



**CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD**

ANNEXURE 36

CAPE TOWN STADIUM (CTS) (MUNICIPAL ENTITY)

BUSINESS PLAN

CAPE TOWN STADIUM (RF) SOC LIMITED



5 YEAR BUSINESS PLAN 2023/24 – 2027/28

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EXECUTIVE SUMMARY

The impact of COVID19 and the related restrictions on the events industry in the prior year has been profound. It was heartening to see the return of spectators to the DHL Stadium in April 2022, with guests enthusiastically attending events again.

Following the initial excitement of the opening up of events and rights holders clamoring to host events and begin recouping earnings, there has been an over-saturation in the market. The latter part of the 2022 calendar year has seen a normalising in the industry, with spectatorship waning slightly in response to the significantly higher number of events being hosted.

We will commence the 2023/24 financial year as what is anticipated to be the first "back to normal" year post COVID19. While the business showed positive financial growth due to strategic realignment with these environmental factors, this disruption to the events industry and in turn the core business of DHL Stadium created a 2-year disruption to the objectives of the business, which are now very much back on track.

Over the next 1-3 years, CTS has set the following primary objectives:

DRIVE TOWARDS FINANCIAL SUSTAINABILITY

CTS aims to be financially sustainable within the foreseeable future. While progress was made towards this objective in 2019 and 2020, the onset of the COVID 19 pandemic affected the ability to progress this mandate.

With a strong events calendar for the 2022/23 financial year, CTS will progress this mandate against realistic timelines to ensure that the short term successes achieved by the municipal entity will be carried forward to future years. This will include the various areas currently serviced by the City of Cape Town through the Service Delivery Agreement between the City of Cape Town and the municipal entity including the provision of legal, human resource, SCM and financial services.

Through achieving financial sustainability CTS will ultimately become a stand-alone Entity.

EVENT ACQUISITION

CTS will remain focused on securing events that are aligned best to the identified target markets and provide repeat business. To this end CTS aims to secure long term relationships with clubs and rights holders that can provide domestic and international broadcast content, as well as sufficient spectators to maximise the commercialisation of the DHL Stadium.

CTS will also focus on building relationships with event organisers both locally and internationally that are able to deliver full stadium events. This market has been approached directly, supported by a public relations campaign to strengthen the positioning of DHL Stadium and its attributes on the international stage.

Ongoing management of existing relationships with our established partners including Western Province Rugby, Cape Town City Football Club, South African Rugby Union, World Rugby, Big Concerts and others will be prioritised to ensure that long term relationships that have been fostered in the past are maintained.

The HSBC 7s last event was in December 2022 and we hope to secure a further contract for this event with World Rugby.

The following number of events is expected over the next three financial years:

YEAR	BOWL EVENTS			NON-BOWL		TOTAL
	Rugby	Football	Concerts /other	Film Shoots	Conference /tradeshaw	
2023/24	15	15	4	28	60	122
2024/25	15	15	4	30	60	124

Note: Subject to change

COMMERCIAL GROWTH

The commercial services will continue to evolve. With the implementation of the commercial service provider event overlay successfully completed, focus can now be placed on the best use of available space at the stadium. This includes the use of parking on non-event days, rental of office space and the commercialisation of a retail corridor along Fritz Sonnenberg Road.

Emphasis will also be placed on the naming rights value proposition in preparation for the end of the naming rights contract in 2025. The media value will be measured in order to assess how best to position the proposition.

ENSURING SOUND GOVERNANCE

While the municipal entity moves towards having greater independence from the City of Cape Town, it will ensure that the sound governance on which the past successes have been built will be carried into the future.

Key to the success of the Entity is its financial sustainability – this will be the core driver of activity. To this end, the procurement of a stand-alone financial system occurred during the past year which will ensure that our record keeping and revenue recognition is correct.

A total of 12 tenders will be advertised in the 2022/23 financial year. CTS has appointed its own supply chain management resource to ensure that our contracting process is in line with the Municipal Finance Management Act and that all contracts are monitored and managed accordingly.

MAINTAINING THE ASSET

Core to the business of CTS is ensuring that the asset is maintained to a world-class standard and that it is able to continue to host international sporting events and concerts, offering facilities that meet the requirements of international rights holders such as World Rugby.

To ensure this preventative, corrective, reactive and emergency maintenance processes are in place. These processes are implemented and will ensure that the infrastructure is maintained over time.

With the increase in the number of events hosted at the stadium over the last year, and in particular the number of international test rugby matches hosted at the DHL Stadium, the 100% natural grass pitch has struggled to recover after matches. With the rugby season now stretching over a full 12 month period there is insufficient time for the pitch to recover. We look forward to replacing the pitch in the 2023/24 financial year with one that is 50% natural grass and 50% artificial grass. This will provide a more robust pitch that requires less recovery time.



1. WHO WE ARE

Cape Town Stadium (RF) SOC Limited (CTS), was established as a municipal entity in 2018 with the aim of enabling the City of Cape Town to fully commercialise its multi-purpose stadium, now known as DHL Stadium, in the suburb of Green Point, Cape Town.

The asset was in the past referred to as Cape Town Stadium, however as part of the commercialisation of the stadium, it was decided to appoint a naming rights partner in order to generate income. CTS awarded the naming rights contract to the Company DHL and as part of this naming rights agreement, the asset is being referred to as the DHL Stadium.

The DHL Stadium is a multi-purpose facility with a capacity of 62 000. It has a Business Lounge that can accommodate 2 100 guests and various size hospitality suites that can accommodate approximately 5 000 hospitality guests. The general seating capacity is 51 000 bringing the total spectator capacity to that of 58 000.

Located at the foot of Table Mountain and within walking distance of the Victoria and Alfred Waterfront, the DHL Stadium is ideally positioned to attract international and local iconic sporting events and concerts.

With a bustling calendar of bowl events, the stadium is also ideal for conferencing, trade shows and film shoots, hosting non-bowl events throughout the year.

1.1. SHAREHOLDING

The City of Cape Town is currently the sole owner (100% shareholder) of the Municipal Entity (ME) (Cape Town Stadium (RF) SOC Limited registration number: 2017/488 432/30)

A Service Delivery Agreement (SDA) was signed between the City of Cape Town and the Municipal Entity in 2019. This SDA outlines the roles and responsibilities of CTS and the manner in which the City will support the ME. CTS has, through this SDA, been mandated by the City to commercialise the DHL Stadium with the objective of becoming financially sustainable over time.

1.2. BOARD OF DIRECTORS

Notwithstanding its ownership of the ME, the City elected to appoint a board of directors consisting of non-executive members who as a collective provide the appropriate experience and professional skills that are aligned to the nature of the business of the ME.

The current board of director members are:

- Mr Peter-John Veldhuizen (Chairperson)
- Ms Viola Manuel (Vice-Chairperson)
- Ms Limia Essop
- Mr Glenn Ho

- Mr Martin van Staden
- Mr Samkelo Blom

1.3. BOARD SUB-COMMITTEES

In the prior year the board had three sub-committees namely 1) Audit and Risk, 2) Events, Marketing and Communication and 2) HR, Ethics and Social. Changes to the macro design of the organisation necessitates a change in the board sub-committee structure of the ME. A new and separate Finance sub-committee has also been instituted. The new terms of reference for each new committee will be finalised ahead of the 2023/24 financial year.

The following board sub-committees have been established ahead of the 2022/3 financial year and will perform their respective functions in terms of the relevant board approved terms of reference for each sub-committees, the applicable laws and the principles enshrined in King IV:

- Audit and Risk sub-committee
 - Ms Viola Manuel (Chairperson)
 - Mr Glenn Ho
 - Mr Pritish Dala (External Independent Member)
 - Mr Tom Blok (External Independent Member)
 - Ms Lindiwe Ndaba (City Representative)
- Human Resource, Social and Ethics Sub-Committee
 - Mr Samkelo Blom (Chairperson)
 - Ms Limia Essop
 - Mr Glenn Ho
 - Ms Viola Manuel
- Events, Marketing and Commercial Sub-Committee
 - Mr Martin van Staden (Chairperson)
 - Ms Limia Essop
 - Mr Peter-John Veldhuizen
 - Mr Samkelo Blom
- Finance Sub-Committee
 - Mr Glenn Ho (Chairperson)
 - Ms Viola Manuel
 - Mr Peter-John Veldhuizen
 - Mr Martin van Staden

We welcomed Mr Glenn Ho in his appointment to the board of directors in November 2022 for a three year period. The tenure of the remaining board members was renewed on 1 November 2020 for a further three year period.

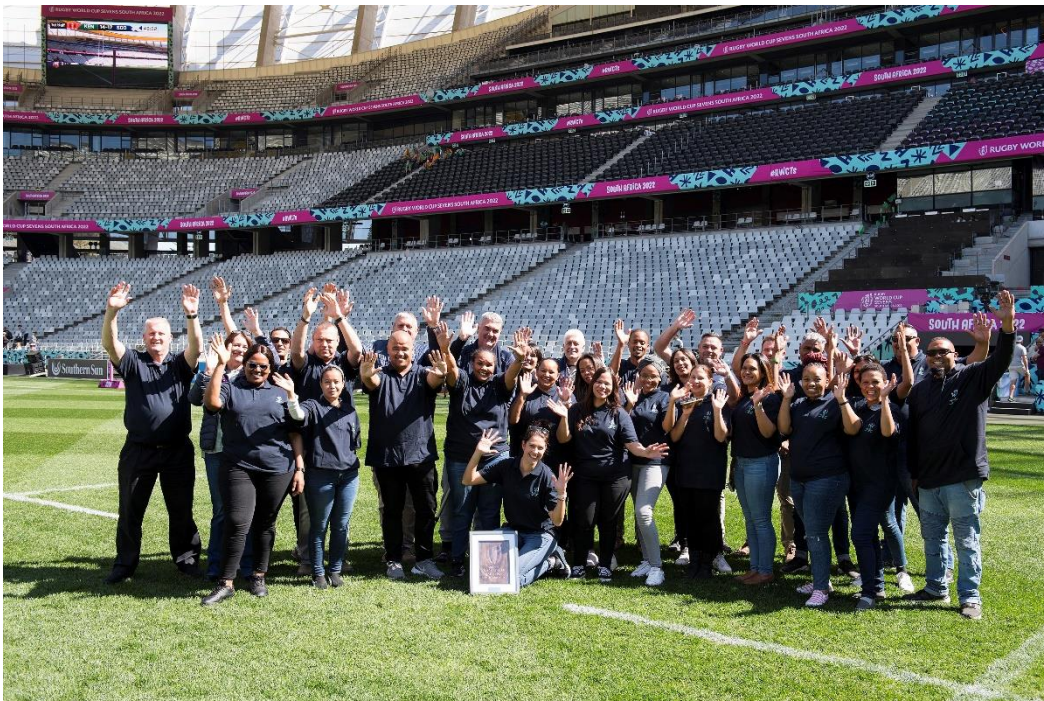
1.4 POLICY MAKING

CTS Board will continue to actively, with the assistance of management, develop and approve corporate business policies for the ME which are aligned to the principles enshrined in King IV.

The existing policies were revisited where appropriate amended, and approved by the Board of Directors in the prior year:

- Director and Audit Committee Remuneration Policy;
- Supply Chain Management (SCM) Policy;
- Code of Ethics Policy;
- Health and Safety Policy and Standard Operating Procedures;
- Entertainment Policy;
- Hospitality Suite Policy;
- Business Travel and Subsistence Policy;
- Gift Policy;
- Cost Containment Policy;
- Virement Policy;
- Reboot (Staff function room) Policy;
- Repairs and Maintenance Policy;
- Credit Control and Debt Collection Policy;
- Environment and Event Sustainability Policy;
- Petty Cash Policy;
- Risk Management Policy.

The organisation's policy framework will be reviewed in the 2023/24 financial to ensure that it remains relevant, in line with good governance and supports the needs of the organisation.



2. STRATEGIC FOCUS

2.1 PURPOSE STATEMENT, VISION, MISSION, VALUES

PURPOSE STATEMENT

The DHL Stadium enjoys the unique market position of being the largest mass spectator venue in the Western Cape of South Africa. As a business, we aim to be dynamic and flexible, demonstrating the ability to host a variety of events of varying complexity including international and domestic rugby tournaments, Premier Soccer League matches, iconic concerts and an assortment of bespoke events.

At the heart of our business is our commitment to provide a venue that can host spectacular and memorable events – ***to be the place where memories are made.***

OUR VISION

To achieve global recognition as a world class stadium through the hosting of iconic experiences

OUR MISSION

We achieve our vision of global recognition as a world class stadium through the hosting of iconic experiences by:

- enabling the creation of extra-ordinary experiences through collaboration with our partners in an innovative and dynamic manner. We achieve this through team integration – ensuring that we understand and enable our client's objectives;
- adopting a client-centric, solution-driven approach, ensuring that we provide a legislatively compliant, safe and secure environment for our clients and guests; and
- taking care of our business and the stadium in a manner that is financially and environmentally sustainable, being mindful of our commitments to our stakeholders.

OUR VALUES

At the core to our values is the recognition that the satisfaction of our clients and guests are key to the achievement of our vision. We rely on repeat business and to this end it is imperative that our actions are underpinned by values that drive our day-to-day behaviour:

- **Integrity**

We hold ourselves and one another accountable and deliver on our promise to our stakeholders.

- **Innovation**

We have a “can do” approach, are nimble and open to change when working with our clients.

- **Excellence**

We hold ourselves to the highest standards of service delivery for our clients, guests and spectators.

- **Positivity**

We nurture a positive approach and work with resilience and determination to deliver the best for our clients.

- **Collaboration**

We believe our success lies in working together with stakeholders to achieve our objectives.

- **Courage**

We are bold and brave and take responsibility for our actions.

- **Trustworthy**

We build credible relations and take care of ourselves and each other.

2.1. TARGET MARKETS

The key drivers in the identification of our target markets is to maximise spectatorship at each event hosted in the bowl and to secure events that are broadcast both in South Africa and globally. By identifying events that align closely to our target market and proactively securing events well in advance of their scheduled dates, we will be able to ensure that we have the most sustainable events calendar possible and one that generates high commercial value.

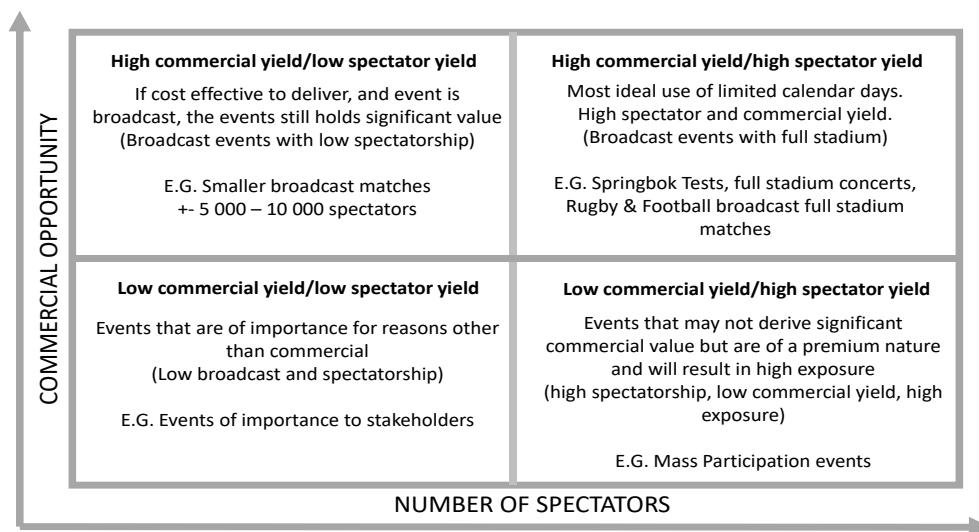


Figure 1: Target market segmentation: Commercial opportunity vs spectator value

It is important to note that while our primary objective is to achieve financial sustainability, we acknowledge and remain cognisant of our overall mandate to serve the broader community.

2.2. STRATEGIC OBJECTIVES 2023-2025

The ultimate aim of CTS as a business is to become financially sustainable over time. With the implementation of the commercial event overlay, the securing of a naming rights partner and anchor tenant, we are well on the road to achieving this objective.

In the 2023/24 financial year CTS will develop the roadmap to achieving greater financial sustainability and independence as a Municipal Entity, building on the successful achievements to date.

We will achieve this by:

- hosting a robust annual calendar of iconic bowl events, building tradition in the events calendar that sees the return of bespoke events year on year;
- compliment the bowl event schedule with the best use of non-bowl spaces for services such as conferencing, banqueting, trade shows and film shoots;
- achieve a successful events calendar through securing anchor tenants and long term relationships that lead to repeat business;

- maximise the use of other areas in the stadium for commercial gain that compliment the core purpose of the business, that of hosting iconic events; and
- prioritising events that can deliver against our target markets, those that delivery a high spectator and/or broadcast value, so that the best use of our available days can be maximised.

This 5-year business plan sets out the detailed objectives of the next year of business, as well as the long term strategic goals of the organisation.

2.3 KEY STAKEHOLDERS

CTS continues to enjoy the support of and conduct is business with an ever expanding range of stakeholders and stakeholder groups. CTS acknowledges the importance of our stakeholders and aims to communicate in a transparent and meaningful manner with all those we interact with.

Our stakeholders include:

Governance • City of Cape Town • Western Cape Government • CTS Board Members	CTS Staff and suppliers • Full time staff • Casual event day staff • Service Providers and contractors
Clients/Customers • Spectators/event attendees • International and local sports and entertainment rights holders • Professional sports franchises and clubs • Concert promoters and production companies • International and local sponsors and corporate guests • Cultural, religious and political organisations • Motion picture industry • Conference organisers • Anchor Tenants	Media • International and local print and broadcast media • On-line media • Journalists General public • Ratepayer associations • Immediate community • Broader Cape Town and Western Cape communities • National and international visitors Business Partners • Naming rights partner • Pouring right partners • Advertisers

3. 2021/22 HIGHLIGHTS – YEAR IN REVIEW

The 2021/22 financial year saw in the end of the COVID 19 restrictions and implemented the Disaster Management Act 57 of 2002, which dominated the lives of South Africans for the best part of 24 months.

The national lockdown which prevented the hosting of gatherings and events was declared on the 17 March 2020. On the 4 April 2022 the National State of Disaster was lifted, terminating all regulations and restrictions one month later.

BUILDING THE BRAND

The marketing initiatives over the period under review have mainly focused on leveraging our “owned platforms” such as the website and social media to provide information to guests visiting the stadium and promote the various events hosted at the stadium.

This effort was complimented by a public relations campaign with a European reach to create international awareness of the DHL Stadium and its attributes.

The new corporate identity was implemented, ensuring alignment to the changes brought about by our naming rights partner.

EVENT HOSTING

During the period 1 October 2021 to 4 April 2022 an “adjusted” Level 1 lockdown was in place across South Africa, allowing for varying spectators numbers under stringent conditions such as mask wearing and vaccination protocols. This enabled spectators to return to stadia in some form, allowing for a progressive re-opening of the DHL Stadium to spectators in this period.

Taking into account that the core business of the stadium is to host events with mass spectatorship, and given the uncertainty regarding the timing of the lifting of restrictions, the Entity focused on securing what business it could within the “permitted” activities. This saw a shift in focus in terms of how we measure success, from the number of spectators they attracted to securing events that were broadcast as well as and other non-bowl events that were permissible under the regulations. This included securing 5 of the 8 matches in the British and Irish Lions Rugby Series, the United Rugby Championship quarter-final, semi-final and championship final, as well as a number of on-line auctions and other non-bowl events.

With broadcast events being permissible from early 2022, and tournament rights holders and broadcasters eager to secure fixtures and content, the DHL Stadium pitch experienced one of its busiest periods ever between January 2022 and June 2022 with 21 rugby matches (British and Irish Lions, URC and Currie Cup) and 14 Cape Town City Football Club matches being accommodated during this period.

DHL Stadium welcomed a total of 226 996 spectators for the financial year. This was well over the 57 000 anticipated spectators for the period which was a projection based on uncertainty.

CTS delivered a total of 145 events against the target of 135 for the period.

COMMERCIALISATION OF THE DHL STADIUM

The commercial service providers were appointed to support the delivery of services at DHL Stadium in August 2021. These appointments included all the service providers required to activate an event day commercial overlay including hospitality, liquor distribution, concessionaires, pouring rights partner and preferred product suppliers. It also included the appointment of an agent to sell the available advertising inventory.

Due to the delay in implementation of these service providers, as a direct impact of COVID 19 restrictions, force majeure was successfully applied when requested by any service provider.

The gradual increase in spectatorship aided the smooth implementation of the commercial overlay which is now fully operational and utilised at all events unless they are “clean stadium” events where the contract between CTS and the event organiser allows the event organiser to utilise their own service providers.

With DHL becoming the naming rights partner of the stadium in July 2021, the stadium is now known as DHL Stadium and various contractual rights have been implemented.

MAINTAINING THE ASSET

The approach to the maintenance activities during COVID 19 period was to support the super-structure and long term maintenance activities as well as ensure the readiness of the facility to support the change in legislation if and when it was announced. This meant that the plant and equipment were kept in a constant state of readiness.

The respective undertakings focused on the following tasks, utilizing the necessary essential skills available:

- **preventive maintenance:** regular, scheduled maintenance and system testing to ensure compliance and readiness;
- **corrective maintenance:** identified areas through preventative maintenance that require further attention and can be done through internal resource;
- **reactive maintenance:** unplanned identified maintenance that occurs through facility use, vandalism or other day-to-day activities;
- **emergency maintenance:** activities that stop or significantly reduce immediate damage to facilities and protect human life; they restore essential services; and
- **non-maintenance** (or “run-to-fail”): includes activities that are often performed by technical employees, but do little to maintain or extend the life of the Stadium facilities.

FINANCIAL PERFORMANCE

CTS achieved a clean audit for the 2021/22 financial year. This being the fourth consecutive clean audit since the establishment of the municipal entity in 2018.

The 2021/22 financial year was a successful period for the municipal entity with the revenue target being exceeded by 30%. Revenue increased by 122% in comparison with the 2019/20 financial year which is a more realistic benchmark as opposed to the 2020/21 financial year which was heavily impacted by COVID 19.

The percentage grant reduction achieved for this financial year was 31.5% (R41 million) against the budget of R61 million. This was achieved through the growth in revenue and a 9.9% saving of expenses against budget.



4. CONTEXTUAL LANDSCAPE

4.1. INDUSTRY LANDSCAPE

There has been no doubt that the greatest influence on the eventing industry over the last two years has been the restrictions imposed by National Government and the impact this had on the ability to host events in general.

While these restrictions were lifted in April 2022, they have left behind an industry that has lost many critical resources who have through necessity moved on to other work opportunities. This in turn has left a skills shortage across the industry including temporary workers such as security guards, bar staff, hospitality staff and contract workers such as videographers, stage builders, producers and lighting experts.

Many companies who supported the industry such as caterers, audio visual equipment suppliers and décor providers did not survive the lockdown period and in turn have gone out of business. Many of those businesses that managed to survive the restrictions have been left with limited available cash flow to take on large jobs without cash payments up front.

So while the initial reaction to the lifting of restrictions was positive and there was great excitement in the industry, the latter months of 2022 have painted a different picture, with suppliers struggling to meet the demands of the industry.

From a rights holder and event organiser perspective, many had commercial commitments to deliver on as soon as they were able to. This created an abundance of events, particularly those with a broadcast component. Spectators eagerly returned to stadiums, showing little reserve towards being in close proximity to others and by large disregarding social distancing.

It has now been a fair amount of time since spectators were allowed back to stadiums and there is a notable sluggishness in the response of the general public to purchasing event tickets. Where certain events would sell out well in advance of the event date there is now a “wait and see” attitude amongst the general public, with event tickets being purchased closer to the event date and a lower demand for premium experiences such as hospitality and all-inclusive packaged services.

We will approach the next year with cautious optimism as the industry normalises and recovers from “long Covid” side effects.

4.2. EXTERNAL ENVIRONMENT /PESTLE ANALYSIS

The macro-environmental analysis with regards to the political, economic, social, technological, environmental and legal (PESTLE) landscape was revisited and updated given the changing business environment that CTS operates in.

The high-level findings of the updated PESTLE analysis are as follows:

Political

- poor containment of state capture and slow implementation of the Zondo Report, resulting in low levels of confidence;
- potential political instability to be expected leading up to the South African general elections in May 2024 as political parties fight for voice.

Economic

- corruption, mismanagement and wage negotiations in some industry sectors slowing down economic growth;
- south Africa remains the most economically viable African destination for mass participation events such as concerts and sporting World Cups;
- shrinking GDP due to the impact of COVID 19 on the economy;
- ESKOM's inability to "keep the lights on" and the rising cost of diesel negatively influencing the price of goods and services.

Social

- with a population of 59.7 million (Worldometer 2021) South Africa has an unemployment rate of 33.56% in 2021, an increase of 4.34% from the previous year;
- increase in homelessness and vagrancy in the surrounding suburbs;
- crime statistics remain high with the perception South Africa may not be a safe destination for international travellers;
- consumers more conscious and selective of their spend, choosing between essentials and luxuries.

Technology

- South Africa is one of the most technologically advanced countries in Africa, with the imminent completion of the migration from analogue to digital ;
- smart phone technology more freely available with one third of the population having access to a smart phone;
- Cyber Crime Act;
- Big data and virtual reality;
- POPIA was passed into law in 2020 with a requirement to comply within a one year grace period. All systems and collection of data are now required to be compliant influencing how personal information is gathered, stored and used;

- e-commerce and cashless options becoming the norm;
- hybrid/virtual events and meetings remain a trend post COVID19 and require technological solutions; and
- fibre technology is readily available for large sectors of commerce.

Environment

- government and industry support for renewable energy is increasing;
- Clean energy and “going green”;
- climate change awareness continues to grow; and
- greater consumer advocacy towards protecting the environment.

Legal

- POPIA changes the way business is conducted in South Africa;
- SASREA continues to provide a strong legal framework in which events operate;
- Occupational Health and Safety compliance;
- Consumer Protection Act has become common knowledge with consumers being more aware of their rights; and
- force majeure clauses experienced significant application during COVID19.

4.3. INTERNAL ENVIRONMENT

DHL Stadium is the only venue in the Western Cape that has the capacity to safely host more than 40 000 spectators at an event. It is well positioned in an area that is well maintained and has ample options of public transport including being well catered for by the My City Bus route.

The surrounding precinct of the stadium offers easy access and egress, with large crowds dissipating quickly and efficiently into the surrounding areas. It is flanked by the Victoria and Alfred Waterfront on the north and the Green Point Park and golf club on the west. The south offers a vibrant restaurants, coffee shops, bars and hotels, which flow into the fan walk which is activated on large event days allowing spectators to walk to and from the city centre safely.

CTS categorises its uses into three main offerings that are promoted to the target markets:

- Bowl Events

The core business of CTS is the attraction and hosting of bowl events. Taking into account load in and load out schedules, CTS is able to accommodate between 30 – 40 bowl events a year.

In order to maximise each bowl event day, CTS focuses on securing bowl events that will attract the greatest number of spectators or guests. CTS in turn implements the commercial event overlay at the majority of event. The greater the number of spectators, the greater the commercial value of an event.

With the aim of maximising the number of bowl event days, CTS is in the process of tendering to replace the 100% natural grass pitch with one that is 50% synthetic and 50% natural grass. The pitch will be more robust and will be able to withstand more events and a faster turnaround time between events.

- Non-bowl events

DHL Stadium has a number of conferencing, banqueting and function rooms as well as a variety of spaces that can be utilised for corporate or private events.

The Conference Centre caters for 600 guests and can be utilised as one space or 3 individual spaces. The Club Lounge is a private function space that can cater for 600 guests and the Business Lounge catering for 2 100 is available for functions.

Aside from these dedicated hospitality areas, there are a number of other spaces that are regularly used for unique and bespoke experiences. These include the mix zone with its beautiful staircase and triple volume ceiling, the player change rooms, media rooms, various foyers, podiums, hardened surfaces surrounding the pitch, the concourse and parking areas that are used for trade shows and exhibitions.

So while the core business of CTS is bowl-events, this is supported by promotion of available spaces and dates for non-bowl events and film shoots which play a significant role in the business of CTS.

CTS aims to implement the commercial overlay at all non-bowl events, with a premium payable in the stadium rental if commercial service providers are not utilised.

- Non- event related business

The Municipal Entity footprint extends beyond the stadium itself, and includes the forecourt and McDonald's restaurant. This areas, together with the available office space, parking areas and potential retail spaces form a sustainable non-event related revenue stream.

It is important to note that, while these various spaces present viable business opportunities, they must always be considered together with the core business of the stadium – that of eventing. This will ensure that they are developed to compliment the core business and not detract from it.



4.4. SWOT ANALYSIS

Strengths	Weaknesses
• World-class, multi-purpose facility that is exceptionally well maintained; • Geographical location and Accessibility; • Spectator experience publicly acknowledged as one of the best stadium experiences in SA; • Established track record with event organisers; • Busy bowl events calendar – high demand; • Strong corporate governance; • Competent staff and service provider network; • Support of the City of Cape Town; • Proactive and competent board of directors and senior management team; • Successful commercial event overlay; • Integrated approach to the hosting of events.	• Increase in the number of street dwellers around the precinct; • Collective cost of hosting mass spectator events in Cape Town; • Limited number of promoters and event organisers who can deliver bowl events; • Calendar clashes between concerts and the encroaching year-round rugby calendar; • Long travel route for artists and teams.

Opportunities • Greater collaboration with the City re their objective of acquiring major events and being a world class city; • Building affinity to the stadium – for people to become supporters of the stadium in its own right; • Ambassador programmes and other ways for the general public to become involved; • Long term relationships with sporting bodies and rights holders; • Promoting DHL Stadium internationally and directly to tournament organisers; • Grow commercial revenues by refining our event selection against our target market.	Threats • Spectator fatigue for live sporting events and concerts; • Collapse of the event value chain and suppliers ability to deliver; • Cyber security and the ability to protect data; • Decrease in disposable income; • Post-COVID19 financial constraints and lack of service provider competency. • Dependency on ESKOM;
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5. CTS PURPOSE AND SERVICE MANDATE

5.1. SERVICE DELIVERY AGREEMENT (SDA)

A SDA was signed between the City of Cape Town and the Municipal Entity on 15 November 2018. CTS continues to comply with its responsibilities as outlined in the agreement.

The salient provisions of this SDA are:

Period of agreement	The period of agreement is 50 years from the commencement date. The City may, at its sole discretion extend the Service Provider's (ME's) appointment for a further period of 49 years.
Funding	The City will provide the grant and allocation to cover the Entities operational expenditure in terms of an approved budget and provide support services. The stadium will be responsible for all maintenance, which will be based on the City's maintenance standards. The City will be liable for all capital expenditure.
Staffing	The City will second staff members to the Entity with the concurrence of the staff members concerned. Staff currently employed at CTS will remain as City employees, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The ME may appoint additional staff.

Services to be Provided	• General facility maintenance & event support operations • Events and entertainment services management • Commercialization, marketing and hospitality management • Finance, legal and administration management
Ownership and Control	The City of Cape Town is 100% shareholder.
Oversight Processes	The Finance Directorate (Treasury Department) of the City monitors the SDA and related performance and compliance of the municipal entity.
City's Obligations	The City must provide dedicated and prioritized support with regards to accounting, financial management and budgeting per MFMA, including utilization of the SAP (Systems, Applications and Products) System as used by the City and Supply Chain Management support, legal, company secretary, brand management and communication. In addition, the City must provide dedicated and prioritized services regarding human resource management support, as well as internal audit and risk management support including oversight over the service provider's audit committee.

5.2. EXECUTION OF SERVICE DELIVERY MANDATE

This business plan, together with the Service Delivery Budget Implementation Plan (SDBIP) targets and scorecards of the Entity have been developed to ensure focused implementation and execution of its legislative and contractual mandate, obligations and responsibilities (Annexure B).

The following operational deliverables in terms of the SDA continue to be executed in terms of the provisions of the SDA between the City and CTS:

General facility operations

Asset management and maintenance: ICT services and infrastructure support (including ticketing, advertising, audio-visual, safety and security, capital projects, refurbishment and investment projects.

Events and entertainment services management

Bowl and non-bowl event scheduling; planning and execution; development and hosting of signature events; managing of events industry and service provider requirement; events leveraging and bidding processes, etc.

Commercial, marketing and hospitality management

Advertising; merchandising; supplier and pouring rights; ticketing; hospitality; sponsorships; tourism; marketing of bowl and non-bowl facilities; property

development and management; commercial legal services.

Internal company service management

Establishment and management of structures, systems and processes relating to legal, governance, compliance, HR, administration, and such additional services as the City may require from time to time.

5.3. ALIGNMENT TO CITY IDP

CTS will continue to conduct its business in accordance with the key pillars and objectives of the City's current 2022-2027 IDP.

The business planning of all DHL Stadium Departments are aligned with the following City of Cape Town Strategic Focus Areas:

STRATEGIC FOCUS AREA 16.A: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT

- 16.1 Operational Sustainability Programme
- 16.2 Modernised and Adaptive Governance
- Investment and Partnership Development Programme
- Sustainable Entities

STRATEGIC FOCUS AREA 11: PUBLIC SPACE ENVIRONMENT AND AMENITIES

- 11. Quality and safe Parks and Recreation Facilities supported by Community Partnership
- 11.1 Quality Social Facilities Programme (Major Event Hosting Facilities and maintenance initiative)

STRATEGIC FOCUS AREA 1: CITYOF HOPE: INCLUSIVE ECONOMIC GROWTH

1. Increased jobs and investment within the Cape Town Economy
 - 1.3. Inclusive economic development and growth_(Major Event Hosting Facilities and Maintenance initiative)



6. GOVERNANCE

- As an organisation, CTS, its Board of Directors and management have adopted and will continue to conduct its business operations in line with the ethical, moral and compliance principles as set out in King IV. The Entity's board, its members and management will continue to place a strong focus on the upholding of high standards of corporate ethics, fiscal management and corrupt-free practices;
- CTS has developed all relevant departmental strategies/policies and standard operating procedures in line with the above statement; and
- CTS through its various management processes ensures that it operates its business in a manner compliant to all relevant legislation.



7. DEPARTMENTAL PLANS

7.1. MARKETING AND COMMERCIAL DEPARTMENT

The Marketing and Commercial Department is a newly formed department following the reabsorption of the Manager: Marketing, Brands and Event Acquisition into the City of Cape Town structures.

CTS elected to combine the responsibilities of this department under the management of the Commercial Department to capitalise on synergies in a cost efficient structure. The new department is now called the Marketing and Commercial

Department. The realignment of the existing structure has proved to be highly successful.

MANDATE

The Marketing and Commercial Department is responsible for the communication and promotion of the attributes and services of the DHL Stadium to all stakeholders. It is also responsible for the development and implementation of the commercial strategy to maximise commercial revenues while taking into account the broader business objectives.

The department supports the service delivery mandate through the implementation of board approved strategies namely:

- Marketing and Communication Strategy
- Commercial Strategy

STRATEGIC OBJECTIVES

The department has set the following strategic objectives:

Marketing

- promote and build the brand of DHL Stadium to position the stadium as a world class, multi-purpose venue that is able to support the delivery of extraordinary showcase events;
- communicate with stakeholders to convey the purpose, vision and operations of the organisation; and
- to build the value of “owned platforms” such as the web site, databases and social media platforms to increase engagement and reinforce our purpose with stakeholders.

Commercial

- the negotiation and commercialisation of all potential event related revenues;
- the identification, development of plans and implementation of business opportunities with regards to the spatial framework of the ME precinct; and
- actively seek out other potential revenue streams that will assist the ME in achieving its objective of financial sustainability.

DEPARTMENT PLANS 2023/24

Build the brand

During the last financial year there has been a marked effort to change the perception of the DHL Stadium. There has been a noticeable shift in public sentiment towards the stadium with a far greater positive outlook.

The department will continue to build on this positive sentiment by communicating proactively with all stakeholder, dealing with any issues that arise in a transparent manner and highlighting the eventing activity at the stadium and the excitement that it brings to Cape Town. This will be achieved through the use of “owned” platforms and public relations campaigns.

Enhancing the spectator experience

We will utilise our own platforms such as social media, our newsletter and web site to engage and interact with our clients in an effort to improve the spectator experience at the stadium. With WP Rugby and Cape Town City FC now playing their matches at the stadium on a regular basis, we will aim to promote familiarity to the services of the stadium. These will include elements such as what to expect when visiting the stadium, where food and beverage kiosks are located and how to enhance visitor experience.

Stadium tours

With the end of COVID19 and the commencement of our anchor tenant, WP Rugby matches at the stadium, we will in the 2023/24 financial year re-commence stadium tours. This will be done in collaboration with our anchor tenant and will showcase the stadium, its history, facilities and services.

1 million spectators by 2024

By running public relations campaigns and utilising our “owned” platforms, assist in the marketing and promotions of the DHL Stadium both locally and international with the intention of increasing the overall spectator footfall to 1 million by 2024.

In the 2022/23 financial year a successful public relations campaign was run in Europe and the United Kingdom. This created exposure through organisations such as Sports Business and Coliseum which are both specialist international sporting platforms. In 2023/24 we will build on this effort and further increase our international exposure.

Build positive relationships with stakeholders

Since the establishment of the ME in 2018 and more recently the commercial efforts that have been made in the latter years, the business of the ME has changed significantly with a far busier event calendar and in turn a positive reduction in grant funding and the burden on the rate payer,

In 2023/24 the department will focus on communicating these positive stories and proactively engaging with stakeholders.

Maintain and grow the marketing collateral

In the 2022/23 financial year the web site, newsletter and social media sites were refreshed to align to the revised corporate identity that was developed to facilitate the transition to having a naming rights partner. In the new financial year we will aim to grow these platforms and our databases through increasing the value proposition to those that engage with us. This will be done through the provision of information of value and giveaways related to event promotions and hosting.

Secure marketing agency

CTS intends to go to tender for the services of a marketing agency to support the business objectives. This tender will be advertised early in the 2023 calendar year,

with the objective having a suitable service provider awarded the contract ahead of the 2023/24 financial year.

Naming Rights

In July 2021 DHL became the stadiums naming rights partner for a four year period. CTS is now in the second year of contract. The 2023/24 financial year will be an important year to build and evaluate the value of this partnership and effort will be spent on ensuring we have an accurate media value assessment of the rights and have delivered the full potential of the rights.

Commercial event overlay

The commercial service providers who deliver event day services including liquor distribution, hospitality service, public food and beverage concessions and our product suppliers and pouring rights partners were appointed in August 21, following delays brought about by COVID19. The lateness of these appointments and the subsequent period where service providers were unable to operate post their appointment due to national government restrictions on spectators at events has created a situation where the intended 3-year period as advertised in the tender process was reduced to a 2-year period.

We will seek to extend these contracts for a further year. If successful it will provide the opportunity for current service providers to extend their contracts for a further year.

CTS will make allowance for the eventuality of these contracts not being extended however and will provide sufficient time for the tender process to be completed if need be to ensure that there is a set of commercial service providers in place for the 2023/24 financial year.

WP Rugby

In 2018 a binding heads of agreement was signed between the City and Western Province Rugby that set the path for WP Rugby to play all of their senior professional rugby matches at DHL Stadium.

The Anchor Tenant Agreement and Suite Concession Agreement, which are an amplification of the Heads of Agreement signed between WP Rugby and the City of Cape Town in 2018, were signed in December 2022.

This is an exciting step forward for the ME and will see the first full financial year of the implementation of the revenue share model between CTS and WP Rugby as intended in the heads of agreement.

CTS will focus on enhancing the spectator experience and driving all revenue streams that are enabled through this agreement. These include pouring rights, advertising inventory sales, Business Lounge Membership sales, hospitality services and concession sales to the general public.

Retail and other spaces

Areas have been identified within DHL Stadium that have been earmarked for retail or office space. Ideally these spaces should be developed as "complimentary" to

the broader use of the stadium – that of hosting events. This strategy also needs to take into account the requirements of the anchor tenant with regards to office space, training facilities and parking.

With the primary anchor tenant negotiations now concluded, CTS will focus on developing this strategy and long term implementation plan in the 2023/24 financial year.



7.2. OPERATIONS DEPARTMENT

MANDATE

The Operations Department has three main areas of responsibility:

- Maintenance and preservation of the asset;
- Technical operations of the stadium and event support;
- Event services liaison and management.

The department offers a comprehensive service offering to event organisers including the booking, planning and hosting of all events at DHL Stadium. The department also play a key role in the acquisition of events.

The department supports the service delivery mandate through the implementation of board-approved strategies namely:

- The Integrated Events Strategy
- The Environmental and Event Sustainability Strategy and Policy Directive
- The Facilities Maintenance Strategy
- The Health and Safety Policy

STRATEGIC OBJECTIVES

The department has set the following strategic objectives:

Asset maintenance and preservation

- the maintenance, management and preservation of the DHL Stadium, ensuring that it remains a world class multi-purpose facility that is capable of attracting and hosting international and domestic showcase events;

Technical operations

- timeous appointment and optimal management of technical service providers including safety, security, cleaning, information technology and other maintenance contractors;
- supporting the technical delivery of all events hosted at the stadium to a world-class standard;

Eventing

- negotiating and securing a robust calendar of events including bowl non-bowl events such as film shoots, conferences, trade shows and other bespoke events;
- client management of all event organisers, providing strategic and operational support for the delivery of all events;
- implementing environmental management systems; and
- ensuring all events hosted are compliant with all relevant legislative requirements including those of a venue as defined by the Safety at Sports and Recreation Events Act, 2010 (SASREA).

The department ensures an integrated approach towards the implementation of objectives through:

- management of the integrated events process that ensures all departments collaborate to offer the best service and solutions to our clients and spectators;
- application of project management principles and processes;
- development of operational plans and guidelines for each event hosted; and
- monitoring and tracking of outputs to ensure accurate reporting;

DEPARTMENT PLANS 2023/24

Event hosting

While the 2021/22 financial year was defined largely through the COVID19 restrictions that prevented spectator attendance at events, the 2022/23 financial year saw a gradual recovery as the events industry began to normalise.

We look forward to the 2023/24 financial year being the first year that is not influenced directly by COVID19 and hope for a marked increase in spectators at events.

The bowl event calendar for the year will comprise of:

- DHL Stormers and Carling Currie Cup matches;
- Cape Town City FC matches as well as other PSL football matches;
- A number of full stadia concerts and other spectacular events yet to be announced

We are excited to reach a stage in our business where our calendar of events holds significant certainty. A close eye will be kept on the event booking schedule, to ensure all priority is given to those events that can maximise the use of the bowl.

We also look forward to hosting Premier Soccer League matches that have the potential to attract a full stadium crowd and in turn optimise the commercial event overlay. As the only venue categorised for high risk event we are ideally positioned to host football events that have the potential to attract crowds in excess of 35 000.

The bowl event calendar will be supported by non-bowl events such as trade shows, exhibitions, film shoots and a number of conferences. We look forward to welcoming back Cape Town City Marathon and Cape Town City Cycle Tour exhibitions again, as well as We Are Africa network opportunity, ComiCon and a host of other events throughout the year.

With the Rugby World Cup being hosted in France in September/October 2023 we do not expect to host a Springbok Test Match during this financial year. We will however be making best use of this time to replace the pitch.

The department continues to focus on building long-term partnerships with event organisers to promote the return of events to the stadium. This is achieved through client centric approach to service and deliverables and the prioritisation of existing relationships including Western Province Rugby, Big Concerts, Cape Town City Football Club, Showtime, South African Rugby Union and World Rugby.

Integrated Events Forum

The successful and ongoing implementation of the Integrated Events Strategy has and will continue to ensure the alignment of management objectives with regards to the hosting of events. This forum ensures the alignment between the commercial and financial objectives as well as ensuring the necessary support functions such as human resource and legal are available and able to assist in the successful delivery of events.

Implementation of event design models

As the stadium has become busier and in an effort to enable the delivery of extraordinary experiences in collaboration with our clients, the existing event design models that detail how best to utilise the areas of the stadium will be enhanced and elaborated upon. This will ensure that the stadium is utilised in the very best possible way, enhancing the spectator experience while remaining legislatively compliant, safe and secure while delivering events in a cost efficient manner.

These models will take into consideration the commercial, technical, operational, environmental and security overlays for different capacity events and will be given to event organisers as suggested footprints for event hosting.

Maintaining the asset

Core to the business of CTS is ensuring that the asset of DHL Stadium is maintained to that of a world-class facility, ensuring that it is able to host international sporting events and concerts, offering facilities that meet the requirements of international rights holders such as World Rugby.

To this end preventative, corrective, reactive and emergency maintenance processes are in place and followed to ensure the building and its structures are maintained over time.

The maintenance also focuses on ensuring:

- a healthy and comfortable environment;
- an energy efficient and a fiscally economic building;
- systems that support the optimal use of the building; and
- 100% compliance on all preventative maintenance and management programmes as approved by the Board of Directors.

Replacing the pitch

Over the last year DHL Stadium has seen a significant increase in bowl events. While this is an exciting time as a business, the pitch has struggled to keep up with the number of events being hosted. This is primarily due to the current pitch being 100% natural grass that requires a longer turnaround time to recover between events.

CTS has committed to replacing the pitch in the 2023/24 financial year with one that is 50% natural grass and 50% synthetic grass. This will provide a more robust pitch that will be able to accommodate more foot traffic with a faster recovery time.

This investment is aligned to the objective of remaining a world-class facility and the replacement pitch will align to the very best international industry standards, suitable for rugby, football and concerts.

The tender process has commenced and it is expected that it will be awarded, subject to the fulfilment of supply chain management process, in time for the pitch to be replaced in July – October 2023 when the Rugby World Cup is being played in France, making use of a time where there will be a break in the rugby calendar.

Business continuity and managing energy

CTS will continue to test critical business processes in order to respond to crisis, acute shock and organisational stresses. Implementation of the Business Continuity Plan enabled the management team to mitigate the response to the ongoing load shedding and associated challenges experienced to date.

While South Africa exceeded 100 days of load shedding in a 12 month period, the stadium and in turn the hosting of events experienced minimal impact due to its ability to generate 4 megawatts of power supply from back up or essential generators. This is over and above further capacity to run the floodlights autonomously from the supply authority's electrical grid.

While the generators have enabled the business to continue, the ongoing load shedding has resulted in the lifespan of certain electrical, electronic and mechanical equipment being reduced. This, together with the increased cost of diesel, has been factored into future budget cycles.

Health and safety

CTS will continue to achieve 100% compliance for all health and safety management programmes at DHL Stadium. DHL Stadium is the only sports and recreation facility in the Western Cape that is categorised to host high risk events.

Environment sustainability

CTS will continue its commitment to deliver on its mandated event environmental sustainability objectives. This will be achieved through collaborating with event organisers to reduce the carbon footprint, reduce waste to landfills and implement recycling and waste segregation initiatives.

In addition, the following organisational objectives have been set and are measured quarterly:

- promotion of energy efficiency by 2025;
- use of renewable energy sources where possible;
- utilisation of natural ventilation where possible;
- switching off of lights, technical equipment and other energy sources when not in use; and
- encourage the use environmentally friendly products where possible

When CTS hosts major sporting events, Event Organisers purchase "renewable energy vouchers" from wind farms (such as Darling Wind Farm) which are then given back to the City of Cape Town. An example of this was in Word Cup 7 hosted in September 23.

Appointment of technical service providers

The technical service provider tenders will be advertised in the 2022/23 financial year in preparedness for the appointment of service providers for the 2023/24 – 2025/26 financial years.

The timeline allows for successful bidders to be appointed with the effective date being 1 July 2023. The technical service providers are responsible for all preventative and corrective maintenance as well as cleaning and security services.



7.3. INTERNAL COMPANY SERVICES

MANDATE

The mandate of the Internal Company Services Department is to coordinate and manage internal corporate services including human resource, administration, legal and company secretary functions to ensure the provision of efficient and effective services to the organisation that assist in achieving the overall business objectives.

The department is also responsible for ensuring all reporting deadlines of the Entity are adhered to.

STRATEGIC OBJECTIVES

The department has set the following strategic objectives:

Human Resources

- ensure the organisation promotes an environment that will optimise the potential of its human capital through skills development and training;
- identify and provide staff interventions as required with the objective of maintaining a highly motivated staff contingent; and
- facilitate the recruitment process in order to ensure optimum functionality in the board approved organisational structure (Annexure A).

Administration

- provide the necessary administrative, legal and human resource support to the organisation to ensure that all departments function effectively and reporting deadlines are met;
provide management with the necessary reports and business intelligence to support informed decision making; and
- ensures all relevant records and documents are filed according to the applicable archiving policy requirements.

Legal

- facilitate the utilisation of all external legal resources;
- record keeping of all legal work instructed and ensuring the tracking of deliverables; and
- containing costs and ensuring legal resources are utilised efficiently by accurate tracking of legal briefs and the implementation thereof.

DEPARTMENT PLANS 2023/24

Human Resource management

The organisational structure has been reviewed to re-align to the business needs for the future years. The revised organisational structure has been approved by the board of directors and is attached (Annexure A).

A staff training plan will be completed each year which in turn aligns to the budget. Management is encouraged to assess staff training requirements and put forward motivations for training as part of this process. With the objective being to ensure that staff have the necessary skills to effectively perform in their work function and grow within the organisation. This will be done in line with all staff personal development plans.

The department will also encourage and facilitate the process of student employment which in turn contributes to the ME's social responsibility as an employer and allows for skills transfer.

All human resource functions are managed by the department.

Administration

The department will ensure compliance and timeous delivery of all report submissions and will maintain the ME's records according to legislative record keeping principles.

The department will continue to provide ongoing administrative support to the organisation through:

- quarterly submission to the Human Resource, Social and Ethical Board of Directors Sub-Committee;
- quarterly and annual submission of performance indicators to the City of Cape Town;
- ensure timeous reviewing and updating of CTS policies if required;
- manage and implement POPIA;
- ensure contractual agreements are reviewed on a regular basis to remain legally compliant and align to CTS business process;
- ensure the timeous submission of all IPM's;
- updating Performance Indicator Measurement Sheets(PIMS);
- provision of office resources;
- co Coordinating IT hardware requests; and
- maintaining the Legal request and opinions register updates.

The department will also provide the Chief Executive Officer with all relevant administrative and human resource information on a monthly and quarterly basis indicating areas of risk.

Company secretary

Kilgetty Statutory Services (South Africa) (Pty) Ltd was appointed to perform the company secretary function on 1 July 2021 and will continue to do so in the new financial year. The department provides valuable oversight of the company secretary process and manages its performance. The department will ensure all meetings are structured as required with the correct supporting documentation being prepared before and post each meeting. Ongoing evaluation sessions will be conducted with the provider to ensure effective service delivery.

Legal

All legal contracting is managed by the department, who in turn is responsible for ensuring due process is followed for all legal appointments. It will also ensure that the legal register is updated on a monthly basis and deliverables are tracked.

In the 2021/22 financial year CTS revised its standard stadium rental agreement to align to the terms of the naming rights partner, the anchor tenant agreement and the implemented commercial terms. The result being an agreement framework that ensures all contractual commitments are honoured. This agreement will be implemented for the majority of events hosted at CTS in the future.

The ME will begin the process of either employing a legal resource or completing a tender for the provision of legal services directly to the ME. This process will be decided upon and completed in the 2023/4 financial year.



7.4. FINANCE

MANDATE

The mandate of the Finance Department is to manage all financial transactions and contracting of the ME, ensuring that a “clean audit” is achieved each year.

The department has two main areas of responsibility:

- financial management
- supply chain & contract management

As the Entity moves towards a greater level of independence from the City of Cape Town, these functions have and will continue to develop into autonomous systems.

STRATEGIC OBJECTIVES

The department has set the following strategic objectives:

Finance

- achieve 100% asset verification;
- obtain a “clean audit” and implementing all systems and controls that enable this;
- provide day to day financial support to all departments;
- compliant financial reporting in terms of National Treasury financial reports and the MFMA; and
- support new areas of business including commercial objectives by providing financial reconciliations and reporting.

Supply Chain Management

- oversee the tender process for all new tenders initiated;
- host Bid Adjudication Committee meetings and document proceedings; and
- ensure the awarding of tenders in line with the supply chain management process.

Contract Management

- ensure the ME is compliant in the contract management process;
- ensure documentation is stored electronically and in hard copy for each contract as required by the MFMA; and
- ensure monthly monitoring of contract deliverables is actioned by the organisation and corrective action is taken if required.

DEPARTMENT PLANS 2023/24

Commercial revenue streams

In the prior financial year a stand-alone financial system was implemented for CTS. This was to ensure the correct revenue recognition and reporting on commercial revenue streams. While the overall financial reconciliations are still accounted for in SAP, the newly implemented system allows for a greater amount of detail with regards to the general ledger and associated reporting.

In the 2023/24 financial year this reporting will be implemented in full, providing a comprehensive breakdown of all revenue streams. Attention will also be given to improvements that the system will allow for the overall business reporting to provide greater detail that in turn will assist decision making.

Clean Audit

Since the inception of the ME in 2018, each year a “clean” unqualified annual audit has been achieved. We intend to continue this achievement and will strive to achieve a clean audit for the 2023/24 financial year, as achieved in all prior years.

The department will also facilitate the external audit with the Auditor- General.

CTS will proactively make use of the internal audit process to identify areas of risk and seek guidance on the processes in place and how these can be improved. The department will also manage internal audit process with the internal auditors.

Budgets and forecasts

The department will develop financial strategies that ensure the financial department remains aligned the overall business strategy. It will also compile and manage the Entity's budget, as well as monitoring progress through the year and identifying areas of risk.

During the 2023/24 financial year the department plans to undertake quarterly reviews and reconciliations of all financial records to ensure an improved control environment. These controls will proactively facilitate and improved external audit readiness at financial year end.

Financial policies and standard operating procedures

The department will continue to ensure financial compliance with the MFMA. The following policies have been updated or developed during the prior financial year:

- Supply Chain management policy;
- Petty cash policy;
- Credit control and debt collection policy.

The department has developed guidelines and a framework that is aligned to the standard operating procedures of the business. These guidelines will assist the user

departments in ensuring sufficient internal controls are in place and will be updated as required by the business.

Supply chain management

The Entity has existing policies in place with regards to supply chain management that ensures there are sufficient internal controls and governance in this area.

The City of Cape Town provides the administrative supply chain management support to the Entity as part of the service delivery agreement between the parties. There are currently 23 tenders (11 operational tenders and 12 commercial tenders) in place which all terminate on 30 June 2023. These contracts are split between the technical contracts which are for the maintenance and operations of the asset and the commercial contracts which have been implemented as part of the commercial overlay.

All the technical contracts will be advertised during the 2022/23 financial year and all the commercial contracts will be extended after following the legal process for extension of contracts.

The Entity has successfully appointed its own supply chain management practitioner to focus on ensuring that the tenders are awarded timeously as well as to assist with the longer term set up of systems and processes whereby the supply chain management function is managed wholly by CTS.

While there were no Bid Adjudication Committee (BAC) meetings and in turn no tenders awarded in the 2022/23 financial year, CTS will host BAC meetings in the new financial year. These BAC's are formed under the CTS procurement policy and in turn made up of CTS staff members.

Contract management

The department has existing process with regards to contract management and document storage for both supply chain management and the ongoing management of any contracts awarded to successful bidders.

An update on the service provider performance as measured in the contract management system is provided to the board of directors and the relevant sub committees on a quarterly basis. This process will continue in the 2023/24 financial year



8. CTS BUDGET AND FINANCIAL PROJECTIONS

DHL Stadium's long term vision is to be financially sustainable through commercialization and revenue generation. The main contributor to increased revenue will be the increase in bowl events hosted at DHL Stadium due to Western Province Rugby being the anchor tenant, and Cape Town City FC being the resident PSL team. This, together with other bespoke events and concerts, provides the basis to the yearly events calendar.

The Entity has completed its fourth year of trade during the 2021/22 year and the historical financial information has been used in the preparation of the budgets.

The following principles will underpin the budgeting and business planning process:

- The previously identified internal stadium commercial revenue opportunities;
- The new additional revenue streams occasioned by the establishment of the more commercially flexible governance and management vehicle to operate the stadium;
- The phased implementation of the historically identified and new commercial revenue opportunities;
- Historical expenditure and revenue trends drawn from the City's SAP accounting system;
- A focus on cost-saving initiatives within the internal operating environment;
- A consideration of DHL Stadium SWOT analysis (an updated version of which is considered earlier in this report);

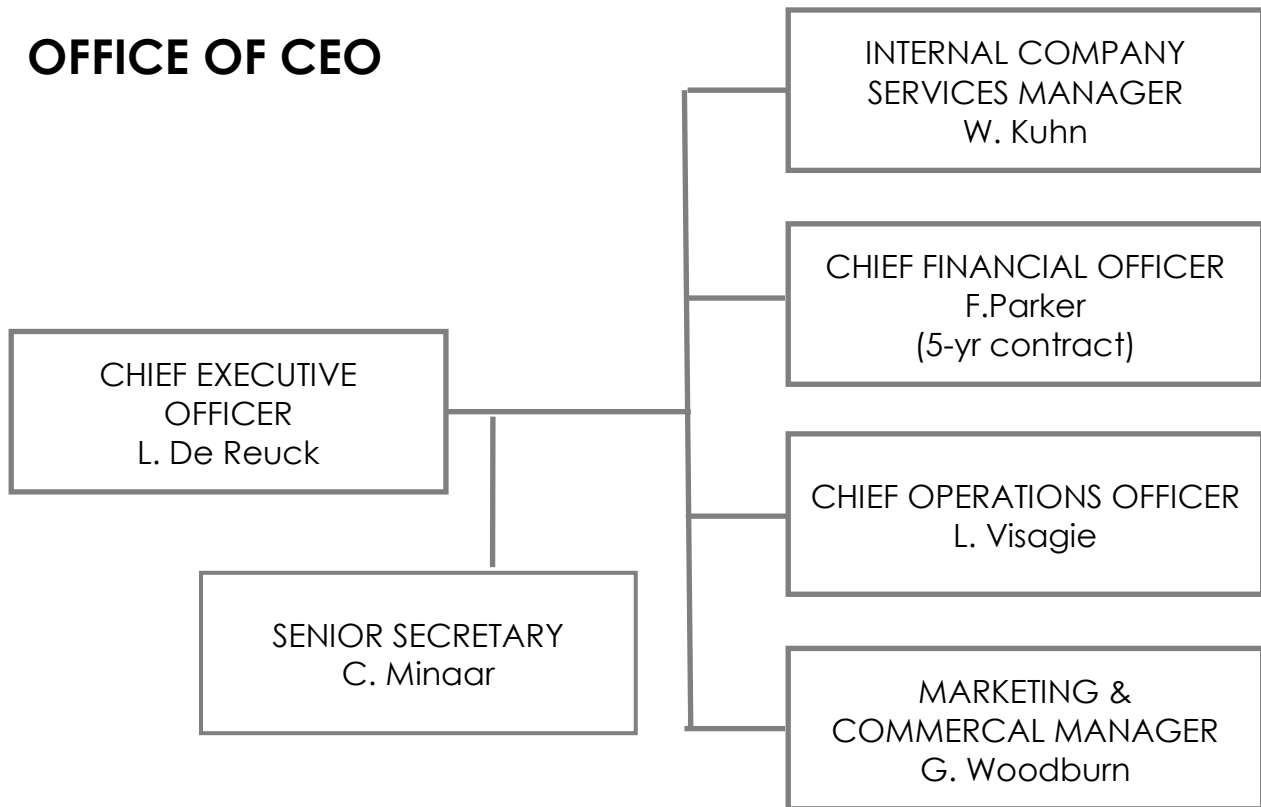
- The impact of inflation;
- City budget guidelines.

Budgeted expenditure of R 105.8 million against budgeted revenues of R 72.6 million has been forecasted for 2023/24 financial year.

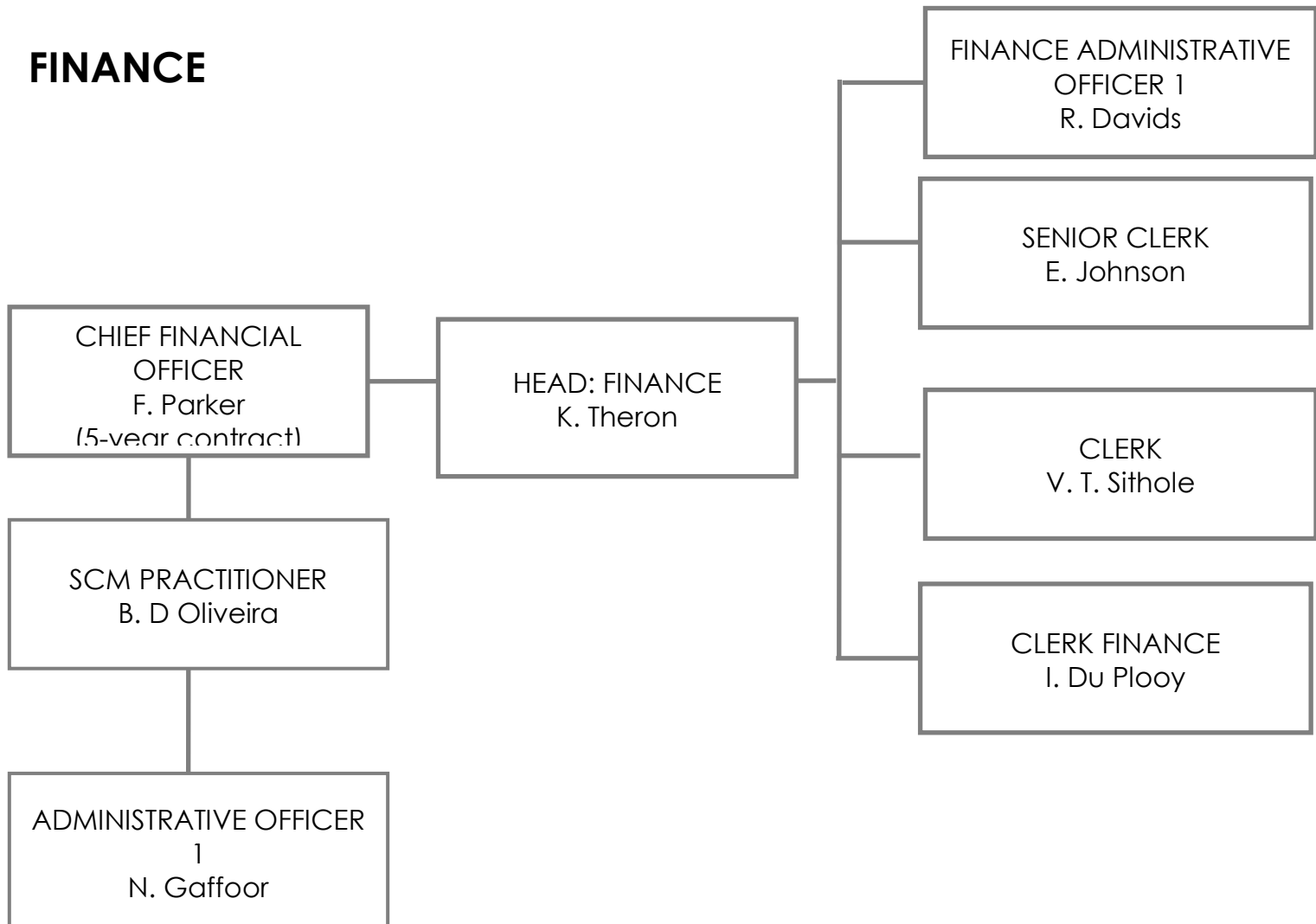
A copy of the 2023/24 budget has been attached hereto marked ANNEXURE" C"

ANNEXURE A: Organisational Structure

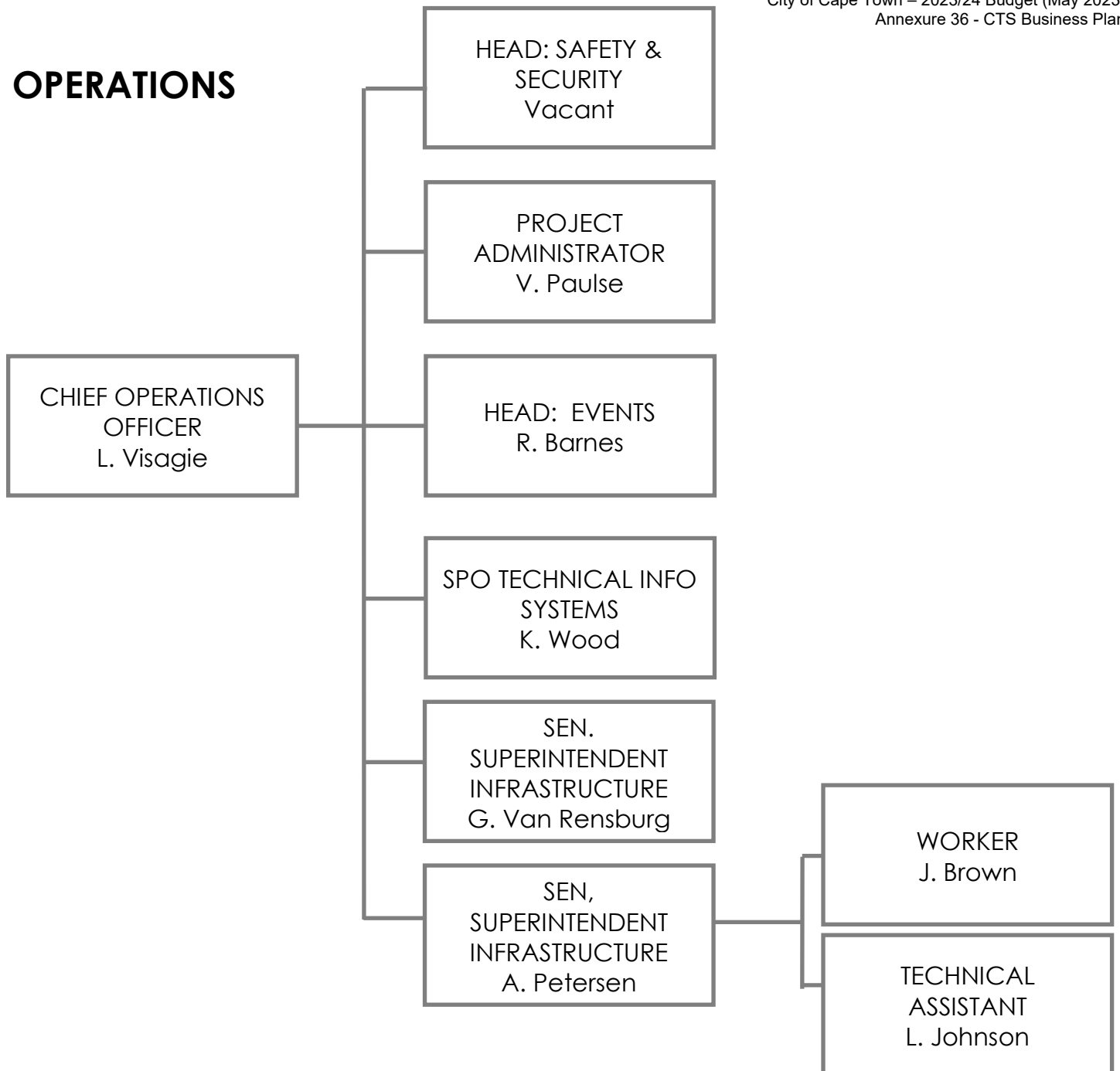
OFFICE OF CEO



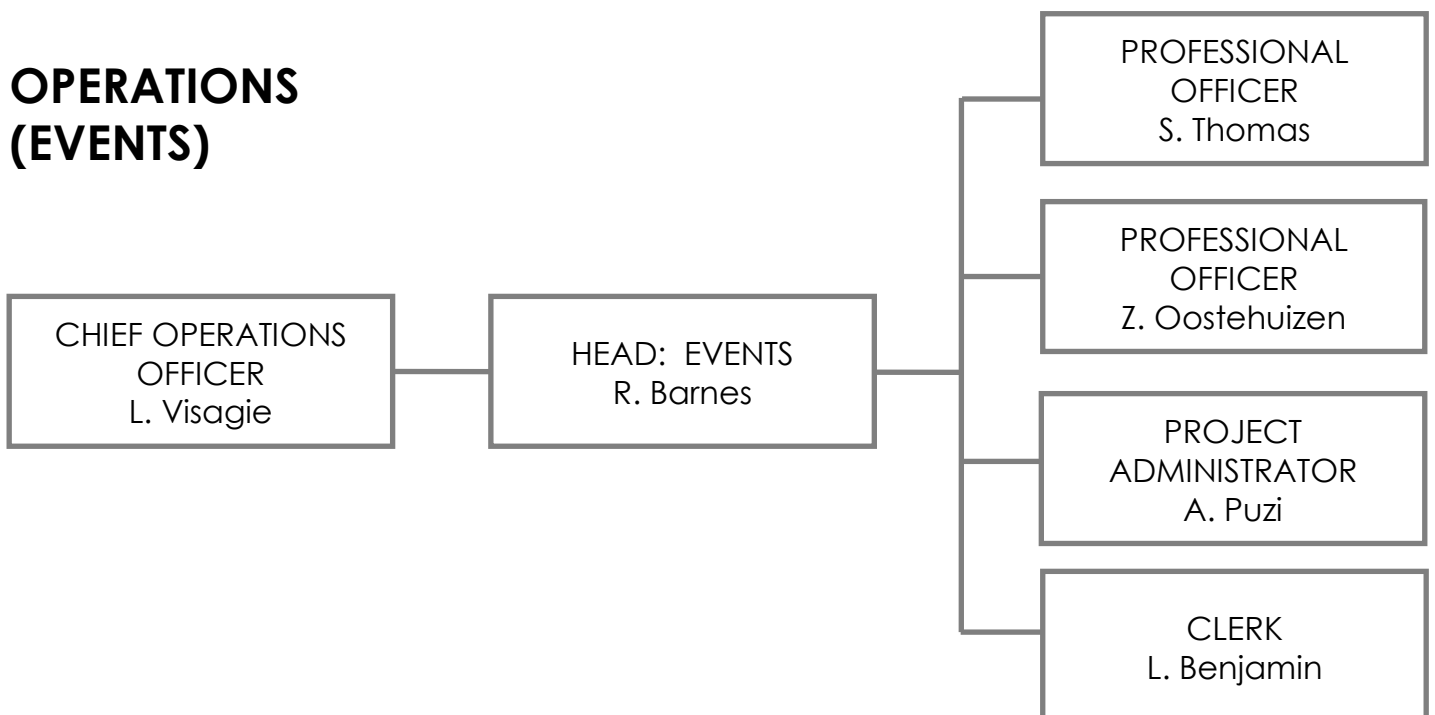
FINANCE



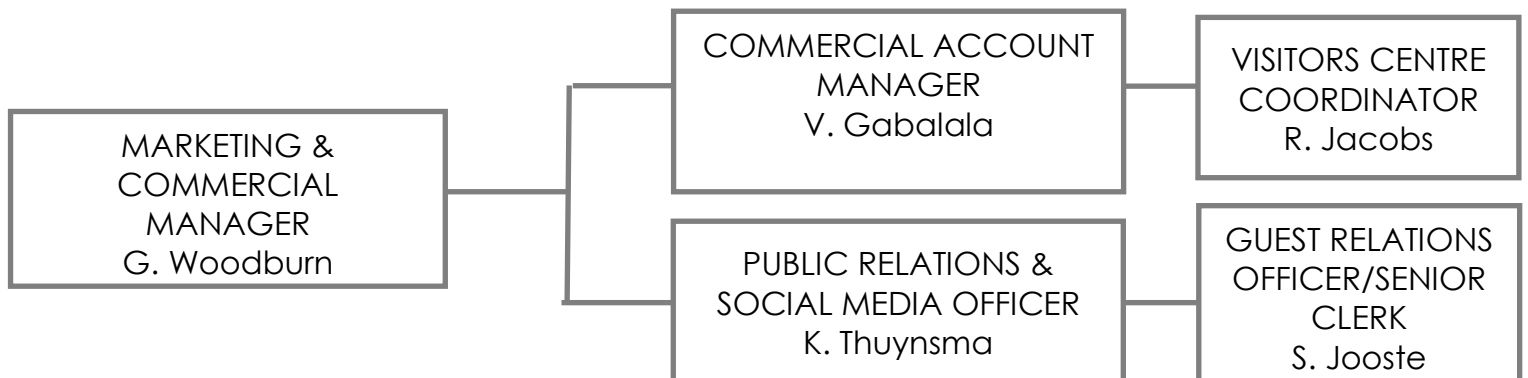
OPERATIONS



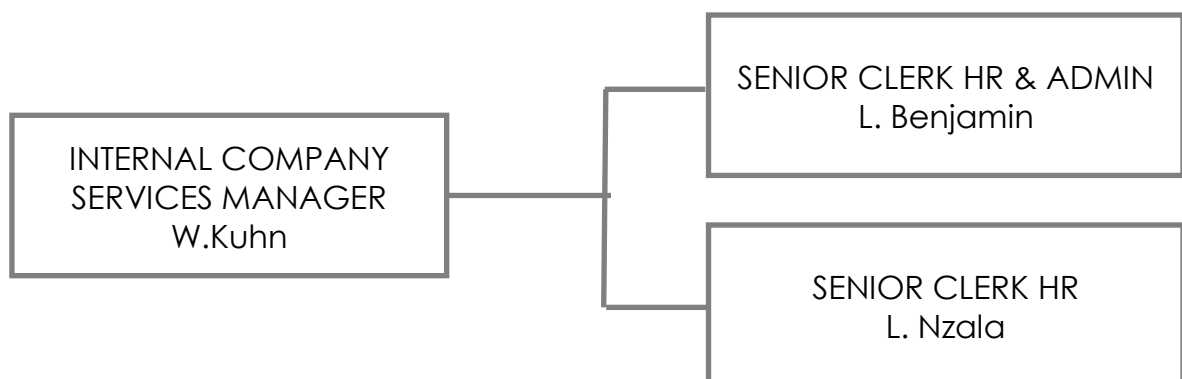
OPERATIONS (EVENTS)



MARKETING & COMMERCIAL



INTERNAL COMPANY SERVICES



ANNEXURE B: Service Delivery Budget Implementation Plan (SDBIP)

No.	CAPE TOWN STADIUM (RF) KEY PERFORMANCE INDICATORS SDBIP 2022/23 TO 2026/27													
	Alignment to IDP				Measuring Department	CSC Indicator or no.	Indicator (to include unit of measure)	Baseline 2021/2022	Annual Target 30 June 2023	Targets				
	FOUNDATION (STRATEGIC FOCUS AREA)	PRIORITY (OBJECTIVE)	IDP PROGRAMME							ANNUAL TARGET 2023/2024	ANNUAL TARGET '2024/2025	ANNUAL TARGET '2025/2026	ANNUAL TARGET '2026/2027	ANNUAL TARGET '2027/2028
1	A Capable and collaborative City Government	16. A Capable and collaborative City Government	16.1 Operational Sustainability Programme	Sustainable entities	CTS Finance		Achievement of Own Projected Revenue(%)	119%	90%	90%	90%	90%	90%	90%
2	A Capable and collaborative City Government	16. A Capable and collaborative City Government	16.1 Operational Sustainability Programme	Sustainable entities	CTS Finance		Opinion of the Auditor General	CLEAN AUDIT	CLEAN AUDIT	CLEAN AUDIT	CLEAN AUDIT	CLEAN AUDIT	CLEAN AUDIT	CLEAN AUDIT
3	Public Space, Environment and Amenities	11. Quality and safe parks and recreation facilities supported by community partnership.	11.1 Quality Social Facilities Programme	Major Event Hosting Facilities and maintenance initiative.	CTS Operations		Compliance with approved Repairs and Maintenance program (%)	100%	100%	100%	100%	100%	100%	100%
4	Public Space, Environment and Amenities	11. Quality and safe parks and recreation facilities supported by community partnership.	11.1 Quality Social Facilities Programme	Major Event Hosting Facilities and maintenance initiative.	CTS Operations		Compliance with Occupational Health and Safety Acts and Regulations (Act 85 of 1993) (%)	100%	100%	100%	100%	100%	100%	100%
5	Inclusive Economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Major Event Hosting Facilities and maintenance initiative.	CTS Operations		Spectator attendance at the DHL Stadium (Number)	226996	650000	750000	850000	900000	1000000	1000000

[illegible]

ANNEXURE B1: Scorecard Definitions

CAPE TOWN STADIUM SCORECARD DEFINITIONS 2022 (2021/22 Year Review)			
NO	INDICATOR	IDP Objective	INDICATOR DEFINITION
CTS - 01	Percentage achievement of own projected revenue		This indicator will measure the achievement of the annual projected revenue as per the latest approved budget.
CTS - 02	Opinion of the Auditor General		The indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion is where the auditor, having completed the audit, has no reservation as to the fairness of presentation of financial statements and their conformity with general recognised accounting practice. This is referred to as a 'clean audit'. Alternatively, the auditor would issue a qualified audit opinion either in whole or in part over the financial statements if these have not been prepared in accordance with general recognised accounting practice, or the auditor could not audit one or more areas of the financial statements. Future audit opinions will cover the audit of predetermined objectives.
CTS - 03	Percentage compliance with approved Repairs and Maintenance program		The indicator measures the approved repairs and maintenance programme as per the service delivery agreement between Cape Town Stadium (RF) SOC and the City of Cape Town Repairs and Maintenance refers to all facilities and equipment at Cape Town Stadium. Repairs and maintenance is further defined as preventive maintenance, corrective maintenance, reactive maintenance, emergency maintenance as well as repairs of damages after events. All repairs and maintenance is done from the operating budget. The indicator measures whether the output was achieved as per the plan.
CTS - 04	Percentage Compliance with Occupational Health and Safety Acts and Regulations(Act 85 pf 1993		This indicator measures compliance against the Occupational Health and Safety Regulations on event and non-event days as well as contractors at Cape Town Stadium.
CTS - 05	Number of spectator attendance at the Cape Town Stadium		Spectators at Cape Town Stadium can be classified as persons attending Bowl Events, Non-Bowl Events and Film & Still Shoots. The indicator measures the total number of spectators attending events hosted at Cape Town Stadium.
CTS 06	Number of events hosted		Events at the Cape Town Stadium can be classified as Bowl Events, Non-Bowl Events and Film & Still Shoots. The indicator measures the total number of events hosted at the Cape Town Stadium
CTS - 07	Percentage budget spent on implementation of WSP (NKPI)		The WSP outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate budget for appropriate training interventions that will address the needs arising out of local government's skills sector plan, the IDP, the individual departmental staffing strategies, individual employees' personal development plans and the employment equity plan. Proxy measure for NKPI.
CTS - 08	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)		The indicator measures the actual number of days absent due to sick, unpaid/unauthorised leaves in the department or directorate expressed as a percentage over the number of working days in relation to the number of staff employed. Sick, unpaid/unauthorised leave will include 4 categories namely normal sick leave, unpaid unauthorised leave, leave in lieu of sick leave and unpaid in lieu of sick leave.

ANNEXURE C1: Financial Performance Budget

Category	Actual 2021/22	Budget 2021/22	Original Budget 2022/23	Adjusted Budget 2022/23	Original Budget 2023/24	Budget 2024 vs 2023	Budget 2024 vs 2023	Draft Budget 2024/25	Budget 2025 vs 2024	Budget 2025 vs 2024	Draft Budget 2025/26	Budget 2026 vs 2025	Budget 2026 vs 2025
	R	R	R	R	R	R	%	R	R	R	R	R	R
Revenue by Source													
Rental of facilities and equipment	22 151 393	15 382 597	54 749 299	42 558 893	52 947 516	10 388 623	24%	57 710 127	4 762 611	9%	62 779 818	5 069 691	9%
Transfers and subsidies (Grants)	41 914 680	61 293 027	33 196 048	33 196 048	33 196 048	-	0%	33 196 048	-	0%	33 196 048	-	0%
Other Revenue	15 991 032	6 370 816	15 064 359	15 064 359	12 313 340	(2 751 019)	-18%	12 879 754	566 414	5%	13 472 223	592 469	5%
Services in kind	8 107 499	6 733 801	7 003 153	7 003 153	7 423 343	420 189	6%	7 764 816	341 474	5%	8 121 998	357 182	5%
Total Revenue	88 164 603	89 780 241	110 012 859	97 822 454	105 880 248	8 057 794	8%	111 550 746	5 670 498	5%	117 570 087	6 019 342	5%
Expenditure by Type													
Employee related costs	1 432 594	1 457 849	2 795 472	1 808 213	2 921 268	1 113 055	62%	3 055 646	134 378	5%	3 196 206	140 560	5%
Remuneration of board members	334 708	460 474	478 893	478 893	507 627	28 734	6%	530 977	23 351	5%	555 402	24 425	5%
Inventory consumed	1 190 806	1 242 951	661 389	1 361 389	1 443 073	81 683	6%	1 509 454	66 381	5%	1 578 889	69 435	5%
Contracted Services	56 753 981	57 916 174	70 953 843	64 953 843	68 851 073	3 897 231	6%	72 018 223	3 167 150	5%	75 331 061	3 312 838	5%
Other expenditure	28 027 714	28 702 793	35 123 263	29 220 116	32 157 207	2 937 091	10%	34 436 446	2 279 238	7%	36 908 529	2 472 084	7%
Total Expenditure	87 739 803	89 780 241	110 012 859	97 822 453	105 880 248	8 057 794	8%	111 550 746	5 670 498	5%	117 570 087	6 019 342	5%
Surplus/(deficit) before taxation	424 800	- 0	0	0	0			0			0		
Taxation													
Surplus/(deficit) after taxation	424 800	- 0	0	0	0			0			0		

FINANCIAL PROJECTIONS

The 2023/24 budget was prepared on the basis that business operations will continue to improve as the Covid-19 restrictions have been lifted permanently. Event revenue is now also disclosed on a net basis with the direct costs being set-off against the revenue. The Western Province Rugby (WPR) revenue share is also set-off against the various revenue streams received from WPR.

REVENUE PROJECTIONS

1. Rental of facilities and equipment

Rental of fixed assets in the 2023/24 FY have been budgeted at R52.9million, anticipating a 24% increase compared to the prior 2022/23 FY.

2. Transfers and subsidies (Grant)

The grant was budgeted at R33million to cover the shortfall in expenditure for 2023/24 FY.

3. Other Revenue

Other revenue comprises of income generated through naming rights, tours and rebates from events.

4. Services in kind

The services in kind budget of R7.4million includes the use of the office furniture, internal audit, legal services and the rental of the stadium.

EXPENDITURE

5. Employee Related Costs

The employee related cost budget of R2.9 million relates to the salary cost of the entity's two (2) employees. The budget also takes into account the 4.90% annual cost of living adjustment increase for all employees.

6. Remuneration of Board Members

The budget was prepared on the basis that the composition of the board of directors will remain at 6 board members.

7. Inventory Consumed

Inventory consumed comprise of fuel, printing and stationary and other material related costs which have been budgeted to increase by 6%.

An estimate amount have thus been included in the 2023/24 budget and adjusted with an inflation related increase going forward.

8. Contracted Services

Contracted services comprises of: Consultants and professional services, repairs and maintenance, outsourced services and staff costs.

The budget also takes into account the 4.90% cost of living adjustment increase for seconded employees.

The budgeted amount for the outer years remains stable with inflationary increases (6%).

9. Other Expenditure

Other expenditure increases with 10% due to the increase in the utilities charges.

A budget of R7.4million has been included as part of services in kind for the 2023/24 financial year.

ANNEXURE C2: FINANCIAL POSITION

<u>Category</u>	Actual 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
	R	R	R	R	R
ASSETS					
	26 869 004	28 335 056	29 889 072	31 151 968	32 472 958
Current Assets					
Cash	5 520 411	5 851 636	6 202 734	6 488 060	6 786 510
Receivables from exchange transactions	11 108 730	11 775 254	12 481 769	13 055 930	13 656 503
Receivables from non- exchange transactions	7 805 063	8 273 367	8 769 769	9 173 178	9 595 144
Current portion of long- term receivables	2 434 800	2 434 800	2 434 800	2 434 800	2 434 800
Non-current Assets	-	-	-	-	-
Other non-current assets	-	-	-	-	-
Total Assets	26 869 004	28 335 056	29 889 072	31 151 968	32 472 958
NET ASSETS AND LIABILITIES					
	2 434 800	2 434 800	2 434 800	2 434 800	2 434 800
Net Assets					
Accumulated surplus/(deficit)	2 434 800	2 434 800	2 434 800	2 434 800	2 434 800
Current liabilities	24 434 204	25 900 256	27 454 272	28 717 168	30 038 158
Trade and other payables	23 691 623	25 113 120	26 619 908	27 844 423	29 125 267
Value-added tax	742 581	787 136	834 364	872 745	912 891
Total net assets and liabilities	26 869 004	28 335 056	29 889 072	31 151 968	32 472 958

FINANCIAL PROJECTIONS

The 2023/24 budget was prepared on the basis that business operations will continue to improve as the Covid-19 restrictions have been lifted permanently.

The R2.4 million receivable is due to the recognition of the services in kind asset in accordance with GRAP 23. This is an estimated amount based on the valuation which remains unchanged for budget purposes. The estimate will be amended at the next valuation date.

ANNEXURE C3: CASH FLOW STATEMENT

<u>Category</u>	Actual 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Cash Flow from Operating Activities					
Receipts					
Other Revenue	23 743 161	57 623 252	65 260 857	70 589 880	76 252 041
Government Operating	41 914 680	33 196 048	33 196 048	33 196 048	33 196 048
Payments					
Suppliers and Employees	(60 140 430)	(90 488 075)	(98 105 807)	(103 500 603)	(109 149 639)
Net Cash From/(Used) Operating Activities	5 517 411	331 225	351 098	285 325	298 450
Cash Flow from Investing Activities	-	-	-	-	-
Cash Flow from Financing Activities	-	-	-	-	-
Net Increase/(Decrease) in Cash Held	5 517 411	331 225	351 098	285 325	298 450
Cash and Cash Equivalents at beginning of year	3 000	5 520 411	5 851 636	6 202 734	6 488 060
Cash and Cash Equivalents at end of year	5 520 411	5 851 636	6 202 734	6 488 060	6 786 510

FINANCIAL PROJECTIONS

The 2023/24 budget was prepared on the basis that business operations will continue to improve as the Covid-19 restrictions have been lifted permanently.

ANNEXURE D: Legal Framework

Legislative Framework: (Legal Services)

For the purpose of this document “**laws**” will mean all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any governmental body; and the common law, and “**law**” shall have a similar meaning, including, but not limited to:

1. The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) & Regulations thereto (“MFMA”);
2. The Municipal Systems Act, 2000 (Act No.32 of 2000) & Regulations thereto;
3. The Companies' Act 71 of 2008 (as amended);
4. The Safety at Sports & Recreational Events Act, 2010 (Act No. 2 of 2010);
5. The Safety at Sports & Recreational Events Regulations of 2017;
6. Disaster Management Act, 2002 (Act no. 57 of 2002);
7. The South African Police Services Act, 1995 (Act 68 of 1995);
8. Criminal Procedure Act, 1977 (Act No. 51 of 1997);
9. Liquor Act, 1989 (Act no. 27 Of 1989);
10. POPI and Cyber Crime Act;
11. Firearms Control Act, 2000 (Act no. 60 of 2000);
12. Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and the regulations thereto (including the OHSA Constructions Regulations of 2014);
13. Municipal Asset Transfer Regulations No. 31346 of 2008;

14. Respective electrical, mechanical, civil, structural etc. South Africa Bureau of Standards (SABS of SANS) code of Practise.

CITY OF CAPE TOWN POLICIES AND BY LAWS:

15. Events By-Law, 2010 & amendment thereto (2015) read with City Events Policy (2013);

16. Building Development Management ("BDM") temporary structure application & approval Requirements, 2015;

17. Community Fire Safety By-Law 2002 as amended;

18. Environmental Health By-Law, 2003 as amended;

19. By-Law relating to Streets, Public Places and the Prevention of Noise Nuisances, 2007 as amended;

20. Outdoor Advertising & Signage By-Law, 2001 as amended (2013 & 2014);

21. Filming By-Law, 2005;

22. Public Parks By-Law, 2010 as amended;

23. Informal Trading By-Law, 2009 as amended (2013);

24. Integrated Waste Management By-Law, 2010;

25. Liquor Trading Days & Hours By-Law (PG 6788 – 10/09/2010 as amended);

26. Community safety; and traffic Control

ANNEXURE E: Risk Register

City of Cape Town Risk Report														
Risk Register Report														
Parent Unit	CAPE TOWN STADIUM													
Unit	Strategic													
Date	31 October 2022													
Risk Number	Risk Title	Linked Objectives	Consequence	Contributing Factor Title	Existing Control Title	Control Effectiveness	Residual Rating			Action Plan Title	Due Date	% Complete	Progress Notes	Action Plan Owners
							RI	RL	RR					
1	Inability to host events that attract spectators who mirror the target market (spend capacity)	CITY OF HOPE: 16 A capable and collaborative City Government	- Not meeting financial targets - Negative effect on revenue generation - Longer dependency on City Grant	1.1 Global and national economy impacts on event viability	Activated income streams	60%	7	6	42	TREAT: Conclude agreement with CT Cycle Tour	2023/06/30	25%	[Nicola Jane Anderson - 2022/11/07 09:05] Currently busy with negotiations. Have hosted the first event, but this will form part of the three year deal.	Lesley De Reuck
		CITY OF HOPE: INCLUSIVE ECONOMIC GROWTH: 1 Increased jobs and investment in the Cape Town economy			Continual budget monitoring, assessment and adjustment (cost curbing) of the budget through the adjustment budget process	70%				TREAT: Conclude contract with CT Marathon	2023/06/30	80%	[Nicola Jane Anderson - 2022/11/07 09:31] A commercial model has been agreed to and a three year contract is being drafted. A dependency exists on the conclusion of the Anchor Tenant Agreement.	Lesley De Reuck
		CITY OF HOPE: PUBLIC SPACE, ENVIRONMENT AND AMENITIES: 11 Quality and safe parks and recreation facilities supported by community partnerships			Continued engagements with event organisers, franchise owners, etc. locking them in to three year agreements	80%				TREAT: Conclude contract with Cape Town Football Club	2023/06/30	90%	[Nicola Jane Anderson - 2022/11/07 09:24] the final draft of the agreement was submitted to Cape Town City Football Club for their final assessment. Awaiting signed contract. A dependency exists on the conclusion of the Anchor Tenant Agreement.	Lesley De Reuck
					Monitoring of performance with regards to the implementation of the current business plan	70%				TREAT: Conclude contact with Big Concerts	2023/06/30	80%	[Nicola Jane Anderson - 2022/11/07 09:37] A commercial model has been agreed to and contracts are being drafted. A dependency exists on the conclusion of the Anchor Tenant Agreement.	Lesley De Reuck
					Ongoing engagement with role players to drive towards an increase in non bowl events (Film Industry, Events Forums)	60%				TREAT: Conclude the Anchor Tenant agreement	2023/02/28	80%	[Nicola Jane Anderson - 2022/11/08 11:27 AM] The latest proposal's impact on the financial model has been assessed and quantified. Next step will be presenting to the Board and Council. The mandate for the CEO to sign the Anchor Tenant Agreement will be sought from the Board shortly.	Lesley De Reuck
					Utilisation of newsletter and other communication platforms to communicate/attract target audience to events or to host events	60%								
				1.2 Unconcluded negotiations with anchor tenant	Ongoing engagements with WPRU Administration to agreeing on the way forward	70%				TREAT: Conclude the Anchor Tenant agreement	2023/02/28	80%	[Nicola Jane Anderson - 2022/11/08 11:27 AM] The latest proposal's impact on the financial model has been assessed and quantified. Next step will be presenting to the Board and Council. The mandate for the CEO to sign the Anchor Tenant Agreement will be sought from the Board shortly.	Lesley De Reuck
2	Possible cyber security breaches	CITY OF HOPE: 16 A capable and collaborative City Government	- Potential losses and/or theft of critical data - Inherent risk of data breach - Interference with DHL Stadium operations	2.1 Vulnerability of Technology and Cyber Security with regards to CCT shared IT systems	Adherence to CCT's IS&T policies and procedures	60%	7	5	35	TRANSFER: This contributing factor is mitigated by CCT IS&T department on behalf of the DHL Stadium via the CCT Corporate and IT Transversal Risk Register	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:09] This is not a note to indicate the risk treatment option which is assessed annually. DHL Stadium to ensure adherence to CCT policies and processes as per indicated controls.	
				2.2 Vulnerability of Technology and Cyber Security with regards to the DHL Stadium in-house Human Management Interface (HMI) system	External vulnerability assessment - assurance report	80%				TREAT: The development of a IT infrastructure plan to ensure development of a refurbishment plan and budget alignment as recommended in the vulnerability assessment report	2023/12/31	100%	[Nicola Jane Anderson - 2022/11/07 09:33] The recommendations have been assessed and will be worked into the Capital budget programme going forward.	Louw V'sagie
					No remote access to Human Management Interface (HMI) system	80%								
3	Revenue recognised is not complete	CITY OF HOPE: 16 A capable and collaborative City Government	- Revenue not optimised by vendors under declaring their revenue - Negative effect on revenue generation - Longer dependency on City Grant	3.1 Dependency on vendors and their staff to report and ensure sufficient control over revenue collection on which payment of Cape Town Stadium is calculated	IA assurance/audit of monitoring measures established via the Financial Framework	70%	7	4	28	ACCEPT: Risk/contributing factor accepted with the adherence to established controls, the risk falls within the limits of the Risk Acceptance Level (RAL)	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:08] This is a note to indicate the risk treatment option, which is assessed annually.	
					Promotion of the use of credit card facilities over cash	60%								
					Reconciliations signed off and reviewed monthly with supporting evidence	60%								
4	Inability to fulfil contractual obligations with regards to commercial revenue share to 3rd parties	CITY OF HOPE: 16 A capable and collaborative City Government	- Reputational risk - Not fulfilling contractual obligations with regard to revenue share - Delay in payments due to financial reporting delays	4.1 Dependent on correct reporting (revenue split)	Manual system of revenue reporting	70%	5	5	25	TREAT: Procure and setup reporting module in order to develop reports for management purpose	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/08 11:26 AM] functionality has been set up. This will become a control. The reports have been tested and developed. Full set of reports have been run for the year end 2021/22 and for the Q1 2022/23.	Fairoza Parker
		CITY OF HOPE: INCLUSIVE ECONOMIC GROWTH: 1 Increased jobs and investment in the Cape Town economy			Relevant automated reports utilised	60%								

Risk Number	Risk Title	Linked Objectives	Consequence	Contributing Factor Title	Existing Control Title	Control Effectiveness	Residual Rating			Action Plan Title	Due Date	% Complete	Progress Notes	Action Plan Owners	
							RI	RL	RR						
5	POPIA non-compliance	CITY OF HOPE: 16 A capable and collaborative City Government	• Reputational damage • Public and/or other Liabilities (Law suits) • Possible fines and financial implications of non compliance to POPIA	5.1	Possible non compliance with POPIA	Ongoing monitoring of the roll-out/adherence to POPIA CCT guidelines. POPIA steward appointed for the Stadium Reliance on CCT Systems and procedures for compliance with POPIA with regards to services rendered to/on behalf of DHL Stadium	70% 70% 70%	5	5	25	TREAT: Complete DHL Stadium assessment of Private information not mitigated via CCT and assess security processes around this	2022/09/30	100%	[Nicola Jane Anderson - 2022/11/07 08:26] This has been completed and presented to the Audit & Risk Committee.	Werner Kuhn
6	Event non compliance	CITY OF HOPE: 16 A capable and collaborative City Government CITY OF HOPE: PUBLIC SPACE, ENVIRONMENT AND AMENITIES: 11 Quality and safe parks and recreation facilities supported by community partnerships	• Reputational damage • Delays / cessation of service delivery • Non compliance with legislation (SASREA Act) • Loss of life / infrastructure • Injuries • Public Liabilities • Increase OHS risks • Failure of equipment due to the impact of loadshedding • Increased reliance on diesel and the related cost impact thereof	6.1	Event day incidents	Annual revision of the SASREA Stadium Certification	80%	6	4	24	ACCEPT: Risk/contributing factor accepted with stringent adherence to established effective controls	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:07] This is a note to indicate the risk treatment option, which is assessed annually. (Population and safety certificates have been reviewed in July 2022)	
						Confirm compliance with the Event Day Safety Procedures (Manual)	80%								
						Event incident debriefing sessions	80%								
						Event safety sign off checklist	80%								
						Succession plan developed and approved by the board to ensure specialised staff available and overall operational continuity	80%								
						Venue safety plan framework	80%								
				6.2	Impact of loadshedding	Exemption for loadshedding agreement with City of Cape Town	80%				ACCEPT: Risk/contributing factor accepted with the adherence to established controls, the risk falls within the limits of the Risk Acceptance Level (RAL)	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:08] This is a note to indicate the risk treatment option, which is assessed annually.	
						Utilisation of generators	80%								
7	Partial destruction of the stadium infrastructure with business interruption for limited period	CITY OF HOPE: 16 A capable and collaborative City Government CITY OF HOPE: PUBLIC SPACE, ENVIRONMENT AND AMENITIES: 11 Quality and safe parks and recreation facilities supported by community partnerships	• Delay in service delivery • Financial / revenue impact • Pitch damaged	7.1	Force majeure	City to cover the shortfall until CTS is back in business	60%	7	3	21	ACCEPT: Risk/contributing factor accepted with the adherence to established controls, the risk falls within the limits of the Risk Acceptance Level (RAL)	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:07] This is a note to indicate the risk treatment option, which is assessed annually. A new valuation of CTS was received from the City.	
						Continual budget monitoring.	70%								
						Insurance coverage of the Stadium	70%								
						Monitoring and review of operational risks	70%								
8	Total destruction of the stadium infrastructure to the degree that service delivery would be affected	CITY OF HOPE: 16 A capable and collaborative City Government CITY OF HOPE: PUBLIC SPACE, ENVIRONMENT AND AMENITIES: 11 Quality and safe parks and recreation facilities supported by community partnerships	• Reputational damage • Delays / cessation of service delivery • Financial / revenue impact • City may decide to demolish and find alternate strategy / CTS to be liquidated	8.1	Force majeure	City to cover the shortfall until CTS is back in business	60%	7	2	14	ACCEPT: Risk/contributing factor accepted with the adherence to established controls, the risk falls within the limits of the Risk Acceptance Level (RAL)	2023/06/30	100%	[Nicola Jane Anderson - 2022/11/07 09:07] This is a note to indicate the risk treatment option, which is assessed annually. A new valuation of CTS was received from the City.	
						Insurance coverage of the Stadium	70%								
Disclaimer: Cape Town Stadium (RF) SOC LTD is responsible and accountable for risk management. IRM's responsibilities are limited to the facilitation of the risk identification, assessment and treatment processes. Risks assessed with a rating below the approved risk acceptance level remain the responsibility of the risk owner and should not be regarded as "inferior risks". These require management actions but will not be monitored during IRM processes.													Abbreviations & Definitions:		
Sign-off serves as a certification that inter alia: - Contributing Factors which are accepted implies that the existing controls will be maintained; - Risks were not manipulated in any manner and / or omitted on purpose; - Reasonable assurance can be provided that key risks have been identified; - "SMART" actions were developed taking into consideration accountability; sustainability and systems to facilitate action implementation. - Sufficient resources are available to implement actions developed.													ATA - Anchor Tenant Agreement CTS - Cape Town Stadium (RF) SOC LTD DHL - DHL Stadium IA - Internal Audit IRM - Integrated Risk Management WPRU - Western Province Rugby Union		
Risk Owner:	Lesley de Reuck Digitally signed by Lesley de Reuck Date: 2022.12.14 09:11:01 +02'00'														
Signature:															
Date:															