call investment deposits	7,218,373	7,335,199	7,424,733	7,218,373	7,424,733
Consumer debtors	5,633,326	6,349,964	6,349,964	5,034,224	6,349,964
Other debtors	1,380,906	1,424,934	1,424,934	1,559,467	1,424,934
Current portion of long-term receivables	14,290	15,657	15,657	14,290	15,657
Inventory	471,727	392,689	392,689	503,912	392,689
Total current assets	**14,968,444**	**15,622,361**	**15,711,895**	**14,521,590**	**15,711,895**
Non current assets					
Long-term receivables	25,854	36,978	36,978	15,428	36,978
Investments	5,111,773	4,903,463	4,903,463	7,513,806	4,903,463
Investment property	584,713	582,999	582,999	584,713	582,999
Investments in Associate	–	–	–	–	–
Property, plant and equipment	43,153,765	50,601,468	51,022,666	43,625,138	51,022,666
Agricultural	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	716,009	408,074	408,074	716,009	408,074
Other non-current assets	8,892	8,904	8,904	8,892	8,904
Total non current assets	**49,601,006**	**56,541,886**	**56,963,084**	**52,463,986**	**56,963,084**
TOTAL ASSETS	**64,569,450**	**72,164,247**	**72,674,979**	**66,985,576**	**72,674,979**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	376,805	619,342	619,342	376,805	619,342
Consumer deposits	381,660	425,569	425,569	400,479	425,569
Trade and other payables	7,102,387	10,346,153	10,726,362	4,043,985	10,726,362
Provisions	1,015,156	1,068,525	1,068,525	1,006,171	1,068,525
Total current liabilities	**8,876,008**	**12,459,589**	**12,839,797**	**5,827,441**	**12,839,797**
Non current liabilities					
Borrowing	6,492,536	9,772,937	9,772,937	6,264,926	9,772,937
Provisions	6,225,176	7,099,756	7,099,756	6,225,176	7,099,756
Total non current liabilities	**12,717,712**	**16,872,693**	**16,872,693**	**12,490,102**	**16,872,693**
TOTAL LIABILITIES	**21,593,720**	**29,332,282**	**29,712,490**	**18,317,543**	**29,712,490**
NET ASSETS	**42,975,729**	**42,831,965**	**42,962,488**	**48,668,033**	**42,962,488**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	39,510,648	39,405,832	39,631,293	45,391,935	39,631,293
Reserves	3,465,082	3,426,132	3,331,196	3,276,098	3,331,196
TOTAL COMMUNITY WEALTH/EQUITY	**42,975,729**	**42,831,965**	**42,962,488**	**48,668,033**	**42,962,488**

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	2017/18	Budget Year 2018/19						
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	8,470,387	8,968,987	8,968,987	4,541,091	4,576,736	(35,646)	-0.8%	8,968,987
Service charges	18,160,336	17,623,043	17,623,043	10,020,282	8,811,345	1,208,937	13.7%	17,623,043
Other revenue	2,472,152	4,202,011	4,202,011	2,839,519	2,464,186	375,334	15.2%	4,202,011
Government - operating	4,011,324	4,245,472	4,498,894	2,603,583	2,599,538	4,045	0.2%	4,498,894
Government - capital	1,733,466	2,067,896	2,749,880	1,400,018	1,313,897	86,121	6.6%	2,749,880
Interest	1,150,625	936,513	936,513	409,205	427,869	(18,664)	-4.4%	936,513
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(27,959,017)	(31,919,625)	(32,106,319)	(16,688,351)	(16,872,762)	(184,412)	1.1%	(32,106,319)
Finance charges	(689,670)	(980,877)	(980,877)	(347,336)	(641,747)	(294,411)	45.9%	(980,877)
Transfers and Grants	–	(333,807)	(400,535)	–	(122,074)	(122,074)	100.0%	(400,535)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**7,349,603**	**4,809,613**	**5,491,597**	**4,778,012**	**2,556,988**	**(2,221,024)**	**-86.9%**	**5,491,597**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	98,239	120,070	121,660	–	–	–		121,660
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	15,030	1,946	1,946	–	–	–		1,946
Decrease (increase) in non-current investments	(561,572)	(238,708)	(238,708)	–	–	–		(238,708)
Payments								
Capital assets	(5,588,905)	(7,566,800)	(7,965,830)	(2,217,594)	(4,258,458)	(2,040,865)	47.9%	(7,965,830)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6,037,208)**	**(7,683,492)**	**(8,080,932)**	**(2,217,594)**	**(4,258,458)**	**(2,040,865)**	**47.9%**	**(8,080,932)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–		–
Borrowing long term/refinancing	1,000,000	4,000,000	3,446,950	–	–	–		3,446,950
Increase (decrease) in consumer deposits	29,950	38,688	38,688	–	–	–		38,688
Payments								
Repayment of borrowing	(305,920)	(482,586)	(482,586)	(176,439)	(333,105)	(156,667)	47.0%	(482,586)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**724,030**	**3,556,102**	**3,003,052**	**(176,439)**	**(333,105)**	**(156,667)**	**47.0%**	**3,003,052**
NET INCREASE/ (DECREASE) IN CASH HELD	**2,036,425**	**682,224**	**413,718**	**2,383,980**	**(2,034,576)**			**413,718**
Cash/cash equivalents at beginning:	3,450,193	5,128,579	5,486,619	5,486,619	5,486,619			5,486,619
Cash/cash equivalents at month/year end:	5,486,618	5,810,803	5,900,336	7,870,598	3,452,043			5,900,336

Outstanding commitments against Cash and Cash Equivalents

Item **R'Thousand**	**Previous Month**	**Current Month**
Closing Cash Balance	**11,333,391**	**12,809,519**
Unspent Conditional Grants	1,532,423	1,647,347
Housing Development	332,549	341,509
MTAB	16,042	16,042
Trust Funds	801	806
Financial commitments	1,504,000	1,504,000
Sinking Funds	-	-
Insurance reserves	495,420	578,242
CRR	2,375,171	2,325,340
TOTAL	**6,256,406**	**6,413,286**
TOTAL cash resources - committed working capital	5,076,985	6,396,233

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 2018/19											
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	539,899	258,356	337,920	334,666	240,287	266,443	896,223	1,491,019	4,364,815	3,228,639	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	820,984	68,972	42,935	32,177	18,874	20,040	43,656	199,266	1,246,905	314,014	–	–
Receivables from Non-exchange Transactions - Property Rates	721,418	80,697	82,699	56,236	42,177	41,845	175,773	620,767	1,821,611	936,797	–	–
Receivables from Exchange Transactions - Waste Water Management	184,784	69,371	82,740	77,432	54,574	53,709	220,101	610,719	1,353,430	1,016,536	–	–
Receivables from Exchange Transactions - Waste Management	101,533	23,816	22,557	24,184	16,785	15,498	68,997	293,620	566,991	419,085	–	–
Receivables from Exchange Transactions - Property Rental Debtors	93,826	12,159	(994)	12,141	11,955	11,351	60,602	568,511	769,551	664,560	–	–
Interest on Arrear Debtor Accounts	86,588	35,090	34,494	34,592	27,597	30,967	125,028	661,071	1,035,427	879,255	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(88)	(52,966)	(48,762)	(69,383)	(183,483)	(5,000)	(35,908)	(205,435)	(601,024)	(499,208)	–	–
Total By Income Source	**2,548,944**	**495,494**	**553,591**	**502,045**	**228,766**	**434,854**	**1,554,474**	**4,239,540**	**10,557,706**	**6,959,678**	**–**	**–**
2017/18 - totals only	**1,927,363**	**168,249**	**52,243**	**220,016**	**246,895**	**207,200**	**1,245,317**	**4,305,761**	**8,373,042**	**6,225,188**	**–**	**–**
Debtors Age Analysis By Customer Group												
Organs of State	114,594	21,305	(17,030)	(57,416)	(163,921)	12,034	21,874	19,754	(48,804)	(167,674)	–	–
Commercial	1,343,339	88,424	87,241	54,235	35,150	31,215	118,540	358,044	2,116,190	597,185	–	–
Households	1,220,904	412,829	486,734	504,693	359,022	383,159	1,405,945	3,810,684	8,583,971	6,463,504	–	–
Other	(129,894)	(27,064)	(3,355)	532	(1,486)	8,446	8,114	51,057	(93,650)	66,663	–	–
Total By Customer Group	**2,548,944**	**495,494**	**553,591**	**502,045**	**228,766**	**434,854**	**1,554,474**	**4,239,540**	**10,557,706**	**6,959,678**	**–**	**–**

Additional debtor's information

Monthly Collection Rate			
Period	**Current year Interim ratios**	**Previous year**	**YTD collection Rate Interim ratios**
12 Months	91.95%	95.49%	92.25%
6 Months	93.01%	96.30%	93.11%
3 Months	94.27%	96.08%	94.92%
Monthly	91.43%	96.52%	93.01%

12 Months Collection Ratio per Services			
Services	**Current year Interim ratios**	**Previous year**	**YTD collection Rate Interim ratios**
Electricity	97.93%	99.34%	96.92%
Water	72.77%	78.36%	71.60%
Sewerage	88.54%	93.56%	88.54%
Refuse	91.89%	94.99%	89.72%
Rates	96.45%	102.85%	95.67%
Other	92.38%	100.31%	96.58%

2018/19 Billings vs Receipts		
Month	**Billings R**	**Receipts R**
July	3,387,054,632.32	2,834,100,446.33
August	3,717,141,257.95	3,514,346,449.82
September	3,294,617,707.33	3,199,645,262.26
October	3,478,188,995.14	3,336,550,703.29
November	3,253,145,053.44	3,098,942,144.60
December	3,168,238,612.00	2,896,575,538.55
Total	**20,298,386,258.18**	**18,880,160,544.85**

Creditors' Analysis

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

Table SC4 Monthly Budget Statement - Aged Creditors

Description R thousands	Budget Year 2018/19									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	**–**	–
Bulk Water	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	261,726	832	820	59	–	2,916	4	1	**266,357**	266,385
Auditor General	–	–	–	–	–	–	–	–	**–**	–
Other	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**261,726**	**832**	**820**	**59**	**–**	**2,916**	**4**	**1**	**266,357**	**266,385**

Transfers and Grants

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

Table SC7 Monthly Budget Statement - Transfers and Grants Expenditure

Description	2017/18	Budget Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**502,330**	**3,264,482**	**3,264,482**	**172,975**	**160,183**	**12,792**	**8.0%**	**3,264,482**
Department of Environmental Affairs and Tourism	6,236	–	–	–	–	–	0.0%	–
Equitable share	–	2,574,650	2,574,650	–	–	–		2,574,650
Finance Management grant	1,050	1,000	1,000	652	500	152	30.4%	1,000
Urban Settlements Development Grant	49,009	204,792	204,792	11,349	19,113	(7,764)	-40.6%	204,792
Energy Efficiency and Demand Side Management Grant	186	600	600	49	300	(251)	-83.7%	600
Expanded Public Works Programme	13,783	23,266	23,266	2,895	8,633	(5,738)	-66.5%	23,266
Integrated City Development Grant	(4,933)	7,622	7,622	–	–	–		7,622
Public Transport Infrastructure & Systems Grant	30,666	48,812	48,812	4,820	7,806	(2,985)	-38.2%	48,812
Infrastructure Skills Development	9,614	12,605	12,605	3,751	4,750	(999)	-21.0%	12,605
Public Transport Network Grant	396,719	391,135	391,135	149,459	119,082	30,378	25.5%	391,135
Provincial Government:	**850,267**	**967,719**	**1,218,341**	**360,191**	**419,287**	**(59,095)**	**-14.1%**	**1,218,341**
Cultural Affairs and Sport - Provincial Library Services	37,344	47,347	47,347	–	–	–		47,347
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	4,498	4,770	4,770	19,698	25,982	(6,284)	-24.2%	4,770
Human Settlements - Human Settlement Development Grant	413,409	333,550	580,720	172,542	213,057	(40,516)	-19.0%	580,720
Human Settlements - Municipal Accreditation Assistance	6,089	5,000	5,000	3,833	2,382	1,450	60.9%	5,000
Human Settlement - Settlement Assistance	766	1,500	1,500	401	750	(349)	-46.5%	1,500
Health - TB	27,604	53,063	53,063	11,999	11,999	–		53,063
Health - ARV	217,701	224,414	224,414	88,684	112,207	(23,523)	-21.0%	224,414
Health - Nutrition	5,200	5,928	5,928	3,148	2,964	184	6.2%	5,928
Health - Vaccines	96,299	86,899	86,899	43,368	43,450	(82)	-0.2%	86,899
Comprehensive Health	–	173,489	173,489	–	–	–		173,489
Transport and Public Works - Provision for persons with special needs	10,312	10,000	10,000	13,163	3,993	9,170	229.7%	10,000
Transport and Public Works - Planning,Maintenance & Rehabilitation Transport Systems & Infrastructure	2,158	–	–	–	–	–	0.0%	–
Community Safety - Law Enforcement Auxiliary Services	28,255	4,283	4,283	3,088	2,059	1,029	50.0%	4,283
Community Development Workers	402	886	1,838	268	443	(175)	-39.6%	1,838
Finance Management Capacity Building Grant	–	360	360	–	–	–		360
Provincial Government: Financial Management Support Grant	230	230	230	–	–	–		230
Provincial Contribution towards addressing Natural Disasters	–	–	2,500	–	–	–		2,500
Transport Safety and Compliance - Rail Safety	(0)	16,000	16,000	–	–	–		16,000
Other grant providers:	**21,687**	**13,271**	**16,071**	**5,099**	**5,582**	**(483)**	-8.7%	**16,071**
Tourism	2,000	2,000	2,000	1,375	484	891	184.3%	2,000
CMTF	4,414	–	–	–	–	–	0.0%	–
CID	5,242	4,107	4,107	1,949	2,802	(853)	-30.4%	4,107
Century City Property Owners Association	837	539	539	225	270	(45)	-16.7%	539
Popart Stellenbosch University	733	–	–	–	–	–	0.0%	–
University of Connecticut	14	–	–	–	–	–	0.0%	–
DBSA - Green Fund	3,339	–	–	–	–	–		–
Rustenberg Girls	41	–	–	–	–	–		–
Westcott Primary	41	43	43	18	22	(4)	-16.7%	43
Airports Company South Africa SOC Ltd	1,333	1,333	1,333	556	667	(111)	-16.7%	1,333
Rockefeller Philanthropy Advisor's Inc	1,033	1,448	1,448	587	724	(137)	-18.9%	1,448
University of Connecticut	–	–	–	–	–	–		–
V&A Waterfront Holdings (Pty) Ltd	772	853	853	356	427	(71)	-16.7%	853
The South African Breweries	1,093	–	2,801	–	–	–		2,801
Bayside	486	–	–	(122)	–	(122)	-100.0%	–
Big Bay	308	396	396	156	187	(31)	-16.8%	396
Long Street law Enforcement	–	1,583	1,583	–	–	–		1,583
Sustainable Energy Africa	–	967	967	–	–	–		967
Total operating expenditure of Transfers and Grants:	**1,374,284**	**4,245,472**	**4,498,894**	**538,265**	**585,052**	**(46,787)**	**-8.0%**	**4,498,894**

Table continues on next page.

Description	2017/18	Budget Year 2018/19							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>EXPENDITURE</u>									
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	1,699,597	2,015,146	2,697,071	151,595	615,747	733,025	(148,290)	**-20.2%**	2,215,611
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	7,435	9,400	9,400	190	2,800	1,000	1,800	180.0%	9,300
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	2,739	10,000	10,000	213	2,277	493	1,784	362.1%	10,000
Neighbourhood Development Partnership	2,071	–	–	–	–	–	–	0.0%	–
Co-operative Governance: Emergency Disaster Relief Grant	20,813	–	–	–	–	–	–	0.0%	–
National Treasury: Expanded Public Works Programme	400	1,000	1,000	61	257	250	7	3.0%	813
National Treasury: Infrastructure Skills Development Grant	986	1,000	1,000	–	–	–	–		600
National Treasury: Integrated City Development Grant	50,045	56,740	56,740	2,266	17,309	19,742	(2,433)	-12.3%	44,388
National Treasury: Local Government Restructuring Grant	128	600	600	4	226	300	(74)	-24.5%	600
National Treasury: Municipal Disaster Grant	74,383	–	553,050	33,291	123,156	80,000	43,156	53.9%	553,050
National Treasury: Urban Settlements Development Grant	1,029,238	1,279,998	1,279,998	54,240	297,634	490,166	(192,532)	-39.3%	1,060,618
Transport: Public Transport Infrastructure & Systems Grant	–	2,021	130,896	–	–	–	–		–
Transport: Public Transport Infrastructure Grant	(831)	–	–	–	(0)	–	(0)	-	–
Transport: Public Transport Network Grant	512,190	654,387	654,387	61,330	172,087	141,074	31,012	22.0%	536,241
Provincial Government:	**33,285**	**52,750**	**52,809**	**1,776**	**6,171**	**10,965**	(4,794)	-43.7%	**24,417**
Cultural Affairs and Sport: Library Services (Conditional Grant)	15,208	1,600	1,600	–	1,382	1,600	(218)	-13.6%	2,600
Cultural Affairs and Sport: Library Services: Metro Library Grant	9,958	10,000	10,000	678	2,749	6,254	(3,505)	-56.0%	11,704
Housing: Integrated Housing and Human Settlement Development Grant	8,030	41,000	41,000	1,098	1,978	3,112	(1,134)	-36.4%	10,050
Provincial Government: Community Development Workers (CDW) Operational Grant Support	91	150	209	–	63	–	63	100.0%	63
Other grant providers:	**72,541**	**76,200**	**77,790**	**2,133**	**24,516**	**28,230**	(3,713)	-13.2%	**53,726**
Other: Other	72,541	76,200	77,790	2,133	24,516	28,230	(3,713)	-13.2%	53,726
Total capital expenditure of Transfers and Grants	**1,805,424**	**2,144,096**	**2,827,670**	**155,504**	**646,435**	**772,219**	**(156,797)**	**-20.3%**	**2,293,753**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3,179,707**	**6,389,567**	**7,326,563**	**255,306**	**1,184,700**	**1,357,271**	**(203,583)**	**-15.0%**	**6,792,647**

Reasons for revision of the full-year forecasts on transfers and grants

- Roll-over of unspent 2017/18 conditional grants approved by National Treasury in terms of Section 22 (2) of the Division of Revenue Act (DORA) (3 of 2017), dated 22 October 2018;
- Roll-over of unspent 2017/18 conditional grants approved by Provincial Treasury in terms of Section 10 (2) of the Western Cape Appropriation Act 2017 (1 of 2017), dated 15 November 2018;
- Additional National Treasury allocations made in terms of Gazette No. 41970, dated 12 October 2018;
- Additional and amended allocations made by Provincial Treasury in terms of the 2018 Western Cape Adjusted Estimates Budget and Adjusted appropriation Bill 2018, Provincial Gazette Extraordinary 8005, dated 22 November 2018;
- Additional funding from the National Department of Environmental Affairs (agency services);
- Updated implementation programmes of projects funded from external sources such as Capital Grants & Donations (CGD). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD-funded projects);
- Shifting of funding to/from the operating-/capital budget; and
- Addition/reduction of other grant funding i.e. private sector.

Expenditure on Councillor Allowances and Employee Benefits

Table SC8 Monthly Budget Statement - Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	2017/18	Budget Year 2018/19						
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	139,878	147,923	147,923	66,069	69,815	(3,746)	-5.4%	137,980
Pension and UIF Contributions	–	–	–	2,467	–	2,467	100.0%	5,413
Cellphone Allowance	6,977	10,038	10,038	4,689	4,788	(99)	-2.1%	8,486
Other benefits and allowances	8,068	11,679	11,679	4,905	4,710	195	4.1%	10,508
Sub Total - Councillors	**154,923**	**169,640**	**169,640**	**78,130**	**79,313**	**(1,183)**	**-1.5%**	**169,639**
% increase		**9.5%**	**9.5%**					**9.5%**
Senior Managers of the Municipality								
Basic Salaries and Wages	23,508	28,128	28,128	12,216	14,064	(1,848)	-13.14%	28,704
Pension and UIF Contributions	1,780	2,172	2,172	932	1,086	(154)	-14.18%	1,848
Medical Aid Contributions	118	164	164	54	82	(28)	-34.15%	164
Motor Vehicle Allowance	412	442	442	206	221	(15)	-6.79%	442
Cellphone Allowance	120	194	194	82	97	(15)	-15.46%	177
Other benefits and allowances	172	82	82	34	41	(7)	-17.07%	82
Payments in lieu of leave	438	–	–	93	–	93	100.00%	–
Sub Total - Senior Managers of Municipality	**26,548**	**31,182**	**31,182**	**13,617**	**15,591**	**(1,974)**	**-12.7%**	**31,417**
% increase		**17.5%**	**17.5%**					**18.3%**
Other Municipal Staff								
Basic Salaries and Wages	7,442,697	8,946,536	8,937,028	4,173,471	4,722,003	(548,532)	-11.6%	8,447,394
Pension and UIF Contributions	1,157,975	1,666,537	1,660,659	620,756	829,607	(208,851)	-25.2%	1,336,537
Medical Aid Contributions	702,198	752,518	752,518	360,216	376,308	(16,092)	-4.3%	752,538
Overtime	602,665	517,090	520,539	250,536	204,796	45,740	22.3%	591,291
Motor Vehicle Allowance	194,044	220,701	220,957	99,421	110,153	(10,732)	-9.7%	221,495
Cellphone Allowance	17,853	23,853	23,914	10,906	11,941	(1,036)	-8.7%	23,944
Housing Allowances	59,361	64,402	64,402	30,833	32,201	(1,368)	-4.2%	64,403
Other benefits and allowances	242,503	236,358	236,932	129,316	117,765	11,551	9.8%	238,640
Payments in lieu of leave	144,677	134,139	134,445	47,970	66,840	(18,869)	-28.2%	138,727
Long service awards	179	79,206	79,206	352	38,641	(38,289)	-99.1%	76,067
Post-retirement benefit obligations	274,623	247,593	247,593	117,390	123,796	(6,406)	-5.17%	547,593
Sub Total - Other Municipal Staff	**10,838,775**	**12,888,933**	**12,878,193**	**5,841,167**	**6,634,052**	**(792,885)**	**-11.95%**	**12,438,629**
% increase		**18.9%**	**18.8%**					**14.8%**
Total Parent Municipality	**11,020,246**	**13,089,755**	**13,079,015**	**5,932,914**	**6,728,956**	**(796,042)**	**-11.8%**	**12,639,685**

PART 3 - SERVICE DELIVERY PERFORMANCE

3.1 Introduction

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

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

3.2 About the SDBIP

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

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

The five SFA are:

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

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

3.3 Service Delivery Performance

3.3.1 Service Delivery and Budget Implementation Plan (SDBIP) performance

The 2018/19 Second Quarter SDBIP (Draft) is attached as Annexure 1 to this report.

3.3.2 Some highlights from the SDBIP

3.3.2.1 The Opportunity City

- Approved 97.50% (2016/17: 97.30%) building plans submitted within statutory timeframes;
- Brought the total number of building plans approved from 2012/13 to 165 000, with a total value of approximately R135 billion;
- Invested R2.45 billion (2016/17: R2.36 billion) in repairs and maintenance;
- Created 35 145 EPWP employment opportunities bringing the total to 284 896 since 2012/13;
- Brought total fibre-optic cables installed across the metro to nearly 1 000 km. These include fibre-optic cabling used to connect the City's buildings as well as bus stations, cameras and other infrastructure vital for service delivery;
- Spent 95.42% of Workplace Skills Plan budget;
- Installed 60 new public WiFi locations;
- Installed 251 new public WiFi access points;
- Cape Town was recognised as the top opportunity city in Africa in the 2018 Cities of Opportunity report by PricewaterhouseCoopers (PwC);
- Cape Town became the first African city to be named a 'UNESCO City of Design', thereby joining the UNESCO Creative Cities Network of 180 cities globally;
- Cape Town was again crowned the number one city in Africa for business tourism events by the International Congress and Convention Association. This is the fourth consecutive time that the City has received this award;
- The City's ambient air quality monitoring network is the most comprehensive of all local authorities;
- All traffic lights and more than 15% of streetlights in Cape Town have been retrofitted with light-emitting diode (LED) lamps;
- In an innovative step to fund its climate projects, the City issued a green bond in July 2017. The international ratings agency Moody's awarded it a GB1 rating. This means that the ratings agency was sufficiently impressed with the green credentials and controls of the bond to label it as "excellent". It was subsequently named as Environmental Finance's 'green bond of the year' for a local authority; and
- Over 150 000 ton of organic waste were diverted from landfill sites via the City's garden waste chipping programme in 2017/18.

3.3.2.2 The Safe City

- Expanded CCTV footprint to 624 cameras, being the largest public-area surveillance agency in Africa, and the only in Southern Africa that covers residential areas, informal settlements and city centres;
- The City's EPIC (emergency policing and incident command) Project is a first for South Africa. This is an integrated communication platform designed to ensure that the City's Safety & Security directorate functions optimally and provide quality services to Cape Town's residents and visitors; and
- Expanded safe schools project with 136 school resource officers deployed at various schools to date; 40 of whom are permanently appointed learner law enforcement officers while 96 are employed as part of the EPWP.

3.3.2.3 The Caring City

- 46 990 housing opportunities created since 2012/13;
- 912 new water service points (taps) provided to informal settlements, bringing the total to 5 340 since 2012/13;
- 4 275 new sanitation service points (toilets) provided to informal settlements, bringing the total to 22 726 since 2012/13;
- 1 774 subsidised electricity connections installed, bringing the total to 18 616 since 2012/13
- 408 new water and sanitation service points (toilet and tap with hand basin) installed for backyarders;
- 17 767 620kℓ of treated effluent re-used. This is close to an average of 50 Mℓ of water per day for the year; and
- 22 998m of sewer mains were replaced and 22.86 km of new sewer mains installed.

3.3.2.4 The Inclusive City

- Approximately 2.5 million calls answered in the corporate call centre;
- FreeCall lines installed since 2012/13 has increased to 178;
- 71.10% Employment Equity (EE) target groups at the three highest levels of management;
- 229 MyCiTi buses equipped with public WiFi connectivity; and
- Total package for rates assistance increased by R203 million to approximately R1.4 billion.

3.3.2.5 The Well-Run City

- Approximately 95.7% of the City's purchase orders (more than 204 500 out of a total of 213 554) were placed with BBBEE-compliant vendors (2016/17: 92.7%);
- The City also maintained its long- and short-term national-scale rating of Aaa.za and Prime-1. This means that the City has the highest possible credit quality rating in the national context;
- The City's capital expenditure amounted to R5.73 billion (2017: R6.27 billion), which represents a 72.80% capital spend (2017: 92.62%);
- Purchase orders to the value of R11.2 billion were awarded to BBBEE-compliant suppliers. The total value of purchase orders for 2017/18 was more than R12.2 billion;
- Of the 3 167 service providers who conducted business with the City during 2017/18, more than 2 800 were BBBEE-compliant, which equates to 88.63% of all service providers used; and
- 20 additional data sets were published on the City's Open Data portal (to promote transparency and accessibility of the administration's data) bringing the total number of datasets published to 119.

3.4 Conclusion

During the first half of the 2018/19 financial year the City performed well in achieving its set targets. In cases where targets were not met, the City initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

PART 4 – RECOMMENDATIONS[6]

4.1 Adjustments Budget

It is recommended that an *2018/19 adjustments budget* be prepared and approved by Council no later than 28 February 2019. This adjustments budget will take into account, inter alia, approved unspent 2017/18 grant allocations received from National- and Provincial Treasury, the roll-over of internal funds where the funding will not be spent in the current financial year and the re-alignment of sundry budgetary provisions resulting from updated implementation programmes.

4.2 Mid-year changes to SDBIP

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

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Lungelo Mbandazayo**, municipal manager of the **City of Cape Town** hereby certify that the **mid-year budget and performance assessment** for the **2018/19 financial year** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name ---

Municipal Manager of CPT (City of Cape Town)

Signature ---

Date ---

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 1: 2018/19 SECOND QUARTER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (DRAFT)

ANNEXURE A.1

2018/19 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2018 to 31 DECEMBER 2018

Well Above ✅ **Above** 🟩 **On target** ▲ **Below** 🔴 **Well below** ❌ **AT - Annual Target**

Objectives	Indicator	Status	Target	Actual	Reason for variance	Remedial action
SFA 1: Opportunity City						
1.1 Positioning Cape Town as a forward-looking globally competitive City	1.A Percentage Building Plans approved in statutory time-frames (30-60 days)	🟩	92%	95.50%	Target achieved	Maintain the momentum
	1.B Percentage of rates clearance certificate issued within ten working days	🔴	96%	94.66%	The target of 96% could not be achieved because of the following : The validity of Rates Clearance Certificates being reduced from 120 days to 60 days by the Chief Registrar in the Deeds Office – Causing: 1. Conveyancers to have to re-apply due to the short time period, thus increasing the Rates Clearance Certificate numbers jumping from approx 4 000 to approx 6 000 per month; 2. Enhancements to be carried out on the system, which has been delayed due to the IT tender only be awarded in February/March 2019. The above shortened time period has led to more 'work-around' and manual processes, thus increasing the time in which the Rates Clearance Certificate can be issued.	The City's IT project for Rates Clearance Certificate enhancements during 2019/2020 should rectify the situation. Continuous monitoring of the situation. **Responsible person: Kevin Jacoby/** Trevor Blake **Due date:** On-going
	1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	❌	0.20%	0.64%	Complex nature of Commercial applications resulted in under achievement. Higher than normal number of applications further exacerbates this issue.	None at this time. Target has been revised to take into consideration the complexity of the indicator. **Responsible person: Kadri Nassiep/** Dr. Leslie Rencontre **Due date:** On-going
1.2 Leveraging technology for progress	1.D Number of public Wi-Fi locations	▲	10	10	On target	Maintain the momentum
	1.E Number of public Wi-Fi access points	✅	20	28	Well above target	Maintain the momentum
1.3 Economic Inclusion	1.F Number of Mayor's Job Creation Programme (MJCP) opportunities created (NKPI)	🔴	17 750	17 583	The target was 99% achieved. The slow submission of labour reports has had an effect on the actual reported. Experience has also shown that EPWP numbers increase significantly in the 3rd quarter.	Continuous monitoring of the situation. **Responsible person:** Ernest Sass **Due date:** On-going
	1.G Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	✅	30%	35.59%	Well above target	Maintain the momentum
1.4 Resource efficiency and security	1.H Percentage compliance with drinking water quality standards	🟩	98%	98.99%	Target achieved	Maintain the momentum
	1.I Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in megavolt-ampere (MVA)	🔴	1.47	1.39	Less power generated as anticipated for the period due to fewer applications for new installations to connect to the power grid.	None at this time. **Responsible person:** Kadri Nassiep/ Dr. Leslie Rencontre **Due date:** On-going
SFA 2: Safe City						
2.1 Safe Communities	2.A Number of new areas with closed-circuit television (CCTV) surveillance cameras [AT]	Annual Target	N/A	N/A	Annual Target for reporting in the 4th quarter of the 2018/19 financial year. The system for quarterly tracking is in progress.	
	2.B Community satisfaction survey (Score 1-5) - safety and security	Annual Target	N/A	N/A	Annual Target for reporting in the 4th quarter of the 2018/19 financial year.	

ANNEXURE A

2018/19 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2018 to 31 DECEMBER 2018

Well Above ✓ **Above** 🟩 **On target** ▲ **Below** 🔴 **Well below** ❌ **AT - Annual Target**

Objectives	**Indicator**	**Status**	**Target**	**Actual**	**Reason for variance**	**Remedial action**
SFA 3: Caring City						
3.1 Excellence in basic service delivery	3.A Community satisfaction survey (Score 1-5) - city wide	Annual Target	N/A	N/A	Annual Target for reporting in the 4th quarter of the 2018/19 financial year.	
	3.B Number of outstanding valid applications for water services, expressed as percentage of total billings for the service (NKPI)	✓	< 0.7 %	0.31%	Well above target	Maintain the momentum
	3.C Number of outstanding applications for sewerage services, expressed as a percentage of total number of billings for the service (NKPI)	✓	< 0.7 %	0.32%	Well above target	Maintain the momentum
	3.D Number of outstanding valid applications for electricity services, expressed as percentage of total number of billings for the service (NKPI)	✓	< 0.5 %	0.15%	Well above target	Maintain the momentum
	3.E Number of outstanding valid applications for refuse collection services, expressed as a percentage of total number of billings for the service (NKPI)	✓	< 0.5 %	0.01%	Well above target	Maintain the momentum
	3.F Percentage adherence to Citywide service requests	🟩	90%	94.49%	Target achieved	Maintain the momentum
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.G Number of water services points (taps) provided to informal settlements (NKPI)	❌	300	216	The underachievement of the Q2 water service point targets are as a result of challenges experienced in the appointment of local labour for projects, which resulted in delays to planned start dates.	No remedial action specified. **Responsible Person: Gisela Kaiser/** Diketso Kale **Due Date:** On-going
	3.H Number of sanitation service points (toilets) provided to informal settlements (NKPI)	✓	1 100	2 351	The over-achievement of toilets is related to the accelerated replacement/condemnation of older portable flush toilets (PFTs) as a result of the new improved mechanisation process. This contributed to a higher demand for PFTs than what was anticipated, thus an increased roll out.	Maintain the momentum
	3.I Percentage of informal settlements receiving a door-to-door refuse collection service (NKPI)	🟩	99%	99.74%	Target achieved	Maintain the momentum
	3.J Number of service points (toilet and tap with hand basin) provided to backyarders	❌	300	164	New projects identified to start and yield in the current FY will only commence with the appointment of the new term tender, the term tender appointment for basic services plumbing installations was delayed.	Term tender 296Q/2017/18 has been awarded in November 2018, construction to commence in January 2019. **Responsible person: Gisela Kaiser/** Randell Marinus (PM Backyarders) **Due date:** On-going

2018/19 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2018 to 31 DECEMBER 2018

Well Above ✅ **Above** 🟩 **On target** ▲ **Below** 🔴 **Well below** ❌ **AT - Annual Target**

Objectives	Indicator	Status	Target	Actual	Reason for variance	Remedial action
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.K Number of electricity subsidised connections installed (NKPI)	❌	750	428	The delays experience with the Nomzamo electrification project resulted in the under achievement of the target.	Approximately 600 meter installations anticipated for Q2 should now reflect in Q3. **Responsible person: Kadri Nassiep /** Dr. Leslie Rencontre **Due date:** On-going
	3.L Percentage progress made in establishing a verifiable database that determines housing needs	Annual Target	N/A	N/A	Annual Target for reporting in the 4th quarter of the 2018/19 financial year. The system for quarterly tracking is in progress.	
	3.M Percentage of allocated housing opportunity budget spent	✅	14.15%	31.85%	Well above target	Maintain the momentum
	3.N Number of deeds of sale agreements signed with identified beneficiaries per annum	❌	1 000	363	No obligation on tenant to take ownership in terms of Agreement of Lease. Most tenants cannot afford to pay the costs associated with the sale and transfer of their units. Tenants are not willing or financially in a position to attend to the repairs and maintenance of the property after ownership is transferred. Tenants insist on maintenance upgrades prior to sale and transfer. Lack of interest in taking ownership. Non-responsive tenants.	Sustained Business Improvement Practices. Renewed Rental Sales Campaign launched in March 2018 extended to additional areas. Corporate Rental Sales Communication Plan initiated. Prioritise maintenance service requests in respect of saleable rental units. Determine the outstanding debt (service and rental arrears) in order to assess the financial viability of selling the remaining saleable rental units. **Responsible person: Kelcy le Keur/** Paul Malibongwe Dyiki **Due date:** On-going
	3.O Number of sites serviced in the informal settlements	❌	650	21	Mfuleni Ext 2 and Kalkfontein UISP resulted in under achievement, due to technical and vandalism impeding implementation at these projects are to yield in the 3rd and 4th quarters of the current financial year.	These matters are being addressed as the project progresses by engaging relevant stakeholders. **Responsible person: Gisela Kaiser/** Riana Pretorius **Due date:** On-going
	3.P Number of community services facilities within informal settlements	Annual Target	N/A	N/A	Reporting to commence in the 2019/20 financial year.	
SFA 4: Inclusive City						
4.1 Dense and transit-oriented growth and development	4.A Number of passenger journeys per kilometre operated (MyCiTi)	Annual Target	N/A	N/A	Annual Target for reporting in the 4th quarter of the 2018/19 financial year. The system for quarterly tracking is in progress.	
	4.B Percentage identified priority projects moved out of pre-projects to inception phase	Biennial Target	N/A	N/A	Biennial target, for reporting in the 2019/20 financial year.	
	4.C Percentage identified priority projects moved out of inception to implementation phase	Annual Target	N/A	N/A	Reporting to commence in the 2021/22 financial year.	
4.2 An efficient, integrated transport system	4.D Total number of passenger journeys on MyCiTi	🔴	9,6 million	8,2 million	Achieved 86% of the target. The total number of passenger journeys on MyCiTi was negatively affected during this quarter due to an illegal bus driver strike which resulted in the bus drivers being dismissed and subsequently caused a decline in the supply of services.	Continuous Monitoring. **Responsible Person: Gershwin Fortune** **Due date:** On-going

2018/19 SECOND QUARTERS PERFORMANCE SCORECARD - CORPORATE SCORECARD - 1 JULY 2018 to 31 DECEMBER 2018

Well Above ✅ **Above** 🟩 **On target** ▲ **Below** 🔴 **Well below** ❌ **AT - Annual Target**

Objectives	**Indicator**	**Status**	**Target**	**Actual**	**Reason for variance**	**Remedial action**
4.3 Building integrated communities	4.E Percentage of people from employment equity target groups employed in three highest levels of management, in compliance with the City's approved employment equity (EE plan) (NKPI)	🔴	75%	71.75%	There is a steady increase in the City's performance against the target even though there is still a variance. Organisational Development and Transformation Plan (ODTP) restructuring phase 1 provided the organisation an opportunity to attract scarce and critical skills from designated groups. The ODTP process is not concluded yet. ODTP phase 2 is presenting further opportunities to attract scarce & critical from designated groups.	The Employment Equity (EE) Branch will continue facilitating integration and embedding of EE to Human Resources policies and practices which include: Recruitment & Selection, Succession Planning and Retention strategies to ensure that the organisation keep on making progress towards achievement of targets. **Responsible person: Craig Kesson/** Zukiswa Mandlana **Due date:** On-going
	4.F Number of Strengthening Families Programmes implemented	✅	8	9	Well above target	Maintain the momentum
SFA 5: Well Run City						
5.1 Operational sustainability	5.A Opinion of independent rating agency	▲	High investment rating	High investment rating	No change in rating assessment - Confirmed rating with a negative outlook	
	5.B Opinion of the Auditor General	🔴	Clean audit for 2017/18	Unqualified audit opinion	Unqualified audit opinion with findings refer to audit report	
	5.C Percentage spend of capital budget (NKPI)	🔴	22.41%	20.80%	**Finance**: 1. Security at Cash Offices: Installation of CCTV cameras delayed, due to the corporate tender not being in place yet. 2. Walk in Centre: Table Bay Mall: Orders for equipment and cabling are delayed, due to the walk-in centre only opening Late February 2019. **Informal Settlements, Water and Waste Services:** The main reasons for the year to date variance are listed at departmental level and can be viewed in the January FMR report. **Area Based Service Delivery:** Delays experienced in obtaining approval to utilise the Assets & Facilities Management directorate term tenders.	**Finance:** 1. Tender is in the process of being approved and orders will be placed immediately after approval. 2. Cash flow to be amended in the January 2019 adjustment budget. **Informal Settlements, Water and Waste Services:** There is an on-going engagement with directors and responsible project managers to ensure tracking and monitoring of projects are within the prescribed timeframes. **Area Based Service Delivery:** Approval for the use of term tenders was obtained and some orders have already been placed. Project managers have confirmed that projects will be completed and funds spent by 30 June 2019. **Responsible person:** All Applicable Departments **Due date:** On-going (Note: Finance monitoring is performed on a monthly basis with the MFMA Section 71 reporting)
5.1 Operational sustainability	5.D Percentage spend on repairs and maintenance	🔴	43.10%	40.94%	Delays in awarding and commencement of tenders which resulted in a slower than planned roll out of various repairs and maintenance programmes. In addition lower than anticipated expenditure on the re-active component of repairs and maintenance further contributes to the YTD under expenditure.	To be monitored by the respective Finance Managers. **Responsible person:** All applicable Finance Managers **Due date:** On-going
	5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	✅	2.20:1	2.89:1	Well above target	Maintain the momentum
	5.F Net Debtors to annual income (NKPI)	🔴	16.98%	17.76%	Direct result of punitive tariffs introduced to drive down water consumption.	On-going monitoring. **Responsible person:** Kevin Jacoby/ David Valentine **Due date:** On-going
	5.G Debt (total borrowings) to total operating revenue (NKPI)	✅	25.75%	21.40%	Well above target	Maintain the momentum

2018-2019 MID-YEAR CORPORATE SCORECARD review (2018/19 mid-year review)

SFA	Objective	Key Performance Indicator	Baseline[1]	Annual targets	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2017/18	2018/19	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2018/19 Q3	2018/19 Q4	
SFA 1: OPPORTUNITY CITY	1.1. Positioning Cape Town as a forward - lookin, globally competitive city	1.B Percentage of rates clearance certificate issued within 10 days	93.84%	96%	96%	96%	96%	96%	**Original Target: 96%** **Proposed target: 92%**	**Original Target: 96%** **Proposed target: 92%**	In terms of section 12 of MSA targets was reduced to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. It is the validity of Rates Clearance Certificates being reduced from 120 days to 60 days by the Chief Registrar in the Deeds Office – Causing: 1. Conveyancers to have to re-apply due to the short time period, thus increasing the Rates Clearance Certificate numbers jumping from 4 000 to 6 000 per month; 2. Enhancements to be carried out on the system, which has been delayed due to the IT tender only being awarded in February 2019. The above shortened time period has led to more 'work-arounds' and manual processes, thus increasing the time in which the Rates Clearance Certificate can be issued. In order to resolve this dilemma: • the Cape Property Law Society will be challenging/making representations to the Deeds Office to retain the 120-day time period; • the City's IT project for Rates Clearance Certificate enhancements during 2019/2020 should rectify the situation. Currently the City is struggling to meet 93%, in spite of staff working overtime with the increased workloads.
		1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	0.59%	0.2%	0.2%	0.2%	0.2%	0.2%	**Original target: 0.2%** **Proposed target: 0.60%**	**Original target: 0.2%** **Proposed target: 0.60%**	In terms of section 12 of MSA targets was increased to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. Based on the data gathered and performance through out the 2017/18 financial year, the five year and quarterly targets as previously approved is unattainable at this time and therefore not realistic. The actual performance is of the order of 0.6% rather than the target 0.2%. This situation arises out of the complexity that can arise with the commercial application process, which, unlike the residential process, is not standard and depents on a significant number of variables, not all of which are under the direct control of the directorate.

2018-2019 MID-YEAR CORPORATE SCORECARD review
(2018/19 mid-year review)

SFA	Objective	Key Performance Indicator	Baseline[1]	Annual targets	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2017/18	2018/19	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2018/19 Q3	2018/19 Q4	
SFA 1: OPPORTUNITY CITY	1.2. Leveraging technology for progress	1.D Number of public Wi-Fi locations	60	60	5	10	15	60	**Original target: 15** **Proposed target: 10**	**Original target: 60** **Proposed target: 10**	In terms of section 12 of MSA targets was reduced to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. The Telecommunications Branch currently has no funding allocated to support rollout of Public WI-FI in 2018-19. A WI-FI business case was submitted to clarify the funding requirement. Rather than the current IDP targets of 60 locations of 150 access points for 1.D and 1.E respectively , the Branch can commit under its own resources to 10 locations and 20 access points respectively. Should the necessary funding be made available subsequent to approval of the business case, and the Broadband Project re-establish. Telecoms will revert to the targets set in the IDP (60 and 150).
		1.E Number of public Wi-Fi access points	251	150	10	20	30	150	**Original target: 30** **Proposed target: 20**	**Original target: 150** **Proposed target: 20**	
SFA 2: SAFE CITY	2.1. Safe communities	2.A Number of new areas with CCTV Surveillance camera	11	3	AT	AT	AT	3	**Original target: AT** **Proposed target: 1**	**Original target: 3** **Proposed target: 5**	In terms of section 12 of MSA targets was increased to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. Based on the data gathered and performance throughout the 2017/18 financial year a more realistc target has been set in terms of the available resources and therefore the revised targets has been set in terms of the available budget.
SFA 3: CARING CITY	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.J Number of service points (toilet and tap with hand basin) provided to backyarders	408	1 200	175	300	525	1 200		**Original target: 1 200** **Proposed target: 780**	In terms of section 12 of MSA targets was reduced to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. **Revised targets** are based on the following: 1. Backyarder refusal of services - Onsite inspection findings often indicate that primary occupants refuse back yarder services to be installed in the backyard as this will impact their rental income. 2. Inconclusive beneficiary list relating to saleable and non-saleable units – beneficiary lists provided by rental housing offices often in error lists rental units in the process of being sold, as saleable units cannot be serviced. 3. Challenges related to infrastructure accessibility – site inspections often reveal backyard structures are built with permanent material in the way of where infrastructure is to be installed or accessed, causing implementation delays as it increases contractor scope to demolition and reinstatement. 4. Delays related to gang violence – most of the backyarder projects are unfortunately affected by or located in gang ridden areas, which affects service delivery in the area as contractor is forced to leave site. 5. Delays related to vandalism - contractors are often forced with having to redo work due to theft and vandalism of newly installed infrastructure or sanitary fixtures, this has a direct impact of the project costs and programming.

2018-2019 MID-YEAR CORPORATE SCORECARD review
(2018/19 mid-year review)

SFA	Objective	Key Performance Indicator	Baseline[1]	Annual targets	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2017/18	2018/19	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2018/19 Q3	2018/19 Q4	
SFA 3: CARING CITY	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	~~3.L Percentage progress made in establishing a verifiable database that determines housing needs~~	~~1 774~~	~~100%~~	~~AT~~	~~AT~~	~~AT~~	~~100%~~	**Indicator to be removed from CSC**	**Indicator to be removed from CSC**	It is proposed that the indicator be moved from the Corporate Scorecard to the Directorate Scorecard taking into account the SMART principles in terms of Section 12 (2) of the Municipal Planning and Performance Management regulations that forms part of the Municipal Systems Act 32. The indicator is an audit risk and only once the Service provider has been appointed, will it be considered for re-integration onto the Corporate Scorecard.
		3.L Percentage of allocated housing opportunity budget spent	0%	90%	8.5%	14.15%	22.31%	90%	22.31%[2]	90%[2]	Quarterly targets to be amended on the approval of the Adjustment Budget legislated as at end of January 2019.
SFA 3: CARING CITY	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.M Number of deeds of sale agreements signed with identified beneficiaries per annum	600	2,000	500	1,000	1,500	2,000	**Original target: 1 500** **Proposed target: 450**	**Original target: 2 000** **Proposed target: 600**	There are approximately 9600 rental dwellings available that are regarded as saleable and active campaigns are underway to create awareness. Nowhere in the Agreement of Lease is it stated that tenants must eventually take ownership. There are those who prefer to continue to rent as they do not want the responsibility associated with being a homeowner. Various campaigns are taking place to create awareness targeted specifically on the outstanding saleable dwellings. Reaching target will always be a challenge as the willing seller, willing buyer principle applies. The benefits of owning property is marketed as an incentive. In addition, the Grant funding in the form of a subsidy is limited to a certain amount which results in that the majority of tenants cannot afford to pay the costs associated with the sale and transfer of their units. In addition, tenants are not willing or financially in a position to attend to the repairs and maintenance of the property after ownership is transferred. The exclusion of previous property owners from accessing the Enhanced Extended Discount Benefit Scheme creating further financial constraints as they are required i.t.o the National Housing Code to purchase at market related prices.

2018-2019 MID-YEAR CORPORATE SCORECARD review
(2018/19 mid-year review)

SFA	Objective	Key Performance Indicator	Baseline [1]	Annual targets	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2017/18	2018/19	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2018/19 Q3	2018/19 Q4	
SFA 3: CARING CITY	3.2. Mainstreaming basic service delivery to informal settlements and backyard dwellers	**3.N** Number of sites serviced in the informal settlements	600	2 000	325	650	975	2 000		**Original target: 2 000** **Proposed target: 1 480**	Revised targets are reduced based on the following: 1. Budget reprioritization – in the current financial year, it was required to reprioritise budget in order to make provision for a project which was blocked for 3 years due to community resistance, this has subsequently caused a rephrasing of project delivery plan to accommodate the reduction of budget from specific projects. 2. Gang intimidation – projects in gang ridden areas are affected by gang intimidation causing lengthy suspensions of projects prior to returning to site when the contractors' safety can be guaranteed. This has a direct impact of the budget expenditure and subsequent ability to yield targets as programmed. 3. Community resistance – community issues relating to "NIMBY" has a direct impact on target delivery as lengthy project suspensions has a direct impact of the yield of targets as programmed. **ADDITIONAL CHANGES EMANATED FROM THE 2017/18 AG AUDIT RELATING TO THE DEFINITION.**
SFA 4: INCLUSI	4.1. Dense and transit oriented growth and development	4.A Number of passenger journeys per kilometre operated (MyCiti)	New	1.09	AT	AT	AT	1.09	**Original target: AT** **Proposed target: 1.00**	**Original target: 1.09** **Proposed target: 1.00**	Due to optimisation project, new routes and services has been introduced in October 2018. These routes will ocur additional kms of approx. 1.8 Million KMS per annum. There is always a lag between KMS operated and passenger take-up. Furthermore, the actual ratio was influenced by the closure of the Central line resulting in Metro Rail passengers using our services, we have noticed a declining in in passengers at these passenger return to Metro Rail. Secondly, the ongoing illegal strike of the MyCiti bus drivers also impacted the review of the target. It is proposed that the targets are reduced to reflect the output delivered and will ensure compliance to section 12 of MSA as this would be more practical, commensurate with available resources and the municipality's capacity.
		4.B Percentage identified priority projects moved out of pre-projects to inception phase	New	- [3]	BT	BT	BT	- [3]			Progress updates of catalytic projects will be provided on a quarterly basis. Taking into account the complexity of the 7 catalytic projects, and that each project have different dependencies , including different project developmental stages, progress updates will be submitted on a quarterly basis.
		4.C Percentage identified priority projects moved out of inception to implementation phase	New	- [3]	- [3]	- [3]	- [3]	- [3]			

2018-2019 MID-YEAR CORPORATE SCORECARD review
(2018/19 mid-year review)

SFA	Objective	Key Performance Indicator	Baseline [1]	Annual targets	Approved Quarterly targets				Proposed Quarterly targets		Adjustment Budget Motivation
			2017/18	2018/19	2018/19 Q1	2018/19 Q2	2018/19 Q3	2018/19 Q4	2018/19 Q3	2018/19 Q4	
VE CITY	4.2. An efficient, integrated transport system	4.D Total number of passenger journeys on MyCiti	19.9 Million	19.5 million	4 900 000	9 600 000	14 100 000	19.5 million	**Original target: 14.1 million** **Proposed target: 12.5million**	**Original target: 19.5 million** **Proposed target: 16.8 million**	In terms of section 12 of MSA targets was reduced to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. In light of this it is necessary to review the forecasts going forward downwards rates experienced in earlier years which have to be moderated now that the service has reached capacity. In addition the downward review takes into account the negative impact on passenger journeys of the investigation into the electric buses which has delayed their rollout. The ongoing MyCiti bus driver illegal strike has also contributed to the review of the target.
	4.3. Building integrated communities	4.E 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)	69.86%	75%	75%	75%	75%	75%	**Original target: 75%** **Proposed target: 73%**	**Original target: 75%** **Proposed target: 73%**	In terms of section 12 of MSA targets was reduced to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. Based on the data gathered over the past five years for indicator 4.E "Percentage of people from the designated groups employed in the three highest levels of management in compliance with the City's approved Employment Equity Plan (EE)" , the five year target of 75% as previously approved is unattainable at this time. The target has been amended to be aligned with the approved Employment Equity Act Plan
SFA 5: WELL-RUN CITY	5.1. Operational sustainability	5.C Percentage spend of capital budget (NKPI)	92.85%	90%	7.56%	22.14%	41.83%	90%	41.83% [3]	90% [3]	Quarterly targets to be amended on the approval of the Adjustment Budget legislated as at end of January 2019.
		5.D Percentage spend on Repair and Maintenance	99.52%	95%	18.0%	43.1%	65.1%	95%	65.1% [3]	95% [3]	Quarterly targets to be amended on the approval of the Adjustment Budget legislated as at end of January 2019.
		5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	2.28:1	2:1	1.8:1	2.2:1	2.3:1	2:1	2.3:1 [3]	2:1 [3]	Quarterly targets to be amended on the approval of the Adjustment Budget legislated as at end of January 2019.
		5.F Net Debtors to annual income (NKPI)	21.15%	21.50%	17.12%	16.98%	22.15%	21.50%	22.15% [3]	21.5% [3]	Quarterly targets to be amended on the approval of the Adjustment Budget legislated as at end of January 2019.
		5.G Debt (total borrowings) to total operating revenue (NKPI)	New	30%	25.75%	25.75%	27%	30%	27% [3]	**Original target: 30%** **Proposed target: 25%**	In terms of section 12 of MSA targets was adjusted to be more practical, commensurate within the available resources and to commensurate within the municipality's capacity. The targets were reduced in order to realign it in accordance with the MTREF budget. Quarterly targets to be amended in line with the Adjustment Budget approval legislated as at end of January 2019.

Notes:

NKPI - National Key Performance Indicator

AT - Annual target

BT - Biennial target and therefore only measured every second year.

[1] The baseline figures currently reflects the **audited** actual achievement as at 30 June 2018.

[2] The target is subject to the Council approval of the 2018/19 Mid-Year Adjustment budget as at end of January 2019.

[3] The indicator measurement will commence in 2019/20 or 2021/22 according to the Council approved Five year Corporate Scorecard.

INDICATOR	**IDP Objective**	**INDICATOR DEFINITION**
~~3.L Percentage progress made in establishing a verifiable database that determines housing needs~~	~~3.2~~	~~The indicator aims to verify and quantify the housing-opportunity database to determine whether all beneficiaries who are eligible for a housing opportunity have been identified.~~ ~~**Progress will be defined as follows:**~~ ~~**25% - Data will be cleaned up to move from the current as-is position to verified and reliable data.**~~ ~~**60% - The preferred bidder appointed by no later than 30 June 2020.**~~ ~~**100% - A complete updated database.**~~
~~3.M~~ **3.L** Percentage of allocated housing-opportunity budget spent	3.2	This indicator measures the percentage of the allocated housing budget that has been spent (capital and operating).
~~3.N~~ **3.M** Number of deeds-of-sale agreements signed with identified beneficiaries per annum	3.2	The indicator refers to the number of deeds-of-sale agreements signed with identified beneficiaries based on identified qualifying criteria. Deeds-of-sale agreement: Legal document stating the terms and conditions of the sale of a rental unit to a beneficiary. Identified beneficiary: Lawful tenant with an existing lease agreement with the City. Qualifying criteria: Current lawful tenant with a lease agreement and who owns no other property.
~~3.O~~ **3.N** Number of sites serviced in informal settlements	3.2	The indicator will measure incremental access to the following housing products: • Incremental housing, which provides a serviced site with or without tenure • Re-blocking of informal settlements, i.e. the reconfiguration of the layout of settlements to allow improved access and service levels. **A "serviced site" is defined as a site to which the following services were provided:** • **Road** • **Water** • **Sewer** Note: DEFINITION CHANGE EMANATED FROM THE 2017/18 AUDITOR-GENERAL AUDIT.
~~3.P~~ **3.O** Number of community services facilities in informal settlements	3.2	This indicator measures the number of temporary multipurpose, flexible community spaces provided in informal settlements.

Annexure C

No.	2018/19 MID-YEAR REVIEW OF CAPE TOWN STADIUM (RF) KEY PERFORMANCE INDICATORS														
	Alignment to IDP			Measuring Department	Indicator (to include unit of measure)	Annual Target 30 June 2018	Baseline 2017/2018	Annual Target 30 June 2019	Approved Quarterly Targets				PROPOSED QUARTERLY TARGETS		MOTIVATION
	Pillar & Corporate Objective	IDP Programme	CSC Indicator no.						30 Sept 2018 Q1	31 Dec 2018 Q2	31 Mar 2019 Q3	30 June 2019 Q4	31 Mar 2019 Q3	30 June 2019 Q4	
1	SFA 1: Opportunity City Objective 1.1	1.1b Cape Town Business Brand Programme 1.1G Leveraging the City's Assets	5.1	Finance	Percentage reduction of the grant allocation from the City of Cape Town	New	New	5%	1.25%	2.5%	3.75%	5%	Original Target: 3.75% Proposed Target: Annual Target	5.00%	This indicator requires alignment to the definition to measure the annual reduction of grant allocation.

NKPI	National Key Performance Indicator per regulation 10 of the Municipal Systems Act
AT	Annual Target

Annexure D

2018/19 MID-YEAR REVIEW OF CTICC KPI SCORECARD WITH DEFINITIONS (2017-2021)

							APPROVED QUARTERLY TARGETS				PROPOSED QUARTERLY TARGETS		
#	**INDICATOR**	**IDP objective (most direct focus)**	**MEASUREMENT**	**INDICATOR DEFINITION**	**Baseline 2016/2017 (Actual)**	**Baseline 2017/18 [1] (Actual)**	**2018/19 Quarter 1**	**2018/19 Quarter 2**	**2018/19 Quarter 3**	**2018/19 Quarter 4 /Annual Target**	**2018/19 Quarter 3**	**2018/19 Quarter 4 /Annual Target**	**MOTIVATION**
1	Total events hosted	Opportunity City 1.1 Positioning Cape Town as a forward-looking, globally competitive City	Number of events hosted compared to annual budgeted target	The indicator measures the total number of events hosted at the CTICC.	482	525	130	276	414	560	**Original Target: 414** **Proposed Target: 398**	**Original Target: 560** **Proposed Target: 535**	Quarterly targets amended due to lower events forecast in the 2nd half of the year, relative tot the expectation of the Adjustment Budget.
9	**Budget**												
	Operating Profit (1)	Well-run City 5.1 Operational Sustainability	Percentage achievement of annual budgeted (1) Operating profit is defined as earnings before interest, taxation, depreciation and amortisation. operating profit	This indicator measures the operating profit achieved. Operating Profit is defined as earnings before interest, taxation, depreciation and amortisation.	475%	235%	3%	52%	82%	100%	**Original Target: 82%** **Proposed Target: 87%**		Quarterly targets amended in line with the Adjustment Budget. Adjustment budget EBITDA(earnings before interest, taxation, depreciation and amortisation) is forecast to exceed the original budget by R0.6m.

[1] The baseline figures currently reflects the audited actual achievement as at 30 June 2018.

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2: CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2:

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

Cape Town International Convention Centre
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Email: info@cticc.co.za
www.cticc.co.za

TABLE OF CONTENTS

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

1. Executive Summary

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

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

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

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

2. High level assessment of performance for the first half of 2018/19 against annual budget

Revenue by Source

Current revenue is 11.7% or R17.5 million below the year-to-date budget projection for December 2018.

Reasons for the under recovery on the revenue budget

- **Rental of facilities and equipment**
  Events included in the budget which did not materialise, due to factors which included the drought, current economic environment and visa regulations.

- **Other revenue**
  which includes food and beverage due to the impact of higher yielding events and subcontracted services revenue due to the impact of clients choosing to use alternate suppliers that are not contracted to the CTICC.

Operating expenditure by type

Current expenditure is 39.3% or R40 million below the year-to-date budget projection for December 2018.

Reason for under expenditure on operating expenditure

- **Employee related costs**
  Largely due to the delay in on-boarding flexi-staff and savings relating to vacant positions.

- **Other Materials, Contracted services, and Other Expenditure**
  Due to savings from the operations general, buildings costs, maintenance and utility services.

3. Measurable performance targets

The entity's 2018/19 Performance Scorecard - 1 July 2018 To 31 December 2019 (Draft) is included as Part 3 of this document.

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

PART 2 - FINANCIAL PERFORMANCE

Financial performance overview

The tables below reflect the operating budget for the CTICC for the period 1 July 2018 to 31 December 2018. 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	2017/18	Current Year 2018/19						
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	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Transfers recognised - operational	–	–	–	–	–	–		–
Other own revenue	246 324	286 614	286 614	124 668	146 976	(22 308)	-15.2%	286 614
Total Revenue (excluding capital transfers and contributions)	**264 153**	**291 129**	**291 129**	**131 768**	**149 234**	**(17 466)**	**-11.7%**	**291 129**
Employee costs	56 451	92 542	92 542	29 075	45 327	(16 252)	-35.9%	92 542
Remuneration of Board Members	459	756	756	217	402	(185)	-46.0%	756
Depreciation and asset impairment	502 419	42 651	42 651	21 321	21 326	(5)	0.0%	42 651
Finance charges	–	–	–	–	–	–		–
Materials and bulk purchases	33 615	41 317	41 317	15 402	20 658	(5 256)	-25.4%	41 317
Transfers and grants	–	57	57	–	29	(29)	-100.0%	57
Other expenditure	98 554	144 517	144 517	53 975	72 259	(18 284)	-25.3%	144 517
Total Expenditure	**691 499**	**321 840**	**321 840**	**119 990**	**160 001**	**(40 011)**	**-25.0%**	**321 840**
Surplus/(Deficit)	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Transfers recognised - capital	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Taxation	(117 590)	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(309 756)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Capital expenditure & funds sources								
Capital expenditure	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**
Transfers recognised - capital	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	94 896	49 193	49 193	38 823	24 596	14 227	57.8%	49 193
Total sources of capital funds	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**
Financial position								
Total current assets	242 968	132 686	132 686	227 999				132 686
Total non current assets	575 139	438 450	438 450	592 586				438 450
Total current liabilities	104 523	118 543	118 543	95 224				118 543
Total non current liabilities	(129 564)	–	–	(129 564)				–
Community wealth/Equity	**843 148**	**452 593**	**452 593**	**854 925**				**452 593**
Cash flows								
Net cash from (used) operating	61 026	29 498	29 498	(3 125)	13 689	(16 814)	-122.8%	29 498
Net cash from (used) investing	(88 252)	(49 193)	(49 193)	(17 447)	(24 596)	7 149	-29.1%	(49 193)
Net cash from (used) financing	–	–	–	–	–	–		–
Cash/cash equivalents at the year end	**224 962**	**107 000**	**107 000**	**204 390**	**115 787**	**88 603**	**76.5%**	**107 000**

Cape Town International Convention Centre SOC LTD (RF) - Table F2 Monthly Budget Statement - Financial Performance (revenue and ex

Description	2017/18	Current Year 2018/19						
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	–	–	–	–	–	–		–
Service charges - other	–	–	–	–	–	–		–
Rental of facilities and equipment	115 084	138 802	138 802	54 839	69 461	(14 622)	-21.1%	138 802
Interest earned - external investments	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Interest earned - outstanding debtors	–	–	–	–	–	–		–
Dividends received	–	–	–	–	–	–		–
Fines, penalties and forfeits	–	–	–	–	–	–		–
Licences and permits	–	–	–	–	–	–		–
Agency services	–	–	–	–	–	–		–
Transfers and subsidies	–	–	–	–	–	–		–
Other revenue	131 240	147 812	147 812	69 829	77 516	(7 687)	-9.9%	147 812
Gains on disposal of PPE	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)	**264 153**	**291 129**	**291 129**	**131 768**	**149 234**	**(17 466)**	**-11.7%**	**291 129**
Expenditure By Type								
Employee related costs	56 451	92 542	92 542	29 075	45 327	(16 252)	-35.9%	92 542
Remuneration of Directors	459	756	756	217	402	(185)	-46.0%	756
Debt impairment	1 057	300	300	–	150	(150)	-100.0%	300
Depreciation & asset impairment	502 419	42 651	42 651	21 321	21 326	(5)	0.0%	42 651
Finance charges	–	–	–	–	–	–		–
Bulk purchases	–	–	–	–	–	–		–
Other materials	33 615	41 317	41 317	15 402	20 658	(5 256)	-25.4%	41 317
Contracted services	52 915	62 884	62 884	26 811	31 442	(4 630)	-14.7%	62 884
Transfers and subsidies	–	57	57	–	29	(29)	-100.0%	57
Other expenditure	44 583	81 334	81 334	27 163	40 667	(13 504)	-33.2%	81 334
Loss on disposal of PPE	–	–	–	–	–	–		–
Total Expenditure	**691 499**	**321 840**	**321 840**	**119 990**	**160 001**	**(40 011)**	**-25.0%**	**321 840**
Surplus/(Deficit)	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
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	(427 346)	(30 711)	(30 711)	11 778	(10 767)	22 544	-209.4%	(30 711)
Taxation	(117 590)	–	–	–	–	–		–
Surplus/(Deficit) for the year	**(309 756)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**		**(30 711)**

Cape Town International Convention Centre SOC LTD (RF) - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December

Description	2017/18	Current Year 2018/19						
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								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**82 127**	**27 247**	**27 247**	**29 051**	**13 623**	**15 428**	**113.2%**	**27 247**
Operational Buildings	82 127	27 247	27 247	29 051	13 623	15 428	113.2%	27 247
Municipal Offices	82 127	27 247	27 247	29 051	13 623	15 428	113.2%	27 247
Computer Equipment	**7 989**	**15 218**	**15 218**	**8 318**	**7 609**	**709**	**9.3%**	**15 218**
Computer Equipment	7 989	15 218	15 218	8 318	7 609	709	9.3%	15 218
Furniture and Office Equipment	**3 183**	**5 380**	**5 380**	**1 413**	**2 690**	**(1 277)**	**-47.5%**	**5 380**
Furniture and Office Equipment	3 183	5 380	5 380	1 413	2 690	(1 277)	-47.5%	5 380
Machinery and Equipment	**1 597**	**1 348**	**1 348**	**41**	**674**	**(633)**	**-93.9%**	**1 348**
Machinery and Equipment	1 597	1 348	1 348	41	674	(633)	-93.9%	1 348
Total Capital Expenditure	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**

Funded by:								
National Government	–	–	–	–	–	–		–
Provincial Government	–	–	–	–	–	–		–
Parent Municipality	–	–	–	–	–	–		–
District Municipality	–	–	–	–	–	–		–
Transfers recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	94 896	49 193	49 193	38 823	24 596	14 227	57.8%	49 193
Total Capital Funding	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**

Cape Town International Convention Centre SOC LTD (RF) - Table F4 Monthly Budget Statement - Fina

Vote Description	2017/18	Current Year 2018/19			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6 282	–	–	5 729	–
Call investment deposits	218 678	107 000	107 000	198 661	107 000
Consumer debtors	–	–	–	–	–
Other debtors	16 417	24 027	24 027	21 869	24 027
Current portion of long-term receivables	–	–	–	–	–
Inventory	1 591	1 659	1 659	1 741	1 659
Total current assets	**242 968**	**132 686**	**132 686**	**227 999**	**132 686**
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Property, plant and equipment	575 139	438 450	438 450	592 586	438 450
Agricultural	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	**575 139**	**438 450**	**438 450**	**592 586**	**438 450**
TOTAL ASSETS	**818 107**	**571 136**	**571 136**	**820 586**	**571 136**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	28 163	26 166	26 166	30 600	26 166
Trade and other payables	71 637	86 549	86 549	61 886	86 549
Provisions	4 723	5 828	5 828	2 737	5 828
Total current liabilities	**104 523**	**118 543**	**118 543**	**95 224**	**118 543**
Non current liabilities					
Borrowing	–	–	–	–	–
Provisions	(129 564)	–	–	(129 564)	–
Total non current liabilities	**(129 564)**	**–**	**–**	**(129 564)**	**–**
TOTAL LIABILITIES	**(25 040)**	**118 543**	**118 543**	**(34 340)**	**118 543**
NET ASSETS	**843 148**	**452 593**	**452 593**	**854 925**	**452 593**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(434 280)	(824 834)	(824 834)	(422 503)	(824 834)
Reserves	–	–	–	–	–
Share capital	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428
TOTAL COMMUNITY WEALTH/EQUITY	**843 148**	**452 593**	**452 593**	**854 925**	**452 593**

Cape Town International Convention Centre SOC LTD (RF) - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2017/18	Current Year 2018/19						
R thousands	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	261 123	284 135	284 135	119 901	141 007	(21 106)	-15.0%	284 135
Government - operating	–	–	–	–	–	–		–
Government - capital	–	–	–	–	–	–		–
Interest	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Dividends	–	–	–	–	–	–		–
Payments								
Suppliers and employees	(217 926)	(259 151)	(259 151)	(130 125)	(129 576)	(550)	0.4%	(259 151)
Finance charges	–	–	–	–	–	–		–
Dividends paid	–	–	–	–	–	–		–
Transfers and Grants	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**61 026**	**29 498**	**29 498**	**(3 125)**	**13 689**	**(16 814)**	**-122.8%**	**29 498**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	–	–	–	–	–		–
Decrease (increase) in non-current investments	–	–	–	–	–	–		–
Payments	–	–	–	–	–	–		–
Capital assets	(88 252)	(49 193)	(49 193)	(17 447)	(24 596)	7 149	-29.1%	(49 193)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(88 252)**	**(49 193)**	**(49 193)**	**(17 447)**	**(24 596)**	**7 149**	**-29.1%**	**(49 193)**
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	**(27 226)**	**(19 694)**	**(19 694)**	**(20 572)**	**(10 907)**	**(9 665)**	**88.6%**	**(19 694)**
Cash/cash equivalents at the year begin:	252 188	126 694	126 694	224 962	126 694	98 267	77.6%	126 694
Cash/cash equivalents at the year end:	224 962	107 000	107 000	204 390	115 787	88 603	76.5%	107 000

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F1 Entity Material variance explanation - M06 December

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Interest earned - external investments	4 842	The variance is due to the favourable cash balances as a result of the timing of payment of capital projects, the investment of surplus funds and favourable interest rates.	None required; budget to be achieved at 30 June 2019.
Other revenue	(7 687)	The unfavourable variance is as a result of fewer events held to date, in particular the international events, which impacted other income.	None required; budget to be achieved at 30 June 2019.
Rental of facilities and equipment	(14 622)	The unfavourable variance in rental income is as a result of fewer events held to date, in particular the international events.	None required; budget to be achieved at 30 June 2019.
Expenditure items			
Employee related costs	(16 252)	The variance is as a result of vacant positions at 31 December 2018 as well as savings.	None required; budget to be achieved at 30 June 2019.
Other materials	(5 256)	The variance is due to less event-related costs as well as savings achieved.	None required; budget to be achieved at 30 June 2019.
Contracted services	(4 630)	The variance is due to less event-related costs as well as savings achieved.	None required; budget to be achieved at 30 June 2019.
Other expenditure	(13 504)	The variance is due to a combination of savings on building and utility costs as well as savings relating to the new building.	None required; budget to be achieved at 30 June 2019.
Capital Expenditure items			
Computer Equipment	(709)	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Furniture and Office Equipment	1 277	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Machinery and Equipment	674	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Cash flow items			
Interest	4 842	The variance is due to the favourable cash balances as a result of the timing of payment of capital projects, the investment of surplus funds and favourable interest rates.	None required; budget to be achieved at 30 June 2019.
Other revenue	(21 106)	The unfavourable variance is as a result of fewer events held to date, in particular the international events.	None required; budget to be achieved at 30 June 2019.
Suppliers and employees	(550)	The variance is mainly due to fewer payments made in respect of the expansion project.	None required; budget to be achieved at 30 June 2019.
Capital assets	7 149	Due to timing of capital spend as at 31 December 2018.	

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F2 Entity Financial and non-financial indicators - M06 December

Description of financial indicator	Basis of calculation	2017/18	Current Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	72.7%	13.3%	13.3%	17.8%	13.3%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	(3.0%)	26.2%	26.2%	(4.0%)	26.2%
Liquidity						
Current Ratio	Current assets/current liabilities	232.5%	111.9%	111.9%	239.4%	111.9%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	232.5%	111.9%	111.9%	239.4%	111.9%
Liquidity Ratio	Monetary Assets/Current Liabilities	215.2%	90.3%	90.3%	214.6%	90.3%
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.2%	8.3%	8.3%	16.6%	8.3%
Other Indicators						
Employee costs	Employee costs/Total Revenue - capital revenue	21.4%	31.8%	31.8%	22.1%	31.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue	190.2%	14.7%	14.7%	16.2%	14.7%

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F3 Entity Aged debtors - M06 December

Detail	Current Year 2018/19										>90 days
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	
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	–	–	–	–	–	–	–	–	–	–	–
Other	2 352	2 480	627	–	–	–	167	6 405	12 031	–	–
Total By Income Source	**2 352**	**2 480**	**627**	**–**	**–**	**–**	**167**	**6 405**	**12 031**	**–**	**6 572**
Debtors Age Analysis By Customer Group											
Organs of State	–	–	–	–	–	–	–	–	–	–	
Commercial	–	–	–	–	–	–	–	–	–	–	
Households	–	–	–	–	–	–	–	–	–	–	
Other	2 352	2 480	627	–	–	–	167	6 405	12 031	–	
Total By Customer Group	**2 352**	**2 480**	**627**	**–**	**–**	**–**	**167**	**6 405**	**12 031**	**–**	

Cape Town International Convention Centre - Supporting Table F4 Entity Aged creditors

Detail	Current Year 2018/19								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–
Trade Creditors	–	–	–	–	–	–	–	–	–
Auditor General	–	–	–	–	–	–	–	–	–
Other	16 952	2 912	145	130	–	–	–	–	20 139
Total By Customer Type	**16 952**	**2 912**	**145**	**130**	**–**	**–**	**–**	**–**	**20 139**

Investments by maturity Name of institution & investment ID R thousands	Current Year 2018/19							
	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
						Begin	Change	End
CTICC								
Cash	1	One		-	-	179	(8)	171
Nedbank - Current - 1232 043850				-	-	747	()	747
Nedbank - Call Deposit - 03/7881544007/000105					6.55	19		20
ABSA Bank - Current - 4072900553				20	-	550	1 305	1 855
ABSA Bank - Exh Serv - Current - 4072900731				12	-	3 013	(2 818)	195
ABSA Bank - Treasury Account - 40-7373-1246					-	73		73
ABSA Bank - Convenco Account - 40-7373-3701				13	-	2 514	13	2 527
ABSA Bank - Call Deposit - 4074708347				45	6.5	18 230	(6 155)	12 076
Stanlib - Bank 000-402-184 (1199539) ref No. 551436367				31	7.57	8 280	31	8 310
Investec Bank - (462097) 1008645				135	7.54	36 074	135	36 209
Nedgroup Money Market - (800167964) - 8319631				111	7.71	29 573	111	29 685
First National Bank -RMB Investment- SMT-DI15H00101				56	7.47	15 296	56	15 353
ABSA Bank - CTICC Money Market - 9316676360				54	7.65	14 076	54	14 130
Nedgroup Corp Money Market - (800167964) 8292731				133	7.66	35 390	133	35 524
ABSA Bank - CTICC East - Current - 4072900228				2	-	307	(146)	160
ABSA Bank - CTICC East - Call Deposit 4083941322					6.5	2		2
Absa Bank - CTICC East - Money Market (6241084-ZAR-2201-0)				152	6.55	47 201	152	47 353
Absa Bank - CTICC East - FD (Guarantee) - 43939765 FDE			-	-	-			
Total investments				**764**		**211 526**	**(7 137)**	**204 390**

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F6 Entity Board member allowances & staff benefits - M06 Dec

Summary of Employee and Board Member remuneration R thousands	2017/18	Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	459	756	756	217	402	(185)	-46.0%	756
Sub Total - Board Members of Entities	**459**	**756**	**756**	**217**	**402**	**(185)**	**-46.0%**	**756**
% increase		**64.6%**	**64.6%**					**64.6%**
Senior Managers of Entities								
Basic Salaries	8 603	8 884	8 884	4 442	4 442	–		8 884
Sub Total - Senior Managers of Entities	**8 603**	**8 884**	**8 884**	**4 442**	**4 442**	**–**		**8 884**
% increase		**3.3%**	**3.3%**					**3.3%**
Other Staff of Entities								
Basic Salaries	47 848	83 209	83 209	24 633	40 885	(16 252)	-39.8%	83 209
Sub Total - Other Staff of Entities	**47 848**	**83 209**	**83 209**	**24 633**	**40 885**	**(16 252)**	**-39.8%**	**83 209**
% increase		**73.9%**	**73.9%**					**73.9%**
Total Municipal Entities remuneration	**56 910**	**92 849**	**92 849**	**29 292**	**45 729**	**(16 437)**	**-35.9%**	**92 849**
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F7 Entity monthly actuals & revised targets - M06 December

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outocme	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	4,972	6,407	9,512	14,371	14,460	5,117	5,987	11,587	13,929	10,942	10,011	31,509	138,802	147,131	155,958
Other revenue	6,645	7,417	12,461	19,218	15,990	8,099	8,418	13,117	15,824	14,061	12,576	13,986	147,812	156,680	166,081
Interest earned	1,342	1,270	1,224	1,226	1,274	764	376	376	376	376	376	(4,466)	4,515	4,786	5,073
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**12,959**	**15,093**	**23,196**	**34,815**	**31,724**	**13,980**	**14,780**	**25,080**	**30,129**	**25,379**	**22,963**	**41,029**	**291,129**	**308,597**	**327,113**
													–	–	–
Expenditure By Type													–	–	–
Employee related costs	4,248	4,326	4,715	5,997	5,121	4,668	7,453	7,565	7,241	7,049	7,202	26,957	92,542	98,909	104,843
Remuneration of Board Members	–	–	82	–	14	121	–	–	201	–	–	338	756	816	882
Debt impairment	–	–	–	–	–	–	25	25	25	25	25	175	300	312	315
Depreciation & asset impairment	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,559	42,651	45,211	47,923
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	1,759	2,360	2,147	4,055	3,490	1,592	3,443	3,443	3,443	3,443	3,443	8,700	41,317	43,940	46,577
Contracted services	3,790	5,051	4,817	5,392	4,718	3,043	5,240	5,240	5,240	5,240	5,240	9,871	62,884	66,877	70,889
Transfers and grants	–	–	–	–	–	–	5	5	5	5	5	33	57	61	64
Other expenditure	2,589	3,433	6,362	4,058	6,506	4,215	6,778	6,778	6,778	6,778	6,778	20,281	81,334	86,498	91,688
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	**15,940**	**18,723**	**21,676**	**23,055**	**23,403**	**17,193**	**26,498**	**26,610**	**26,487**	**26,094**	**26,248**	**69,914**	**321,840**	**342,624**	**363,182**

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Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outocme	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure															
Capital assets	946	6,664	9,226	10,297	2,516	9,214	4,099	4,099	4,099	4,099	4,099	(10,169)	49,193	40,631	43,069
Total capital expenditure	**946**	**6,664**	**9,226**	**10,297**	**2,516**	**9,214**	**4,099**	**4,099**	**4,099**	**4,099**	**4,099**	**(10,169)**	**49,193**	**40,631**	**43,069**
Cash flow															
Ratepayers and other	14,754	20,596	24,022	25,154	26,826	8,549	13,437	23,757	28,802	24,048	21,639	52,550	284,135	302,755	320,933
Grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest	1,342	1,270	1,224	1,226	1,274	764	376	376	376	376	376	(4,466)	4,515	4,786	5,073
Suppliers, employees and other	(31,740)	(24,731)	(21,965)	(23,267)	(17,812)	(10,611)	(21,596)	(21,596)	(21,596)	(21,596)	(21,596)	(21,046)	(259,151)	(289,975)	(307,831)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(15,644)**	**(2,865)**	**3,281**	**3,113**	**10,287**	**(1,298)**	**(7,782)**	**2,537**	**7,582**	**2,828**	**420**	**27,038**	**29,498**	**17,566**	**18,175**
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	2,608	(584)	(6,580)	(8,021)	969	(5,839)	(4,099)	(4,099)	(4,099)	(4,099)	(4,099)	(11,248)	(49,193)	(40,631)	(43,069)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**2,608**	**(584)**	**(6,580)**	**(8,021)**	**969**	**(5,839)**	**(4,099)**	**(4,099)**	**(4,099)**	**(4,099)**	**(4,099)**	**(11,248)**	**(49,193)**	**(40,631)**	**(43,069)**
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	**(13,036)**	**(3,449)**	**(3,299)**	**(4,907)**	**11,257**	**(7,137)**	**(11,882)**	**(1,562)**	**3,483**	**(1,271)**	**(3,680)**	**15,790**	**(19,694)**	**(23,065)**	**(24,894)**

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F8a Entity capital expenditure on new assets by asset class - M06 D

Description	2017/18	Current Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**79 891**	**19 267**	**19 267**	**29 051**	**9 633**	**19 418**	**201.6%**	**19 267**
Operational Buildings	79 891	19 267	19 267	29 051	9 633	19 418	201.6%	19 267
Municipal Offices	*79 891*	*19 267*	*19 267*	*29 051*	*9 633*	*19 418*	*201.6%*	*19 267*
Computer Equipment	**5 982**	**3 635**	**3 635**	**8 318**	**1 818**	**6 500**	**357.6%**	**3 635**
Computer Equipment	5 982	3 635	3 635	8 318	1 818	6 500	357.6%	3 635
Furniture and Office Equipment	**3 183**	**2 455**	**2 455**	**1 413**	**1 228**	**185**	**15.1%**	**2 455**
Furniture and Office Equipment	3 183	2 455	2 455	1 413	1 228	185	15.1%	2 455
Machinery and Equipment	**597**	**1 042**	**1 042**	**41**	**521**	**(480)**	**-92.1%**	**1 042**
Machinery and Equipment	597	1 042	1 042	41	521	(480)	-92.1%	1 042
Total Capital Expenditure on new assets	**89 652**	**26 399**	**26 399**	**38 823**	**13 200**	**25 623**	**194.1%**	**26 399**

- Supporting Table F8b Entity capital expenditure on the renewal of existing assets by asset class - M06 December

Description	2017/18	Current Year 2018/19						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**2 236**	**7 980**	**7 980**	**–**	**3 990**	**(3 990)**	**-100.0%**	**7 980**
Operational Buildings	2 236	7 980	7 980	–	3 990	(3 990)	-100.0%	7 980
Municipal Offices	*2 236*	*7 980*	*7 980*	–	*3 990*	*(3 990)*	-100.0%	*7 980*
Computer Equipment	**2 007**	**11 583**	**11 583**	**–**	**5 791**	**(5 791)**	**-100.0%**	**11 583**
Computer Equipment	2 007	11 583	11 583	–	5 791	(5 791)	-100.0%	11 583
Furniture and Office Equipment	**–**	**2 925**	**2 925**	**–**	**1 463**	**(1 463)**	**-100.0%**	**2 925**
Furniture and Office Equipment	–	2 925	2 925	–	1 463	(1 463)	-100.0%	2 925
Machinery and Equipment	**1 000**	**306**	**306**	**–**	**153**	**(153)**	**-100.0%**	**306**
Machinery and Equipment	1 000	306	306	–	153	(153)	-100.0%	306
Total Capital Expenditure on renewal of existing assets	**5 243**	**22 793**	**22 793**	**–**	**11 397**	**(11 397)**	**-100.0%**	**22 793**

- Supporting Table F8c Entity expenditure on repairs and maintenance by asset class - M06 December

Description R thousands	2017/18	Current Year 2018/19						
	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	**11 916**	**17 460**	**17 460**	**6 270**	**8 730**	**(2 459)**	**-28.2%**	**17 460**
Operational Buildings	11 916	17 460	17 460	6 270	8 730	(2 459)	-28.2%	17 460
Municipal Offices	*11 916*	*17 460*	*17 460*	*6 270*	*8 730*	*(2 459)*	*-28.2%*	*17 460*
Total Repairs and Maintenance Expenditure	**11 916**	**17 460**	**17 460**	**6 270**	**8 730**	**(2 459)**	**-28.2%**	**17 460**

- Supporting Table F8d Entity Depreciation by asset class - M06 December

Description R thousands	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD %	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Other assets	**506 558**	**42 651**	**42 651**	**3 554**	**21 321**	**21 326**	**(5)**	**0.0%**	**42 651**
Operational Buildings	506 558	42 651	42 651	3 554	21 321	21 326	(5)	**0.0%**	42 651
Municipal Offices	506 558	42 651	42 651	3 554	21 321	21 326	(5)	0.0%	42 651
							–		
Total Depreciation	**506 558**	**42 651**	**42 651**	**3 554**	**21 321**	**21 326**	**(5)**	**0.0%**	**42 651**

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 2018/19 Performance Scorecard

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

CTICC is a self-sustaining business and has successfully hosted 298 events as at 31 December 2018.

The company achieved a surplus of R11.8 million on a budgeted deficit of R10.8 million, thus exceeding the target. Total expenditure reflects a saving of R40 million, mainly due savings in employee related costs to the delay in on-boarding flexi-staff and savings relating to vacant positions and savings in Other Materials, Contracted services and Other Expenditure as a result of continued cost containment measures.

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

The company planned to complete or commit 71% projects by mid-year.

c. Events - Number of events hosted and international events

Total number of events hosted is 298 against a target of 276 and total number of international events hosted is 18 against a target of 17. The year to date total number of events hosted target is to be reduced from 560 to 535 due to the lower events forecast in the 2nd half of the year, relative to the expectation when the budget was compiled.

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 achieved its target of spending 2% of the annual total salary cost and has spent 2% 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 85% 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 strive to deliver world class experiences to all our clients and delegates.

Our service providers also endeavour to do the same as they are managed through service level agreements and also live by our service ethos to our clients. Our staff consistently offers what our brand promises and build 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 BBBEE suppliers measured i.t.o. of BBBEE Act**
The CTICC is committed to growing its contribution in supporting broad based black economic empowerment (BBBEE). The CTICC has excelled in particular in sourcing 87% of the CTICC's total net spend by the end of the second quarter of 2018/19 from B-BBEE suppliers. This has been achieved through the continued focus on preferential procurement practices adopted in our supply chain management system.

Convenco 2nd Quarter Performance Assessment Report for 2018/2019 - 1 October 2018 to 31 December 2018

👍 - Meets or exceeds target ; 👎 - Currently does not meet target ; ✋ - Information not available or work on hold

No	Indicator	Annual Target 30 June 2019	Target Performance 31 December 2018	Actual Performance 31 December 2018	Rating	Reason for variance	Remedial action
Strategic Focus Area 5: Well Run City							
Corporate Objective 5.1: Ensure a transparent and corruption-free government [Programme 5.1 (a): Transparent government (oversight) programme.]							
1	**Operating Profit/(Loss) before tax** -Percentage achievement of annual budgeted operating profit	100%	52%	326%	👍		
2	**Capital Projects** - Percentage of the total number of capital projects for the year completed or committed	90%	40%	71%	👍		
3	**Capital Expenditure (CTICC East Expansion)** - Percentage of total capital expenditure spend	100%	61.5%	TBC	✋		
4	**Quality Product Offering** - Maintain five star tourism grading through effective management of maintainance & quality of service delivery	Achieve Five Star Tourism Grading Council	Achieved	Achieved	👍		
5	**Events** - Number of events hosted	535	276	298	👍		
6	**Events** - Number of international events hosted	32	17	18	👍		
7	**External Audit Report** - Clean Audit Report	Clean Audit Report* (2nd Quarter)	Annual	Achieved	👍		
8	**Human Capital Development** - Percentage of annual total salary cost spend on training of permanent and temporary staff	5%	2%	2%	👍		
9	**Minimum Competency Level** - Number of senior managers registered for MFMA Competency Course	7	7	9	👍		
10	**Customer Centricity and Service Excellence**	80% of minimum aggregate score for all CTICC internal departments and external suppliers	80%	85%	👍		
11	**Procurement** - Supply Chain Procurement from BBBEE suppliers measured ito of BBBEE Act	Percentage spend not lower that 60%	60%	87%	👍		
12	**Financial Ratios** - Ratio of cost coverage maintained (RCC)	RCC = 5 times	5 times	12 times	👍		
	Net debtors to annual income (ND)	ND = 7%	14%	8.8%	👍		
	Debt Coverage by own billed revenue (DC)	DC = 0%	0%	0%	👍		
13	**Student Programme** - Contribution to youth employment and skills development. Number of student opportunities provided.	6	4	5	👍		
14	**Graduate Programme** - Contribution to youth employment and skills development. Number of graduate opportunities provided.	6	4	6	👍		
15	**The number of people from the employment equity target groups employed in the three highest levels of management in compliance with a municipal entity's approved employment equity plan** - Percentage of Exco, Manco & Leadership positions held by persons from designated groups.	80%	80%	80%	👍		

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2: CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2:

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

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TABLE OF CONTENTS

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

1. Executive Summary

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

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

- 1.1. The accounting officer of a municipal entity must by 20 January of each year—
  - a) assess the performance of the entity during the first half of the financial year, taking into account:
    - i. the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
    - ii. the entity's annual report for the past year, and progress on resolving problems identified in the annual report;
  - b) submit a report on such assessment to—
    - i. (i) the board of directors of the entity; and
    - ii. (ii) the parent municipality of the entity.
- 1.2. A report referred to in subsection (1) must be made public.

2. High level assessment of performance for the first half of 2018/19 against annual budget

Revenue by Source

Current revenue is 11.7% or R17.5 million below the year-to-date budget projection for December 2018.

Reasons for the under recovery on the revenue budget

- **Rental of facilities and equipment**
  Events included in the budget which did not materialise, due to factors which included the drought, current economic environment and visa regulations.

- **Other revenue**
  which includes food and beverage due to the impact of higher yielding events and subcontracted services revenue due to the impact of clients choosing to use alternate suppliers that are not contracted to the CTICC.

Operating expenditure by type

Current expenditure is 39.3% or R40 million below the year-to-date budget projection for December 2018.

Reason for under expenditure on operating expenditure

- **Employee related costs**
  Largely due to the delay in on-boarding flexi-staff and savings relating to vacant positions.

- **Other Materials, Contracted services, and Other Expenditure**
  Due to savings from the operations general, buildings costs, maintenance and utility services.

3. Measurable performance targets

The entity's 2018/19 Performance Scorecard - 1 July 2018 To 31 December 2019 (Draft) is included as Part 3 of this document.

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

PART 2 - FINANCIAL PERFORMANCE

Financial performance overview

The tables below reflect the operating budget for the CTICC for the period 1 July 2018 to 31 December 2018. 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	2017/18	Current Year 2018/19						
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	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Transfers recognised - operational	–	–	–	–	–	–		–
Other own revenue	246 324	286 614	286 614	124 668	146 976	(22 308)	-15.2%	286 614
Total Revenue (excluding capital transfers and contributions)	**264 153**	**291 129**	**291 129**	**131 768**	**149 234**	**(17 466)**	**-11.7%**	**291 129**
Employee costs	56 451	92 542	92 542	29 075	45 327	(16 252)	-35.9%	92 542
Remuneration of Board Members	459	756	756	217	402	(185)	-46.0%	756
Depreciation and asset impairment	502 419	42 651	42 651	21 321	21 326	(5)	0.0%	42 651
Finance charges	–	–	–	–	–	–		–
Materials and bulk purchases	33 615	41 317	41 317	15 402	20 658	(5 256)	-25.4%	41 317
Transfers and grants	–	57	57	–	29	(29)	-100.0%	57
Other expenditure	98 554	144 517	144 517	53 975	72 259	(18 284)	-25.3%	144 517
Total Expenditure	**691 499**	**321 840**	**321 840**	**119 990**	**160 001**	**(40 011)**	**-25.0%**	**321 840**
Surplus/(Deficit)	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Transfers recognised - capital	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Taxation	(117 590)	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(309 756)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
Capital expenditure & funds sources								
Capital expenditure	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**
Transfers recognised - capital	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	94 896	49 193	49 193	38 823	24 596	14 227	57.8%	49 193
Total sources of capital funds	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**
Financial position								
Total current assets	242 968	132 686	132 686	227 999				132 686
Total non current assets	575 139	438 450	438 450	592 586				438 450
Total current liabilities	104 523	118 543	118 543	95 224				118 543
Total non current liabilities	(129 564)	–	–	(129 564)				–
Community wealth/Equity	**843 148**	**452 593**	**452 593**	**854 925**				**452 593**
Cash flows								
Net cash from (used) operating	61 026	29 498	29 498	(3 125)	13 689	(16 814)	-122.8%	29 498
Net cash from (used) investing	(88 252)	(49 193)	(49 193)	(17 447)	(24 596)	7 149	-29.1%	(49 193)
Net cash from (used) financing	–	–	–	–	–	–		–
Cash/cash equivalents at the year end	**224 962**	**107 000**	**107 000**	**204 390**	**115 787**	**88 603**	**76.5%**	**107 000**

Cape Town International Convention Centre SOC LTD (RF) - Table F2 Monthly Budget Statement - Financial Performance (revenue and e

Description	2017/18	Current Year 2018/19						
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	–	–	–	–	–	–		–
Service charges - other	–	–	–	–	–	–		–
Rental of facilities and equipment	115 084	138 802	138 802	54 839	69 461	(14 622)	-21.1%	138 802
Interest earned - external investments	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Interest earned - outstanding debtors	–	–	–	–	–	–		–
Dividends received	–	–	–	–	–	–		–
Fines, penalties and forfeits	–	–	–	–	–	–		–
Licences and permits	–	–	–	–	–	–		–
Agency services	–	–	–	–	–	–		–
Transfers and subsidies	–	–	–	–	–	–		–
Other revenue	131 240	147 812	147 812	69 829	77 516	(7 687)	-9.9%	147 812
Gains on disposal of PPE	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)	**264 153**	**291 129**	**291 129**	**131 768**	**149 234**	**(17 466)**	**-11.7%**	**291 129**
Expenditure By Type								
Employee related costs	56 451	92 542	92 542	29 075	45 327	(16 252)	-35.9%	92 542
Remuneration of Directors	459	756	756	217	402	(185)	-46.0%	756
Debt impairment	1 057	300	300	–	150	(150)	-100.0%	300
Depreciation & asset impairment	502 419	42 651	42 651	21 321	21 326	(5)	0.0%	42 651
Finance charges	–	–	–	–	–	–		–
Bulk purchases	–	–	–	–	–	–		–
Other materials	33 615	41 317	41 317	15 402	20 658	(5 256)	-25.4%	41 317
Contracted services	52 915	62 884	62 884	26 811	31 442	(4 630)	-14.7%	62 884
Transfers and subsidies	–	57	57	–	29	(29)	-100.0%	57
Other expenditure	44 583	81 334	81 334	27 163	40 667	(13 504)	-33.2%	81 334
Loss on disposal of PPE	–	–	–	–	–	–		–
Total Expenditure	**691 499**	**321 840**	**321 840**	**119 990**	**160 001**	**(40 011)**	**-25.0%**	**321 840**
Surplus/(Deficit)	**(427 346)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**	**-209.4%**	**(30 711)**
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	(427 346)	(30 711)	(30 711)	11 778	(10 767)	22 544	-209.4%	(30 711)
Taxation	(117 590)	–	–	–	–	–		–
Surplus/(Deficit) for the year	**(309 756)**	**(30 711)**	**(30 711)**	**11 778**	**(10 767)**	**22 544**		**(30 711)**

Cape Town International Convention Centre SOC LTD (RF) - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December

Description	2017/18	Current Year 2018/19						
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								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**82 127**	**27 247**	**27 247**	**29 051**	**13 623**	**15 428**	**113.2%**	**27 247**
Operational Buildings	82 127	27 247	27 247	29 051	13 623	15 428	113.2%	27 247
Municipal Offices	82 127	27 247	27 247	29 051	13 623	15 428	113.2%	27 247
Computer Equipment	**7 989**	**15 218**	**15 218**	**8 318**	**7 609**	**709**	**9.3%**	**15 218**
Computer Equipment	7 989	15 218	15 218	8 318	7 609	709	9.3%	15 218
Furniture and Office Equipment	**3 183**	**5 380**	**5 380**	**1 413**	**2 690**	**(1 277)**	**-47.5%**	**5 380**
Furniture and Office Equipment	3 183	5 380	5 380	1 413	2 690	(1 277)	-47.5%	5 380
Machinery and Equipment	**1 597**	**1 348**	**1 348**	**41**	**674**	**(633)**	**-93.9%**	**1 348**
Machinery and Equipment	1 597	1 348	1 348	41	674	(633)	-93.9%	1 348
Total Capital Expenditure	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**

Funded by:								
National Government	–	–	–	–	–	–		–
Provincial Government	–	–	–	–	–	–		–
Parent Municipality	–	–	–	–	–	–		–
District Municipality	–	–	–	–	–	–		–
Transfers recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	94 896	49 193	49 193	38 823	24 596	14 227	57.8%	49 193
Total Capital Funding	**94 896**	**49 193**	**49 193**	**38 823**	**24 596**	**14 227**	**57.8%**	**49 193**

Cape Town International Convention Centre SOC LTD (RF) - Table F4 Monthly Budget Statement - Fina

Vote Description	2017/18	Current Year 2018/19			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6 282	–	–	5 729	–
Call investment deposits	218 678	107 000	107 000	198 661	107 000
Consumer debtors	–	–	–	–	–
Other debtors	16 417	24 027	24 027	21 869	24 027
Current portion of long-term receivables	–	–	–	–	–
Inventory	1 591	1 659	1 659	1 741	1 659
Total current assets	**242 968**	**132 686**	**132 686**	**227 999**	**132 686**
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Property, plant and equipment	575 139	438 450	438 450	592 586	438 450
Agricultural	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	**575 139**	**438 450**	**438 450**	**592 586**	**438 450**
TOTAL ASSETS	**818 107**	**571 136**	**571 136**	**820 586**	**571 136**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	28 163	26 166	26 166	30 600	26 166
Trade and other payables	71 637	86 549	86 549	61 886	86 549
Provisions	4 723	5 828	5 828	2 737	5 828
Total current liabilities	**104 523**	**118 543**	**118 543**	**95 224**	**118 543**
Non current liabilities					
Borrowing	–	–	–	–	–
Provisions	(129 564)	–	–	(129 564)	–
Total non current liabilities	**(129 564)**	**–**	**–**	**(129 564)**	**–**
TOTAL LIABILITIES	**(25 040)**	**118 543**	**118 543**	**(34 340)**	**118 543**
NET ASSETS	**843 148**	**452 593**	**452 593**	**854 925**	**452 593**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(434 280)	(824 834)	(824 834)	(422 503)	(824 834)
Reserves	–	–	–	–	–
Share capital	1 277 428	1 277 428	1 277 428	1 277 428	1 277 428
TOTAL COMMUNITY WEALTH/EQUITY	**843 148**	**452 593**	**452 593**	**854 925**	**452 593**

Cape Town International Convention Centre SOC LTD (RF) - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2017/18	Current Year 2018/19						
R thousands	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	261 123	284 135	284 135	119 901	141 007	(21 106)	-15.0%	284 135
Government - operating	–	–	–	–	–	–		–
Government - capital	–	–	–	–	–	–		–
Interest	17 829	4 515	4 515	7 099	2 258	4 842	214.5%	4 515
Dividends	–	–	–	–	–	–		–
Payments								
Suppliers and employees	(217 926)	(259 151)	(259 151)	(130 125)	(129 576)	(550)	0.4%	(259 151)
Finance charges	–	–	–	–	–	–		–
Dividends paid	–	–	–	–	–	–		–
Transfers and Grants	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**61 026**	**29 498**	**29 498**	**(3 125)**	**13 689**	**(16 814)**	**-122.8%**	**29 498**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	–	–	–	–	–		–
Decrease (increase) in non-current investments	–	–	–	–	–	–		–
Payments	–	–	–	–	–	–		–
Capital assets	(88 252)	(49 193)	(49 193)	(17 447)	(24 596)	7 149	-29.1%	(49 193)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(88 252)**	**(49 193)**	**(49 193)**	**(17 447)**	**(24 596)**	**7 149**	**-29.1%**	**(49 193)**
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	**(27 226)**	**(19 694)**	**(19 694)**	**(20 572)**	**(10 907)**	**(9 665)**	**88.6%**	**(19 694)**
Cash/cash equivalents at the year begin:	252 188	126 694	126 694	224 962	126 694	98 267	77.6%	126 694
Cash/cash equivalents at the year end:	224 962	107 000	107 000	204 390	115 787	88 603	76.5%	107 000

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F1 Entity Material variance explanation - M06 December

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Interest earned - external investments	4 842	The variance is due to the favourable cash balances as a result of the timing of payment of capital projects, the investment of surplus funds and favourable interest rates.	None required; budget to be achieved at 30 June 2019.
Other revenue	(7 687)	The unfavourable variance is as a result of fewer events held to date, in particular the international events, which impacted other income.	None required; budget to be achieved at 30 June 2019.
Rental of facilities and equipment	(14 622)	The unfavourable variance in rental income is as a result of fewer events held to date, in particular the international events.	None required; budget to be achieved at 30 June 2019.
Expenditure items			
Employee related costs	(16 252)	The variance is as a result of vacant positions at 31 December 2018 as well as savings.	None required; budget to be achieved at 30 June 2019.
Other materials	(5 256)	The variance is due to less event-related costs as well as savings achieved.	None required; budget to be achieved at 30 June 2019.
Contracted services	(4 630)	The variance is due to less event-related costs as well as savings achieved.	None required; budget to be achieved at 30 June 2019.
Other expenditure	(13 504)	The variance is due to a combination of savings on building and utility costs as well as savings relating to the new building.	None required; budget to be achieved at 30 June 2019.
Capital Expenditure items			
Computer Equipment	(709)	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Furniture and Office Equipment	1 277	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Machinery and Equipment	674	Due to timing of capital spend as at 31 December 2018.	None required; budget to be achieved at 30 June 2019.
Cash flow items			
Interest	4 842	The variance is due to the favourable cash balances as a result of the timing of payment of capital projects, the investment of surplus funds and favourable interest rates.	None required; budget to be achieved at 30 June 2019.
Other revenue	(21 106)	The unfavourable variance is as a result of fewer events held to date, in particular the international events.	None required; budget to be achieved at 30 June 2019.
Suppliers and employees	(550)	The variance is mainly due to fewer payments made in respect of the expansion project.	None required; budget to be achieved at 30 June 2019.
Capital assets	7 149	Due to timing of capital spend as at 31 December 2018.	

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F2 Entity Financial and non-financial indicators - M06 December

Description of financial indicator	Basis of calculation	2017/18 Audited Outcome	Current Year 2018/19 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	72.7%	13.3%	13.3%	17.8%	13.3%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	(3.0%)	26.2%	26.2%	(4.0%)	26.2%
Liquidity						
Current Ratio	Current assets/current liabilities	232.5%	111.9%	111.9%	239.4%	111.9%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	232.5%	111.9%	111.9%	239.4%	111.9%
Liquidity Ratio	Monetary Assets/Current Liabilities	215.2%	90.3%	90.3%	214.6%	90.3%
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.2%	8.3%	8.3%	16.6%	8.3%
Other Indicators						
Employee costs	Employee costs/Total Revenue - capital revenue	21.4%	31.8%	31.8%	22.1%	31.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue	190.2%	14.7%	14.7%	16.2%	14.7%

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F3 Entity Aged debtors - M06 December

Detail R thousands	Current Year 2018/19 0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Bad Debts	>90 days
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	–	–	–	–	–	–	–	–	–	–	–
Other	2 352	2 480	627	–	–	–	167	6 405	12 031	–	–
Total By Income Source	**2 352**	**2 480**	**627**	**–**	**–**	**–**	**167**	**6 405**	**12 031**	**–**	**6 572**
Debtors Age Analysis By Customer Group											
Organs of State	–	–	–	–	–	–	–	–	–	–	
Commercial	–	–	–	–	–	–	–	–	–	–	
Households	–	–	–	–	–	–	–	–	–	–	
Other	2 352	2 480	627	–	–	–	167	6 405	12 031	–	
Total By Customer Group	**2 352**	**2 480**	**627**	**–**	**–**	**–**	**167**	**6 405**	**12 031**	**–**	

Cape Town International Convention Centre - Supporting Table F4 Entity Aged creditors

Detail R thousands	Current Year 2018/19 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	16 952	2 912	145	130	–	–	–	–	20 139
Total By Customer Type	**16 952**	**2 912**	**145**	**130**	**–**	**–**	**–**	**–**	**20 139**

Investments by maturity Name of institution & investment ID R thousands	Current Year 2018/19							
	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
						Begin	Change	End
CTICC								
Cash				-	-	179	(8)	171
Nedbank - Current - 1232 043850				-	-	747	()	747
Nedbank - Call Deposit - 03/7881544007/000105					6.55	19		20
ABSA Bank - Current - 4072900553				20	-	550	1 305	1 855
ABSA Bank - Exh Serv - Current - 4072900731				12	-	3 013	(2 818)	195
ABSA Bank - Treasury Account - 40-7373-1246					-	73		73
ABSA Bank - Convenco Account - 40-7373-3701				13	-	2 514	13	2 527
ABSA Bank - Call Deposit - 4074708347				45	6.5	18 230	(6 155)	12 076
Stanlib - Bank 000-402-184 (1199539) ref No. 551436367				31	7.57	8 280	31	8 310
Investec Bank - (462097) 1008645				135	7.54	36 074	135	36 209
Nedgroup Money Market - (800167964) - 8319631				111	7.71	29 573	111	29 685
First National Bank -RMB Investment- SMT-DI15H00101	1	One		56	7.47	15 296	56	15 353
ABSA Bank - CTICC Money Market - 9316676360				54	7.65	14 076	54	14 130
Nedgroup Corp Money Market - (800167964) 8292731				133	7.66	35 390	133	35 524
ABSA Bank - CTICC East - Current - 4072900228				2	-	307	(146)	160
ABSA Bank - CTICC East - Call Deposit 4083941322					6.5	2		2
Absa Bank - CTICC East - Money Market (6241084-ZAR-2201-0)				152	6.55	47 201	152	47 353
Absa Bank - CTICC East - FD (Guarantee) - 43939765 FDE			-	-	-			
Total investments				**764**		**211 526**	**(7 137)**	**204 390**

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F6 Entity Board member allowances & staff benefits - M06 Dec

Summary of Employee and Board Member remuneration R thousands	2017/18	Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	459	756	756	217	402	(185)	-46.0%	756
Sub Total - Board Members of Entities	**459**	**756**	**756**	**217**	**402**	**(185)**	**-46.0%**	**756**
% increase		**64.6%**	**64.6%**					**64.6%**
Senior Managers of Entities								
Basic Salaries	8 603	8 884	8 884	4 442	4 442	–		8 884
Sub Total - Senior Managers of Entities	**8 603**	**8 884**	**8 884**	**4 442**	**4 442**	**–**		**8 884**
% increase		**3.3%**	**3.3%**					**3.3%**
Other Staff of Entities								
Basic Salaries	47 848	83 209	83 209	24 633	40 885	(16 252)	-39.8%	83 209
Sub Total - Other Staff of Entities	**47 848**	**83 209**	**83 209**	**24 633**	**40 885**	**(16 252)**	**-39.8%**	**83 209**
% increase		73.9%	73.9%					73.9%
Total Municipal Entities remuneration	**56 910**	**92 849**	**92 849**	**29 292**	**45 729**	**(16 437)**	**-35.9%**	**92 849**
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F7 Entity monthly actuals & revised targets - M06 December

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outocme	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	4,972	6,407	9,512	14,371	14,460	5,117	5,987	11,587	13,929	10,942	10,011	31,509	138,802	147,131	155,958
Other revenue	6,645	7,417	12,461	19,218	15,990	8,099	8,418	13,117	15,824	14,061	12,576	13,986	147,812	156,680	166,081
Interest earned	1,342	1,270	1,224	1,226	1,274	764	376	376	376	376	376	(4,466)	4,515	4,786	5,073
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**12,959**	**15,093**	**23,196**	**34,815**	**31,724**	**13,980**	**14,780**	**25,080**	**30,129**	**25,379**	**22,963**	**41,029**	**291,129**	**308,597**	**327,113**
													–	–	–
Expenditure By Type													–	–	–
Employee related costs	4,248	4,326	4,715	5,997	5,121	4,668	7,453	7,565	7,241	7,049	7,202	26,957	92,542	98,909	104,843
Remuneration of Board Members	–	–	82	–	14	121	–	–	201	–	–	338	756	816	882
Debt impairment	–	–	–	–	–	–	25	25	25	25	25	175	300	312	315
Depreciation & asset impairment	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,559	42,651	45,211	47,923
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	1,759	2,360	2,147	4,055	3,490	1,592	3,443	3,443	3,443	3,443	3,443	8,700	41,317	43,940	46,577
Contracted services	3,790	5,051	4,817	5,392	4,718	3,043	5,240	5,240	5,240	5,240	5,240	9,871	62,884	66,877	70,889
Transfers and grants	–	–	–	–	–	–	5	5	5	5	5	33	57	61	64
Other expenditure	2,589	3,433	6,362	4,058	6,506	4,215	6,778	6,778	6,778	6,778	6,778	20,281	81,334	86,498	91,688
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	**15,940**	**18,723**	**21,676**	**23,055**	**23,403**	**17,193**	**26,498**	**26,610**	**26,487**	**26,094**	**26,248**	**69,914**	**321,840**	**342,624**	**363,182**

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Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outocme	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Capital expenditure</u>															
Capital assets	946	6,664	9,226	10,297	2,516	9,214	4,099	4,099	4,099	4,099	4,099	(10,169)	49,193	40,631	43,069
Total capital expenditure	**946**	**6,664**	**9,226**	**10,297**	**2,516**	**9,214**	**4,099**	**4,099**	**4,099**	**4,099**	**4,099**	**(10,169)**	**49,193**	**40,631**	**43,069**
<u>Cash flow</u>															
Ratepayers and other	14,754	20,596	24,022	25,154	26,826	8,549	13,437	23,757	28,802	24,048	21,639	52,550	284,135	302,755	320,933
Grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest	1,342	1,270	1,224	1,226	1,274	764	376	376	376	376	376	(4,466)	4,515	4,786	5,073
Suppliers, employees and other	(31,740)	(24,731)	(21,965)	(23,267)	(17,812)	(10,611)	(21,596)	(21,596)	(21,596)	(21,596)	(21,596)	(21,046)	(259,151)	(289,975)	(307,831)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(15,644)**	**(2,865)**	**3,281**	**3,113**	**10,287**	**(1,298)**	**(7,782)**	**2,537**	**7,582**	**2,828**	**420**	**27,038**	**29,498**	**17,566**	**18,175**
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	2,608	(584)	(6,580)	(8,021)	969	(5,839)	(4,099)	(4,099)	(4,099)	(4,099)	(4,099)	(11,248)	(49,193)	(40,631)	(43,069)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**2,608**	**(584)**	**(6,580)**	**(8,021)**	**969**	**(5,839)**	**(4,099)**	**(4,099)**	**(4,099)**	**(4,099)**	**(4,099)**	**(11,248)**	**(49,193)**	**(40,631)**	**(43,069)**
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	**(13,036)**	**(3,449)**	**(3,299)**	**(4,907)**	**11,257**	**(7,137)**	**(11,882)**	**(1,562)**	**3,483**	**(1,271)**	**(3,680)**	**15,790**	**(19,694)**	**(23,065)**	**(24,894)**

Cape Town International Convention Centre SOC LTD (RF) - Supporting Table F8a Entity capital expenditure on new assets by asset class - M06 D

Description R thousands	2017/18	Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**79 891**	**19 267**	**19 267**	**29 051**	**9 633**	**19 418**	**201.6%**	**19 267**
Operational Buildings	79 891	19 267	19 267	29 051	9 633	19 418	201.6%	19 267
Municipal Offices	*79 891*	*19 267*	*19 267*	*29 051*	*9 633*	*19 418*	*201.6%*	*19 267*
Computer Equipment	**5 982**	**3 635**	**3 635**	**8 318**	**1 818**	**6 500**	**357.6%**	**3 635**
Computer Equipment	5 982	3 635	3 635	8 318	1 818	6 500	357.6%	3 635
Furniture and Office Equipment	**3 183**	**2 455**	**2 455**	**1 413**	**1 228**	**185**	**15.1%**	**2 455**
Furniture and Office Equipment	3 183	2 455	2 455	1 413	1 228	185	15.1%	2 455
Machinery and Equipment	**597**	**1 042**	**1 042**	**41**	**521**	**(480)**	**-92.1%**	**1 042**
Machinery and Equipment	597	1 042	1 042	41	521	(480)	-92.1%	1 042
Total Capital Expenditure on new assets	**89 652**	**26 399**	**26 399**	**38 823**	**13 200**	**25 623**	**194.1%**	**26 399**

- Supporting Table F8b Entity capital expenditure on the renewal of existing assets by asset class - M06 December

Description R thousands	2017/18	Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>								
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating	–	–	–	–	–	–		–
Improved Property	–	–	–	–	–	–		–
Other assets	**2 236**	**7 980**	**7 980**	**–**	**3 990**	**(3 990)**	**-100.0%**	**7 980**
Operational Buildings	2 236	7 980	7 980	–	3 990	(3 990)	-100.0%	7 980
Municipal Offices	*2 236*	*7 980*	*7 980*	–	*3 990*	*(3 990)*	-100.0%	*7 980*
Computer Equipment	**2 007**	**11 583**	**11 583**	**–**	**5 791**	**(5 791)**	**-100.0%**	**11 583**
Computer Equipment	2 007	11 583	11 583	–	5 791	(5 791)	-100.0%	11 583
Furniture and Office Equipment	**–**	**2 925**	**2 925**	**–**	**1 463**	**(1 463)**	**-100.0%**	**2 925**
Furniture and Office Equipment	–	2 925	2 925	–	1 463	(1 463)	-100.0%	2 925
Machinery and Equipment	**1 000**	**306**	**306**	**–**	**153**	**(153)**	**-100.0%**	**306**
Machinery and Equipment	1 000	306	306	–	153	(153)	-100.0%	306
Total Capital Expenditure on renewal of existing assets	**5 243**	**22 793**	**22 793**	**–**	**11 397**	**(11 397)**	**-100.0%**	**22 793**

- Supporting Table F8c Entity expenditure on repairs and maintenance by asset class - M06 December

Description	2017/18	Current Year 2018/19						
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								
Other assets	**11 916**	**17 460**	**17 460**	**6 270**	**8 730**	**(2 459)**	**-28.2%**	**17 460**
Operational Buildings	11 916	17 460	17 460	6 270	8 730	(2 459)	-28.2%	17 460
Municipal Offices	*11 916*	*17 460*	*17 460*	*6 270*	*8 730*	*(2 459)*	*-28.2%*	*17 460*
Total Repairs and Maintenance Expenditure	**11 916**	**17 460**	**17 460**	**6 270**	**8 730**	**(2 459)**	**-28.2%**	**17 460**

- Supporting Table F8d Entity Depreciation by asset class - M06 December

Description	2017/18	Current Year 2018/19							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD %	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Other assets	**506 558**	**42 651**	**42 651**	**3 554**	**21 321**	**21 326**	**(5)**	**0.0%**	**42 651**
Operational Buildings	506 558	42 651	42 651	3 554	21 321	21 326	(5)	**0.0%**	42 651
Municipal Offices	506 558	42 651	42 651	3 554	21 321	21 326	(5)	0.0%	42 651
							–		
Total Depreciation	**506 558**	**42 651**	**42 651**	**3 554**	**21 321**	**21 326**	**(5)**	**0.0%**	**42 651**

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 2018/19 Performance Scorecard

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

CTICC is a self-sustaining business and has successfully hosted 298 events as at 31 December 2018.

The company achieved a surplus of R11.8 million on a budgeted deficit of R10.8 million, thus exceeding the target. Total expenditure reflects a saving of R40 million, mainly due savings in employee related costs to the delay in on-boarding flexi-staff and savings relating to vacant positions and savings in Other Materials, Contracted services and Other Expenditure as a result of continued cost containment measures.

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

The company planned to complete or commit 71% projects by mid-year.

c. Events - Number of events hosted and international events

Total number of events hosted is 298 against a target of 276 and total number of international events hosted is 18 against a target of 17. The year to date total number of events hosted target is to be reduced from 560 to 535 due to the lower events forecast in the 2nd half of the year, relative to the expectation when the budget was compiled.

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 achieved its target of spending 2% of the annual total salary cost and has spent 2% 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 85% 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 strive to deliver world class experiences to all our clients and delegates.

Our service providers also endeavour to do the same as they are managed through service level agreements and also live by our service ethos to our clients. Our staff consistently offers what our brand promises and build 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 BBBEE suppliers measured i.t.o. of BBBEE Act**
The CTICC is committed to growing its contribution in supporting broad based black economic empowerment (BBBEE). The CTICC has excelled in particular in sourcing 87% of the CTICC's total net spend by the end of the second quarter of 2018/19 from B-BBEE suppliers. This has been achieved through the continued focus on preferential procurement practices adopted in our supply chain management system.

Convenco 2nd Quarter Performance Assessment Report for 2018/2019 - 1 October 2018 to 31 December 2018

👍 **- Meets or exceeds target ;** 👎 **- Currently does not meet target ;** ✋ **- Information not available or work on hold**

No	Indicator	Annual Target 30 June 2019	Target Performance 31 December 2018	Actual Performance 31 December 2018	Rating	Reason for variance	Remedial action
Strategic Focus Area 5: Well Run City							
Corporate Objective 5.1: Ensure a transparent and corruption-free government [Programme 5.1 (a): Transparent government (oversight) programme.]							
1	**Operating Profit/(Loss) before tax** -Percentage achievement of annual budgeted operating profit	100%	52%	326%	👍		
2	**Capital Projects** - Percentage of the total number of capital projects for the year completed or committed	90%	40%	71%	👍		
3	**Capital Expenditure (CTICC East Expansion)** - Percentage of total capital expenditure spend	100%	61.5%	TBC	✋		
4	**Quality Product Offering** - Maintain five star tourism grading through effective management of maintainance & quality of service delivery	Achieve Five Star Tourism Grading Council	Achieved	Achieved	👍		
5	**Events** - Number of events hosted	535	276	298	👍		
6	**Events** - Number of international events hosted	32	17	18	👍		
7	**External Audit Report** - Clean Audit Report	Clean Audit Report* (2nd Quarter)	Annual	Achieved	👍		
8	**Human Capital Development** - Percentage of annual total salary cost spend on training of permanent and temporary staff	5%	2%	2%	👍		
9	**Minimum Competency Level** - Number of senior managers registered for MFMA Competency Course	7	7	9	👍		
10	**Customer Centricity and Service Excellence**	80% of minimum aggregate score for all CTICC internal departments and external suppliers	80%	85%	👍		
11	**Procurement** - Supply Chain Procurement from BBBEE suppliers measured ito of BBBEE Act	Percentage spend not lower that 60%	60%	87%	👍		
12	**Financial Ratios** - Ratio of cost coverage maintained (RCC)	RCC = 5 times	5 times	12 times	👍		
	Net debtors to annual income (ND)	ND = 7%	14%	8.8%	👍		
	Debt Coverage by own billed revenue (DC)	DC = 0%	0%	0%	👍		
13	**Student Programme** - Contribution to youth employment and skills development. Number of student opportunities provided.	6	4	5	👍		
14	**Graduate Programme** - Contribution to youth employment and skills development. Number of graduate opportunities provided.	6	4	6	👍		
15	**The number of people from the employment equity target groups employed in the three highest levels of management in compliance with a municipal entity's approved employment equity plan** - Percentage of Exco, Manco & Leadership positions held by persons from designated groups.	80%	80%	80%	👍		

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 3: CAPE TOWN STADIUM - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CAPE TOWN STADIUM - 2018/19 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

CONTENTS

PART 1 – CAPE TOWN STADIUM: 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 CTS as reflected in the monthly statements, performance against the 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 2018/19 against annual budget

Revenue by Source

Current revenue is 35.0% or R14.5 million below the year-to-date budget projection for December 2018.

Reasons for the under recovery on the revenue budget:

- **Other revenue**
  Less than the anticipated number of income generating events was hosted at the Stadium. This was due to the relegation of Ajax FC from the PSL league and the resultant loss of 16 matches for the year. Although the number of Bowl events indicated was higher than planned, a number of these bowl events were NFD (National Football Division) soccer matches which were accommodated to help the City with a problem at the Athlone Stadium. These matches were very low income events.

The Cape Town Stadium Bowl Pitch was also rendered non-operational from 11 November to 10 December in preparation for the annual Rugby Sevens Tournament. Therefore, no bowl events utilising the pitch and which may add additional income, could be hosted.

Operating expenditure by type

Current expenditure is 39.3% or R17.5 million below the year-to-date budget projection for December 2018.

Reason for under expenditure on operating expenditure

- **Contracted Services**
  Staff Costs reside under this cost type, and as a result of significant number of vacancies not being filled in this period, the cost type shows an under expenditure. The vacancy rate at present is 41.07%.
- **Other Expenditure**
  An amount of R20 million was budgeted for materials, building and infrastructure on which there was no expenditure incurred during the first six months of the budget cycle. It is envisaged to redistribute this funding to the various repairs and maintenance accounts in order to upkeep the scheduled preventative and corrective maintenance of the facility. The movement to Repairs and Maintenance will ensure a more realistically aligned budget.

Capital Expenditure

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

3. 2018/19 Performance Scorecard

The entity's 2018/19 Performance Scorecard - 1 July 2018 to 31 December 2018 (Draft) is included as Part 5 of this document. This scorecard is discussed under part 3 (Service Delivery Performance) of this report.

4. 2017/18 Annual Report

The CTS's 2017/18 Annual Report will be tabled at Council on 31 January 2019.

5. Conclusion

The mid-year budget and performance assessment indicates that an adjustments budget for 2018/19 is required due to an additional allocation of R2.5 million to be received from the City for the appointment of a CFO and Company Secretary. This adjustments budget, which will form part of the parent municipality's adjustments budget, must be approved by Council by no later than 31 January 2019.

PART 2 - FINANCIAL PERFORMANCE

The tables below reflect the operating budget for the CT Stadium for the period 1 July 2018 to 31 December 2018. 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	2017/18	Current Year 2018/19						
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	–	–	–	–	–	-		–
Transfers recognised - operational	17,815	70,160	70,160	19,915	32,133	(12,219)	-38.0%	70,160
Other own revenue	6,332	18,731	18,731	7,078	9,365	(2,287)	-24.4%	18,731
Total Revenue (excluding capital transfers and contributions)	**24,148**	**88,891**	**88,891**	**26,993**	**41,499**	**(14,506)**	**-35.0%**	**88,891**
Employee costs	–	–	–	–	–	–		–
Remuneration of Board Members	205	660	660	113	330	(217)	-65.9%	660
Depreciation and asset impairment	–	–	–	–	–	–		–
Finance charges	–	–	–	–	–	–		–
Materials and bulk purchases	–	–	–	201	–	201	100.0%	–
Transfers and grants	–	–	–	–	–	–		–
Other expenditure	28,720	88,231	88,231	26,670	44,115	(17,445)	-39.5%	88,231
Total Expenditure	**28,924**	**88,891**	**88,891**	**26,983**	**44,445**	**(17,462)**	**-39.3%**	**88,891**
Surplus/(Deficit)	**(4,777)**	**0**	**0**	**10**	**(2,947)**	**2,956**	**-100.3%**	**0**
Transfers recognised - capital	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(4,777)**	**0**	**0**	**10**	**(2,947)**	**2,956**	**-100.3%**	**0**
Taxation	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(4,777)**	**0**	**0**	**10**	**(2,947)**	**2,956**	**-100.3%**	**0**
<u>Financial position</u>								
Total current assets	–	5,846	5,846	10	–	–	–	5,846
Total non current assets	–	–	–	–	–	–	–	–
Total current liabilities	4,777	5,846	5,846	–	–	–	–	5,846
Total non current liabilities	–	–	–	–	–	–	–	–
Community wealth/Equity	**(4,777)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
<u>Cash flows</u>								
Net cash from (used) operating	(0)	5,846	5,846	10	(2,947)	2,956	-100.3%	5,846
Net cash from (used) investing	–	–	–	–	–	–		–
Net cash from (used) financing	–	–	–	–	–	–		–
Cash/cash equivalents at the year end	**(0)**	**5,846**	**5,846**	**10**	**(2,947)**	**2,956**	**-100.3%**	**5,846**

CAPE TOWN STADIUM - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2017/18	Current Year 2018/19						
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	–	–	–	–	–	–		–
Service charges - other	–	–	–	–	–	–		–
Rental of facilities and equipment	6,307	14,131	14,131	7,053	7,065	(12)	-0.2%	14,131
Interest earned - external investments	–	–	–	–	–	–		–
Interest earned - outstanding debtors	–	–	–	–	–	–		–
Dividends received	–	–	–	–	–	–		–
Fines, penalties and forfeits	–	–	–	–	–	–		–
Licences and permits	–	–	–	–	–	–		–
Agency services	–	–	–	–	–	–		–
Transfers and subsidies	17,815	70,160	70,160	19,915	32,133	(12,219)	-38.0%	70,160
Other revenue	25	4,600	4,600	25	2,300	(2,275)	-98.9%	4,600
Gains on disposal of PPE	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)	**24,148**	**88,891**	**88,891**	**26,993**	**41,499**	**(14,506)**	**-35.0%**	**88,891**
Expenditure By Type								
Employee related costs	–	–	–	–	–	–		–
Remuneration of Directors	205	660	660	113	330	(217)	-65.9%	660
Debt impairment	–	–	–	–	–	–		–
Depreciation & asset impairment	–	–	–	–	–	–		–
Finance charges	–	–	–	–	–	–		–
Bulk purchases	–	–	–	–	–	–		–
Other materials	–	–	–	201	–	201	100.0%	–
Contracted services	19,633	51,540	51,540	24,151	25,770	(1,619)	-6.3%	51,540
Transfers and subsidies	–	–	–	–	–	–		–
Other expenditure	9,087	36,691	36,691	2,519	18,345	(15,826)	-86.3%	36,691
Loss on disposal of PPE	–	–	–	–	–	–		–
Total Expenditure	**28,924**	**88,891**	**88,891**	**26,983**	**44,445**	**(17,462)**	**-39.3%**	**88,891**
Surplus/(Deficit)	(4,777)	0	0	10	(2,947)	**2,956**	**-100.3%**	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–		–
Surplus/(Deficit) before taxation	(4,777)	0	0	10	(2,947)	2,956	-100.3%	0
Taxation	–	–	–	–	–	–		–
Surplus/(Deficit) for the year	**(4,777)**	**0**	**0**	**10**	**(2,947)**	**2,956**		**0**

CAPE TOWN STADIUM - Table F4 Monthly Budget Statement - Financial Position - M06 December

Vote Description	2017/18	Current Year			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	–	5,846	5,846	10	5,846
Call investment deposits	–	–	–	–	–
Consumer debtors	–	–	–	–	–
Other debtors	–	–	–	–	–
Current portion of long-term receivables	–	–	–	–	–
Inventory	–	–	–	–	–
Total current assets	**–**	**5,846**	**5,846**	**10**	**5,846**
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Agricultural	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	**–**	**–**	**–**	**–**	**–**
TOTAL ASSETS	**–**	**5,846**	**5,846**	**10**	**5,846**
LIABILITIES					
Current liabilities					
Bank overdraft	0	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	–	–
Trade and other payables	4,776	5,846	5,846	–	5,846
Provisions	–	–	–	–	–
Total current liabilities	**4,777**	**5,846**	**5,846**	**–**	**5,846**
Non current liabilities					
Borrowing	–	–	–	–	–
Provisions	–	–	–	–	–
Total non current liabilities	**–**	**–**	**–**	**–**	**–**
TOTAL LIABILITIES	**4,777**	**5,846**	**5,846**	**–**	**5,846**
NET ASSETS	**(4,777)**	**–**	**–**	**10**	**–**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(4,777)	–	–	–	–
Reserves	–	–	–	–	–
Share capital	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**(4,777)**	**–**	**–**	**–**	**–**

CAPE TOWN STADIUM - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2017/18	Current Year 2018/19						
R thousands	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	6,332	18,731	18,731	7,078	9,365	(2,287)	-24.4%	18,731
Government - operating	17,815	70,160	70,160	19,915	32,133	(12,219)	-38.0%	70,160
Government - capital	–	–	–	–	–	–		–
Interest	–	–	–	–	–	–		–
Dividends	–	–	–	–	–	–		–
Payments	–	–	–	–	–	–		–
Suppliers and employees	(24,148)	(83,045)	(83,045)	(26,983)	(44,445)	17,462	-39.3%	(83,045)
Finance charges	–	–	–	–	–	–		–
Dividends paid	–	–	–	–	–	–		–
Transfers and Grants	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(0)**	**5,846**	**5,846**	**10**	**(2,947)**	**(31,968)**		**5,846**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts						–	–	
Proceeds on disposal of PPE	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	–	–	–	–	–		–
Decrease (increase) in non-current investments	–	–	–	–	–	–		–
Payments	–	–	–	–	–	–	–	–
Capital assets	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**		**–**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts						–	–	
Short term loans	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits	–	–	–	–	–	–		–
Payments	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(0)**	**5,846**	**5,846**	**10**	**(2,947)**	**2,956**	– **-100.3%**	**5,846**
Cash/cash equivalents at the year begin:	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end:	(0)	5,846	5,846	10	(2,947)	2,956	-100.3%	5,846

CAPE TOWN STADIUM - Supporting Table F1 Entity Material variance explanation - M06 December

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Rental of facilities and equipment	(12)	Certain events did not materialise as anticipated.	None required; budget will be achieved at 30 June 2019.
Other revenue	(2,275)	Due to the reasons as stated above, the subsequent revenue from the events also did not materialise.	None required; budget will be achieved at 30 June 2019.
Transfers and subsidies	(12,219)	Due to the decrease in the expenditure incurred YTD, the transfer income was significantly reduced.	None required; budget will be achieved at 30 June 2019.
Expenditure items			
Remuneration of Directors	(217)	The relevant fees for the meetings of Q2 will be accounted for in the following period.	None required; budget will be achieved at 30 June 2019.
Other materials	201	Budget misalignment with actual to date.	Realignment of budget will be done.
Contracted services	(1,619)	Expenditure for this category were significantly delayed, due to longer than expected supply chain management processes.	None required; budget will be achieved at 30 June 2019.
Other expenditure	(15,826)	Expenditure for this category were significantly delayed, due to longer than expected supply chain management processes.	None required; budget will be achieved at 30 June 2019.
Cash flow items			
Other revenue	(2,287)	Certain events did not materialise as anticipated. The subsequent revenue outflow from events also did not materialise as a result of this.	None required; budget will be achieved at 30 June 2019.
Government - operating	(12,219)	Due to the decrease in the expenditure incurred YTD, the transfer income was significantly reduced.	None required; budget will be achieved at 30 June 2019.
Suppliers and employees	17,462	The variance is due a realignment of the budget that needs to be done to Other materials, and expenditure that was significantly delayed, due to longer than expected supply chain management processes.	None required; budget will be achieved at 30 June 2019.

CAPE TOWN STADIUM - Supporting Table F6 Entity Board member allowances & staff benefits - M06 December

Summary of Employee and Board Member remuneration R thousands	2017/18	Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Remuneration								
Board Members of Entities								
Board Fees	205	660	660	113	330	(217)	-65.9%	660
Sub Total - Board Members of Entities	**205**	**660**	**660**	**113**	**330**	**(217)**	**-65.9%**	**660**
% increase		**222.2%**	**222.2%**					**222.2%**
Senior Managers of Entities								
Basic Salaries	–	–	–	–	–	–		–
Sub Total - Senior Managers of Entities	**–**	**–**	**–**	**–**	**–**	**–**		**–**
% increase								
Other Staff of Entities								
Basic Salaries	–	–	–	–	–	–		–
Sub Total - Other Staff of Entities	**–**	**–**	**–**	**–**	**–**	**–**		**–**
% increase								
Total Municipal Entities remuneration	**205**	**660**	**660**	**113**	**330**	**(217)**	**-65.9%**	**660**
Unpaid salary, allowances & benefits in arrears	–	–	–	–	–	–	-	-

CAPE TOWN STADIUM - Supporting Table F7 Entity monthly actuals & revised targets - M06 December

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	387	732	608	657	4,669	–	297	2,243	1,270	1,131	714	1,422	14,131	16,582	17,582
Other revenue	–	5	3	10	6	–	397	397	397	397	397	2,589	4,600	6,339	6,942
Transfers and subsidies	595	2,693	4,155	4,064	1,790	6,619	17,540	–	–	17,540	–	15,165	70,160	68,696	67,162
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**981**	**3,430**	**4,767**	**4,730**	**6,466**	**6,619**	**18,235**	**2,640**	**1,667**	**19,068**	**1,111**	**19,176**	**88,891**	**91,617**	**91,686**
Expenditure By Type	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Employee related costs	–	0	–	–	–	–	–	–	–	–	–	(0)	–	–	–
Remuneration of Board Members	–	–	113	–	–	–	55	55	55	55	55	272	660	739	776
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	41	13	11	27	10	99	–	–	–	–	–	(201)	–	–	–
Contracted services	926	3,170	4,206	4,074	5,968	5,807	5,099	4,120	3,728	3,903	4,477	6,063	51,540	53,087	53,106
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	14	246	438	630	477	713	3,228	2,870	2,955	3,189	2,934	18,997	36,691	37,791	37,804
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditure	**981**	**3,430**	**4,767**	**4,730**	**6,456**	**6,619**	**8,382**	**7,045**	**6,737**	**7,146**	**7,465**	**25,132**	**88,891**	**91,617**	**91,686**

CAPE TOWN STADIUM - Supporting Table F7 Entity monthly actuals & revised targets - M06 December

Description	Current Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total capital expenditure	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cash flow															
Ratepayers and other	387	737	612	667	4,676	6,619	694	2,640	1,667	1,528	1,111	(2,608)	18,731	22,921	24,524
Grants	595	2,693	4,155	4,064	1,790	–	17,540	–	–	17,540	–	21,784	70,160	68,696	67,162
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Suppliers, employees and other	(981)	(3,430)	(4,767)	(4,730)	(6,456)	(6,619)	(8,382)	(7,045)	(6,737)	(7,091)	(7,465)	(19,341)	(83,045)	(86,367)	(88,094)
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**–**	**0**	**(0)**	**(0)**	**10**	**–**	**9,852**	**(4,405)**	**(5,070)**	**11,977**	**(6,354)**	**(165)**	**5,846**	**5,250**	**3,592**
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Borrowing long term/refinancing/short term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**–**	**0**	**(0)**	**(0)**	**10**	**–**	**9,852**	**(4,405)**	**(5,070)**	**11,977**	**(6,354)**	**(165)**	**5,846**	**5,250**	**3,592**

- Supporting Table F8c Entity expenditure on repairs and maintenance by asset class - M06 December

Description R thousands	2017/18	Current Year 2018/19						
	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	**14,123**	**20,653**	**20,653**	**9,703**	**10,327**	**624**	**6.0%**	**20,653**
Sport and Recreation Facilities	14,123	20,653	20,653	9,703	10,327	624	6.0%	20,653
Indoor Facilities	–	–	–	–	–	–		–
Outdoor Facilities	14,123	*20,653*	20,653	9,703	10,327	624	**6.0%**	20,653
Capital Spares	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	**14,123**	**20,653**	**20,653**	**9,703**	**10,327**	**624**	**6.0%**	**20,653**

PART 3 - SERVICE DELIVERY PERFORMANCE

1. Introduction

The Cape Town Stadium since becoming an entity has shifted focus and is very much target driven and results orientated. The targets include organisational, financial and non-financial targets at all levels. The City measures the performance of the Cape Town Stadium against a set of KPI's which are annually reviewed with input from both stakeholders.

2. Highlights from the 2018/19 Performance Scorecard:

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

The CTS exceeded the targeted number of Bowl Events hosted for the period by 4 (21 events vs 17 events).

The number of film shoots exceeded the target set. This is extremely encouraging as the Film Industry went into a slump in terms of utilising our facility, which seems to have now taken a turn for the better.

The 2018/19 performance scorecard is annexured on page 14 to 16.

PART 4 – RECOMMENDATIONS

1. Adjustments Budget

It is recommended that an 2018/19 adjustments budget be prepared and approved as part of the parent municipality's adjustments budget by Council no later than 31 January 2019.

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.

Annexure 1: 2018/19 Performance Scorecard

Cape Town Stadium Performance Assessment Report for 2018/2019 - 1 October 2018 to 31 December 2018

👍 **- Meets or exceeds target ;** 👎 **- Currently does not meet target ;** ✋ **- Information not available or work on hold**

No	Indicator	Annual Target 30 June 2019	Target Performance 31 December 2018	Actual Performance 31 December 2018	Rating	Reason for variance	Remedial action
Strategic Focus Area 1: Opportunity City							
Corporate Objective : Financial Sustainability							
1.	Percentage reduction of the Grant Allocation from the City of Cape Town	5%	2.5%	11.15%	👍	The calculation of this indicator on a quarterly basis should be measured annually on the 5% reduction . The % reduction is actually not a target but a given , which increases annually therefter with one percent.The calculation is based on the revenue received divided by the annual grant allocation.	The indicator will be changed in the adjustment budget cycle to reflect it as an annual target.
2.	Percentage Achievement of Projected Revenue	90%	46%	42%	👎	Less than the anticipated number of income generating events were hosted at the Stadium.Another contributing factor was the relegation of Ajax FC from the PSL league and the resultant loss of 16 matches for the year.This will impact on all the reporting quarters.The CT Stadium Pitch was prepared for the annual rugby sevens tournament from 11 November to 10 December .This prohibited the Stadium to host any pich related events which could have added to the income .	Management is meeting with potential bowl and non bowl event clients to increase the number of events and income.A number of new events were confirmed in the course of the last quarter ie Monster Jam , 2 Banyana Banyana Matches as well as the Rugby Marvel Superhero day which will add to the income received .

Continues on next page.

Corporate Objective : Positioning Cape Town as a forward looking globally competitive City							
3.	Percentage Compliance with approved Repairs and Maintenance Programme	100%	100%	*100%*	👍		
4.	Percentage Spent on Repairs and Maintenance Budget	95%	50%	48.48%	👎	The very slight underachievemnt is due to less than expected reactive maintenance being performed after events.The scheduled maintenance numbers are on target .	With the large number of events in the upcoming period , we should achieve the targets set for the quarter January to March 2019.
5.	Percentage Compliance with OHSA Act and regulations (Act 85 of 1993)	100%	100%	100%	👍		
6.	Number of Marketing Interventions implemented as per the approved Marketing Plan	12	6	6	👍		
7.	Number of Bowl Events Hosted	33	17	21	👍		
8.	Number of Non Bowl Events Hosted	40	27	19	👎	The number of Non Bowl Events has shown a decreasing trend in the past two quarters .	We will continue to monitor this, market our facilities,meet with clients and create interventions in order to increase non bowl events.The recent "going live" of our Website together with twitter and instagram intiatives is aimed at amongst other to attract more clients .
9.	Number of Film shoots hosted	10	5	6	👍		
10.	Percentage approved commercialisation programmes implemented as per approved plan.	100%	100%	100%	👍		
Corporate Objective : Economic Inclusion							
11	Percentage budget spent on implementation of WSP	95%	30%	15.45%	👎	Various staff committed to training in this period , but due to a high number of events could not attend.There was also an unexpected delay of a City Training Tender we were going to utilise in this period . This tender was recenltly finalised.	A meeting was setup between the custodian of the tender referred to and the Manager Support Services for the week of 14 to 18 January to identify coaching interventions and the implementation thereof. It is expected to increase the expenditure on the training budget.Managers are being made aware of the importance of having employees attend scheduled training .

Continues on next page.

Strategic Focus Area 4: Inclusive City							
Corporate Objective 4.3: Building Integrated Communities							
12.	**Building Integrated Communities-** Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved emplyment equity plan (EE) (NKPI)	80%	80%	0%	👎	No vacancies were filled in this quarter .	Employment from targeted equity groups will be considered when appointments are done
Strategic Focus Area 5: Well Run City							
Corporate Objective 5.1: Operational Sustainability							
13.	**Operational Sustainability -** Percentage of absenteeism	≤ 5%	≤ 5%	5.09%	👎	Two staff members were off on prolonged sick leave as a result of operations and serious health related issues ,which caused the percentage to spike above the threshold.	These are circumstances we do not have control over and will hopefully normalise in the next quarter.
14.	**Operational Sustainability -** Percentage of declarations of interest completed	100%	50%	100%	👍		
15.	**Operational Sustainability -** Opinion of the Auditor General	Clean Audit	Annual Target	Annual Target	👍		
	* - Clean Audit is defined as an unqualified audit report with no material findings on compliance to laws, regulations and predetermined objectives.						