

REPORT TO: EXECUTIVE MAYOR

1. ITEM NUMBER

2. SUBJECT

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ONDERWERP

HALFJAARLIKSE BEGROTING EN PRESTASIE-EVALUERING VIR 2023/24

ISIHLOKO

**UHLAHLO-LWABIWO-MALI LOMBINDI WONYAKA LUKA-2023/24 NOVAVANYO
LOKUSEBENZA**

[E0264]

3. DELEGATED AUTHORITY

In terms of delegation

This report is for DECISION AND FOR NOTING BY

☐ **Committee name :**

☒ The Executive Mayor together with the Mayoral Committee (MAYCO)

☐ Council

4. DISCUSSION

Section 72 of the Municipal Finance Management Act (MFMA) requires the accounting officer of a municipality to assess the municipality's performance for the first half of the financial year by 25 January of each year. Specific matters are to be reviewed and reported to the mayor of the municipality as well as National- and Provincial Treasury.

This report presents budget and performance outcomes stemming from the mid-year budget and performance assessment and recommends a 2023/24 adjustments budget as provided for in the MFMA.

- 4.1. Financial Implications ☒ None ☐ Opex ☐ Capex
☐ Capex: New Projects
☐ Capex: Existing projects requiring additional funding
☐ Capex: Existing projects with no Additional funding requirements

4.2. Policy and Strategy ☐ Yes ☒ No

4.3. Legislative Vetting ☐ Yes ☒ No

4.4. Legal Implications ☐ Yes ☒ No

4.5. Staff Implications ☐ Yes ☒ No

4.6. Risk Implications ☐ Yes The risks for approving and/or not approving the recommendations are listed below:

☒ No Report is for decision and has no risk implications.

☐ No Report is for noting only and has no risk implications.

4.7. POPIA Compliance ☒ Yes It is confirmed that this report has been checked and considered for POPIA compliance.

5 RECOMMENDATIONS

Delegated: for decision by the Executive Mayor

It is recommended that:

- a. The mid-year budget and performance assessment report be considered and submitted to Council in terms of Section 54 and 72 of the MFMA.
- b. An adjustments budget (January 2024 adjustments budget) be proposed based on the financial outcomes indicated in annexure A to this report.

AANBEVELINGS

Gedelegeer: vir besluitneming deur die uitvoerende burgemeester:

Daar word aanbeveel dat:

- a. Oorweging geskenk word aan die halfjaarlikse begrotings- en prestasie-assesseringsverslag en dit ingevolge artikel 54 en 72 van die MFMA aan die Raad voorgelê word.
- b. 'n Aansuiweringsbegroting (Januarie 2024-aansuiweringsbegroting) voorgestel word wat gegrond is op die finansiële uitkomste aangetoon in bylae A by hierdie verslag.

IZINDULULO

Zigunyazisiwe: Isigqibo sesikaSodolophu wesiGqeba

Kundululwe ukuba:

- a. Makuqwalasele ingxelo engohlahlo-lwabiwo-ma lombindi wonyaka novavanyo lokusebenza ize ingeniswe kwiBhunga ngokungqinelana necandelo 54 necandelo 72 oMthetho ojongene noLawulo lweeMali zikaMasipala.
- b. Makuphakanyiswe uhlahlo-lwabiwo lolungelelaniso (uhlahlo-lwabiwo-mali lolungelelaniso eyoMqungu 2024) ngokusekelezwe kwiziphumo zemali ezibonakaliswe kwisihlomelo A esiqhotyoshelwe kule ngxelo

ANNEXURES

Annexure A – 2023/24 Mid-year Budget and Performance Assessment

FOR FURTHER DETAILS CONTACT

NAME	CARL STROUD	CONTACT NUMBER	082 922 8990
E-MAIL ADDRESS	CARLWILLIAM.STROUD@CAPETOWN.GOV.ZA		
DIRECTORATE	FINANCE	FILE REF No	CV 1571
SIGNATURE : DIRECTOR	<div></div>		

Making progress possible. Together.

CHIEF FINANCIAL OFFICER

NAME KEVIN JACOBY

COMMENT:

DATE

SIGNATURE

THE ED'S SIGNATURE REPRESENTS SUPPORT FOR REPORT CONTENT AND CONFIRMS POPIA COMPLIANCE

MAYORAL COMMITTEE MEMBER

NAME CLLR SISEKO MBANDEZI

COMMENT:

DATE

SIGNATURE

LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME

COMMENT:

DATE

SIGNATURE

Certified as legally compliant based on the content of the report.

Note: For consideration by the Executive Mayor together with the Members of the Mayoral Committee.

Making progress possible. Together.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

JANUARY 2024

CONTENTS

PART 1 - REPORT OF THE EXECUTIVE MAYOR.....	1
PART 2 – FINANCIAL PERFORMANCE.....	8
PART 3 - SERVICE DELIVERY PERFORMANCE	19
PART 4 – RECOMMENDATIONS.....	22
PART 5 – QUALITY CERTIFICATE.....	23

LIST OF ANNEXURES

- ANNEXURE 1.1: 2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW - CITY OF CAPE TOWN
- ANNEXURE 1.2: 2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW - CAPE TOWN STADIUM
- ANNEXURE 1.3: 2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW - CAPE TOWN INTERNATIONAL CONVENTION CENTRE
- ANNEXURE 2.1: 2023-2024 CORPORATE SCORECARD - CITY OF CAPE TOWN - TARGETS (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.2: 2023-2024 CORPORATE SCORECARD - CITY OF CAPE TOWN - DEFINITIONS (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.3: 2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.4: 2023-2024 MFMA CIRCULAR 88 OUTCOME SCORECARD (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.5: 2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD - ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.6: 2023-2024 MFMA CIRCULAR 88 COMPLIANCE SCORECARD - ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 2.7: 2023-2024 MFMA CIRCULAR 88 OUTCOME SCORECARD - ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 3.1: 2023-2024 CORPORATE SCORECARD - CAPE TOWN STADIUM (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 3.2: 2023-2024 CORPORATE SCORECARD - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (2023-2024 MID-YEAR REVIEW)
- ANNEXURE 4: CAPE TOWN STADIUM - 2023/2024 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT
- ANNEXURE 5: CAPE TOWN INTERNATIONAL CONVENTION CENTRE - 2023/2024 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

City – City of Cape Town

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

CTICC - Cape Town International Convention Centre

CTS – Cape Town Stadium

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

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

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

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

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

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

MBRR – Municipal Budget Reporting Regulations

MCCR – Municipal Cost Containment Regulations

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

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

NT – National Treasury

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

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

SDBIP – Service Delivery and Budget Implementation Plan

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

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

WCG – Western Cape Government

PART 1 - REPORT OF THE EXECUTIVE MAYOR¹

1. Mayor's Report

1.1. High level assessment of MFMA S71 statements for the first half of 2023/24

1.1.1. Against annual budget (latest adjustments budget)

Revenue by Source

Current revenue² amounts to R30 892 million, which is 2.5% or R759,7 million more than the year-to-date budget projection for December 2023.

The over-recovery is a combination of over-/under-recovery and reflects on the following categories within the revenue budget:

- **Service charges - electricity revenue (R71,5 million over-recovery)**
The variance is due to an increase in sales because of lower load-shedding levels. Unpredictable stages of load-shedding makes budgeting difficult.
- **Service charges - water (R190,99 million over-recovery)**
The variance is due to service charges for water sales in the domestic full, domestic cluster, and industrial/commercial category being slightly higher than anticipated to date.
- **Sale of Goods and Rendering of Services (R48,3 million over-recovery)**
The variance is a combination reflects on the following items:
 - Recoveries of Operational Expenditure, relating to the settlement where the City was successful in its litigation against the contractors of the Cape Town Stadium for inflating prices at the time.
 - Fire Fees, as a result of prolonged fire incidences i.e. the Batavia boat fire, and vegetation fires within the metropole.
 - Building Levies/Scrutiny Fees, where building-related revenue is dependent on the construction industry, which fluctuates constantly and is difficult to predict.
- **Interest from Current and Non Current Assets (R178,8 million over-recovery)**
The variance reflects mainly against the following items:
 - Interest Received: Short Term and Call fixed deposits, as a result of higher interest rates offered on investments; and
 - Interest Received - Allocation to Donors, due to higher than anticipated interest rates resulting in higher interest earned on unspent conditional funds.

¹ Prepared as per MFMA Section 54 (1)

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

- **Operational Revenue (R55,6 million over-recovery)**

The variance is mainly on the following items:

- Development Contribution/Levy & BICL, where revenue is dependent on property development and is currently higher than planned; and
- Collection Charges Recovered, due to an increase in the number of customers handed over for outstanding debt.

- **Fines, penalties and forfeits (R533,8 million over-recovery)**

The variance reflects mainly on the following items:

- Fines - Traffic Fine Accruals, due to an increase in the number of traffic fines issued by enforcement officers during various operations.
- Traffic Fine income, due to increased visibility and focussed operations, and roadshows enabling easier payment and methods of resolution of outstanding fines.

- **Other Gains (R347,5 million under-recovery)**

The variance is mainly on Inventory consumed: Price Adj B/Water and R/Water, as a result of a delay in revenue recognition due to the latest accounts from the National Department of Water & Sanitation being disputed by the City.

Operating expenditure by type

Current expenditure³ amounts to R26 726 million, which is 3.2% or R891,8 million less than the year-to-date budget projection for December 2023.

The under expenditure is the combined result of over-/under expenditure on the following categories within the expenditure budget:

- **Employee Related Costs (R499,3 million under expenditure)**

The variance is mainly due to the turnaround time in filling vacancies, internal filling of vacancies, and slower than planned implementation of job creation projects (EPWP).

- **Bulk purchases - electricity (R193,3 million under expenditure)**

The variance is due to a change in the Eskom monthly billing cycle, which has resulted in the loss of three billing days. This will not be recovered in the current financial year. In addition, an increase in sales is being experienced due to lower load-shedding levels. It is expected that the under expenditure will reduce in line with the growth on sales. Unpredictable stages of load-shedding makes budgeting difficult.

³ Refer Table C4 – Total expenditure by type

- **Inventory Consumed (R228,2 million under expenditure)**

The variance reflects against the following subcategories:

- Inventory consumed: Bulk and Reticulation Water (under), as the latest accounts from the National Department of Water & Sanitation is being disputed by the City.
- Cleansing Related Costs (under), due to a change in classification of the purchase of plastic bags from this GL account to Materials Consumables Tools & Equipment.
- Labour to operating recoveries (under), due to outstanding recoveries within the Facilities Management- and Fleet Management Department. It should be noted that the Facilities Management Department is undergoing a restructuring process, which is negatively impacting the staff capacity to process these recoveries.

- **Debt Impairment (R230,9 million under expenditure)**

The variance reflects on Bad Debts Written off, and Transferred to Provision for Bad Debts as a result of higher than planned irrecoverable debt written off on property rates, electricity, and water and sanitation.

- **Interest (R59,6 million under expenditure)**

The variance is due to misalignment of the period budget provision and actuals to date. The planned take-up of the loan to fund the capital programme, will be in the last quarter of the current financial year.

- **Contracted Services (R131,7 million over expenditure)**

The variance is due to over expenditure in the following subcategories:

- Professional Services Engineering – Civil, and Advisory Services - Quality Control, where expenditure was incorrectly posted against City funds instead of grant funding.
- Laboratory Services, and G&D Laboratory Services - Medical, due to misalignment of the period budget with actual expenditure trends.
- Building Contractors, where capital expenditure was incorrectly captured against operational funds.
- Collection Fees, where more payments were made to lawyers than initially expected for legal actions initiated against customers who failed to pay their municipal accounts.
- R&M contracted Services - Building, due to:
 - Unexpected structural inspection requirements, and an increase in theft and vandalism at buildings;
 - Projects running ahead of planned schedule as a result of good contractor performance;
 - Faster than anticipated progress on major road resurfacing projects; and
 - d) Some repair work at the Urban Waste Woodstock Depot being completed earlier than anticipated.

- R&M Maintenance of Equipment, due to a number of emergency equipment repairs and major services required at some wastewater plants, maintenance work at pump stations identified in the conditional assessments, and the earlier than anticipated repairs and maintenance work done at Steenbras Dam.
- Security Services Municipal Facilities, due to an increase in demand for security services at various municipal facilities.
- **Irrecoverable debts written off (R235,9 million over expenditure)**
The variance is because of more than planned irrecoverable debt being written off on property rates, electricity, and water and sanitation.
- **Other losses (R33,2 million under expenditure)**
The variance is due to the latest accounts from the National Department of Water & Sanitation being disputed by the City.

Capital expenditure

Year-to-date expenditure amounts to R3 515 million (Dec 2022: R2 165 million) or 31.0% (Dec 2022: 27.9%) of the current budget of R11 322 million, which 3.1% more when comparing expenditure against budget for the same period last year.

Year-to-date expenditure as a percentage of the original budget of R10 988 million (approved in May 2023) amounts to 32.0%.

The year-to-date expenditure was funded by means of capital transfers recognised i.e. national- and provincial government, and public contributions and donations (41.7%), borrowings (26.9%) and internally generated funds (20.3%).

Reasons for material positive variances in capital expenditure:

- Satisfactory professional service provider and contractor performance resulting in work progressing ahead of schedule on various projects and programmes;
- Earlier than originally anticipated finalisation of various land acquisitions; and
- Goods delivered earlier than anticipated due to stock availability e.g. IT equipment, furniture, vehicles etc.

Reasons for under expenditure on various capital projects and programmes:

- Some payment certificates for December 2023 are still outstanding or received after month-end;
- Delays in obtaining wayleaves and work permits to access sites;
- Initial delays attributed to finalisation of the addendum for tender 049G/2022/23;
- Delays due to extortion;
- Excavation of hard rock;
- Delayed delivery of a standby generator due to shipping issues;

- Activation delays of works contracts on a few projects stemming from additional administrative requirements, which the contractors took longer than expected to resolve;
- Initial delays in the appointment of a contractor and consultant;
- Specialised nature of infrastructure required;
- Late submission of quotations or awaiting revised quotations from contractors;
- Lengthy stakeholder involvement in determining the priority list for various pool redevelopments;
- Public participation engagements taking longer than anticipated;
- Approval of submitted building plan taking longer than anticipated;
- Site handover took place later than anticipated due to health and safety concerns;
- Initial delays due to an outstanding land reservation application;
- Halted appointment of the electrical contractor due to termination of the construction contractor;
- Tender-related technicalities;
- Certain funds not needed following the merger of the Combined Assurance & Governance Department, and Internal Audit Department in August 2023;
- Some property acquisitions not being actualised in the current financial year;
- Initial delays due the late appointment of the civils contract via tender 195Q/2022/23 resulting in the late receipt of the contractual documents as well as the subpar quality of contractual documents received from the contractor;
- Contractor capacity constraints;
- Awaiting a second opinion to determine the way forward on the detail design after an Engineer's report recommended demolition of a structure;
- Poor contractor performance;
- Decanting and late receipt of a construction permit from the Department of Labour;
- Safety issues on site resulting in the contractors moving off-site and indicating that they are no longer willing to work in the area;
- Long lead-time on highly technical equipment imported from overseas;
- Delay in activation of works contracts arising from additional mandatory administrative requirements,
- Time delays due to inaccurate Eskom wayleaves; and
- Unforeseen geotechnical conditions.

Cash Flow

The City's cash reserves have consistently maintained their strength, even in light of a portion being utilised to finance the capital programme. The extent to which it could fund the capital programme in the outer years would have to be assessed by conducting a thorough evaluation as we move forward.

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

The 2023/24 City's mid-year corporate performance assessed as at 31 December 2023 is included as Annexure 1.1 to this report.

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

1.3. 2022/23 Annual Report

The problems identified during the previous year's annual report have, where relevant, been taken into account. Unresolved problems are being followed up, and corrective action implemented where possible.

The City has, as per recommendation from the Audit-General of South Africa (AGSA) and as a result of mid-year target amendments resulting from budget-related adjustments, updated the City's Corporate Scorecard and National Treasury (NT) MFMA Circular 88 scorecards in the mid-year adjustments process, where possible. Refer Annexure 2.1 to 2.4.

Circular 88 indicators have also been aligned to NT MFMA Circular 88, Addendum 4 provision 4.2, which states that *'Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved'*. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to NT and the AGSA until the indicators are audit ready. Refer Annexure 2.5 to 2.7

The AGSA's report is included in the 2022/2023 Integrated Annual Report and will be tabled at Council as per MFMA Section 127 to Section 129.

1.4. Municipal Entities

Cape Town Stadium (CTS)

The CTS's mid-year review and performance assessment for the period 1 July 2023 to 31 December 2023 is reported in Annexure 4 to this report.

The entity's 2023/2024 Corporate Scorecard as at 31 December 2023 is included as Annexure 1.2 to this report.

The CTS's mid-year amendments to targets as a result of budget-related adjustments are included in Annexure 3.1 to this report.

The entity's 2022/2023 Annual Report will be tabled at Council as per MFMA Section 127 to Section 129.

Cape Town International Convention Centre (CTICC)

The CTICC's mid-year review and performance assessment for the period 1 July 2023 to 31 December 2023 is reported in Annexure 5 to this report.

The entity's 2023/2024 Corporate Scorecard as at 31 December 2023 is included as Annexure 1.3 to this report.

The CTICC's mid-year amendments to targets as a result of budget-related adjustments are included in Annexure 3.2 to this report.

The entity's 2022/2023 Annual Report will be tabled at Council as per MFMA Section 127 to Section 129.

2. Conclusion

The mid-year budget and performance assessment indicates that:

- a) An adjustments budget for 2023/24 is required and this adjustments budget must be approved by Council by no later than 28 February 2024; and
- b) The revised SDBIP, which forms the basis for the mid-year review and performance assessment, must include adjustments resulting from the adjustments budget and must be approved by Council.

PART 2 – FINANCIAL PERFORMANCE

The tables below were extracted from the December 2023 (M06 2024) in-year monthly budget statement (Section 71 report). Full year forecasts were revised as part of the mid-year review and performance assessment. Revised forecasts will inform the adjustments budget tabled at Council for approval.

Table C1: Monthly Budget Statement - Summary

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

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	11 245 429	11 857 238	11 857 238	5 950 175	5 928 619	21 556	0.4%	11 857 238
Service charges	23 723 808	27 821 663	27 821 663	14 293 972	14 049 923	244 049	1.7%	27 968 145
Investment revenue	1 447 418	1 193 514	1 193 514	774 945	596 180	178 765	30.0%	1 369 275
Transfers and subsidies - Operational	6 221 933	6 809 560	6 814 943	4 111 701	4 133 359	(21 658)	-0.5%	6 817 914
Other own revenue	11 480 579	10 948 944	10 948 944	5 760 716	5 423 711	337 005	6.2%	12 237 218
Total Revenue (excluding capital transfers and contributions)	54 119 167	58 630 919	58 636 302	30 891 509	30 131 792	759 717	2.5%	60 249 789
Employee costs	15 261 344	18 392 798	18 362 285	8 846 377	9 345 717	(499 340)	-5.3%	18 427 730
Remuneration of Councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
Depreciation and amortisation	3 259 524	3 493 165	3 493 165	1 717 585	1 734 984	(17 399)	-1.0%	3 549 360
Interest	772 433	945 367	939 402	391 748	451 347	(59 599)	-13.2%	903 154
Inventory consumed and bulk purchases	17 498 594	20 048 940	20 060 423	8 567 910	8 989 387	(421 477)	-4.7%	20 754 124
Transfers and subsidies	377 101	371 815	386 465	161 789	170 868	(9 079)	-5.3%	415 050
Other expenditure	15 182 487	15 648 940	15 676 874	6 950 556	6 836 151	114 405	1.7%	16 393 076
Total Expenditure	52 527 548	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/(Deficit)	1 591 619	(461 007)	(473 097)	4 165 814	2 514 320	1 651 493	65.7%	(383 489)
Transfers and subsidies - capital (monetary allocations)	2 104 107	2 776 159	2 700 031	1 125 536	1 070 134	55 403	5.2%	2 818 595
Transfers and subsidies - capital (in-kind)	7 714	–	–	40	–	40	100.0%	–
Surplus/(Deficit) after capital transfers & contributions	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106
Capital expenditure & funds sources								
Capital expenditure	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Capital transfers recognised	2 175 965	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 818 595
Borrowing	1 758 326	6 500 000	6 500 000	1 745 884	1 967 802	(221 918)	-11.3%	3 500 000
Internally generated funds	2 994 615	1 711 530	2 122 090	643 745	692 431	(48 686)	-7.0%	4 947 703
Total sources of capital funds	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Financial position								
Total current assets	20 896 564	20 198 576	20 809 631	23 775 684				20 279 550
Total non current assets	66 030 086	73 577 453	73 973 842	64 739 366				72 509 537
Total current liabilities	12 957 911	14 130 363	15 165 024	9 681 110				15 462 002
Total non current liabilities	12 244 597	17 802 712	17 802 712	12 031 527				13 167 837
Community wealth/Equity	61 724 142	61 842 954	61 815 736	66 802 413				64 159 248
Cash flows								
Net cash from (used) operating	6 108 065	6 256 640	6 166 363	3 849 976	3 482 787	(367 188)	-10.5%	6 183 487
Net cash from (used) investing	(7 050 265)	(10 017 881)	(10 352 313)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(10 182 088)
Net cash from (used) financing	757 838	4 851 848	4 851 848	(242 947)	(309 614)	(66 667)	21.5%	1 844 114
Cash/cash equivalents at the month/year end	8 110 781	8 545 973	8 776 678	7 705 607	6 717 347	(988 260)	-14.7%	5 956 294
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	121-150 Dys	151-180 Dys	181 Dys-1 yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	2 822 039	326 212	287 755	201 887	138 052	1 139 655	4 949 355	9 978 148
Creditors Age Analysis								
Total Creditors	920	–	–	–	–	–	–	920

Table C2: Monthly Budget Statement - Financial Performance (standard classification)⁴

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

Description R thousands	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	18 471 470	18 796 863	18 778 930	10 476 709	10 127 407	349 303	3.4%	19 202 812
Executive and council	188	355	355	1 175	178	998	562.1%	355
Finance and administration	18 471 283	18 796 504	18 778 572	10 475 526	10 127 227	348 299	3.4%	19 202 454
Internal audit	(0)	3	3	8	2	6	374.5%	3
Community and public safety	4 630 164	3 884 540	3 859 063	2 349 541	1 795 584	553 957	30.9%	4 574 919
Community and social services	111 823	132 827	121 527	58 517	62 221	(3 704)	-6.0%	117 824
Sport and recreation	56 057	85 892	70 892	21 994	26 557	(4 563)	-17.2%	67 932
Public safety	2 425 201	1 677 234	1 677 234	1 358 759	847 898	510 861	60.3%	2 341 278
Housing	1 598 956	1 521 459	1 522 282	750 951	650 680	100 271	15.4%	1 580 758
Health	438 127	467 127	467 127	159 321	208 228	(48 907)	-23.5%	467 127
Economic and environmental services	2 377 553	3 182 528	3 148 693	1 301 605	1 319 386	(17 781)	-1.3%	3 094 002
Planning and development	637 977	767 387	763 892	320 333	351 441	(31 107)	-8.9%	677 662
Road transport	1 689 735	2 358 257	2 327 916	958 640	945 734	12 906	1.4%	2 352 956
Environmental protection	49 841	56 884	56 884	22 631	22 211	420	1.9%	63 384
Trading services	30 750 077	35 537 591	35 544 091	17 888 131	17 956 771	(68 640)	-0.4%	36 191 093
Energy sources	16 879 848	20 234 590	20 241 090	10 545 658	10 434 710	110 948	1.1%	20 246 424
Water management	8 732 166	9 703 941	9 703 941	4 258 272	4 407 380	(149 108)	-3.4%	10 321 355
Waste water management	3 231 115	3 557 952	3 557 952	1 972 362	1 966 215	6 148	0.3%	3 558 036
Waste management	1 906 949	2 041 107	2 041 107	1 111 839	1 148 467	(36 628)	-3.2%	2 065 278
Other	1 723	5 557	5 557	1 099	2 779	(1 680)	-60.5%	5 557
Total Revenue - Functional	56 230 987	61 407 079	61 336 333	32 017 085	31 201 925	815 159	2.6%	63 068 384
Expenditure - Functional								
Governance and administration	9 591 272	2 882 260	2 886 252	1 949 440	1 268 667	680 773	53.7%	3 201 164
Executive and council	538 114	167 299	127 332	62 258	59 049	3 209	5.4%	180 283
Finance and administration	8 997 935	2 711 654	2 755 612	1 887 202	1 207 074	680 128	56.3%	3 017 487
Internal audit	55 223	3 307	3 307	(20)	2 544	(2 564)	-100.8%	3 395
Community and public safety	9 929 739	13 971 690	13 991 116	6 327 711	6 616 707	(288 995)	-4.4%	14 426 580
Community and social services	996 675	2 005 124	2 006 303	893 367	969 265	(75 898)	-7.8%	1 987 398
Sport and recreation	1 153 573	2 167 225	2 169 897	931 952	1 036 939	(104 987)	-10.1%	2 045 200
Public safety	4 747 814	5 563 842	5 566 258	2 553 030	2 705 344	(152 313)	-5.6%	6 233 117
Housing	1 521 826	2 421 778	2 439 653	1 121 893	1 088 871	33 022	3.0%	2 379 285
Health	1 509 850	1 813 721	1 809 005	827 469	816 288	11 182	1.4%	1 781 580
Economic and environmental services	5 597 439	7 485 576	7 479 752	3 370 289	3 520 428	(150 139)	-4.3%	7 472 079
Planning and development	1 548 181	2 110 499	2 105 980	925 713	961 859	(36 145)	-3.8%	1 999 873
Road transport	3 809 483	4 922 573	4 921 235	2 266 863	2 349 704	(82 841)	-3.5%	5 021 061
Environmental protection	239 775	452 504	452 537	177 713	208 865	(31 152)	-14.9%	451 145
Trading services	27 296 165	34 539 177	34 539 018	14 983 698	16 102 506	(1 118 808)	-6.9%	35 332 182
Energy sources	14 445 463	19 593 739	19 594 406	9 095 587	9 345 246	(249 659)	-2.7%	19 601 102
Water management	7 320 809	8 486 521	8 484 176	3 300 384	3 726 037	(425 653)	-11.4%	9 001 523
Waste water management	2 744 691	4 624 291	4 625 810	2 106 084	2 183 417	(77 332)	-3.5%	4 781 688
Waste management	2 785 202	1 834 627	1 834 626	481 643	847 807	(366 164)	-43.2%	1 947 870
Other	112 933	213 236	213 262	94 556	109 163	(14 607)	-13.4%	201 273
Total Expenditure - Functional	52 527 548	59 091 939	59 109 399	26 725 695	27 617 472	(891 777)	-3.2%	60 633 278
Surplus/ (Deficit) for the year	3 703 440	2 315 140	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106

⁴ As per GFS classification, Trading Services expenditure above excludes Street lighting provisions (included with Community and public safety).

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

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

Vote Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - Community Services & Health	943 789	1 066 916	1 036 853	421 648	484 340	(62 692)	-12.9%	1 019 572
Vote 2 - Corporate Services	73 774	68 240	68 160	35 203	33 988	1 215	3.6%	66 204
Vote 3 - Economic Growth	304 489	260 479	260 479	124 734	91 902	32 831	35.7%	403 585
Vote 4 - Energy	16 730 867	20 053 062	20 059 562	10 409 435	10 298 524	110 911	1.1%	20 064 896
Vote 5 - Finance	17 724 548	18 055 431	18 043 341	10 175 621	9 851 765	323 857	3.3%	18 272 254
Vote 6 - Future Planning & Resilience	62 339	66 041	66 041	19 920	20 117	(197)	-1.0%	66 043
Vote 7 - Human Settlements	1 598 777	1 521 097	1 521 920	750 945	650 499	100 446	15.4%	1 637 174
Vote 8 - Office of the City Manager	1 928	865	865	1 250	219	1 031	471.5%	863
Vote 9 - Safety & Security	2 470 075	1 750 229	1 750 229	1 386 565	888 881	497 684	56.0%	2 414 092
Vote 10 - Spatial Planning & Environment	581 500	689 847	689 847	313 146	321 000	(7 853)	-2.4%	654 156
Vote 11 - Urban Mobility	1 759 537	2 418 941	2 406 600	1 007 793	976 076	31 717	3.2%	2 445 140
Vote 12 - Urban Waste Management	1 988 560	2 171 545	2 148 050	1 129 889	1 201 938	(72 049)	-6.0%	2 116 141
Vote 13 - Water & Sanitation	11 990 805	13 284 385	13 284 385	6 240 935	6 382 677	(141 742)	-2.2%	13 908 264
Total Revenue by Vote	56 230 987	61 407 079	61 336 333	32 017 085	31 201 925	815 159	2.6%	63 068 383
Expenditure by Vote								
Vote 1 - Community Services & Health	3 954 168	4 649 423	4 649 424	1 987 762	2 057 921	(70 160)	-3.4%	4 534 859
Vote 2 - Corporate Services	3 282 475	3 823 449	3 823 369	1 753 171	1 725 086	28 084	1.6%	3 750 256
Vote 3 - Economic Growth	657 251	660 768	660 768	327 181	346 085	(18 904)	-5.5%	684 976
Vote 4 - Energy	14 663 555	17 283 637	17 283 637	7 966 822	8 214 694	(247 872)	-3.0%	17 307 588
Vote 5 - Finance	2 745 384	3 560 189	3 560 189	1 763 877	1 828 686	(64 809)	-3.5%	3 757 298
Vote 6 - Future Planning & Resilience	442 723	511 532	511 532	234 582	235 335	(754)	-0.3%	557 168
Vote 7 - Human Settlements	1 533 696	1 625 949	1 646 997	763 426	713 399	50 026	7.0%	1 612 668
Vote 8 - Office of the City Manager	430 107	483 062	483 063	245 672	246 586	(914)	-0.4%	490 564
Vote 9 - Safety & Security	5 540 354	5 337 665	5 337 665	2 577 697	2 584 156	(6 459)	-0.2%	6 034 980
Vote 10 - Spatial Planning & Environment	1 278 565	1 560 435	1 560 435	680 504	702 407	(21 903)	-3.1%	1 507 983
Vote 11 - Urban Mobility	3 824 979	4 210 184	4 210 184	2 005 726	2 008 027	(2 301)	-0.1%	4 353 707
Vote 12 - Urban Waste Management	3 404 834	3 628 740	3 625 244	1 564 404	1 708 334	(143 931)	-8.4%	3 615 665
Vote 13 - Water & Sanitation	10 769 455	11 756 893	11 756 892	4 854 874	5 246 754	(391 880)	-7.5%	12 425 566
Total Expenditure by Vote	52 527 548	59 091 928	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/ (Deficit) for the year	3 703 440	2 315 151	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 105

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

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

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	16 384 191	19 681 713	19 681 713	10 161 848	10 080 326	81 522	0.8%	19 681 652
Service charges - Water	3 997 156	4 437 689	4 437 689	2 339 539	2 148 553	190 986	8.9%	4 579 473
Service charges - Waste Water Management	2 033 263	2 278 048	2 278 048	1 113 105	1 108 937	4 168	0.4%	2 311 393
Service charges - Waste management	1 309 198	1 424 214	1 424 214	679 479	712 107	(32 627)	-4.6%	1 395 627
Sale of Goods and Rendering of Services	602 839	604 307	604 307	353 057	304 789	48 268	15.8%	608 999
Agency services	276 684	285 197	285 197	137 414	142 598	(5 184)	-3.6%	285 197
Interest	—	—	—	—	—	—	—	—
Interest earned from Receivables	288 014	286 756	286 756	159 098	143 378	15 720	11.0%	293 710
Interest from Current and Non Current Assets	1 447 418	1 193 514	1 193 514	774 945	596 180	178 765	30.0%	1 369 275
Dividends	—	—	—	—	—	—	—	—
Rent on Land	—	—	—	—	—	—	—	—
Rental from Fixed Assets	420 355	399 883	399 883	219 670	192 346	27 324	14.2%	432 907
Licence and permits	353	185	185	180	93	88	94.7%	185
Operational Revenue	423 249	351 785	351 785	227 684	172 043	55 641	32.3%	367 731
Non-Exchange Revenue								
Property rates	11 245 429	11 857 238	11 857 238	5 950 175	5 928 619	21 556	0.4%	11 857 238
Surcharges and Taxes	316 181	365 452	365 452	186 374	182 726	3 648	2.0%	365 452
Fines, penalties and forfeits	1 984 419	1 251 676	1 251 676	1 159 237	625 445	533 792	85.3%	1 903 535
Licence and permits	45 632	76 655	76 655	22 630	38 327	(15 698)	-41.0%	71 292
Transfers and subsidies - Operational	6 221 933	6 809 560	6 814 943	4 111 701	4 133 359	(21 658)	-0.5%	6 817 914
Interest	124 173	89 165	89 165	66 162	44 582	21 580	48.4%	89 165
Fuel Levy	2 666 726	2 639 290	2 639 290	1 759 526	1 759 526	—	—	2 639 290
Operational Revenue	86 691	—	—	—	—	—	—	—
Gains on disposal of Assets	—	59 393	59 393	5 674	6 307	(633)	-10.0%	173 795
Other Gains	4 245 264	4 539 200	4 539 200	1 464 010	1 811 550	(347 540)	-19.2%	5 005 958
Discontinued Operations	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)	54 119 167	58 630 919	58 636 302	30 891 509	30 131 792	759 717	2.5%	60 249 789
Expenditure By Type								
Employee related costs	15 261 344	18 392 798	18 362 285	8 846 377	9 345 717	(499 340)	-5.3%	18 427 730
Remuneration of councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
Bulk purchases - electricity	11 812 158	14 099 100	14 099 100	6 388 806	6 582 089	(193 283)	-2.9%	14 098 442
Inventory consumed	5 686 436	5 949 840	5 961 323	2 179 104	2 407 298	(228 194)	-9.5%	6 655 682
Debt impairment	854 246	2 321 520	2 321 520	929 818	1 160 744	(230 926)	-19.9%	2 923 730
Depreciation and amortisation	3 259 524	3 493 165	3 493 165	1 717 585	1 734 984	(17 399)	-1.0%	3 549 360
Interest	772 433	945 367	939 402	391 748	451 347	(59 599)	-13.2%	903 154
Contracted services	8 913 196	9 313 712	9 321 894	3 981 674	3 849 949	131 726	3.4%	9 484 328
Transfers and subsidies	377 101	371 815	386 465	161 789	170 868	(9 079)	-5.3%	415 050
Irrecoverable debts written off	2 167 322	150 304	150 304	310 038	75 152	234 886	312.5%	206 459
Operational costs	2 759 913	3 302 869	3 322 388	1 537 674	1 525 742	11 932	0.8%	3 245 137
Losses on Disposal of Assets	37 655	754	988	652	691	(39)	-5.6%	2 184
Other Losses	450 154	559 781	559 781	190 700	223 873	(33 173)	-14.8%	531 239
Total Expenditure	52 527 548	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/(Deficit)	1 591 619	(461 007)	(473 097)	4 165 814	2 514 320	1 651 493	65.7%	(383 489)
Transfers and subsidies - capital (monetary allocations)	2 104 107	2 776 159	2 700 031	1 125 536	1 070 134	55 403	5.2%	2 818 595
Transfers and subsidies - capital (in-kind)	7 714	—	—	40	—	40	100.0%	—
Surplus/(Deficit) after capital transfers & contributions	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Income Tax	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Share of Surplus/Deficit attributable to Joint Venture	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106

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

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

Vote Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Community Services & Health	223 024	450 869	457 252	77 007	87 450	(10 443)	-11.9%	421 621
Vote 2 - Corporate Services	425 297	621 779	635 739	261 475	208 977	52 498	25.1%	689 175
Vote 3 - Economic Growth	46 144	91 520	92 886	13 912	19 298	(5 386)	-27.9%	93 615
Vote 4 - Energy	1 006 874	1 197 888	1 234 026	480 949	375 353	105 596	28.1%	1 218 331
Vote 5 - Finance	28 965	62 282	62 323	27 367	34 467	(7 100)	-20.6%	64 824
Vote 6 - Future Planning & Resilience	24 787	19 253	20 527	9 328	8 698	630	7.2%	20 124
Vote 7 - Human Settlements	881 608	780 455	769 205	378 099	284 884	93 216	32.7%	914 892
Vote 8 - Office of the City Manager	6 669	11 467	11 689	707	1 026	(319)	-31.1%	6 489
Vote 9 - Safety & Security	281 671	443 515	443 830	159 185	166 463	(7 277)	-4.4%	447 864
Vote 10 - Spatial Planning & Environment	224 417	368 360	403 612	103 879	146 310	(42 431)	-29.0%	323 868
Vote 11 - Urban Mobility	1 089 031	1 925 365	1 972 391	643 382	689 976	(46 594)	-6.8%	1 877 301
Vote 12 - Urban Waste Management	638 820	713 655	730 303	257 597	269 238	(11 642)	-4.3%	732 579
Vote 13 - Water & Sanitation	2 051 600	4 301 283	4 488 337	1 102 278	1 425 834	(323 556)	-22.7%	4 455 614
Total Capital Expenditure	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Capital Expenditure - Functional Classification								
Governance and administration	1 312 788	1 570 015	1 622 971	558 944	478 954	79 990	16.7%	1 770 955
Executive and council	4 557	1 676	3 386	707	642	65	10.2%	1 679
Finance and administration	1 308 153	1 564 181	1 615 407	558 150	478 312	79 838	16.7%	1 764 433
Internal audit	78	4 159	4 178	87	–	87	100.0%	4 842
Community and public safety	1 235 898	1 501 963	1 484 374	574 610	509 772	64 839	12.7%	1 523 038
Community and social services	61 847	98 550	89 453	22 416	31 164	(8 748)	-28.1%	75 533
Sport and recreation	75 102	307 321	292 841	45 823	67 071	(21 248)	-31.7%	278 681
Public safety	205 337	307 134	316 505	129 026	121 955	7 071	5.8%	294 477
Housing	859 239	761 558	753 299	369 182	278 517	90 665	32.6%	843 347
Health	34 373	27 400	32 277	8 163	11 066	(2 903)	-26.2%	31 000
Economic and environmental services	1 259 563	2 286 395	2 344 715	701 009	804 401	(103 392)	-12.9%	2 150 293
Planning and development	137 067	205 026	226 367	44 854	63 413	(18 559)	-29.3%	184 771
Road transport	1 001 530	1 854 510	1 880 371	588 800	648 056	(59 257)	-9.1%	1 771 241
Environmental protection	120 965	226 859	237 977	67 356	92 932	(25 576)	-27.5%	194 282
Trading services	3 120 273	5 619 194	5 869 440	1 680 407	1 924 394	(243 988)	-12.7%	5 821 391
Energy sources	1 003 581	1 181 388	1 217 526	478 459	374 353	104 105	27.8%	1 210 699
Water management	710 922	1 060 718	1 129 891	327 651	327 479	172	0.1%	1 181 025
Waste water management	1 059 944	2 980 384	3 096 618	695 799	1 057 364	(361 565)	-34.2%	3 022 936
Waste management	345 826	396 705	425 405	178 497	165 198	13 299	8.1%	406 731
Other	385	10 121	621	195	453	(258)	-57.0%	621
Total Capital Expenditure - Functional Classification	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Funded by:								
National Government	2 079 812	2 660 223	2 577 595	1 083 620	996 760	86 859	8.7%	2 694 001
Provincial Government	11 071	30 135	30 135	2 975	27 721	(24 746)	-89.3%	30 292
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	85 082	85 801	92 301	38 941	33 260	5 681	17.1%	94 302
Transfers recognised - capital	2 175 965	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 818 595
Borrowing	1 758 326	6 500 000	6 500 000	1 745 884	1 967 802	(221 918)	-11.3%	3 500 000
Internally generated funds	2 994 615	1 711 530	2 122 090	643 745	692 431	(48 686)	-7.0%	4 947 703
Total Capital Funding	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298

Table C6: Monthly Budget Statement - Financial Position

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

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	12 485 867	12 455 162	13 066 217	15 260 215	11 240 932
Trade and other receivables from exchange transactions	4 163 093	3 177 885	3 177 885	4 615 226	2 741 429
Receivables from non-exchange transactions	3 237 826	3 605 039	3 605 039	3 349 841	5 127 736
Current portion of non-current receivables	612	863	863	612	612
Inventory	483 155	466 401	466 401	536 438	473 520
VAT	526 010	493 226	493 226	13 351	695 320
Other current assets	–	–	–	–	–
Total current assets	20 896 564	20 198 576	20 809 631	23 775 684	20 279 550
Non current assets					
Investments	5 718 223	4 965 700	4 966 657	2 631 088	4 480 736
Investment property	576 107	574 433	574 433	576 107	574 433
Property, plant and equipment	58 990 743	67 340 917	67 755 235	60 788 162	66 857 978
Biological assets	–	–	–	–	–
Living and non-living resources	206	800	771	206	1 017
Heritage assets	10 268	11 108	10 358	10 268	10 268
Intangible assets	733 844	684 467	666 360	733 844	584 409
Trade and other receivables from exchange transactions	–	–	–	–	–
Non-current receivables from non-exchange transactions	695	28	28	(310)	695
Other non-current assets	–	–	–	–	–
Total non current assets	66 030 086	73 577 453	73 973 842	64 739 366	72 509 537
TOTAL ASSETS	86 926 650	93 776 029	94 783 472	88 515 050	92 789 087
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	1 718 820	2 966 423	2 966 423	1 718 820	2 763 357
Consumer deposits	439 733	549 440	549 440	429 404	439 733
Trade and other payables from exchange transactions	7 783 114	7 778 169	8 812 830	3 249 712	9 420 720
Trade and other payables from non-exchange transactions	826 752	610 716	610 716	2 032 268	648 700
Provision	1 709 921	1 811 108	1 811 108	1 704 519	1 709 921
VAT	479 571	414 507	414 507	546 387	479 571
Other current liabilities	–	–	–	–	–
Total current liabilities	12 957 911	14 130 363	15 165 024	9 681 110	15 462 002
Non current liabilities					
Financial liabilities	5 630 840	9 379 712	9 379 712	5 417 770	6 554 080
Provision	6 613 757	8 423 001	8 423 001	6 613 757	6 613 757
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–
Total non current liabilities	12 244 597	17 802 712	17 802 712	12 031 527	13 167 837
TOTAL LIABILITIES	25 202 508	31 933 075	32 967 737	21 712 637	28 629 839
NET ASSETS	61 724 142	61 842 954	61 815 736	66 802 413	64 159 248
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	56 727 512	57 605 312	57 691 893	62 222 219	59 567 630
Reserves and funds	4 996 630	4 237 642	4 123 842	4 580 194	4 591 618
Other	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	61 724 142	61 842 954	61 815 736	66 802 413	64 159 248

Table C7: Monthly Budget Statement - Cash Flow

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

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	11 245 429	11 774 525	11 774 525	6 301 890	6 260 261	41 628	0.7%	11 774 525
Service charges	24 295 205	27 337 481	27 337 481	13 651 601	13 737 754	(86 153)	-0.6%	27 117 104
Other revenue	3 182 072	4 591 781	4 591 781	3 680 279	3 694 734	(14 455)	-0.4%	4 630 246
Transfers and Subsidies - Operational	6 171 454	6 809 560	6 814 943	4 483 841	4 089 667	394 174	9.6%	6 817 914
Transfers and Subsidies - Capital	1 819 160	2 776 159	2 700 031	1 563 408	1 563 408	-	-	2 818 595
Interest	1 817 833	1 193 514	1 193 514	798 656	741 371	57 285	7.7%	1 369 275
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(41 655 977)	(47 117 237)	(47 120 214)	(26 256 340)	(26 051 801)	204 539	-0.8%	(47 196 426)
Interest	(767 111)	(737 329)	(737 329)	(361 165)	(471 164)	(109 999)	23.3%	(733 201)
Transfers and Subsidies	-	(371 815)	(388 371)	(12 194)	(81 442)	(69 248)	85.0%	(414 544)
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 108 065	6 256 640	6 166 363	3 849 976	3 482 787	(367 188)	-10.5%	6 183 487
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	133 778	59 393	59 393	-	-	-	-	173 795
Decrease (increase) in non-current receivables	5 974	863	863	-	-	-	-	863
Decrease (increase) in non-current investments	(518 278)	909 552	909 552	-	-	-	-	909 552
Payments								
Capital assets	(6 671 739)	(10 987 689)	(11 322 121)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(11 266 298)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(7 050 265)	(10 017 881)	(10 352 313)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(10 182 088)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 116 000	6 500 000	6 500 000	-	-	-	-	3 500 000
Increase (decrease) in consumer deposits	-	30 009	30 009	-	-	-	-	30 009
Payments								
Repayment of borrowing	(1 358 162)	(1 678 161)	(1 678 161)	(242 947)	(309 614)	(66 667)	21.5%	(1 685 895)
NET CASH FROM/(USED) FINANCING ACTIVITIES	757 838	4 851 848	4 851 848	(242 947)	(309 614)	(66 667)	21.5%	1 844 114
NET INCREASE/ (DECREASE) IN CASH HELD	(184 362)	1 090 606	665 897	(405 174)	(1 393 434)			(2 154 487)
Cash/cash equivalents at beginning:	8 295 143	7 455 368	8 110 781	8 110 781	8 110 781			8 110 781
Cash/cash equivalents at month/year end:	8 110 781	8 545 973	8 776 678	7 705 607	6 717 347			5 956 294

Debtors' Analysis

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

Table SC3 Monthly Budget Statement - Aged Debtors

Description	Budget Year 2023/24											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	637 182	87 364	82 111	63 569	56 729	45 472	299 134	1 574 511	2 846 071	2 039 414	–	–	
Trade and Other Receivables from Exchange Transactions - Electricity	876 265	75 916	66 858	70 380	36 496	16 701	96 497	468 741	1 707 853	688 815	–	–	
Receivables from Non-exchange Transactions - Property Rates	837 797	107 406	88 429	61 469	48 054	44 209	286 534	958 470	2 432 369	1 398 737	–	–	
Receivables from Exchange Transactions - Waste Water Management	258 482	43 235	37 436	28 222	21 975	19 743	127 968	599 729	1 136 791	797 637	–	–	
Receivables from Exchange Transactions - Waste Management	115 144	23 674	19 554	19 413	14 931	12 335	81 246	438 647	724 944	566 572	–	–	
Receivables from Exchange Transactions - Property Rental Debtors	82 677	11 080	(6 544)	14 960	14 620	14 861	97 120	743 035	971 809	884 596	–	–	
Interest on Arrear Debtor Accounts	82 968	37 551	35 443	36 479	33 427	31 455	178 200	395 407	830 929	674 967	–	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–	
Other	(68 476)	(60 013)	(35 532)	(181 299)	(24 344)	(46 724)	(27 044)	(229 185)	(672 617)	(508 596)	–	–	
Total By Income Source	2 822 039	326 212	287 755	113 193	201 887	138 052	1 139 655	4 949 355	9 978 148	6 542 142	–	–	
2022/23 - totals only	2 227 627	295 093	423 210	149 988	9 457	121 489	1 171 437	4 313 113	8 711 414	5 765 484	–	–	
Debtors Age Analysis By Customer Group													
Organs of State	119 514	24 921	22 450	(150 739)	(15 609)	(33 719)	39 738	(15 680)	(9 126)	(176 010)	–	–	
Commercial	1 235 059	75 982	67 408	61 233	39 479	29 244	210 871	423 269	2 142 546	764 096	–	–	
Households	1 321 047	217 911	173 297	162 276	144 111	124 932	807 804	4 054 291	7 005 671	5 293 415	–	–	
Other	146 419	7 398	24 599	40 422	33 906	17 596	81 243	487 475	839 057	660 641	–	–	
Total By Customer Group	2 822 039	326 212	287 755	113 193	201 887	138 052	1 139 655	4 949 355	9 978 148	6 542 142	–	–	

Creditors' Analysis

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

Table SC4 Monthly Budget Statement - Aged Creditors

Description	Budget Year 2023/24									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–	–
Trade Creditors	920	–	–	–	–	–	–	–	920	663
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	920	–	–	–	–	–	–	–	920	663

Transfers and Grants

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

Table SC7 Monthly Budget Statement - Transfers and Grants Expenditure

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	4 525 239	5 167 276	5 138 836	347 132	356 559	(9 427)	-50.5%	5 145 348
Local Government Equitable Share	3 656 394	4 066 769	4 066 769	—	—	—	—	4 066 769
Finance Management grant	1 000	1 000	1 000	800	500	300	60.0%	1 000
Fire Disasters Housing Project	4 988	—	—	—	—	—	—	—
Urban Settlements Development Grant	19 280	187 686	180 090	26 283	24 221	2 062	8.5%	152 443
Energy Efficiency and Demand Side Management Grant	897	900	900	291	298	(7)	-2.3%	900
Department of Environmental Affairs and Tourism	220	220	220	—	12	(12)	-100.0%	220
Expanded Public Works Programme	42 406	62 588	59 093	37 171	36 457	714	2.0%	59 093
Infrastructure Skills Development	10 446	8 400	8 320	4 521	4 862	(341)	-7.0%	8 320
Public Transport Network Grant	441 557	444 885	444 885	187 453	190 745	(3 292)	-1.7%	468 404
Informal Settlements Upgrading Partnership Grant	24 037	95 950	78 682	4 331	4 330	2	0.0%	78 682
National Skills Fund	21 072	—	—	—	—	—	—	12 034
Programme And Project Preparation Support Grant	65 164	68 877	68 877	20 724	20 223	502	2.5%	68 877
Public Employment Program (NT PEP)	226 019	230 000	230 000	65 557	74 912	(9 355)	-12.5%	228 605
Regional Land Claims Commissioner	11 759	—	—	—	—	—	—	—
Provincial Government:	1 391 813	1 418 260	1 452 083	447 520	454 728	(7 208)	-1.6%	1 458 752
Cultural Affairs and Sport - Provincial Library Services	54 628	53 826	53 826	25 041	26 088	(1 047)	-4.0%	55 917
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	5 338	5 658	5 658	5 469	5 483	(15)	-0.3%	5 779
Cultural Affairs and Sport - Provincial Others	396	—	—	—	—	—	—	—
Municipal Library Support	23	—	—	—	—	—	—	—
Human Settlements - Human Settlement Development Grant	291 154	326 437	360 260	87 595	98 166	(10 571)	-10.8%	360 260
Health - TB	31 237	31 363	31 363	9 826	11 464	(1 638)	-14.3%	31 363
Health - ARV	273 519	313 473	313 473	111 645	92 814	18 831	20.3%	313 473
Health - Nutrition	6 437	5 909	5 909	2 826	3 159	(333)	-10.5%	5 909
Health - Vaccines	99 058	100 911	100 911	30 914	31 979	(1 064)	-3.3%	100 911
Comprehensive Health	201 585	204 129	204 129	—	—	—	—	204 129
LEAP	370 724	326 438	326 438	155 540	163 152	(7 612)	-4.7%	326 817
Transport and Public Works - Provision for persons with special needs	10 015	23 132	23 132	6 145	6 918	(773)	-11.2%	16 211
Community Safety - Law Enforcement Auxiliary Services	4 159	16 966	16 966	6 067	9 097	(3 030)	-33.3%	20 490
Community Development Workers	1 744	1 018	1 018	203	—	203	100.0%	1 031
Public Employment Program (Provincial PEP)	3 285	—	—	—	—	—	—	—
Schools Resource Officers	2 752	—	—	—	—	—	—	—
Municipal accreditation and capacity building grant	10 000	7 500	7 500	5 601	5 601	—	—	7 500
Human Settlements - Informal Settlements	1 234	1 500	1 500	646	806	(160)	-19.8%	1 959
K9 Unit	998	—	—	—	—	—	—	—
Title Deeds Restoration	23 529	—	—	—	—	—	—	—
Other grant providers:	50 355	224 024	224 024	92 751	99 600	(6 849)	-6.9%	213 813
CMTF	5 590	5 920	5 920	305	1 533	(1 228)	-80.1%	1 500
CID	7 642	31 190	31 190	3 338	3 896	(558)	-14.3%	13 150
KFW- Technical Assistance (GDB)	—	2 000	2 000	—	—	—	—	—
National Treasury - Interest	37 082	184 902	184 902	89 100	94 159	(5 059)	-5.4%	199 135
The Cape Academy for MST	41	13	13	8	13	(4)	-33.3%	29
Total operating expenditure of Transfers and Grants:	5 967 408	6 809 560	6 814 943	887 403	910 886	(23 483)	-2.6%	6 817 914

Table continues on next page.

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	2 080 054	2 660 223	2 577 595	1 083 620	996 760	86 859	8.7%	2 555 814
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 097	8 100	8 100	3 864	3 325	539	16.2%	8 100
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	473 208	477 260	457 035	271 860	202 872	68 988	34.0%	431 420
National Treasury: Infrastructure Skills Development Grant	1 051	600	600	221	250	(29)	-11.6%	600
National Treasury: Neighbourhood Development Partnership Grant	26 391	20 890	20 890	8 612	6 239	2 373	38.0%	20 890
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	330 986	874 000	874 000	339 436	361 758	(22 321)	-6.2%	868 000
National Treasury: Urban Settlements Development Grant	793 081	820 414	758 010	291 185	284 192	6 993	2.5%	794 661
Transport: Public Transport Network Grant	446 999	458 960	458 960	168 442	138 124	30 318	21.9%	432 144
Contributed Assets	242	–	–	–	–	–	–	–
Provincial Government:	17 708	30 135	30 135	2 975	27 721	(24 746)	-89.3%	30 089
Western Cape Financial Management Capability Grant	–	1 000	1 000	999	1 000	(1)	-0.1%	1 000
Community Safety: Law Enforcement Advancement Plan	4 187	23 562	23 562	825	23 562	(22 737)	-96.5%	23 516
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 664	5 573	5 573	1 151	3 160	(2 008)	-63.6%	5 573
MLTF Transport Safety and Compliance	1 220	–	–	–	–	–	–	–
Contributed Assets	6 637	–	–	–	–	–	–	–
Other grant providers:	99 837	85 801	92 301	38 941	33 260	5 681	17.1%	94 282
Other: Other	99 837	85 801	92 301	38 941	33 260	5 681	17.1%	94 282
Total capital expenditure of Transfers and Grants	2 197 600	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 680 185
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	8 165 007	9 585 719	9 514 974	2 012 940	1 968 628	44 311	2.3%	9 498 099

Expenditure on Councillor Allowances and Employee Benefits

Table SC8 Monthly Budget Statement - Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	154 156	167 339	167 339	77 924	77 375	549	0.7%	167 339
Pension and UIF Contributions	3 137	3 276	3 276	1 696	1 702	(6)	-0.3%	3 276
Motor Vehicle Allowance	229	727	727	122	174	(52)	-30.1%	727
Cellphone Allowance	9 373	10 732	10 732	4 885	4 876	10	0.2%	10 732
Other benefits and allowances	9 169	8 828	8 712	5 101	4 889	212	4.3%	8 712
Sub Total - Councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
% increase		8.4%	8.4%					8.4%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	34 484	35 990	36 459	17 179	18 300	(1 121)	-6.1%	34 666
Pension and UIF Contributions	2 624	2 655	2 655	1 350	1 327	23	1.7%	3 249
Medical Aid Contributions	209	233	233	93	115	(22)	-18.8%	189
Performance Bonus	–	–	–	15	–	15	100.0%	–
Motor Vehicle Allowance	574	599	599	248	300	(52)	-17.4%	593
Cellphone Allowance	389	376	382	177	191	(14)	-7.3%	382
Other benefits and allowances	150	164	165	59	80	(21)	-26.5%	133
Payments in lieu of leave	927	–	–	103	–	103	100.0%	–
Long service awards	–	–	–	5	–	5	100.0%	5
Sub Total - Senior Managers of Municipality	39 356	40 017	40 493	19 230	20 313	(1 084)	-5.3%	39 217
% increase		1.7%	2.9%					-0.4%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	10 918 142	12 923 932	12 884 653	6 201 198	6 562 630	(361 433)	-5.5%	12 538 248
Pension and UIF Contributions	1 674 343	2 078 199	2 074 868	900 992	1 028 460	(127 467)	-12.4%	1 949 192
Medical Aid Contributions	993 347	1 046 758	1 046 423	521 017	530 585	(9 567)	-1.8%	1 080 601
Overtime	1 198 787	922 996	925 964	552 234	522 471	29 764	5.7%	1 078 370
Motor Vehicle Allowance	233 425	243 584	242 760	122 330	120 308	2 022	1.7%	251 856
Cellphone Allowance	36 897	44 421	44 332	20 857	22 252	(1 395)	-6.3%	46 438
Housing Allowances	62 919	66 439	65 717	33 257	33 403	(147)	-0.4%	65 968
Other benefits and allowances	410 502	445 845	451 176	216 820	229 038	(12 217)	-5.3%	446 875
Payments in lieu of leave	135 656	117 729	118 007	38 046	47 087	(9 041)	-19.2%	115 188
Long service awards	89 484	129 334	129 156	47 401	58 201	(10 800)	-18.6%	129 113
Post-retirement benefit obligations	(540 321)	332 774	332 774	167 982	166 387	1 595	1.0%	680 180
Entertainment	–	–	–	–	–	–	–	–
Acting and post related allowance	8 807	770	5 960	5 013	4 583	430	9.4%	6 486
Sub Total - Other Municipal Staff	15 221 988	18 352 781	18 321 792	8 827 148	9 325 404	(498 256)	-5.3%	18 388 514
% increase		20.6%	20.4%					20.8%
Total Parent Municipality	15 437 408	18 583 699	18 553 070	8 936 107	9 434 734	(498 627)	-5.3%	18 618 515

PART 3 - SERVICE DELIVERY PERFORMANCE

3.1 Introduction

The high-level Service Delivery and Budget Implementation Plan (SDBIP) of the City is referred to as the City's Corporate scorecard, also known as the top-level SDBIP of the City. The SDBIP is a key legislative instruments for providing an overview of the performance landscape of the Integrated Development Plan (IDP). It includes detailed information on how the strategy and budget will be implemented, by means of forecast cash flows, performance indicators and service delivery targets. The SDBIP forms an integral part of the City's strategic planning, implementation, measuring, monitoring, performance reporting, and evaluating process

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

3.2 About the SDBIP

The SDBIP offers stakeholders and the public a comprehensive overview of the City's performance. As such, the content of the SDBIP is aligned with the City's priorities and underlying objectives of the City's five-year IDP.

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

The priority areas are:

- Economic Growth
- Basic Services
- Safety
- Housing
- Public Space, Environment and Amenities
- Transport
- A Resilient City
- A more spatially integrated and inclusive City
- A Capable and Collaborative City Government

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

3.3 Service Delivery Performance

3.3.1 City performance

The 2023/2024 City Performance Report as at 31 December 2023 is attached as Annexure 1.1 to this report. This report provide the overall performance results of the City for the first half of the financial year against its set performance targets.

3.3.2 Some highlights from the SDBIP for the second quarter of 2023/24

Priority: Economic Growth

- **100%** Property revenue clearance certificates issued within 10 workings days.
- **100%** Commercial electricity services applications finalised within industry standard timeframes.
- **21 594** Work opportunities created through Public Employment Programmes.

Priority: Basic Services

- Provided **343 taps** and **2 174 toilets** in informal settlements.
- Installed **666** subsidised electricity connections.
- **91.23%** Residential water and sewerage services closed within the response standard.
- Maintained over **99.15%** Compliance with drinking water quality standard.

Priority: Safety

- **1 087** Drone flights used for safety and security activities.
- **455** Roadblocks focusing on drinking and driving offences.
- **17 199** Closed-Circuit Television (CCTV) detected incidents relayed to responders.
- **70** Newly recruited and trained auxiliary law enforcement officers.
- **97.62%** on the Client Satisfaction survey neighbourhood watch programme.

Priority: Housing

- Provided **1 186** Human Settlement Top structures (houses) per housing programme.
- Provided **295** formal housing serviced sites.
- Transferred **2 377** housing ownerships to new beneficiaries.

Priority: Public Space, Environment and Amenities

- Protected more than **65.29%** proportion of biodiversity priority areas.
- Maintained **81 219** hectares of biodiversity priority areas.

Priority: Transport

- **9 172 877** passenger journeys travelled on MyCiTi buses.
- **84.5 km** of surfaced road resurfaced.
- **21.06** potholes reported per 10 kilometres of road network.

Priority: A Resilient City

- **304** Public safety awareness and preparedness sessions held in communities.

Priority: A Capable and Collaborative City Government

- **High investment rating** achieved by opinion of an independent rating agency.
- City received an unqualified audit opinion with no findings '**Clean Audit**' opinion.
- Over **92%** Adherence to service requests for external notifications received.

3.4 Conclusion

During the first half of the 2023/24 financial year, the City performed well in achieving its set targets. In cases where targets were not met, the City initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

PART 4 – RECOMMENDATIONS⁵

4.1 Adjustments Budget

It is recommended that a **2023/24 adjustments budget** be prepared and approved by Council no later than 28 February 2024.

This adjustments budget will take into account, inter alia,

- The appropriation of approved committed 2022/23 grant funding from National Treasury (NT) and the Western Cape Government (WCG).
- Committed 2022/23 conditional grants approved by the NT in terms of Section 22 (1) of the 2022 Division of Revenue Amendment Act, (Act No. 15 of 2022) (DoRAA), dated 19 October 2023.
- The change in funding source from Capital Replacement Reserve (CRR) to Capital Grants & Donations (CGD) on projects approved by NT and WCG as part of the 2022/23 roll-over application, which was funded from the CRR on an interim basis pending outcome of the approval process.
- Reductions in projects that were funded from the CRR: CGD rollovers on an interim basis and where NT did not approve the grant rollover applications.
- Rephasing of internal funds where implementation of projects will continue in the 2024/25-, 2025/26- and outer financial years.
- Amendments to ward- and sub council allocation projects as supported by sub councils.
- Upward/downward adjustment of revenue- and expenditure estimates based on current trends.
- Realignment of sundry budgetary provisions resulting from updated implementation programmes.
- Organisational structure realignment.

4.2 Mid-year changes to SDBIP

Following approval of the adjustments budget, the revised SDBIP (Annexure 2.1 to 2.4, and 3.1 to 3.2), which forms the basis of the mid-year assessment, be approved by Council.

⁵ Required as per MFMA Section 72 (3)

PART 5 – QUALITY CERTIFICATE

QUALITY CERTIFICATE


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

- ☐ the monthly budget statement
- ☐ quarterly report on the implementation of the budget and financial state affairs of the municipality
- ☒ mid-year budget and performance assessment

for the 2023/24 financial year has been prepared in accordance with the Municipal Finance Management Act (MFMA) and regulations made under that Act.

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

Municipal Manager of City of Cape Town (CPT)

Signature  Digitally signed by Lungelo Mbandazayo
Date: 2024.01.10 18:11:35 +02'00'

Date -----
















CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD











2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT












ANNEXURE 1.1:












2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW












CITY OF CAPE TOWN










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
Priority: Economic Growth								
1. Increased Jobs and Investment in the Cape Town economy	1.A Building plans (<500m2) approved within 30 days (%)	96%	99.10%		96%	84%		Spatial Planning and Environment R McGaffin
		Reason for Variance: The target was exceeded as a result of sheer determination and performance management by the Plans Examiners and Approvers to get the "job done" over a protracted period. Remedial Action: Maintain the momentum			Reason for Variance: Development Management implemented a new system in March 2023. Data provided is the best available to the department due to the enhanced system. Remedial action: In the process of addressing residual system and data migration issues.			
	1.B Building plans (>500m2) approved within 60 days (%)	96%	100.00%		96%	96.50%		Spatial Planning and Environment R McGaffin
		Reason for Variance: The target was exceeded as a result of sheer determination and performance management by the Plans Examiners and Approvers to get the "job done" over a protracted period. Remedial Action: Maintain the momentum			Reason for Variance: Above target. Remedial Action: Maintain the momentum			
	1.C Property Revenue clearance certificates issued within 10 workings days (%)	93%	100.00%		93%	100%		Finance K Jacoby
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			
	1.D Commercial electricity services applications finalised within industry standard timeframes (%)	95%	100%		95%	100%		Energy K Nassiep
		Reason for Variance: Above target. Remedial Action: Maintain the momentum.			Reason for Variance: Above target. Remedial Action: Maintain the momentum.			













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		Target	Actual	Status	Target	Actual	Status	
1. Increased Jobs and Investment in the Cape Town economy	1.E Council approved trading plans developed or revised for informal trading (number)	2	4		A/T	A/T	AT	Economic Growth R Gelderbloem
		Reason for Variance: 2 trading plans were approved earlier than anticipated as per trading plan approval process. Remedial Action: Maintain the momentum			Reason for Variance: Annual target. Remedial Action: Annual target.			
	1.F Regulatory Impact Assessments (RIA) Completed (number)	2	1		2	1		Economic Growth R Gelderbloem
		Reason for Variance: It took longer than expected to attain access to external stakeholders to provide evidence for the Regular Impact Assessment. Remedial Action: On-going monitoring. No remedial action is necessary at this stage.			Reason for Variance: Despite the diligent efforts of the City, the completion of regulatory impact assessments was momentarily delayed due to unforeseen challenges in securing timely signatures from the relevant stakeholders, reflecting an isolated setback in an otherwise collaborative and thorough process. Remedial Action: In response to the delay in securing signatures, streamlined communication protocol are implemented and introducing proactive measures to expedite the approval process, ensuring future regulatory impact assessments adhere to the set timeline.			
	1.G Work opportunities created through Public Employment Programmes (Number) (NKPI)	15 000	25 854		15 000	24 625		Urban Waste Management L Mdunyelwa
		Reason for Variance: The targets were set at a time when there was budget and Covid-related uncertainties. The target will be adjusted during the Mid-year review. Remedial Action: Maintain the momentum			Reason for Variance: The variance above target is due to implementing projects with higher number of EPWP workers than expected. Remedial Action: Maintain the momentum			










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		Target	Actual	Status	Target	Actual	Status	
Priority: Basic Services								
2. Improved access to quality and reliable basic services	2.A Taps provided in informal settlements (number) (NKPI)	300	254		300	343		Water and Sanitation E Hugo
		Reason for Variance: Delays with the installation of new taps was due to material shortages in corporate stores. Remedial Action: A request for quotation (RFQ) has been initiated to source the materials (galvanised tees) required for the installations.			Reason for Variance: Well Above. Remedial Action: Maintain Momentum			
	2.B Toilets provided in informal settlements (number)(NKPI)	1 100	1 801		1 100	2 174		Water and Sanitation E Hugo
		Reason for Variance: The roll-out of PFT's (Portable Flush Toilets) issued on a single household basis, have a lower unit cost when compared to other sanitation typologies such as chemical toilets and FFT's (Full Flush Toilets). Therefore, with the increased priority of providing toilets as an emergency relief measure to the recently invaded areas and the ongoing provision of additional toilets, the department exceeded its quarterly target. In addition, the condemnation and replacement of toilets that reached the end of its lifespan has also contributed to overall toilet provision performance. Remedial Action: Maintain Momentum			Reason for Variance: This achievement was possible due to the continuous rollout of Portable Flush Toilets to informal settlements and the commencement of capital implementation projects in various areas such as Khayelitsha and Philippi. Remedial Action: Maintain Momentum			
	2.C Informal Settlements receiving waste removal and area cleaning services (%) (NKPI)	99%	99.78%		99%	99.78%		Urban Waste Management L Mdunyelwa
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			









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		Target	Actual	Status	Target	Actual	Status				
2. Improved access to quality and reliable basic services	2.D Subsidised electricity connections installed (Number) (NKPI)	750	984		750	666		Energy K Nassiep			
		Reason for Variance: Target exceeded due to good contractor performance, minimal interference from communities and Project Managers being adequately equipped to execute implementation-ready projects (material availability, etc.). Remedial Action: Maintain the momentum			Reason for Variance: EPWP delays resulted in late start of two broken out projects (Khikhi and Nomzamo) and delayed the start of four smaller Infill projects (Sihlanu, Mabophe, Masiphumelele School Site and Masiphumelele TRA). Remedial Action: No further action.						
3. End load shedding in Cape Town over time	3.A Capacity of additional approved alternative energy sources (Small Scale Embedded Generation (SSEG)) grid tied installations (MegaVolt Ampere)	2.5	10.78		5	11.102		Energy K Nassiep			
		Reason for Variance: Requests for installations are customer driven. There was a higher than expected number of requests for installations received during the quarter. Remedial Action: Maintain the momentum			Reason for Variance: Requests for installations are customer driven. There was a higher than expected number of requests for installations received during the quarter. Remedial Action: Maintain the momentum						
	3. B Load-shedding level variance (%)	40%	20%		40%	14%		Energy K Nassiep			
		Reason for Variance: Exceptional high load shedding incidents Remedial Action: Life extension of Steenbras plus procurement of battery energy system storage underway.			Reason for Variance: Exceptional high load shedding incidents Remedial Action: Life extension of Steenbras plus procurement of battery energy system storage underway.						












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		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.A Sewer reticulations pipelines replaced (metres)	23 000	25 120		40 000	31 513		Water and Sanitation E Hugo
	Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: The variance is predominantly due to contractors operating at full capacity on the available tenders. Furthermore, due to safety concerns, our works projects that were located in high-risk areas were rejected. Remedial Action: The department remains committed to achieving this indicator as we have reprogrammed projects and replaced/re-advertised the rejected projects, after having engagement with the communities. It is anticipated that these projects, along with the remainder of the planned projects, will be implemented during the second half of the financial year.				
4. Well-managed and modernised infrastructure to support economic growth	4.B Compliance with drinking water quality standards (%)	99%	99.36%		99%	99.15%		Water and Sanitation E Hugo
	Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum				
4. Well-managed and modernised infrastructure to support economic growth	4.C Total augmented water capacity in megalitres per day (MLD)	AT	AT	AT	AT	AT	AT	Water and Sanitation E Hugo
	Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target				
4. Well-managed and modernised infrastructure to support economic growth	4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	80%	49.41%		80%	91.23%		Water and Sanitation E Hugo
	Reason for Variance: Unavailability of Tender 28Q, due to the High Court ruling to re-award the tender, resulted in delays in commencement of water and sewer connections. Remedial Action: In an effort to increase performance levels, weekly meetings are held with meter management staff and contractors to discuss and resolve outstanding service orders. A dedicated focus team of staff in Administration and Operational sections will be appointed.			Reason for Variance: Well above target Remedial Action: Maintain the momentum				








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		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.E Valid applications for residential sewerage services closed within the response standard (%) (NKPI)	80%	49.41%		80%	91.23%		Water and Sanitation E Hugo
		Reason for Variance: Unavailability of Tender 28Q, due to the High Court ruling to re-award the tender, resulted in delays in commencement of water and sewer connections. Remedial Action: In an effort to increase performance levels, weekly meetings are held with meter management staff and contractors to discuss and resolve outstanding service orders. A dedicated focus team of staff in Administration and Operational sections will be appointed.			Reason for Variance: Well above target Remedial Action: Maintain the momentum			
	4.F Service requests for non-collection of refuse resolved within 3 days (%) (NKPI)	85%	27.37%		90.00%	71.25%		Urban Waste Management L Mduyvelwa
		Reason for Variance: The target was not achieved due to multifaceted and magnitude of challenges. An intervention commenced late in November 2022 since the performance on this Key Performance Indicator was very poor in Q1. However, slow progress were made to address these challenges and this matter is still work in progress, which will provide a difference in the performance within 3 days. Remedial Action: Although there was an under performance, the backlogs from Q1 were all completed as well as those in Q2. As such the overall collection of refuse is above 99%. Interventions to improve on performance for this Key Performance Indicator is ongoing.			Reason for Variance: Staff within Collections were suspended pending a forensic investigation. At present there is an indication that the suspensions will be further extended for another 3 months. The absence of these staff negatively affects the management capacity of the branch. There is an indication that the areas affected have not standardised the operational and administrative processes for resolving the C3 notifications. During the festive period, staff are not as prepared to work overtime. Low staff attendance was experienced. There was also a backlog in refuse collection service across the City, causing an increase in the number of non-removal complaints. The operational management were more focussed on clearing the backlog of refuse. Clearing the backlog would have resolved the bulk of the non-removal complaint. However, the closure of notifications was not immediately affected. The withdrawal of law enforcement escorts in volatile areas where extortion is prevalent, e.g. Philippi resulted in a suspension of the refuse collection service. These notifications would not have been closed. Remedial Action: The staff who have reported for work on public holidays and during the festive period will be consequence-managed. The details of the staff are being collated. The staff measures were activated during January 2024. The standardised processes will be documented as an SOP and implemented and monitored in all Collections areas. Although there are signs of improvements towards achieving the quarterly targets, interventions are still ongoing to reach the desired effect.			










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		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI)	95%	50.50%		95.00%	67.00%		Energy K Nassiep
		Reason for Variance: Delays are due to a combination of various factions of long waits for wayleaves, time taken for the customer to indicate readiness to receive the connection, and shortages in the supply of equipment such as mini-substations, cables etc.			Reason for Variance: High number of applications being received makes achieving the provision of supply within required timeframes difficult with current resources.			
		Remedial Action: Investigations are underway to determine where exactly the blockages exist so as to make an informed determination as to how best to remove it.			Remedial Action: Systems being developed to improve turnaround time of applications.			
Priority: Safety								
5. Effective law enforcement to make communities safer	5.A Drone flights used for safety and security activities (number)	AT	AT	AT	15	1 087		Safety and Security V Botto
		Reason for Variance: Annual target			Reason for Variance: Increase in events across the City as well as the start of the festive period has resulted in a significant increase in flights.			
		Remedial Action: Annual target			Remedial Action: Maintian Momentum			
5. Effective law enforcement to make communities safer	5.B Roadblocks focussed on drinking and driving offences (number)	144	349		338	455		Safety and Security V Botto
		Reason for Variance: Target is exceeded due to additional roadblocks often conducted but not necessarily planned and based on complaints from residents.			Reason for Variance: Target is exceeded due to additional roadblocks conducted but not necessarily planned and based on complaints from residents.			
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum			
5. Effective law enforcement to make communities safer	5.C Closed-Circuit Television (CCTV) detected incidents relayed to responders (number)	4 500	9 414		5 000	17 199		Safety and Security V Botto
		Reason for Variance: There is currently a new service provider providing the monitoring and the Safety & Security's EPIC (Emergency, Policing and Incidents Command) system is also utilised to log calls to all services, increasing the response capacity. The EPIC system assists with dispatching more efficiently to responders.			Reason for Variance: Due to the respective uniform representation of information and the diligent co-ordination of responses, the City was able to achieve the target. The diligence of the CCTV monitoring staff who detect the incidents, coupled with supervision and dispatching by the staff must be acknowledged for this achievement.			
		Remedial Action: Maintain Momentum.			Remedial Action: Maintain the momentum			








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		Target	Actual	Status	Target	Actual	Status	
6. Strengthen partnerships for safer communities	6.A New auxiliary law enforcement officers recruited and trained (number)	40	47		50	70		Safety and Security V Botto
		Reason for Variance: The reason for the well above performance is due to members who attended college during the previous financial year but only signed their contracts during October 2022. An overflow of candidates led to some of these candidates being trained in 2021/2022 but only being appointed in quarter 2 of 2022/2023. Remedial Action: Maintain Momentum.			Reason for Variance: The Law Enforcement Department surpassed the second quarter target as a result of appointing 66 members during Q1. This was as a result of having to strategically align with the Training College's scheduling of the required prescribed training. Remedial Action: Maintain the Momentum.			
	6.B Client satisfaction survey for neighbourhood watch support programme (%)	70%	100%		75%	97.62%		Safety and Security V Botto
		Reason for Variance: The percentage achieved for the quarter 2 period is based on the formula which calculates the number of surveys that met the satisfaction score of at least 70% (5 for Q2) divided by the total number of surveys 5 for Q2). The percentage achieved for Q2 is therefore 100% for Q2 based on the formula (5/5). Remedial Action: Maintain Momentum.			Reason for Variance: Target exceeded. Remedial Action: Maintain Momentum.			










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		Target	Actual	Status	Target	Actual	Status	
Priority: Housing								
7. Increased supply of affordable, well located homes	7.A Well located land parcels released to the private sector for affordable housing (number)	2	1		A/T	A/T	AT	Human Settlements N Gqiba
		Reason for Variance: The land parcel earmarked for release during quarter two of the current financial year was unsuccessful due to non-responsive bids. Remedial Action: A new process has been initiated and the land parcel is projected for release in quarter four of this financial year.			Reason for Variance: Annual Target. Remedial Action: Annual Target.			
	7.B Human Settlement Top structures (houses) provided per housing programme (number)	900	811		500	1 186		Human Settlements N Gqiba
		Reason for Variance: Target was not achieved due to gang violence in Manenberg. Remedial Action: Handover of the outstanding units is planned in January and February 2023 and will be recorded as part of the quarter three reporting cycle.			Reason for Variance: Contractors are ahead of their planned programmes on the following projects: • Valhalla Park • Greenville Phase 4 • Sir Lowry's Pass • Goodwood Station Remedial Action: Maintian Momentum.			










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		Target	Actual	Status	Target	Actual	Status				
7. Increased supply of affordable, well located homes	7.C Formal housing serviced sites provided (number)	1 100	840		1 400	295		Human Settlements N Gqiba			
		Reason for Variance: The target was not achieved due to the contractor for the Macassar Housing Project not achieving practical completion of the second phase of 745 sites as originally planned. Remedial Action: Handover of the outstanding units is planned in January and February 2023 and will be recorded as part of the quarter three reporting cycle.			Reason for Variance: The contractor for the Macassar Project is behind on the original programme due to poor performance by subcontractors and inaccessibility to the site because of severe and extensive rainfall. The planned completion date of 30 November 2023 for all sites was not met. Remedial Action: The final completion date has been extended to 30 June 2024 via a MFMA S116 (3) process and sites will be completed in this financial year.						
	7.D Land acquired for human settlements in Priority Housing Development Areas (Hectares)	4	0		4	0		Human Settlements N Gqiba			
		Reason for Variance: The City is awaiting the State Attorney to effect the transfer of two land parcels in Ysterplaat and Goodwood for social housing purposes. Erf 20582 in Ysterplaat and Erf 22374/RE in Goodwood which measure 0.95ha respectively. These acquisitions have been approved by MayCo. Remedial Action: Necessary follow ups are made on a continuous basis.			Reason for Variance: Awaiting conclusion of the Western Cape Government's (WGC) public participation process (in terms of Public Finance Management Act (PFMA) after which the City will instruct its conveyancers to conclude the property transfer process as per agreement with the WGC. Remedial Action: A process of identifying and investigating City-owned properties located within Priority Human Settlements and Housing Development Areas (PHSHDAs), which can be reserved for human settlements purposes, is currently underway.						
	7.E Transfer of ownership to new beneficiaries (number)	800	921		1 075	2 377		Human Settlements N Gqiba			
		Reason for Variance: Transfers for the Harare and Greenville Phase 3 housing projects are ahead of the original programme schedule. Remedial Action: Maintain the momentum			Reason for Variance: Well above. Remedial Action: Maintain the momentum						










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		Target	Actual	Status	Target	Actual	Status	
8. Safer, better quality homes in informal settlements and backyards over time	8.A Informal settlement sites serviced (number)	200	434		100	0		Human Settlements N Gqiba
		Reason for Variance: The bulk of infrastructure related to the projects was completed sooner than anticipated, which enabled the sites to be handed over in Q2 instead of Q4 as planned. Remedial Action: Maintain the momentum			Reason for Variance: Issues with procurement for consulting and construction tenders. Construction is ongoing, and the annual target will be met. Remedial Action: Work will be accelerated on both consulting and construction to meet the target.			








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		Target	Actual	Status	Target	Actual	Status				
Priority: Public Space, Environment and Amenities											
9. Healthy and sustainable environment	9.A Proportion of biodiversity priority areas protected (%)	65.16%	64.91%		65%	65.29%		Spatial Planning and Environment R McGaffin			
		Reason for Variance: The November 2022 de-proclamation of CapeNature’s 507 hectares of Driftsands Nature Reserve and following the land invasion has had a significant negative impact on this target. 450 hectares was considered to be “protected” at Driftsands. This equated to 0.53% of the Bionet which has now had to be removed from the conservation estate. Before the loss, the unit was well ahead of the target with 65.5% conserved. Remedial Action: The targets to be revised.			Reason for Variance: Above target. Remedial Action: Maintian Momentum.						
	9.B Biodiversity priority areas remaining (hectares)	85 000	85 000		85 000	81 419		Spatial Planning and Environment R McGaffin			
		Reason for Variance: On target. Remedial Action: Maintain the momentum.			Reason for Variance: The initial target of 85 000 hectares was based on the baseline BioNet calculated in 2009. However, some natural vegetation has been lost to development, hence the lower value now. Remedial Action: The value will be adjusted in the mid-year adjustments budget process.						
	9.C Severe/Moderate dehydration in children under the age of five presenting at City health facilities with diarrhea (%)	AT	AT	AT	AT	AT	AT	Community Services and Health Z Mandlana			
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target						












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		Target	Actual	Status	Target	Actual	Status	
10. Clean and healthy waterways and beaches	10.A Coastline with protection measures in place (%)	6.15%	6.20%		6.15%	6.27%		Spatial Planning and Environment R McGaffin
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target. Remedial Action: Maintian Momentum.			
	10.B Days in a year that Vleis are open (%)	AT	AT	AT	AT	AT	AT	Water and Sanitation E Hugo
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target			
11. Quality and safe parks and recreation facilities	11.A Recreation and Parks open space mowed according to annual mowing plan (%)	AT	AT	AT	AT	AT	AT	Community Services and Health Z Mandlana
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target			












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Priority: Transport								
12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.A Passengers transported for each scheduled kilometer travelled by MyCiTi buses (ratio)	1.1	1.04		1.15	1.01		Urban Mobility D Campbell
		Reason for Variance: The MyCiti passenger journeys dropped significantly in December 2022 due to the school holidays and the close of work during the festive season. Even though scheduled kilometres during this quarter was reduced, as a result of the significant drop in passenger journeys this indicator was affected negatively.			Reason for Variance: The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement in Quarter 1. At the time of setting the target, it was anticipated that the MyCiTi system would become more operationally effective including obtaining organic growth in passenger journeys, in particular on the N2 Express service. This, however, did not fully materialise as a result of N2 Express bus shortages and therefore resulted in a reduction in the N2 Express service. This had a negative effect on the indicator.			
	12.B Passenger journeys travelled on MyCiTi buses (Number)	8 450 000	9 057 307		9 300 000	9 172 877		Urban Mobility D Campbell
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement of this indicator in Quarter 1.It is anticipated that previous underachievement will be completely offset by the end of Quarter 4. Remedial Action: No further action required.			












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12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.C Road corridors on which traffic signal timing plans are updated (number)	AT	AT	AT	AT	AT	AT	Urban Mobility D Campbell
		Reason for Variance: Annual Target			Reason for Variance: Annual Target			
		Remedial Action: Annual Target			Remedial Action: Annual Target			
13. Safe and quality roads for pedestrians, cyclists and vehicles	13.A Surfaced road resurfaced (kilometres)	40	54		60	84.5		Urban Mobility D Campbell
		Reason for Variance: Most of the projects started earlier due to the fact that term contracts were in place, resulting in improved efficiency.			Reason for Variance: Most of the projects started earlier due to the fact that term contracts were in place, resulting in efficiency.			
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum			
	13.B Potholes reported per 10 kilometres of network	28	12.8		28	21.06		Urban Mobility D Campbell
Reason for Variance: An actual reported lower than the target reflects good performance in this instance.			Reason for Variance: An actual reported lower than the target reflects good performance in this instance.					
			Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		

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		Target	Actual	Status	Target	Actual	Status	
Priority: A Resilient City								
14. A Resilient City	14.A Public safety awareness and preparedness sessions held in the communities (number)	230	446		230	304		Safety and Security V Botto
		Reason for Variance: Due to the Mayoral priority campaigns i.e. flood, fire-wise programmes, and heat wave conditions, including the need for DRM (Disaster Risk Management) to report on the Climate Change Action Plan, which has increased the number of community sessions.			Reason for Variance: During Q2 there has been a rise in weather warnings and an increase in incidents (informal settlement fires and Simons Town Fire). As a result, there has been a corresponding increase in frequent updates on social media platforms and a higher number of media enquiries.			
		Remedial Action: No remedial action is required at this stage.			Remedial Action: Maintain Momentum.			
	14.B New Disaster Risk Management volunteers recruited (number)	AT	AT	AT	AT	AT	AT	Safety and Security V Botto
		Reason for Variance: Annual target			Reason for Variance: Annual target			
			Remedial Action: Annual target			Remedial Action: Annual target		
14.C Storm water cleaning budget spend (%)		30%	41%		30%	39%		Urban Mobility D Campbell
		Reason for Variance: Winter preparation program continued to eradicate backlogs.			Reason for Variance: Above Target.			
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum			

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance				2023/2024 Quarter 2 Performance				Directorate and Responsible Executive Director			
		Target	Actual	Status	Target	Actual	Status						
Priority: A more spatially integrated and inclusive city													
15. A more spatially integrated and inclusive city	15.A Local neighbourhood plans approved for mixed-use development (number)	AT	AT	AT	AT	AT	AT				Spatial Planning and Environment R McGaffin		
		Reason for Variance: Annual target				Reason for Variance: Annual target							
		Remedial Action: Annual target				Remedial Action: Annual target							
Priority: A Capable and Collaborative City Government													
16. A Capable and Collaborative City Government	16.A Community satisfaction City-wide survey (score 1–5)	AT	AT	AT	AT	AT	AT				Future Planning and Resilience G Morgan		
		Reason for Variance: Annual target				Reason for Variance: Annual target							
	16.B Opinion of independent rating agency	High investment rating	High investment rating		High investment rating	High investment rating					Finance K Jacoby		
		Reason for Variance: On target				Reason for Variance: On target							
				Remedial Action: Maintain the momentum				Remedial Action: Maintain the momentum					

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
16. A Capable and Collaborative City Government	16.C Opinion of the Auditor-General	Unqualified audit opinion	Clean Audit Outcome		Unqualified audit opinion	Clean Audit Outcome		Finance K Jacoby
		Reason for Variance: Above Target Remedial Action: Maintain the momentum			Reason for Variance: Above Target Remedial Action: Maintain the momentum			
	16.D Spend of capital budget (%) (NKPI)	29.95%	28.84%		33.00%	31.99%		Finance K Jacoby
		Reason for Variance: The under performance is due to various factors: Slower than anticipated expenditure spent on a number of projects. Delays in delivery were due to supplier constraints. Initial delays in establishing finalising certain tenders in time. For full details, see annexure attached reflecting the three major variances (per vote). Remedial Action: Engagement with directors and responsible project managers is ongoing to ensure that tracking and monitoring of projects occur within the prescribed timeframes, and that corrective actions are processed timeously to ensure maximum spend. Citywide action: A working group established by the City Manager meets on a monthly basis to review all the City's capital expenditure and corporate contracts.			Reason for Variance: Variance considered immaterial. Remedial Action: No remedial action required			
	16.E Cash/cost coverage ratio (NKPI)	2.0:1	1.53:1		1.8:1	1.42:1		Finance K Jacoby
Reason for Variance: Indicator 16.E is compensated by positive indicator 16.G. These two KPI's are interrelated to ensure a cost-effectiveness strategy at all times. Within Treasury's risk parameter of 1.5 times. Remedial Action: No remedial action required			Reason for Variance: Indicator 16.E compensated by the positive indicator 16.G. These two KPI's are interrelated to ensure a cost effectiveness strategy at all times. Within Treasury risk parameter of 1.5 times. Remedial Action: No remedial action required					

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN												
Well Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director				
		Target	Actual	Status	Target	Actual	Status					
16. A Capable and Collaborative City Government	16.F Net Debtors to annual income (NKPI)	18.25%	16.06%		18.52%	16.38%		Finance K Jacoby				
		Reason for Variance: The debtors performed much better than what was anticipated from a budget perspective and is still in the process of writing off R4b of old debt which will further influence the ratio. Remedial Action: Maintain Momentum.			Reason for Variance: Above Target. Remedial Action: Maintain Momentum.							
	16.G Debt (total borrowings) to total operating revenue (NKPI)	23.50%	18.15%		23.50%	17.85%		Finance K Jacoby				
		Reason for Variance: The City projected to take up loans by December 2022 but due to a positive cash flow, the taking up of loans are no longer needed for the entire financial year. The City also exceeded the total projected receipts forecasted for the 6 months. Remedial Action: Maintain Momentum.			Reason for Variance: Above Target. Remedial Action: Maintain Momentum.							
	16.H Kilometres of fibre infrastructure for broadband connectivity installed (kilometres)	13.9	5		22.5	24.136		Corporate Services E Sass				
		Reason for Variance: Initial delays in award of tender 131Q with the final award letter issued on 2 November 2022. Remedial Action: Target for 2022/23 has been revised downwards and relevant scorecards are being amended.			Reason for Variance: Above Target. Remedial Action: Maintian Momentum							

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
16. A Capable and Collaborative City Government	16.I Employees from the employee equity (EE) designated groups in the three highest levels of management (%) (NKPI)	75%	75%		75%	75.55%		Future Planning and Resilience G Morgan
		Reason for Variance: On target Remedial Action: Maintain the momentum			Reason for Variance: Above target. Remedial Action: Maintain the momentum			
	16.J Budget spent on mplementation of Workplace Skills Plan (%)	30%	45.95%		30%	48.89%		Corporate Services E Sass
		Reason for Variance: Target exceeded due to key traing interventions urgently implemented. As well as early payment of internal financial support. Remedial Action: Maintain the momentum			Reason for Variance: The majority of Directorates have already made payments to Tertiary institutions. This is usually paid in Q3 and Q4. An increase in recruitment resulted in the need to train new staff to meet operational requirements. The smart driver tender has ended 31 December 2023. Therefore, this training was prioritised. Remedial Action: Maintain the momentum			
	16.K Adherence to service requests (%)	90%	91.88%		90%	92%		Corporate Services E Sass
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			












CITY OF CAPE TOWN
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2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT








ANNEXURE 1.2










2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW






CAPE TOWN STADIUM

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN STADIUM							
Well Above  Above  On target  Below  Well below  AT - Annual Target							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
Priority: Economic Growth							
1. Increased Jobs and Investment in the Cape Town economy	Spectator attendance at the DHL Stadium (number)	330 000	435 610		411 351	331 444	
		Reason for Variance: Higher Spectator Yield at Events hosted to date. Remedial Action: Maintain the momentum			Reason for Variance: During Q1, the DHL Stadium replaced the pitch which resulted in no bowl events being hosted during this period. The reduction in the number of large capacity crowd events continue to be reflected in the accumulative results. Remedial Action: Significant increase in the number of spectator attendance in quarter two compared to quarter one. The entity exceeded the quarter two target but due to the lower attendance in quarter one the actual cumulative number is less than the cumulative target for quarter two. Number of spectator for the remaining quarter three and four is expected to increase and will make up for the spectator numbers lost during quarter 1.		
	Events hosted (number)	60	62		60	71	
		Reason for Variance: Proactive engagement with the Events and Film Industry has resulted in the acquisition of additional events. Remedial Action: Maintain the momentum			Reason for Variance: During Q2, increased interest from the film industry to host events at the DHL Stadium, particularly the international fashion sector ahead of the North hemisphere winter fashion.Numerous shoots took place increasing the events total Remedial Action: Maintain the momentum		

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN STADIUM							
Well <div>Above</div> <div>✓</div> <div>Above</div> <div>●</div> <div>On target</div> <div>▲</div> <div>Below</div> <div>●</div> <div>Well below</div> <div>✗</div> AT - Annual Target							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
Priority: Public Space, Environment and Amenities							
11: Quality and safe parks and recreation facilities supported by community partnerships	Compliance with approved Repairs and Maintenance Programme (%)	100%	100%	▲	100%	100%	▲
		Reason for Variance: On Target Remedial Action: Maintain the momentum			Reason for Variance: On Target Remedial Action: Maintain the momentum		
	Compliance with the Occupational Health and Safety Act (Act 85 of 1993) and regulations (%)	100%	100%	▲	100%	100%	▲
		Reason for Variance: On Target Remedial Action: Maintain the momentum			Reason for Variance: On Target Remedial Action: Maintain the momentum		

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN STADIUM							
Well Above  Above  On target  Below  Well below  AT - Annual Target							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
Priority: A Capable and Collaborative City Government							
16: A capable and collaborative city government	Achievement of own projected revenue (%)	30%	39.94%		25%	33.64%	
		Reason for Variance: The entity was able to host thirty five (35) events during the quarter under review. The entity also received income from the DHL naming rights contract as well as rights fees and rebates income from its service providers as negotiated in their contract.			Reason for Variance: The entity hosted forty (40) events during the quarter under review of which twelve (12) were bowl, twenty (20) non-bowl and eight (8) film shoots events. The entity also received income from the DHL naming rights contract as well as rights fees and rebates income from its service providers as negotiated in their contract. Non Bowl And Film Shoot Events were substantially more than what was anticipated in this quarter, which resulted in an increase in the revenue amount received.		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN STADIUM							
Well Above  Above  On target  Below  Well below  AT - Annual Target							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
16: A capable and collaborative city government	Opinion of the Auditor-General	Clean audit outcome 2021/22	Clean audit outcome 2021/22		Annual Financial Statements submitted to AG	Annual Financial Statements submitted to AG	
		Reason for Variance: On Target Remedial Action: Maintain the momentum			Reason for Variance: On Target. Remedial Action: Maintain the momentum		
	Budget spent on implementation of the WSP (%)	50%	140%		50%	39.0%	
		Reason for Variance: SCM Bid Committee Training was on hold in the City for a long time. When becoming available the majority of staff was sent to complete the training in this quarter due to the urgent nature of this requirement in order for the entity to be able to effectively host Bid Committee meetings. Remedial Action: Maintain the momentum			Reason for Variance: The target was not reached due to the many events hosted at the Stadium preventing staff time for training. This should be rectified in the two quarters upcoming. Expenditure of R16 000 in this quarter is not reflecting as yet on the system which would have significantly increased the percentage spent Remedial Action: The financial reconciliations are always after the reporting deadline and as such while training has been completed the measurement refers to the budget spend which has not been captured for the period as yet. Focus will be on training interventions for staff in the upcoming quarter when the Stadium has less events and staff agreeable to schedule interventions.		

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN STADIUM							
Well Above  Above  On target  Below  Well below  AT - Annual Target							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
16: A capable and collaborative city government	Employees from the EE designated groups in the three highest levels of management (%)	80%	40%		80%	40%	
		Reason for Variance: There are five position included in the top three levels of management, of which three positions are seconded positions dating back to 2011, whilst the remaining two positions were EE appointed positions, hence the percentage being below the target.			Reason for Variance: Of the top three levels of management two out of the five positions are seconded positions. The other two are EE Appointed positions with one vacancy, hence the percentage being below the target.		
		Remedial Action: The intention is to appoint EE based employees in the top structure as and when these positions become available as vacancies in order to reach the intended target of 80%			Remedial Action: The entity appointed an employee from the EE designated group in the top structure of this quarter. The one vacancy in the top structure is intended to be advertised in the new quarter and consideration will be given to fill it with an candidate from the EE designated group.		






















CITY OF CAPE TOWN
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2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT











ANNEXURE 1.3

2023-2024 MID-YEAR CORPORATE SCORECARD REVIEW

CAPE TOWN INTERNATIONAL CONVENTION CENTRE

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)							
Well Above 		Above 		On target 	Below 	Well below  Annual Target AT	
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
Priority: Economic Growth							
1. Increased jobs and investment in the Cape Town economy	International events hosted (number)	6	16		17	24	
		Reason for Variance: All events are now able to be hosted after all Covid-19 restrictions were removed, leading to a higher achievement for this quarter.			Reason for Variance: Short term international events booked during the period that were not in the forecast..		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		
	Total events hosted (number)	85	231		195	211	
		Reason for Variance: All events are now able to be hosted after all Covid-19 restrictions were removed, leading to a higher achievement for this quarter.			Reason for Variance: Short term events booked during the period that were not in the forecast.		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		
	Annual total salary cost spent on training of permanent and temporary staff (%)	1.75%	3.4%		2%	4%	
		Reason for Variance: Training spend on new recruits. Training was also done at times of fewer events.			Reason for Variance: Training activities increased during the period as new recruits were trained and refresher training of all staff was undertaken.		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		
	Minimum aggregate score for all CTICC internal departments and external suppliers (%)	75%	85%		80%	84%	
		Reason for Variance: Good customer service delivered by staff during events.			Reason for Variance: Good customer service provided to clients.		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		
1. Increased jobs and investment in the Cape Town economy	B-BBEE spend (%)	65%	89%		70%	88%	
		Reason for Variance: Tenders issued to service providers with good BEE ratings leading to a good percentage being achieved.			Reason for Variance: Contracts issued are with suppliers holding valid BEE certificates.		
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum		
	Students employed (number)	1	1		3	4	
		Reason for Variance: On Target			Reason for Variance: Opportunity provided to appoint a greater number of students.		
	Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum			
Graduates employed (number)	1	2		3	6		
	Reason for Variance: A graduate for the SCM department was employed earlier than anticipated.			Reason for Variance: Opportunity provided to appoint a greater number of students.			
Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum				

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)							
Well Above <div><div></div></div> Above <div><div></div></div> On target <div><div></div></div> Below <div><div></div></div> Well below <div><div></div></div> Annual Target AT							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
Priority: A Capable and Collaborative City Government							
16. A capable and collaborative city government	Employees from the EE designated groups in the three highest levels of management (%)	75%	80.8%	<div><div></div></div>	75%	86.2%	<div><div></div></div>
		Reason for Variance: A employee within the designated group was recruited during the period. Remedial Action: Maintain the momentum			Reason for Variance: Recruited an employee within the designated group. Remedial Action: Maintain the momentum		
16. A capable and collaborative city government	Maintain five-star tourism grading through effective management of maintenance quality service delivery.	Achieve 100% of approved targets on asset maintenance plan	Achieved 100% of approved targets on asset maintenance plan	<div><div></div></div>	Achieve 100% of approved targets on asset maintenance plan	Achieved 100% of approved targets on asset maintenance plan	<div><div></div></div>
		Reason for Variance: On Target Remedial Action: Maintain the momentum			Reason for Variance: On Target Remedial Action: Maintain the momentum		
	Reduction in operating loss from the prior year (%)	AT	AT	AT	N/A	N/A	N/A
		Reason for Variance: Annual target Remedial Action: N/A			Reason for Variance: N/A Remedial Action: N/A		
	Achievement of annual budgeted operating profit (%)	N/A	N/A	N/A	45%	1154%	<div><div></div></div>
		Reason for Variance: N/A Remedial Action: N/A			Reason for Variance: Events held achieved good returns and costs were well managed resulting in a greater Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) achieved. Remedial Action: Maintain the momentum		
	Total number of capital projects for the year completed or committed (%)	55%	62%	<div><div></div></div>	55%	74%	<div><div></div></div>
		Reason for Variance: Additional projects have been started during the quarter to be completed during the year. Remedial Action: Maintain the momentum			Reason for Variance: Projects carried-over from 2023 were completed and current projects commenced. Remedial Action: Maintain the momentum		
	Opinion of the Auditor-General	Clean audit outcome for 2021/22	Clean Audit achieved for 2021/22	<div><div></div></div>	Clean audit outcome for 2022/23	Clean Audit achieved for 2022/23	<div><div></div></div>
Reason for Variance: On Target Remedial Action: Maintain the momentum			Reason for Variance: On target Remedial Action: Maintain the momentum				

2023/2024 QUARTERLY PERFORMANCE REPORT - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)							
Well  Above  Above  On target  Below  Well below  Annual Target AT							
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2			2023/2024 Quarter 2		
		Target	Actual	Status	Target	Actual	Status
16. A capable and collaborative city government	Cash/cost coverage ratio	2.2 Times	4.3 times		2.8 Times	5.8 times	
		Reason for Variance: The increase in business levels are resulting in higher revenues and consequently higher cash reserves. Remedial Action: Maintain the momentum			Reason for Variance: Costs are well managed in the operations as well as the retention of cash generated by operations have increased. Remedial Action: Maintain the momentum		
	Net debtors to annual income	11.0%	6.3%		13.5%	4.0%	
		Reason for Variance: Higher revenues resulted in the debtors being a smaller percentage for the quarter. Remedial Action: Maintain the momentum			Reason for Variance: The debtors book is being maintained and managed daily to collect debt resulting in the lower percentage to revenue. Remedial Action: Maintain the momentum		



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
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2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.1

2023-2024 CORPORATE SCORECARD

CITY OF CAPE TOWN TARGETS (2023-2024 MID-YEAR REVIEW)

2023/2024 MID-YEAR REVIEW AMENDMENT OF CORPORATE SCORECARD -CITY OF CAPE TOWN									
Alignment to IDP	Corporate Objective	Indicator Reference No (CSC,Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets		Adjustment Budget Motivation
Priority							2023/2024 Quarter 3	2023/2024 Quarter 4	
Economic growth	1. Increased Jobs and Investment in the Cape Town economy	1.E	Economic Growth	1.E Council approved trading plans developed or revised for informal trading (number)	4	A/T	no amendment	Current Target: 8 Proposed Target: 7	Several Trading plans are complex and will therefore will only be finalised in the following financial year. Design work of some of the complex Trading plans are impacted by Budgetary constraints will have to be held off until the new year.
Basic Services	2. Improved access to quality and reliable basic services	2.B	Water and Sanitation	2.B Toilets provided in informal settlements (number) (NKPI)	5 208	2 174	Current Target: 1 700 Proposed Target: 2 500	Current Target: 2 500 Proposed Target: 3 000	Amendment proposed based on continuous performance improvement.
Basic Services	3. End load shedding in Cape Town over time	3. B	Energy	3. B Load-shedding level variance (%)	14%	14%	Current Target: 40% Proposed Target 16%	Current Target: 40% Proposed Target 16%	Due to Extreme levels of load-shedding currently being experienced, it is not possible for the City to mitigate sufficient load-shedding with the resources available to meet this target. The levels of load-shedding required are outside of the control of the City.
Safety	5. Effective law enforcement to make communities safer	5.A	Safety and Security	5.A Drone flights used for safety and security activities (number)	930	1 087	Current Target: 35 Proposed Target: 1 537	Current Target: 45 Proposed Target: 1 937	Operationalisation of drones in the Safety & Security environment whilst still in its infancy, is increasing. Safety & Security is taking a cautious approach to this indicator as a number of factors such as environmental conditions, regulatory approvals and other demands which cannot always be anticipated affects these totals.
Public Space, Environment and Amenities	9. Healthy and sustainable environment	9.A	Spatial Planning and Environment	9.A Proportion of biodiversity priority areas protected (%)	65.14%	65.3%	no amendment	Current Target: 65.35% Proposed Target: 65.25%	The November 2022 de-proclamation of CapeNature's 507ha Driftsands Nature Reserve following land invasion has had a significant negative impact on this target. 450ha was considered to be "protected" at Driftsands. This equated to 0.53% of the BioNet which has now had to be removed from the conservation estate. Active land acquisition and conservation stewardship programme will aim to get back to previously set targets as soon as possible.
Public Space, Environment and Amenities	9. Healthy and sustainable environment	9.B	Spatial Planning and Environment	9.B Biodiversity priority areas remaining (hectares)	81 000 ha	81419 ha	Current target: 85 000 ha Proposed Target: 81 000 ha	Current target: 85 000 ha Proposed Target: 81 000 ha	81 000 ha this is the remaining extent calculated from the recent BioNet update. The November 2022 de-proclamation of CapeNature's Driftsands Nature Reserve following land invasion has had a significant negative impact on this target. This equated to 0.53% of the BioNet which has now had to be removed from the conservation estate. Active land acquisition and conservation stewardship programme will aim to get back to previously set targets as soon as possible.
Public Space, Environment and Amenities	9. Healthy and sustainable environment	9.C	Community Services and Health	9.C Severe/Moderate dehydration in children under the age of five presenting at City health facilities with diarrhea (%)	New	A/T	no amendment	Current target: <5.1% Proposed Target: <4%	The City has implemented a stepwise decrease (i.e. an improvement in outcomes) over the next few years – as City improve the services (Environmental Health- and Personal Primary Health Care) to prevent severe diarrhoea. The diarrhoea indicator is subject to some seasonal variation due to factors outside of the health system. It is meant to be an outcome indicator for the health promotion work that Environmental Health does within communities (education and monitoring visits).
Transport	12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.A	Urban Mobility	12.A Passengers transported for each scheduled kilometer travelled by MyCiti buses (ratio)	1.06	1.01	Current Target: 1.15 Proposed target: 1.01	Current Target: 1.15 Proposed target: 1.01	The current target was premised on the fact that Milestones 0.1 and 0.2 of the MyCiti Phase 2A project (MyCiti Metro South East Corridor) would come into effect in 2023/24, which would have resulted in new passenger journeys. However, given grant funding constraints and bus procurement challenges, these milestones will have to be delayed. In addition, the increased provision (in terms of scheduled kilometres) of MyCiti services, to meet contractual obligations in terms of guaranteed kilometres and passenger demand, negatively affected the performance for this indicator.

2023/2024 MID-YEAR REVIEW AMENDMENT OF CORPORATE SCORECARD -CITY OF CAPE TOWN									
Alignment to IDP	Corporate Objective	Indicator Reference No (CSC, Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets		Adjustment Budget Motivation
Priority							2023/2024 Quarter 3	2023/2024 Quarter 4	
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.C	Finance	16.C Opinion of the Auditor-General	Unqualified Audit Outcome	Unqualified Audit Opinion with no findings	no amendment	Current target: Unqualified Audit Opinion Proposed Target: Unqualified Audit Opinion with no findings	Aligning the terminology with the various circulars and Audit Act.
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.D	Finance	16.D Spend of capital budget (%) (NKPI)	92.3%	31.99%	TBC	90%	Target amendment will be updated once the adjustment Budget is approved in Council at 30 January.
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.E	Finance	16.E Cash/cost coverage ratio (NKPI)	1.97:1	1.42:1	TBC	TBC	Target amendment will be updated once the adjustment Budget is approved in Council at 30 January.
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.F	Finance	16.F Net Debtors to annual income (NKPI)	16.79%	16.38%	TBC	TBC	Target amendment will be updated once the adjustment Budget is approved in Council at 30 January.
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.G	Finance	16.G Debt (total borrowings) to total operating revenue (NKPI)	21.18%	17.85%	TBC	TBC	Target amendment will be updated once the adjustment Budget is approved in Council at 30 January.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.2

2023-2024 CORPORATE SCORECARD - CITY OF CAPE TOWN

DEFINITIONS (2023-2024 MID-YEAR REVIEW)

2023/2024 MID-YEAR CORPORATE SCORECARD DEFINITIONS (23-24 MID YEAR REVIEW)

Alignment to IDP	Corporate Objective	Indicator Reference No (CSC, Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Definition		Adjustment Budget Motivation
					Current Definition	Proposed Definition	
Economic growth	1. Increased Jobs and Investment in the Cape Town economy	1.D	Energy	1.D Commercial electricity services applications finalised within industry standard timeframes (%)	Measures the percentage of commercial electricity services applications finalised within industry standard timeframes as set by National Rationalised Standard (NRS 047). Refers specifically to the time taken from the acceptance of quotation until supply is finalised. The exact length of the timeframe is determined by agreement with the customer.	Measures the percentage of commercial electricity services applications finalised within industry standard timeframes as set by National Rationalised Standard (NRS 047). Commercial electricity service application is where a service notification is created and payment is received from the customer, until the supply is finalised. The exact length of the timeframe is determined by agreement with the customer.	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.
Basic Services	4. Well-managed and modernised infrastructure to support economic growth	4.A	Water and Sanitation	4.A Sewer reticulations pipelines replaced (metres)	Measures the metres of wastewater reticulation pipeline that are replaced.	Measures the metres of sewer reticulation pipeline that are replaced.	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.
Basic Services	4. Well-managed and modernised infrastructure to support economic growth	4.D	Water and Sanitation	4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	Measures the number of valid applications for residential water service applications closed within the standard days, expressed as a percentage of the total number of valid applications for residential water services received. Proxy measure for NKPI per MSA Regulation 10(a).	Measures the number of valid applications for residential water service closed within the prescribed standard days, expressed as a percentage of the total number of valid applications for residential water service received. Valid applications are residential/domestic applications where service notifications has been created for the water service and down-payment for the service has been received. Proxy measure for NKPI per MSA Regulation 10(a).	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.
Basic Services	4. Well-managed and modernised infrastructure to support economic growth	4.E	Water and Sanitation	4.E Valid applications for residential sewerage services closed within the response standard (%) (NKPI)	Measures the number of valid applications for residential sewerage service applications closed within the standard days, expressed as a percentage of the total number of valid applications for residential sewerage services received. Proxy measure for NKPI per MSA Regulation 10(a).	Measures the number of valid applications for residential sewerage service closed within the prescribed standard days, expressed as a percentage of the total number of valid applications for residential sewerage service received. Valid applications are residential/domestic applications where service notifications has been created for the sewerage service and down-payment for the service has been received. Proxy measure for NKPI per MSA Regulation 10(a).	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.
Basic Services	4. Well-managed and modernised infrastructure to support economic growth	4.F	Urban Waste Management	Current KPI name: 4.F Service requests for non-collection of refuse resolved within three working days (%) (NKPI) Proposed KPI name: 4.F Service requests for non-collection of refuse resolved within three working days (%) (NKPI)	Measures the number of non-collections for residential refuse removal, reported and closed within three days, expressed as a percentage. Proxy measure for NKPI per MSA Regulation 10(a).	Measures the number of non-collections for refuse removal, reported and closed within three working days , expressed as a percentage. Proxy measure for NKPI per MSA Regulation 10(a).	The inclusion of the word "working" is to align the indicator definition to the indicator name. The exclusion of the word "residential" is to align the definition to the MSA, which does not make clear reference to residential refuse service only. Further, the alignment will be in accordance with the quarterly reporting, which is inclusive of all notifications received irrespective of the property type (residential or non-residential). The current misalignment poses an audit risk.
Basic Services	4. Well-managed and modernised infrastructure to support economic growth	4.G	Energy	4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI)	Measures the percentage of residential electricity services applications finalised within industry timeframes. Refers specifically to the time taken from the acceptance of quotation until supply is finalised. The exact length of the timeframe is determined by the nature of the work required in order to provide the supply. Proxy measure for NKPI per MSA Regulation 10(a).	Measures the percentage of residential electricity services applications finalised within industry standard timeframes as set by National Rationalised Standard (NRS 047). Residential electricity service application is where a service notification is created and payment is received from the customer, until the supply is finalised. The exact length of the timeframe is determined by the nature of the work required in order to provide the supply, which excludes any customer time and delays. Proxy measure for NKPI per MSA Regulation 10(a).	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.

2023/2024 MID-YEAR CORPORATE SCORECARD DEFINITIONS (23-24 MID YEAR REVIEW)

Alignment to IDP	Corporate Objective	Indicator Reference No (CSC, Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Definition		Adjustment Budget Motivation
					Current Definition	Proposed Definition	
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.K	Corporate Services	16. K Adherence to service standards (%)	Measures the percentage of adherence to service request. Servicerequests must be adhered to within the approved timeframes. Thisindicator measures the percentage adherence to citywide servicestandards based on external notifications. External notifications are requests for services from the public.	Measures the percentage of adherence to the target for service requests. Service requests must be adhered to within the approved timeframes. This indicator measures the percentage adherence to Citywide service standards based on external notifications. External notifications are requests for services from the public. The external notification types includes N2 notifications (used for all requests related to roads and stormwater infrastructure) and C3 notifications (used for all other service faults and requests).	Proposed definition change recommended to enhance auditability of the Key Performance Indicator (KPI) - following from the findings raised by the Auditor General during the 2022/02023 audit.
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.C	Finance	16.C Opinion of the Auditor-General	Measures the opinion of the AG. The indicator measures good governance and accounting practices and will be evaluated and considered by the AG in determining their opinion. The AG has various approved opinions and the City will be measured against these opinions based on the outcome of the audit.	Measures the 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 their opinion. The Auditor-General has various approved opinions and the City will be measured against these opinions based on the outcome of the audit. 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 generally recognised accounting practice. A "clean audit" is an unqualified audit opinion with no material findings on compliance with laws,, regulations and predetermined objectives.	The purpose of the change is to elaborate on the definition of what a "clean audit" is.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.3

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD

(2023-2024 MID-YEAR REVIEW)

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD (MID-YEAR REVIEW)									
Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets		Adjustment Budget Motivation
							2023/2024 Quarter 3	2023/2024 Quarter 4	
Economic growth	1. Increased Jobs and Investment in the Cape Town economy	LED1. Growing inclusive local economies	Corporate Services	LED1.31 Number of individuals connected to apprenticeships and learnerships through municipal interventions	1053	976	Current Target: 700 Proposed Target: 1 050	Current Target: 945 Proposed Target: 1 100	Amendment proposed based on continuous performance improvement.
Economic growth	1. Increased Jobs and Investment in the Cape Town economy	LED3. Improved levels of economic activity in municipal economic spaces	Community Services and Health	LED3.11 Average time taken to finalise business license applications	126.99	81.53	Current target: 155 Proposed Target: 140	Current target: 155 Proposed target: 140	Amendment proposed based on continuous performance improvement.
Basic services	3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	100%	84%	Current Target: 100% Proposed Target: 85%	Current Target: 100% Proposed Target: 85%	Current target takes into account all 5 timeframes. There is no methodology included in the C88 Technical Indicator Definition (TiD) for a single outcome, and the indicator is expected to be updated to reflect the 24 hour timeframe only from next financial year. In the interim, the target is proposed to be adjusted down in light of the large number of load-shedding outages, and the high levels of vandalism being experienced at present. Amendment is also to align to Addendum 5 of Circular 88.
Transport	12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	TR4. Improved satisfaction with public transport services	Urban Mobility	TR4.21 Percentage of municipal bus services 'on time'	73.10%	67.60%	Current Target: 75% Proposed Target: 70%	Current Target: 75% Proposed Target: 70%	Schedule adherence is impacted by congestion, where buses drive in mixed traffic, which is also exacerbated by loadshedding affecting traffic signals, resulting in variable travel times for buses. Gradual improvement to the current schedule adherence is expected as schedules are improved upon and additional schedule adherence measures are implemented. Improvement in Business Intelligence (BI) database and reduction in timing point of departure negatively affected the target.
Transport	12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	TR5. Improved access to public transport (incl. NMT)	Urban Mobility	TR5.31 Percentage of scheduled municipal bus trips that are universally accessible	97.50%	82%	Current Target: 98% Proposed Target: 82%	Current Target: 98% Proposed Target: 82%	It was determined that all trunk and certain direct routes are completely non-universally accessible, when one stop along the trip/route is not universally accessible. This is largely due to vandalism and destruction of high floor stations such as Dunoon, Usasaza and Phoenix stations. When this occurs temporary low floor bus stops need to be implemented to service passengers who were affected along trunk routes.
Transport	13. Safe and quality roads for pedestrians, cyclists and vehicles	TR5. Improved access to public transport (incl. NMT)	Urban Mobility	TR5.41 Length of NMT paths built	9.5	2.23km	Current Target: 8.5km Proposed Target: 3.5km	Current Target: 21km Proposed Target: 4.5km	Budget adjustment for the following projects: CPX 0011160 Budget reduced from R 19 000 000 to R 12 414 000 CPX 0009556 Budget reduced from R 10 000 000 to R 627 530 CPX 0022726 Budget reduced from R 9 000 000 to R 348 550 Budget in financial year 2024 reduced to align with latest cashflow projections. Budget reprioritised within the overall Public Transport Network Grant (PTNG) budget.
Transport	13. Safe and quality roads for pedestrians, cyclists and vehicles	TR6. Improved quality of municipal road network	Urban Mobility	TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	1.87%	0.97%	Current Target: 1.3% Proposed Target: 1.16%	Current Target: 1.87% Proposed Target: 1.84%	Target amendment to align to National Treasury C88 requirement.

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD (MID-YEAR REVIEW)									
Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets		Adjustment Budget Motivation
							2023/2024 Quarter 3	2023/2024 Quarter 4	
Transport	13. Safe and quality roads for pedestrians, cyclists and vehicles	TR6. Improved quality of municipal road network	Urban Mobility	TR6.13 KMs of new municipal road network	0	0km	Current Target: 0.3km Proposed Target: 0km	Current Target: 0.7km Proposed Target: 0.2km	Budget adjustment for the following projects: CPX 0007859 R 36 140 361 reduced to R 18 207 058. Project delayed by land use issues. Budget in financial year 24 reduced to align with latest cashflow projections. Budget reprioritised within the overall PTNG-Budget for infrastructure.
A capable, collaborative and financially sustainable city government	16. A capable, collaborative and financially sustainable city government	GG5. Zero tolerance of fraud and corruption	Corporate Services	GG5.11 Number of active suspensions longer than three months	≤5	1	Current target: ≤10 Proposed target: ≤13	Current target: ≤10 Proposed target: ≤13	The target was amended for an equitable distribution per directorate, then this gives each directorate 1 suspension per quarter. The disciplinary procedure allows for up to six months suspension period. This has been addressed with National Treasury. Suspensions are not always triggered by the instituting of a disciplinary hearing, it is triggered by the instituting of investigation. The period between investigation and the start of a disciplinary hearing may take longer than the 3 months, which influence the outcome of the indicator.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.4

2023-2024 MFMA CIRCULAR 88 OUTCOME SCORECARD

(2023-2024 MID-YEAR REVIEW)

2023-2024 MFMA CIRCULAR 88 OUTCOMES SCORECARD (Mid-year review)										
Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2021/2022	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets		Adjustment Budget Motivation
Priority								2023/2024 Quarter 3	2023/2024 Quarter 4	
Safety	6. Strengthen partnerships for safer communities	HS3. Increased access to and utilisation of social and community facilities	Community Services and Health	HS3.5 Utilisation rate of available Community Halls (%)	21.85%	0.24	A/T	A/T	Current Target: 20% Proposed Target: 25%	Target adjusted based on trend analysis.
Public Space Environment and Amenities	11. Quality and safe parks and recreation facilities supported by community partnerships	HS3. Increased access to and utilisation of social and community facilities	Community Services and Health	HS3.6 Library visits per library (average number)	42 736	62 793	A/T	A/T	Current target: 32 000 Proposed target: 63 000	Align with the Directorate Scorecard. Target setting at Directorate level is influenced by previous year's performance, which was not yet finalised at the time of reviewing annual targets for C88 indicators for 2023/24 FY.
Basic Services	4 Well-managed and modernised infrastructure to support economic growth	WS5. Improved water sustainability	Water and Sanitation	WS5.4 Percentage of water reused	5.36%	5.60%	A/T	Current Target: N/A Proposed Target: N/A	Current Target: 5% Proposed Target: 6%	This target amendment is to align to the 2023-2024 Directorate and Department SDBIP.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.5

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD

ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD -ALIGNMENT TO ADDENDUM 4 (23-24 MID-YEAR REVIEW)

National Treasury Circular 88, Addendum 4: Provision 4.2 states that "Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved". Refer to listed indicators below. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to National Treasury and the Auditor General until the indicators are audit ready.

Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Comment - Indicators posing an audit risk
Priority					
Basic Services	Objective 4. Well-managed and modernised infrastructure to support economic growth	WS4. Improved quality of water (incl. wastewater)	Water & Sanitation	WS 4.21 Percentage of industries with trade effluent inspected for compliance	Barrier- System limitation, National Treasury (NT) requires that all industries should be measured. The City can only measure a limited number of industries which will be selected on a random sample basis due to resource constraints. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 4. Well-managed and modernised infrastructure to support economic growth	WS4. Improved quality of water (incl. wastewater)	Water & Sanitation	WS 4.31 Percentage of wastewater treatment capacity unused	Barrier-No system available to provide actual data. City use estimates determined by City officials. The addendum 5 issued in December 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 4. Well-managed and modernised infrastructure to support economic growth	C88 Outcomes: Improved water sustainability	Water & Sanitation	WS 5.21 Infrastructure Leakage Index	Barrier-No system available to provide actual data. City use estimates determined by City officials. The addendum 5 issued in December 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 4. Well-managed and modernised infrastructure to support economic growth	WS5. Improved water sustainability	Water & Sanitation	WS5.31 Percentage of total water connections metered	Barrier-No system available to provide actual data. City use estimates determined by City officials. The addendum 5 issued in December 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Challenge -The barrier is the identification of unmetered water connections is impossible to track. The City will consult with NT for an alternative measurement.

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD -ALIGNMENT TO ADDENDUM 4 (23-24 MID-YEAR REVIEW)

National Treasury Circular 88, Addendum 4: Provision 4.2 states that "Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved". Refer to listed indicators below. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to National Treasury and the Auditor General until the indicators are audit ready.

Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Comment - Indicators posing an audit risk
Priority					
Basic Services	Objective 2. Improved access to quality and reliable basic services	WS3. Improved quality of water and sanitation services	Water & Sanitation	WS3.11 Percentage of callouts responded to within 48 hours (sanitation/wastewater)	Barrier-No system in place to provide auditable data. Performance will only be ascertained once the new Reactive Incident Management Application (RIMA) 2 system is fully implemented (planned by end of the financial year 2024) in order to build a baseline of performance. This will remain an audit risk for 2023/2024. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 2. Improved access to quality and reliable basic services	WS3. Improved quality of water and sanitation services	Water & Sanitation	WS3.21 Percentage of callouts responded to within 48 hours (water)	Barrier-No system in place to provide auditable data. True performance will only be ascertained once the new Reactive Incident Management Application (RIMA) 2 system is fully implemented (planned by end of the financial year 2024) in order to build a baseline of performance. This will remain an audit risk for 2023/2024. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 2. Improved access to quality and reliable basic services	WS4. Improved quality of water (incl. wastewater)	Water & Sanitation	WS 4.11 Percentage of water treatment capacity unused	Barrier-No system available to provide actual data. City use estimates determined by City officials. The addendum 5 issued in Dec 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.21 Percentage of planned maintenance performed	Barrier-No system in place for Quarter 1 and 2. Barrier- System limitations to provide auditable data is applicable to Quarter 3 and 4. Estimated date of audit readiness: 2024/2025

2023-2024 MFMA CIRCULAR 88 OUTPUT SCORECARD -ALIGNMENT TO ADDENDUM 4 (23-24 MID-YEAR REVIEW)

National Treasury Circular 88, Addendum 4: Provision 4.2 states that "Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved". Refer to listed indicators below. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to National Treasury and the Auditor General until the indicators are audit ready.

Alignment to IDP	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Comment - Indicators posing an audit risk
Priority					
Basic Services	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	<p>Barrier - System limitation is applicable for Quarter 1 and 2, as the previous formula was still applied which indicated that 5 different categories were required to be reported on. However as per the National Treasury formula, the City was required to report on the consolidated figure for the numerator and denominator. Therefore, the audit risk was therefore limited to Q1 and Q2.</p> <p>The addendum 5 issued in December 2023 by National Treasury, there was a change to the calculation mechanism to only reference the 24 hour timeframe within the NRS047 standards. In terms of this standard, 98% of all faults should be resolved within this timeframe. Baseline data will not compare completely with this indicator, as it currently contains the full set of five timeframes (bracketed numbers show the extracted 24 hour outcomes only for the relevant periods). The provisions of Addendum 5 will be applied from Q3 of 2023/2024 financial year.</p> <p>Estimated date of audit readiness: 2023/2024</p>
Economic Growth	Objective 1: Increased Jobs and Investment in the Cape Town Economy	LED2. Improved levels of economic activity in municipal economic spaces	Finance	LED2.12 Percentage of the municipality's operating budget spent on indigent relief for free basic services	<p>Barrier - System limitation as the system is unable to generate reports on the actual expenditure incurred to provide "Free Basic Services".</p> <p>The addendum 5 issued in Dec 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators.</p> <p>Estimated date of audit readiness: 2025/2026</p>



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.6

2023-2024 MFMA CIRCULAR 88 COMPLIANCE SCORECARD

ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)

2023-2024 MFMA CIRCULAR 88 COMPLIANCE SCORECARD - ALIGNMENT TO ADDENDUM 4 (23-24 MID-YEAR REVIEW)					
National Treasury Circular 88, Addendum 4: Provision 4.2 states that "Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved". Refer to listed indicators below. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to National Treasury and the Auditor General until the indicators are audit ready.					
Alignment to IDP Priority	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Comment - Indicators posing an audit risk
A capable and collaborative city government	Objective 16. A capable and collaborative City Government	N/A per C88	Corporate Services	C5 Number of recognised traditional leaders within your municipal boundary	Barrier - The City does not have any traditional leaders, therefore this indicator is "not applicable". At this stage the City is not in a position to implement this indicator and is in alignment with provision 4.2 of Addendum 4.
	Objective 16. A capable and collaborative City Government	N/A per C88	Corporate Services	C19 Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings	Barrier - The City does not have any traditional leaders, therefore this indicator is "not applicable". At this stage the City is not in a position to implement this indicator and is in alignment with provision 4.2 of Addendum 4.
	Objective 16. A capable and collaborative City Government	N/A per C88	Corporate Services	C41 Number of approved engineer posts in the municipality	Barrier - No system in place to measure the Key Performance Indicator KPI as City adopted generic job description for all appointments. A viable system is being explored for reporting purposes that could potentially align to NT reporting requirements. Estimated date of audit readiness: 2025/2026
	Objective 16. A capable and collaborative City Government	N/A per C88	Corporate Services	C42 Number of registered engineers employed in approved posts	Barrier - No system in place to measure the Key Performance Indicator KPI as City adopted generic job description for all appointments. A viable system is being explored for reporting purposes that could potentially align to NT reporting requirements. Estimated date of audit readiness: 2025/2026
	Objective 16. A capable and collaborative City Government	N/A per C88	Corporate Services	C43 Number of engineers employed in approved posts	Barrier - No system in place to measure the Key Performance Indicator KPI as City adopted generic job description for all appointments. A viable system is being explored for reporting purposes that could potentially align to NT reporting requirements. Estimated date of audit readiness: 2025/2026
Basic Services	Objective 3. End loadshedding in Cape Town over time	N/A per C88	Energy	C57 Number of registered electricity consumers with a mini grid-based system in the municipal service area	Barrier - No system in place to measure mini-grid-based consumers. The City is not an energy licensed distributor with the National Energy Regulator of South Africa but a licensed electricity distributor. The measurement per Addendum 5 was amended to measure embedded generation systems from the 2024/2025 financial year that the City can report on. However it still remains an audit risk for the 2023/2024 financial year. Estimated date of audit readiness: 2024/2025
	Objective 3. End loadshedding in Cape Town over time	N/A per C88	Energy	C56 Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogas according to supply level standards)	Barrier - The City is not an energy licensed distributor with the National Energy Regulator of South Africa but a licensed electricity distributor (which is only one form of energy supply). Metro municipalities are no longer required to report on this indicator per Addendum 5 for the 2024/2025 financial year. However, it still remains a risk for the 2023/2024 financial year.
	Objective 4. Well managed and modernised infrastructure to support economic growth	N/A per C88	Energy	C58 Total non-technical electricity losses in MWh (estimate)	Barrier - There is a contradiction between the indicator name as it refers to MWh, and the method of calculation refers to kWh. The Addendum 5 and the Technical Indicator description issued in December 2023, has not been updated, thus the contradiction in the unit measure remains an audit risk.
Economic Growth	Objective 1. Increased jobs and investment in the Cape Town economy	N/A per C88	Community Services and Health	C85 Number of business licenses renewed	Barrier - The Western Cape Province and City of Cape Town legislation does not make provision for business licenses to be renewed, therefore this indicator is not applicable. At this stage the City is not in a position to implement this indicator and is in alignment with provision 4.2 of Addendum 4.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 2.7

2023-2024 MFMA CIRCULAR 88 OUTCOME SCORECARD

ALIGNMENT TO ADDENDUM 4 (2023-2024 MID-YEAR REVIEW)

2023-2024 MFMA CIRCULAR 88 OUTCOMES SCORECARD -ALIGNMENT TO ADDENDUM 4 (23-24 MID-YEAR REVIEW)					
National Treasury Circular 88, Addendum 4: Provision 4.2 states that "Where a municipality is unable to report on an indicator, the actual barriers, and challenges to the supply of that data should be made explicit, along with an indication as to when (or under which conditions) they would be resolved". Refer to listed indicators below. The City will monitor the indicators and put action plans in place to ensure the indicators are auditable in the future. These indicators are included for completeness purposes but will not be reported to National Treasury and the Auditor General until the indicators are audit ready.					
Alignment to IDP Priority	Corporate Objective	Circular 88 Outcomes	Lead (L)/ Contributing Directorate	Key Performance Indicator	Comment - Indicators posing an audit risk
Basic Services	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.1 System Average Interruption Duration Index	Barrier-Data provided is an estimate and based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. The addendum 5 issued in December 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Barrier - National Treasury requires actual data as per the formula which is not cost-effective (cost vs benefit). The TID gave an option to include either EE3.1 and EE3.3 or EE3.5 and EE3.6 respectively, if the municipality does not have the systems in place. EE3.1 (SAIDI) and EE3.3 (SAIFI) explicitly states "The calculations are reliant on good customer network link data, over and above good information on network topology and incident recording and classification. It has been updated for 2021 indicating that indicator EE3.5 (ASIDI) and EE3.6 (ASIFI) has been introduced in the event that a municipality does not yet have customer network link data systems in place." Addendum 5 provided clarity to demote this indicator to Tier 3 for the 2024/2025 financial year, therefore it still remains a risk for the 2023/2024 financial year.
	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.3 System Average Interruption Frequency Index	Data provided is an estimate and based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. The addendum 5 issued in Dec 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Barrier - National Treasury requires actual data as per the formula which is not cost-effective (cost vs benefit). The TID gave an option to include either EE3.1 and EE3.3 or EE3.5 and EE3.6 respectively, if the municipality does not have the systems in place. EE3.1 (SAIDI) and EE3.3 (SAIFI) explicitly states "The calculations are reliant on good customer network link data, over and above good information on network topology and incident recording and classification. It has been updated for 2021 indicating that indicator EE3.5 (ASIDI) and EE3.6 (ASIFI) has been introduced in the event that a municipality does not yet have customer network link data systems in place." Addendum 5 provided clarity to demote this indicator to Tier 3 for the 2024/2025 financial year, therefore it still remains a risk for the 2023/2024 financial year.
	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.5 Average System Interruption Duration Index (ASIDI)	Data provided is an estimate and based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. The addendum 5 issued in Dec 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Barrier - National Treasury requires actual data as per the formula which is not cost-effective (cost vs benefit). The TID gave an option to include either EE3.1 and EE3.3 or EE3.5 and EE3.6 respectively, if the municipality does not have the systems in place. EE3.1 (SAIDI) and EE3.3 (SAIFI) explicitly states "The calculations are reliant on good customer network link data, over and above good information on network topology and incident recording and classification. It has been updated for 2021 indicating that indicator EE3.5 (ASIDI) and EE3.6 (ASIFI) has been introduced in the event that a municipality does not yet have customer network link data systems in place." Addendum 5 provided clarity to demote this indicator to Tier 3 for the 2024/2025 financial year, therefore it still remains a risk for the 2023/2024 financial year.
	Objective 3. End load shedding in Cape Town over time	EE3. Improved reliability of electricity service	Energy	EE3.6 Average System Interruption Frequency Index (ASIFI)	Data provided is an estimate and based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. The addendum 5 issued in Dec 2023 by National Treasury has not provided clarity on the use of estimates for outputs and outcomes. Clarity was only provided on estimates for compliance indicators. Barrier - National Treasury requires actual data as per the formula which is not cost-effective (cost vs benefit). The TID gave an option to include either EE3.1 and EE3.3 or EE3.5 and EE3.6 respectively, if the municipality does not have the systems in place. EE3.1 (SAIDI) and EE3.3 (SAIFI) explicitly states "The calculations are reliant on good customer network link data, over and above good information on network topology and incident recording and classification. It has been updated for 2021 indicating that indicator EE3.5 (ASIDI) and EE3.6 (ASIFI) has been introduced in the event that a municipality does not yet have customer network link data systems in place." Addendum 5 provided clarity to demote this indicator to Tier 3 for the 2024/2025 financial year, therefore it still remains a risk for the 2023/2024 financial year.
Public Space, Environment and amenities	Objective 10. Clean and Healthy waterways and beaches	ENV5.2 Recreational water quality (inland)	Water and Sanitation	ENV5.2 Recreational water quality (inland)	Barrier- For the 2022/2023 financial year no system was in place. The audit risk remains high due to system limitations to provide auditable data for the first year of reporting on this indicator for the financial year 2023/2024. Estimated date of audit readiness: 2024/2025
Housing	Objective 7. Increased supply of affordable, well-located HOMES	HS1. Improved access to adequate housing	Human Settlements	HS1.3 Percentage of informal settlements upgraded to Phase 3	For Phase 1 and 2 upgrade as part of the Upgrading of Informal Settlement Programme (UISP) this data will be used as a baseline for the upgrade to phase 3 which will be reported from 2023/2024. The constant increase of informal settlements will however remain a challenge for target setting. Indicator will be reported annually. Barrier-The number of settlements varies and constantly increases every single quarter and its difficult to set a target. Challenges will be discussed with National Treasury, estimate date cannot be determined.
A capable and collaborative city government	Objective 16. A capable and collaborative city government	GG2. Improved municipal responsiveness	Corporate Services	GG2.2 Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders)	Barrier - The City does not have any traditional leaders, therefore this indicator is "not applicable". At this stage the City is not in a position to implement this indicator and is in alignment with provision 4.2 of Addendum 4. Not applicable.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 3.1

2023-2024 CORPORATE SCORECARD

CAPE TOWN STADIUM (2023-2024 MID-YEAR REVIEW)

ANNEXURE 3.1: 2023-2024 CORPORATE SCORECARD - CAPE TOWN STADIUM (2023-2024 MID-YEAR REVIEW)

2023/2024 COPRRATE SCORECARD- CAPE TOWN STADIUM (MID-YEAR REVIEW)									
Alignment to IDP	Corporate Objectives	Indicator Reference No (CSC, Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets*		Adjustment Budget Motivation
Priority							2023/2024 Quarter 3	2023/2024 Quarter 4	
A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	N/A	CTS	Achievement of own projected revenue (%)	88.03%	33.64%	Current Target: 60% Proposed Target: 40%	Current Target: 90% Proposed Target: 70%	This is in line with the revenue shortfall anticipated for this year due to the revenue shortfall as a result of the 3 year sliding scale agreement with Western Province Rugby on signing of the Anchor Tenant Agreement. Another significant event known as the Formula E was cancelled which was budgeted to take place in February 2024 will result in a further shortfall on revenue forecasted for this year



CITY OF CAPE TOWN
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STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 3.2

2023-2024 CORPORATE SCORECARD

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (2023-2024 MID-YEAR REVIEW)

ANNEXURE 3.2: 2023-2024 CORPORATE SCORECARD - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (2023-2024 MID-YEAR REVIEW)

2023/2024 COPRRATE SCORECARD- CAPE TOWN INTERNATIONAL CONVENTION CENTRE (MID-YEAR REVIEW)									
Alignment to IDP	Corporate Objectives	Indicator Reference No (CSC,Circular 88, ETC)	Lead (L)/ Contributing Directorate	Key Performance Indicator	Baseline 2022/2023	Actual Q2 Achieved 2023/2024	Targets*		Adjustment Budget Motivation
Priority							2023/2024 Quarter 3	2023/2024 Quarter 4	
Economic Growth	1. Increased jobs and investment within the Cape Town economy	N/A	CTICC	International events hosted (Number)	33	24	Current Target: 21 Proposed Target: 28	Current Target: 27 Proposed Target: 34	The change in the targets is due to an increase in events hosted and secured for Q3 and Q4 respectively.
A Capable and collaborative City Government	16. Capable and collaborative City Government	N/A	CTICC	Achievement of annual budgeted Operating Profit ^a (%)	n/a	1154%	Current Target: 64% Proposed Target: 80%	100%	The change in the Q3 target is due to the CTICC achieving a higher Earning before interest tax depreciation and amortisation (EBITDA) for the first 9 months of the financial year. The proposed target align to adjusted budget tabled in January and therefore will correct itself in Q3 and Q4.
A Capable and collaborative City Government	16. Capable and collaborative City Government	N/A	CTICC	Cash/cost coverage ratio (NKPI)	5.4 times	5.8 times	Current Target: 3 times Proposed Target: 3.8 times	Current Target: 4 times Proposed Target: 4.5 times	The change in Q3 and Q4 is due to the increased revenue and profits resulting in the CTICC generating additional cash resources. The proposed target align to adjusted budget tabled in January and therefore will correct itself in Q3 and Q4.
A Capable and collaborative City Government	16. Capable and collaborative City Government	N/A	CTICC	Net Debtors to annual income (NKPI)	2.9%	4%	Current Target: 9.5% Proposed Target: 8.0%	Current Target: 5% Proposed Target: 4.8%	As the revenue has increased in Q3 and Q4 the outstanding net debtors % decreases to total revenue. The proposed target align to adjusted budget tabled in January and therefore will correct itself in Q3 and Q4.



CITY OF CAPE TOWN
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STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 4

CAPE TOWN STADIUM



CAPE TOWN STADIUM

**2023/24 MID-YEAR BUDGET
AND
PERFORMANCE ASSESSMENT**

CONTENTS

PART 1 – REPORT TO THE BOARD OF DIRECTORS AND PARENT MUNICIPALITY	2
PART 2 - FINANCIAL PERFORMANCE	5
PART 3 - SERVICE DELIVERY PERFORMANCE	13
PART 4 – RECOMMENDATIONS	14

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

1. Executive Summary

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

Section 88 of the MFMA states:

1.1. The accounting officer of a municipal entity must by 20 January of each year—

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

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

2. High level assessment of performance against the annual budget for the first half of 2023/24

Revenue by Source (R11, 8 million under-recovery)

- *Rental from fixed assets (R11,5 million under-recovery)*

The under-recovery is mainly attributable to no bowl events being hosted during quarter 1 as the pitch was being replaced. The pitch replacement project was moved forward and hence not taken into account at the time of compiling the original budget.

- *Transfers and subsidies- Operational (R2 million over-recovery)*

The unfavourable variance is primarily due to the entity generating less own year-to-date revenue due to no bowl events hosted during quarter 1 as a result of the pitch replacement during quarter 1. The grant was, therefore, utilised to cover operational expenditure.

- *Interest (R0,6 million over-recovery), and Other Revenue (R2,9 million under-recovery)*

The over-recovery in interest income earned is in relation to the entity's favourable bank balance. Other revenue relates to the naming rights income received from DHL Express, and rebate income earned from operational and commercial service providers for services sold to clients i.e. cleaning, security etc. for events held at the stadium. The under-recovery of other revenue is mainly attributable to no bowl events being hosted during quarter 1 as outlined above, as less rebate income was earned from commercial and operational service providers than initially envisaged.

Expenditure by type (R8 million under expenditure)

Current total expenditure is R41,6 million (16.1%) below the year-to-date (YTD) budget projection of R49,6 million for the period ending 31 December 2023. The operational expenditure budget will not be adjusted in the adjustments budget and will be kept in line with the original budget for compliance purposes.

Reason for savings on operating expenditure:

- *Employee related costs (R318k under expenditure)*
The savings realised is mainly attributable to a vacant position. The budget will be re-allocated during the adjustments budget process.
- *Remuneration of Directors (R46k under expenditure)*
The savings realised is due to only scheduled meetings being held, while additional meetings were factored into the budget.
- *Inventory Consumed (R1,5 million over expenditure)*
The over expenditure reflects mainly on fuel and is due to the increased utilisation of generators as a result of increase in load-shedding as well as the cost of diesel for the first half of the 2023/24 financial year. The budget will be adjusted during the adjustments budget process.
- *Contracted Services (R8.9 million under expenditure)*
The under expenditure relates to the cleaning and repairs and maintenance budget which will be utilised during the latter part of the year.
- *Other Expenditure (R163k under expenditure)*
The under expenditure is due to the cost saving measures implemented by the entity.

Capital Expenditure

Capital expenditure is the responsibility of the City of Cape Town as outlined in the Service Delivery Agreement (SDA).

3. 2023/24 Performance Scorecard

The entity's 2023/24 Performance Scorecard for the period 1 July to 31 December 2023 is included as Annexure A to this document. This scorecard is discussed under part 3 (Service Delivery Performance) of this report.

4. 2022/23 Integrated Annual Report

The entity's 2022/23 Integrated Annual Report will be tabled at Council at its meeting scheduled for 30 January 2024. The Integrated Annual Report has been approved at the Annual General Meeting (AGM), which took place on 8 December 2023.

PART 2 - FINANCIAL PERFORMANCE

The tables below reflect the operating budget for the CTS for the period 1 July to 31 December 2023.

Full year forecasts were revised to reflect the figures as per the January 2024 adjustments budget process. Revised forecasts will inform the adjustments budget to be tabled at Council for approval.

Table F1 Monthly Budget Statement Summary

Description	2022/23	Current Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-
Transfers recognised - operational	33 196	33 196	33 196	19 648	17 568	2 080	11.8%	33 196
Other own revenue	59 231	72 684	72 684	21 952	35 880	(13 929)	-38.8%	72 684
Total Revenue (excluding capital transfers and contributions)	92 427	105 880	105 880	41 599	53 448	(11 849)	-22.2%	105 880
Employee costs	1 537	2 921	2 921	1 143	1 461	(318)	-21.7%	1 921
Remuneration of Board Members	348	508	508	208	254	(46)	-18.0%	508
Depreciation and asset impairment	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	6 083	1 443	1 443	2 195	722	1 474	204.2%	7 202
Transfers and grants	-	-	-	-	-	-	-	-
Other expenditure	87 950	101 008	101 008	38 053	47 168	(9 114)	-19.3%	96 249
Total Expenditure	95 919	105 880	105 880	41 599	49 604	(8 004)	-16.1%	105 880
Surplus/(Deficit)	(3 492)	-	-	-	3 845	(3 845)	-100.0%	0
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(3 492)	-	-	-	3 845	(3 845)	-100.0%	0
Income Tax	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(3 492)	-	-	-	3 845	(3 845)	-100.0%	0
Financial position								
Total current assets	23 821	29 889	29 889	24 840				29 889
Total non current assets	-	-	-	-				-
Total current liabilities	24 878	27 454	27 454	25 898				27 454
Total non current liabilities	-	-	-	-				-
Community wealth/Equity	(1 057)	2 435	2 435	(1 057)				2 435
Cash flows								
Net cash from (used) operating	1 894	351	351	12 477	-	12 477	100.0%	351
Net cash from (used) investing	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	7 414	6 203	6 203	19 891	5 852	14 039	239.9%	6 203

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

Description	2022/23	Current Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	28 572	52 948	52 948	18 172	29 724	(11 552)	-38.9%	58 728
Licence and permits	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-
Non-Exchange Revenue								
Property rates	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	33 196	33 196	33 196	19 648	17 568	2 080	11.8%	33 196
Interest	1 607	-	-	554	-	554	100.0%	500
Fuel Levy	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-
Other Revenue	29 051	19 737	19 737	3 226	6 157	(2 931)	-47.6%	13 456
Discontinued Operations	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	92 427	105 880	105 880	41 599	53 448	(11 849)	-22.2%	105 880
Expenditure By Type								
Employee related costs	1 537	2 921	2 921	1 143	1 461	(318)	-21.7%	1 921
Remuneration of Directors	348	508	508	208	254	(46)	-18.0%	508
Bulk purchases - electricity	-	-	-	-	-	-	-	-
Inventory consumed	6 083	1 443	1 443	2 195	722	1 474	204.2%	7 202
Debt impairment	-	-	-	-	-	-	-	-
Depreciation and asset impairment	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Contracted services	57 446	68 851	68 851	25 474	34 426	(8 952)	-26.0%	65 042
Transfers and subsidies	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	-	-
Operational costs	-	-	-	-	-	-	-	-
Losses on disposal of Assets	-	-	-	-	-	-	-	-
Other Expenditure	30 503	32 157	32 157	12 579	12 742	(163)	-1.3%	31 208
Total Expenditure	95 919	105 880	105 880	41 599	49 604	(8 004)	-16.1%	105 880
Surplus/(Deficit)	(3 492)	-	-	-	3 845	(3 845)	-100.0%	0
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(3 492)	-	-	-	3 845	(3 845)	-100.0%	0
Income Tax	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(3 492)	-	-	-	3 845	(3 845)		0

Table F4 Monthly Budget Statement – Financial Position

Vote Description	2022/23	Current Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	7 414	6 203	6 203	19 891	6 203
Trade and other receivables from exchange transactions	9 119	21 252	21 252	462	21 252
Receivables from non-exchange transactions	–	–	–	–	–
Current portion of non-current receivables	2 647	2 435	2 435	2 647	2 435
Inventory	–	–	–	–	–
VAT	–	–	–	–	–
Other current assets	4 641	–	–	1 840	–
Total current assets	23 821	29 889	29 889	24 840	29 889
Non current assets					
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Biological assets	–	–	–	–	–
Living and non-living resources	–	–	–	–	–
Heritage assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Trade and other receivables from exchange transactions	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	–	–	–	–	–
TOTAL ASSETS	23 821	29 889	29 889	24 840	29 889
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	–	–	–	–	–
Consumer deposits	–	–	–	–	–
Trade and other payables from exchange transactions	24 878	27 454	27 454	25 898	27 454
Trade and other payables from non-exchange transactions	–	–	–	–	–
Provision	–	–	–	–	–
VAT	–	–	–	–	–
Other current liabilities	–	–	–	–	–
Total current liabilities	24 878	27 454	27 454	25 898	27 454
Non current liabilities					
Financial liabilities	–	–	–	–	–
Provision	–	–	–	–	–
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–
Total non current liabilities	–	–	–	–	–
TOTAL LIABILITIES	24 878	27 454	27 454	25 898	27 454
NET ASSETS	(1 057)	2 435	2 435	(1 057)	2 435
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(1 057)	2 435	2 435	(1 057)	2 435
Reserves	–	–	–	–	–
Other	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	(1 057)	2 435	2 435	(1 057)	2 435

Table F5 Monthly Budget Statement – Cash Flow

Description	2022/23	Current Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Other revenue	54 497	65 261	65 261	35 447	35 880	(433)	-1.2%	65 261
Transfers and Subsidies - Operational	33 196	33 196	33 196	19 648	17 568	2 080	11.8%	33 196
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-
Interest	1 385	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(87 184)	(98 106)	(98 106)	(42 619)	(53 448)	10 830	-20.3%	(98 106)
Interest	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 894	351	351	12 477	-	12 477	100.0%	351
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	1 894	351	351	12 477	-	12 477	100.0%	351
Cash/cash equivalents at the beginnig of year	5 520	5 852	5 852	7 414	5 852	1 562	26.7%	5 852
Cash/cash equivalents at the end of year	7 414	6 203	6 203	19 891	5 852	14 039	239.9%	6 203

Table SF1 Entity Material variance explanation

Description R thousands	YTD Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Rental of facilities and equipment	(11 552)	Fewer events were hosted as a result of the pitch replacement at the stadium.	The budget will be adjusted in the January 2024 adjustments budget.
Transfers and subsidies	2 080	The entity generated insufficient income to cover its operational expenditure, therefore, additional grant funding had to be utilised.	No remedial action required.
Other revenue	(2 931)	Less income from operational rebates and commercial turnover revenue was earned as a result of fewer events being hosted.	The budget will be adjusted in the January 2024 adjustments budget.
Expenditure items			
Employee related costs	(318)	The variance is as a result of an unfilled vacancy.	No remedial action required.
Remuneration of Directors	(46)	Only scheduled board and sub-committee meetings took place while additional meetings were factored into the budget.	No remedial action required.
Inventory consumed	1 474	The variance is due to increased fuel usage and diesel costs as a result of load-shedding.	The budget will be adjusted in the January 2024 adjustments budget.
Contracted services	(8 952)	The variance is due to cost saving measures being implemented.	The budget will be adjusted in the January 2024 adjustments budget.
Other expenditure	(163)	The variance is due to cost saving measures being implemented.	No remedial action required.
Cash flow items			
Other revenue	(433)	The variance relates to debtor payments received in respect of the 2022/23 financial year.	No remedial action required.
Transfers and Subsidies - Operational	2 080	The entity generated insufficient income to cover its operational expenditure, therefore, additional grant funding had to be utilised.	No remedial action required.
Suppliers and employees	10 830	The variance is due to cost saving measures being implemented.	No remedial action required.

Table SF5 Entity investment portfolio monthly statement

Investments by maturity Name of institution & investment ID	Interest Rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
R thousands						
Nedbank - Current - 1151 569 038	6%	-	-	-	-	-
Nedbank - Commercial Account 1 - 1151 570 605	6%	18 870	127	-	886	19 883
Nedbank - Commercial Account 2 - 1151 570 613	6%	4	0	-	-	4
Total investments		18 874	127	-	886	19 887

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration	2022/23	Current Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Remuneration								
Board Members of Entities								
Board Fees	348	508	508	208	254	(46)	-18.0%	508
Sub Total - Board Members of Entities	348	508	508	208	254	(46)	-18.0%	508
% increase		45.7%	45.7%					45.7%
Senior Managers of Entities								
Basic Salaries and Wages	1 537	2 921	2 921	1 143	1 461	(318)	-21.7%	1 921
Sub Total - Senior Managers of Entities	1 537	2 921	2 921	1 143	1 461	(318)	-21.7%	1 921
% increase		90.0%	90.0%					25.0%
Other Staff of Entities								
Basic Salaries and Wages	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	-	-	-	-	-	-	-	-
% increase		-	-					-
Total Municipal Entities remuneration	1 886	3 429	3 429	1 351	1 714	(363)	-21.2%	2 429
Unpaid salary, allowances & benefits in arrears:	-	-	-	-	-	-	-	-

Table SF8c Entity expenditure on repairs and maintenance by asset class

Description	2022/23	Current Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Community Assets	27 212	29 554	29 554	10 400	14 777	(4 377)	-29.6%	26 599
Sport and Recreation Facilities	27 212	29 554	29 554	10 400	14 777	(4 377)	-29.6%	26 599
Indoor Facilities	27 212	29 554	29 554	10 400	14 777	(4 377)	-29.6%	26 599
Total Repairs and Maintenance Expenditure	27 212	29 554	29 554	10 400	14 777	(4 377)	-29.6%	26 599

Table SF7 Entity monthly actuals & revised targets

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July Outcome	August Outcome	September Outcome	October Outcome	November Outcome	December Outcome	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
Cash Receipts By Source															
Rental of facilities and equipment	425	437	3 980	2 985	6 343	4 002	3 204	5 204	3 204	5 204	3 204	14 756	52 948	57 710	62 780
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	2 348	(2 350)	9 489	2 112	2 106	5 943	1 342	2 323	4 505	2 323	4 323	(1 267)	33 196	33 196	33 196
Other revenue	19	7 334	7 414	1 074	1 310	125	3 510	529	529	529	529	(10 590)	12 313	12 880	13 472
Cash Receipts by Source	2 792	5 421	20 882	6 171	9 760	10 070	8 056	8 056	8 238	8 056	8 056	2 899	98 457	103 786	109 448
Total Cash Receipts by Source	2 792	5 421	20 882	6 171	9 760	10 070	8 056	8 056	8 238	8 056	8 056	2 899	98 457	103 786	109 448
Cash Payments by Type															
Employee related costs	135	135	135	135	322	281	243	243	243	243	243	561	2 921	3 056	3 196
Remuneration of directors	-	-	105	-	-	104	-	-	127	-	-	173	508	531	555
Contracted services	1 917	2 918	6 198	2 603	6 292	5 547	5 719	5 719	5 774	5 719	5 719	14 726	68 851	72 018	75 331
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	740	3 387	2 670	2 723	2 134	4 139	2 093	2 093	2 093	2 093	2 093	(84)	26 177	27 896	30 068
Cash Payments by Type	2 792	6 440	9 108	5 461	8 748	10 070	8 056	8 056	8 238	8 056	8 056	15 376	98 457	103 501	109 150
Total Cash Payments by Type	2 792	6 440	9 108	5 461	8 748	10 070	8 056	8 056	8 238	8 056	8 056	15 376	98 457	103 501	109 150
NET INCREASE/(DECREASE) IN CASH HELD	-	(1 019)	11 774	710	1 012	-	-	-	-	-	-	(12 477)	0	285	298
Cash/cash equivalents at the month/year begin:	7 414	7 414	6 395	18 169	18 879	19 891	19 891	19 891	19 891	19 891	19 891	19 891	5 852	5 852	6 137
Cash/cash equivalents at the month/year end:	7 414	6 395	18 169	18 879	19 891	19 891	19 891	19 891	19 891	19 891	19 891	7 414	5 852	6 137	6 435

PART 3 - SERVICE DELIVERY PERFORMANCE

1. Introduction

The CTS, since becoming an entity, has shifted focus and is very much target driven and results orientated. The entity continues to strive towards achieving all organisational, financial and non-financial targets. The City measures the performance of the Cape Town Stadium against a set of Key Performance Indicators (KPIs), which are reviewed annually with input from both stakeholders.

2. Highlights from the 2023/24 Q2 Performance Scorecard:

A total of five of the eight targets were achieved at the end of the second quarter. The target of achieving a clean audit is the only performance indicator that is an annual target.

For the indicator measuring the entity's percentage achievement of projected revenue, a total of 33.64% of revenue was achieved against a target of 25%. The actual revenue is in line with the budgeted income. The detailed reasons for the variances are outlined in the performance scorecard on page 15.

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

CTS successfully hosted 71 events against a target of 60 events. This has resulted in spectator attendance achievement of 331 444 against a target of 411 351 spectators. Although the number of events hosted exceeded the quarterly target, the reduction in spectator attendance is due to no bowl events hosted during quarter 1 when the entity had the pitch replaced.

The budget spent on implementation of the WSP has not been achieved due to the many events hosted at the Stadium preventing staff time for training. The entity achieved 39% against a target of 50%. The reason for the variance as well as the remedial action are outlined in the performance scorecard on page 15.

The Q2 2023/24 performance scorecard is annexed on page 15.

3. Conclusion

During the first half of the 2023/24 financial year, the CTS, performed considerably well in certain performance indicators compared to the previous 2022/23 financial year, notwithstanding certain operational challenges namely, the replacement of the pitch during quarter 1, which had an impact on revenue. The entity also performed well in achieving its other targets. Where applicable, targets will be amended for the second half of the year to accommodate the changed circumstances during the January 2024 adjustments budget process.

PART 4 – RECOMMENDATIONS






















1. Adjustments Budget

It is recommended that the 2023/24 adjustments budget, which was approved by the board on 8 December 2023, be considered as part of the parent municipality's adjustments budget by Council no later than 31 January 2024.

2. Mid-year changes to measurable performance indicators

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

Annexure A: 2023/24 Q2 Performance Scorecard

2023/2024 Q2 ANNUAL PERFORMANCE MANAGEMENT REPORT - CAPE TOWN STADIUM										Annexure B
Well above 		Above 		On target 		Below 		Well below 		
No	Indicator	2022/2023 (current Q2)			2023/2024 Current Q2			Reason for variance	Remedial action	
		Target	Actual	Status	Target	Actual	Status			
Priority: Economic Growth										
Objective 1: Increased jobs and investment in the Cape Town economy										
1	Spectator attendance at the DHL Stadium (number)	180,000	222926		411 351	331 444		During Q1, the DHL Stadium replaced the pitch which resulted in no bowl events being hosted during this period. The reduction in the number of large capacity crowd events continue to be reflected in the accumulative stats.	Q2 saw a significant increase in the number of spectator attendance compared to quarter one. The entity exceeded the quarter 2 target but due to the lower attendance in quarter one the actual cumulative number is less than the cumulative target for quarter 2. For the remaining Q3 & Q4 the DHL Stadium will make up for the spectator numbers lost on Q1.	
2	Events hosted (number)	25	26		60	71		During Q2, DHL Stadium saw a renewed interest from the film industry, particularly the international fashion sector ahead of the North hemisphere winter fashion (SPORTS).Numerous shoots took place increasing the events total .		
Priority: Public Space, Environment and Amenities										
Objective 11: Quality and safe parks and recreation facilities supported by community partnerships										
3	Compliance with approved Repairs and Maintenance Programme (%)	100%	100%		100%	100%		The Stadium is 100% compliant with its approved repairs and maintenance programme.	Continued Compliance at 100%	
4	Compliance with the Occupational Health and Safety Act (Act 85 of 1993) and regulations (%)	100%	100%		100%	100%		The Stadium is 100% compliant with the OHSA Act and Regulations (Act 85 of 1993)	Continued Compliance at 100%	
Priority: A Capable and Collaborative City Government										
Objective 16: A capable and collaborative city government										
5	Achievement of own projected revenue (%)	15%	20.32%		25%	33.64%		The entity was able to host forty (40) events during the quarter under review of which twelve (12) were bowl, twenty(20) non-bowl and eight (8) film shoots events. The entity also received income from the DHL naming rights contract as well as rights fees and rebates income from its service providers as negotiated in their contract.Non Bowl And Film Shoot Events were substantially more than what was anticipated in this quarter , which resulted in an increase in the revenue amount received.	The ME will continue to make every effort to increase revenue in future months	
6	Opinion of the Auditor-General	AFS submitted to the AGSA	AFS submitted to the AGSA		Annual Financial Statements submitted to AG	Annual Financial Statements submitted to AG		The Annual Financial Statements have been submitted to the AG.		
7	Budget spent on implementation of the WSP (%)	30%	114%		50%	39%		The target was not reached due to the many events hosted at the Stadium preventing staff time for training. This should be rectified in the two quarters upcoming. Expenditure of R16 000 in this quarter is not reflecting as yet on the system which would have significantly increased the percentage spent . This is the same comment as the previous quarter which has rectified.	The financial reconciliations are always after the reporting deadline and as such while training has been completed the measurement refers to the budget spend which has not been captured for the period as yet. Focus will be on training interventions for staff in the upcoming quarter when the Stadium has less events and staff agreeable to schedule interventions.	
8	Employees from the EE designated groups in the three highest levels of management (%)	80%	40%		80%	40%		Of the top three levels of management two out of the five positions are seconded positions. The other two are EE Appointed positions with one vacancy , hence the percentage being below the target.	The entity appointed an EE based employee in the top structure in this quarter. The one vacancy in the top structure is intended to be advertised in the new quarter and consideration will be given to fill it with an EE Based candidate. The calculation is based on the number of senior positions including the vacant position	



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

ANNEXURE 5

CAPE TOWN INTERNATIONAL CONVENTION CENTRE

**CAPE TOWN INTERNATIONAL CONVENTION CENTRE
COMPANY (RF) SOC LIMITED (“CTICC”)**

**2023/24 MID-YEAR BUDGET
AND
PERFORMANCE ASSESSMENT**

TABLE OF CONTENTS

PART 1 – CAPE TOWN INTERNATIONAL CONVENTION CENTRE: REPORT TO THE BOARD OF DIRECTORS AND PARENT MUNICIPALITY.....	3
PART 2 – FINANCIAL PERFORMANCE.....	5
PART 3 – SERVICE DELIVERY PERFORMANCE	14
PART 4 – RECOMMENDATIONS:.....	15

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

1. Executive Summary

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

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

1.1. *The accounting officer of a municipal entity must by 20 January of each year—*

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

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

2. High level assessment of performance against annual budget for the first half of 2023/24

Exchange Revenue (R66,3 million over-recovery)

Current revenue at R211,1 million is 46% or R66,3 million above the year-to-date (YTD) budget projection to December 2023.

Reasons for the higher revenue achieved

- *Rental from Fixed Assets (R21,5 million over-recovery) and Operational Revenue (R40,0 million over-recovery)*

When management prepared the original budget it was assumed that return to business post the Covid-19 pandemic and related restrictions would be slower than what had actually transpired. Events have returned faster than anticipated with client bookings outpacing expectation, including more international events. This resulted in 211 events being hosted against the 195 events budgeted, including 24 international events against the target of 17. The 2023 Netball World Cup generated good revenue for the CTICC during the first quarter.

- *Interest earned from Current and Non Current Assets (R3,3 million over-recovery)*
Net Interest Income was R5,4 million to December 2023, mainly due to the additional revenue earned from events hosted, cost management, and higher interest rates.
- *Sale of Goods and Rendering of Services (R1,5 million over recovery)*
The sale of goods and rendering of services amounted to R12,4 million as at December 2023 due to the increase in events resulting in an increase in revenue from sub-contracted services.

Expenditure By Type

Current expenditure is 12.0% or R18,4 million above the YTD budget projection for December 2023.

Reasons for overspend on expenditure

- Employee related costs is 1% above budget, which is directly related to the increase in the number of events held during the period, which necessitated the company to fill vacancies, employ temporary staff, and pay public holiday-, overtime- and nightshift allowances to staff during the first half of the year.
- Remuneration of board members is 15% below budget due to directors' positions that were filled later than anticipated.
- Inventory consumed is above budget by 69% due to higher revenue-related costs in generating the additional operating revenues i.e. food and beverage.
- Debt impairment is below budget as no debt has been written-off for the YTD.
- Contracted services is above budget by 16% due to the increase in events hosted during the period.
- Operational costs are above budget by 3% due to the increase in events hosted during the period.

Capital Expenditure

Capital expenditure amounts to R11,9 million against the YTD budget of R26,1 million. The reasons for the YTD underspend are mainly due to timing of delivery of materials although the projects are being managed to ensure that they are completed during the financial year.

3. Measurable performance targets: 2023/24 Quarter 2 Performance Scorecard

There has been no adjustments to the Company's KPIs to 31 December 2023. This scorecard is discussed under Part 3 (Service Delivery Performance) of this report.

4. 2022/23 Annual Report

The audit for the 2022/23 financial year has been completed with the company provisionally receiving a clean audit opinion from the Auditor General of South Africa.

The CTICC's 2022/23 Annual Report will be tabled at Council on 30 January 2024, after it has been approved by the shareholders at the AGM scheduled to take place on 24 January 2024.

PART 2 - FINANCIAL PERFORMANCE

Financial performance overview

The tables below reflect the operating budget for the CTICC for the period 1 July to 31 December 2023.

Full year forecasts were revised as part of the adjustments budget process. Revised forecasts will inform the adjustments budget to be tabled at Council for approval.

Table F1 Monthly Budget Statement Summary

Description	2022/23	Current Year 2023/24						Full Year Forecast
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Financial Performance								
Property rates	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–
Investment revenue	5 595	4 288	4 288	5 423	2 103	3 320	157.8%	4 288
Transfers recognised - operational	–	–	–	–	–	–	–	–
Other own revenue	272 506	269 125	269 125	205 655	142 650	63 005	44.2%	269 125
Total Revenue (excluding capital transfers and contributions)	278 101	273 413	273 413	211 078	144 753	66 325	45.8%	273 413
Employee costs	72 285	87 569	87 569	44 383	43 916	467	1.1%	87 569
Remuneration of Board Members	628	803	803	357	420	(62)	-14.8%	803
Depreciation and asset impairment	11 056	41 776	41 776	20 666	20 786	(120)	-0.6%	41 776
Debt impairment	99	240	240	–	120	(120)	-100.0%	240
Inventory consumed and bulk purchases	41 870	38 722	38 722	30 917	18 341	12 576	68.6%	38 722
Transfers and grants	2 124	2 124	2 124	1 062	1 062	–	–	2 124
Other expenditure	109 718	134 676	134 676	74 127	68 486	5 641	8.2%	134 676
Total Expenditure	237 780	305 910	305 910	171 512	153 130	18 382	12.0%	305 910
Surplus/(Deficit)	40 321	(32 497)	(32 497)	39 566	(8 377)	47 943	-572.3%	(32 497)
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	40 321	(32 497)	(32 497)	39 566	(8 377)	47 943	-572.3%	(32 497)
Income Tax	14 622	(7 916)	(7 916)	11 078	(2 069)	13 148	-635.4%	(7 916)
Surplus/ (Deficit) for the year	25 699	(24 582)	(24 582)	28 488	(6 307)	34 795	-551.6%	(24 582)
Capital expenditure & funds sources								
Capital expenditure	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112
Transfers recognised - capital	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–
Internally generated funds	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112
Total sources of capital funds	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112
Financial position								
Total current assets	116 285	67 481	62 549	165 269				62 549
Total non current assets	719 329	732 660	737 592	699 529				737 592
Total current liabilities	84 214	131 440	131 440	84 768				131 440
Total non current liabilities	203	374	374	345				374
Community wealth/Equity	751 197	668 327	668 327	779 685				668 327
Cash flows								
Net cash from (used) operating	77 506	56 984	56 984	56 548	36 539	20 008	54.8%	56 984
Net cash from (used) investing	(26 580)	(47 180)	(52 112)	(11 945)	(26 056)	14 111	-54.2%	(52 112)
Net cash from (used) financing	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	101 659	52 547	47 615	146 262	53 226	93 036	174.8%	47 615

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

Description	2022/23	Current Year 2023/24						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue	-	-	-	-	-	-	-	-
Service charges - Electricity	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	21 738	20 469	20 469	12 411	10 902	1 509	13.8%	20 469
Agency services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	5 595	4 288	4 288	5 423	2 103	3 320	157.8%	4 288
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	120 604	130 219	130 219	96 857	75 332	21 525	28.6%	130 219
Licence and permits	-	-	-	-	-	-	-	-
Operational Revenue	130 164	118 437	118 437	96 388	56 416	39 971	70.9%	118 437
Non-Exchange Revenue								
Property rates	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	278 101	273 413	273 413	211 078	144 753	66 325	45.8%	273 413
Expenditure By Type								
Employee related costs	72 285	87 569	87 569	44 383	43 916	467	1.1%	87 569
Remuneration of board members	628	803	803	357	420	(62)	-14.8%	803
Bulk purchases - electricity	-	-	-	-	-	-	-	-
Inventory consumed	41 870	38 722	38 722	30 917	18 341	12 576	68.6%	38 722
Debt impairment	99	240	240	-	120	(120)	-100.0%	240
Depreciation and asset impairment	10 957	41 536	41 536	20 666	20 666	-	-	41 536
Interest	-	-	-	-	-	-	-	-
Contracted services	53 136	59 553	59 553	34 423	29 628	4 795	16.2%	59 553
Transfers and subsidies	2 124	2 124	2 124	1 062	1 062	-	-	2 124
Irrecoverable debts written off	-	-	-	-	-	-	-	-
Operational costs	56 214	75 258	75 258	39 863	38 902	961	2.5%	75 258
Losses on disposal of Assets	303	-	-	-	-	-	-	-
Other Losses	164	105	105	(159)	75	(234)	-312.5%	105
Total Expenditure	237 780	305 910	305 910	171 512	153 130	18 382	12.0%	305 910
Surplus/(Deficit)	40 321	(32 497)	(32 497)	39 566	(8 377)	47 943	-572.3%	(32 497)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	40 321	(32 497)	(32 497)	39 566	(8 377)	47 943	-572.3%	(32 497)
Income Tax	14 622	(7 916)	(7 916)	11 078	(2 069)	13 148	-635.4%	(7 916)
Surplus/(Deficit) for the year	25 699	(24 582)	(24 582)	28 488	(6 307)	34 795		(24 582)

Table F3 Monthly Budget Statement – Capital expenditure

Description	2022/23	Current Year 2023/24						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure by Asset Class/Sub-class								
Other assets	17 827	25 961	30 272	5 919	15 136	(9 217)	-60.9%	30 272
Operational Buildings	17 827	25 961	30 272	5 919	15 136	(9 217)	-60.9%	30 272
Municipal Offices	17 827	25 961	30 272	5 919	15 136	(9 217)	-60.9%	30 272
Computer Equipment	7 142	13 583	13 583	4 018	6 791	(2 773)	-40.8%	13 583
Computer Equipment	7 142	13 583	13 583	4 018	6 791	(2 773)	-40.8%	13 583
Furniture and Office Equipment	1 209	5 865	6 485	1 688	3 243	(1 555)	-48.0%	6 485
Furniture and Office Equipment	1 209	5 865	6 485	1 688	3 243	(1 555)	-48.0%	6 485
Machinery and Equipment	401	1 772	1 772	320	886	(566)	-63.9%	1 772
Machinery and Equipment	401	1 772	1 772	320	886	(566)	-63.9%	1 772
Total Capital Expenditure	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112
Funded by:								
National Government	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112
Total Capital Funding	26 580	47 180	52 112	11 945	26 056	(14 111)	-54.2%	52 112

Table F4 Monthly Budget Statement – Financial Position

Vote Description	2022/23	Current Year 2023/24			
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	101 659	52 547	47 615	146 262	47 615
Trade and other receivables from exchange transactions	-	-	-	-	-
Receivables from non-exchange transactions	9 752	10 621	10 621	15 600	10 621
Current portion of non-current receivables	2 124	2 124	2 124	1 062	2 124
Inventory	2 751	2 189	2 189	2 345	2 189
VAT	-	-	-	-	-
Other current assets	-	-	-	-	-
Total current assets	116 285	67 481	62 549	165 269	62 549
Non current assets					
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	452 731	424 024	428 956	444 009	428 956
Biological assets	-	-	-	-	-
Living and non-living resources	-	-	-	-	-
Heritage assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Trade and other receivables from exchange transactions	-	-	-	-	-
Non-current receivables from non-exchange transactions	166 555	164 431	164 431	166 555	164 431
Other non-current assets	100 043	144 205	144 205	88 965	144 205
Total non current assets	719 329	732 660	737 592	699 529	737 592
TOTAL ASSETS	835 614	800 141	800 141	864 798	800 141
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Financial liabilities	-	-	-	-	-
Consumer deposits	44 186	61 724	61 724	23 675	61 724
Trade and other payables from exchange transactions	36 237	65 217	65 217	58 911	65 217
Trade and other payables from non-exchange transactions	-	-	-	-	-
Provision	3 791	4 499	4 499	2 846	4 499
VAT	-	-	-	-	-
Other current liabilities	-	-	-	(663)	-
Total current liabilities	84 214	131 440	131 440	84 768	131 440
Non current liabilities					
Financial liabilities	-	-	-	-	-
Provision	203	374	374	345	374
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
Total non current liabilities	203	374	374	345	374
TOTAL LIABILITIES	84 417	131 814	131 814	85 113	131 814
NET ASSETS	751 197	668 327	668 327	779 685	668 327
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(577 230)	(660 101)	(660 101)	(548 743)	(660 101)
Reserves	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428
Other	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	751 197	668 327	668 327	779 685	668 327

Table F5 Monthly Budget Statement – Cash Flow

Description	2022/23	Current Year 2023/24						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Other revenue	272 506	269 125	269 125	205 655	142 650	63 005	44.2%	269 125
Transfers and Subsidies - Operational	-	-	-	-	-	-	-	-
Transfers and Subsidies - Capital	-	-	-	-	-	-	-	-
Interest	5 585	4 288	4 288	5 423	2 103	3 320	157.8%	4 288
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(200 585)	(216 428)	(216 428)	(154 531)	(108 214)	(46 316)	42.8%	(216 428)
Interest	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	77 506	56 984	56 984	56 548	36 539	20 008	54.8%	56 984
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(26 580)	(47 180)	(52 112)	(11 945)	(26 056)	14 111	-54.2%	(52 112)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(26 580)	(47 180)	(52 112)	(11 945)	(26 056)	14 111	-54.2%	(52 112)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	50 926	9 804	4 872	44 603	10 483	34 120	325.5%	4 872
Cash/cash equivalents at the beginning of year	50 733	42 743	42 743	101 659	42 743	58 916	137.8%	42 743
Cash/cash equivalents at the end of year	101 659	52 547	47 615	146 262	53 226	93 036	174.8%	47 615

Table SF1 Entity Material variance explanation

Description R thousands	YTD Variance	Reasons for material deviations	Remedial or corrective steps / remarks
Revenue items			
Interest earned - external investments	3 320	The variance is due to the favourable cash balances as a result of an increase in events/revenue, timing of capital projects paid, the investment of surplus funds, and favourable interest rates.	The budget will be adjusted in the January 2024 adjustments budget.
Sale of Goods and Rendering of Services	1 509	The variance is due to an increase in events resulting in an increase in revenue from sub-contracted services.	No remedial action required.
Rental from Fixed Assets	21 525	The variance is as a result of the higher yielding and timing of local and international events held to date.	The budget will be adjusted in the January 2024 adjustments budget.
Operational Revenue	39 971	The variance is due to the increase in events resulting in increase in revenue from Food & Beverage (F&B).	The budget will be adjusted in the January 2024 adjustments budget.
Expenditure items			
Employee related costs	467	The variance relates to the timing of vacancies and overtime paid (due to increase in events) as at 31 December 2023.	No remedial action required.
Inventory consumed	12 576	The variance reflects in other materials and is directly linked to an increase in revenue generating activities resulting in purchases of F&B stock.	The budget will be adjusted in the January 2024 adjustments budget.
Contracted services	4 795	The variance is directly linked to an increase in revenue generating activities.	The budget will be adjusted in the January 2024 adjustments budget.
Operational costs	961	The variance is directly linked to an increase in revenue generating activities.	No remedial action required.
Cash flow items			
Interest	3 320	The variance is due to higher cash resources invested and an increase in the interest rate over the period.	The budget will be adjusted in the January 2024 adjustments budget.
Suppliers and employees	(46 316)	The variance is due to creditors outstanding at the end of the 2022/23 financial year settled in the current financial year as well as an increase in events resulting in an increase in payments to suppliers for goods and services received.	The budget will be adjusted in the January 2024 adjustments budget.
Capital assets	14 111	Due to timing of capital spend as at 31 December 2023.	No remedial action required.
Capital Expenditure items			
Computer Equipment	(2 773)	Due to timing of capital spend as at 31 December 2023.	No remedial action required.
Furniture and Office Equipment	(1 555)	Due to timing of capital spend as at 31 December 2023.	No remedial action required.
Machinery and Equipment	(566)	Due to timing of capital spend as at 31 December 2023.	No remedial action required.
Municipal Offices	(9 217)	Due to timing of capital spend as at 31 December 2023.	No remedial action required.

Table SF5 Entity investment portfolio monthly statement

Investments by maturity Name of institution & investment ID	Interest Rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
R thousands						
Cash	-	277	-	(86)	-	191
ABSA Bank - Current - 4072900553	-	73	0	-	5	78
ABSA Bank - Ex.h Serv - Current - 4072900731	-	-	-	-	-	-
Stanlib - Bank 000-402-184 (1199539) ref No. 551436367	8.73	29 681	227	-	-	29 908
Investec Bank - (462097) 1008645	8.71	8 965	90	-	-	9 055
Nedgroup Money Market - (800167964) - 8319631	8.85	27 005	198	-	-	27 203
ABSA Bank - CTICC Money Market - 9316676360	8.90	37 548	292	-	-	37 840
Nedgroup Corp Money Market - (800167964) 8292731	9.74	26 784	195	-	-	26 979
Nedbank Call Deposit - 03/7881544007/000105	-	-	-	-	-	-
Nedbank - CTICC Main Current - 1151569623	-	7 965	8	(6 820)	-	1 153
Nedbank - CTICC Merchant Services - 1151569658	-	274	-	(145)	-	128
Nedbank - CTICC Payroll - 1151569666	-	36	-	-	278	315
Nedbank - CTICC East - 1151569674	-	2	-	-	0	2
Nedbank - CTICC E-Commerce - 1151569682	-	1	-	-	0	1
Nedbank - CTICC Daily Call Deposit Account - 037232511442	8.00	709	59	-	12 641	13 409
Total investments		139 320	1 069	(7 051)	12 924	146 262

Table SF6 Entity Board member allowances & staff benefits

Summary of Employee and Board Member remuneration	2022/23	Current Year 2023/24						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Remuneration								
Board Members of Entities								
Board Fees	628	803	803	357	420	(62)	-14.8%	803
Sub Total - Board Members of Entities	628	803	803	357	420	(62)	-14.8%	803
% increase		27.8%	27.8%					27.8%
Senior Managers of Entities								
Basic Salaries and Wages	8 464	11 090	11 090	5 545	5 545	-	-	11 090
Sub Total - Senior Managers of Entities	8 464	11 090	11 090	5 545	5 545	-	-	11 090
% increase		31.0%	31.0%					31.0%
Other Staff of Entities								
Basic Salaries and Wages	63 821	76 479	76 479	38 837	38 370	467	1.2%	76 479
Sub Total - Other Staff of Entities	63 821	76 479	76 479	38 837	38 370	467	1.2%	76 479
% increase		19.8%	19.8%					19.8%
Total Municipal Entities remuneration	72 913	88 372	88 372	44 740	44 335	405	0.9%	88 372
Unpaid salary, allowances & benefits in arrears:	-	-	-	-	-	-	-	-

Table SF7 Entity monthly actuals & revised targets

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July Outcome	August Outcome	September Outcome	October Outcome	November Outcome	December Outcome	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
Cash Receipts By Source															
Rental of facilities and equipment	16 906	15 939	10 901	22 572	23 191	7 347	2 391	14 066	7 067	10 498	11 733	(12 393)	130 219	139 798	148 535
Interest earned - external investments	845	891	933	1 020	1 070	665	342	376	372	370	360	(2 954)	4 288	5 071	5 554
Other revenue	15 388	16 026	16 601	25 987	25 882	8 914	7 073	15 010	12 423	12 206	12 569	(29 175)	138 905	148 695	159 186
Cash Receipts by Source	33 139	32 856	28 435	49 578	50 143	16 926	9 806	29 451	19 861	23 074	24 662	(44 521)	273 413	293 563	313 275
Other Cash Flows by Source															
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	33 139	32 856	28 435	49 578	50 143	16 926	9 806	29 451	19 861	23 074	24 662	(44 521)	273 413	293 563	313 275
Cash Payments by Type															
Employee related costs	7 384	7 595	7 210	7 649	7 813	6 731	6 548	7 426	7 427	7 431	7 388	6 966	87 569	92 534	97 987
Remuneration of directors	—	—	153	—	—	204	—	—	192	—	—	254	803	883	927
Contracted services	5 316	5 877	5 727	5 979	6 033	5 491	4 609	5 242	5 070	4 937	5 169	103	59 553	61 905	65 142
Transfers and grants - other	177	177	177	177	177	177	177	177	177	177	177	177	2 124	2 124	2 124
Other expenditure	15 174	15 936	14 964	15 693	18 205	11 315	10 963	14 085	13 163	12 815	13 278	269	155 861	162 886	170 572
Cash Payments by Type	28 051	29 585	28 231	29 499	32 228	23 917	22 297	26 930	26 029	25 361	26 012	7 769	305 910	320 333	336 752
Other Cash Flows/Payments by Type															
Capital assets	(3 429)	(1 260)	(1 755)	(3 291)	(1 140)	(1 071)	(4 343)	(4 343)	(4 343)	(4 343)	(4 343)	(18 454)	(52 112)	(52 177)	(60 270)
Other Cash Flows/Payments	11 737	(15 651)	1 900	8 666	13 119	(12 863)	4 424	(209)	692	1 360	709	858	14 743	37 170	48 439
Total Cash Payments by Type	36 360	12 674	28 377	34 874	44 207	9 984	22 378	22 378	22 378	22 378	22 378	(9 827)	268 541	305 326	324 921
NET INCREASE/(DECREASE) IN CASH HELD	(3 220)	20 182	58	14 705	5 936	6 942	(12 572)	7 073	(2 517)	696	2 284	(34 695)	4 872	(11 763)	(11 646)
Cash/cash equivalents at the month/year begin:	101 659	98 439	118 621	118 679	133 384	139 320	146 262	133 690	140 763	138 246	138 942	141 226	101 659	106 531	94 768
Cash/cash equivalents at the month/year end:	98 439	118 621	118 679	133 384	139 320	146 262	133 690	140 763	138 246	138 942	141 226	106 531	106 531	94 768	83 122

PART 3 – SERVICE DELIVERY PERFORMANCE

Performance assessment report – KPIs

1. Introduction

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

The 2023/24 performance scorecard is annexed on page 16.

2. Some highlights from the 2023/24 Performance Scorecard

a. Events - Number of events hosted and international events

Total number of events hosted during the period was 211, including 24 international events. This is significantly above the respective targets of 195 and 17. This was achieved through an effective marketing and client relationship building over the years.

b. Human Capital Development – Percentage of annual total salary cost spend on training of permanent and temporary staff

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

c. Customer Centricity and Service Excellence 80% of minimum aggregate score for all CTICC internal departments and external suppliers

CTICC has repeatedly achieved and exceeded targeted scores for customer service, with 84% achieved in the period. It all starts from recruiting passionate staff who strive to deliver world class experiences to all our clients and delegates.

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

d. Procurement – Supply Chain Procurement from B-BBEE suppliers measured i.t.o. the B-BBEE Act

The CTICC is committed to growing its contribution in supporting broad based black economic empowerment (B-BBEE). The CTICC has excelled in sourcing 88% of the CTICC's total net spend by the end of the second quarter of 2023/24 from B-BBEE suppliers. This has been achieved through the continued focus on preferential procurement practices adopted in our supply chain management system.

e. Employees from the EE designated groups in the three highest levels of management

The top three levels of management at the CTICC is currently represented by 86.2% of individuals from the designated EE group, against the target of 75%.

f. Operating Profit – Operating profit (EBITDA) achieved

The company has significantly exceeded the operating profit budgeted for the half year, as events have returned close to that of experienced prior to the COVID-19 pandemic.

g. Capital Projects – Percentage of the total number of capital projects for the year completed or committed

The company planned to complete/commit 55% projects by mid-year, and has achieved 62%.

































PART 4: RECOMMENDATIONS:

1. Adjustment Budget

It is recommended that the 2023/24 adjustments budget be approved as part of the parent municipality's adjustments budget by Council no later than 31 January 2024.

2. Mid-year changes to measurable performance indicators

It is recommended that following the approval of the adjustments budget, the revised measurable performance indicators be approved by Council.

2023/2024 Q2 QUARTERLY PERFORMANCE REPORT - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)								Annexure C			
Well above		Above		On target		Below		Well below		AT - Annual Target	
No	Key Performance Indicator	2022/2023 (current Q2)			2023/2024 (current Q2)			Reason for variance	Remedial action		
		Target	Actual	Status	Target	Actual	Status				
Priority: Economic Growth											
Objective 1: Increased jobs and investment in the Cape Town economy	International events hosted (number)	6	16		17	24		Short term international events booked during the period that were not in the forecast.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	Total events hosted (number)	85	231		195	211		Short term events booked during the period that were not in the forecast.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	Annual total salary cost spent on training of permanent and temporary staff (%)	1.75%	3.4%		2.00%	4.0%		Training activities increased during the period as new recruits were trained and refresher training of all staff was undertaken.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	Minimum aggregate score for all CTICC internal departments and external suppliers (%)	75%	85%		80%	84%		Good customer service provided to clients.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	B-BBEE spend (%)	65%	89%		70%	88%		Contracts issued are with suppliers holding valid BEE certificates.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	Students employed (number)	1	1		3	4		There was a chance to provide opportunities for a greater number of students.	None required.		
Objective 1: Increased jobs and investment in the Cape Town economy	Graduates employed (number)	1	2		3	6		There was a chance to provide opportunities for a greater number of graduates.	None required.		
Priority: A Capable and Collaborative City Government											
Objective 16: A capable and collaborative city government	Employees from the EE designated groups in the three highest levels of management (%)	75%	80.8%		75%	86.2%		Recruited an employee within the designated group.	None required.		
Objective 16: A capable and collaborative city government	Maintain five-star tourism grading through effective management of maintenance quality service delivery.	Achieve 100% of approved targets on asset maintenance plan	Asset maintenance plan for the quarter completed		Achieve 100% of approved targets on asset maintenance plan	Asset maintenance plan for the quarter completed			None required.		
Objective 16: A capable and collaborative city government	Reduction in operating loss from the prior year (%)	AT	AT		n/a	n/a					
Objective 16: A capable and collaborative city government	Achievement of annual budgeted operating profit (%)*	n/a*	n/a		45%	1154%		Events held achieved good returns and costs were well managed resulting in a greater EBITDA achieved.	None required.		
Objective 16: A capable and collaborative city government	Total number of capital projects for the year completed or committed (%)	55%	62%		55%	74%		Projects carried-over from 2023 were completed and current projects commenced.	None required.		
Objective 16: A capable and collaborative city government	Opinion of the Auditor-General	Clean audit outcome for 2021/22	Clean Audit achieved for 2021/22		Clean audit outcome for 2022/23	A clean audit for 2022/23 provisionally achieved			None required.		
Objective 16: A capable and collaborative city government	Cash/cost coverage ratio	2.2 Times	4.3 times		2.8 Times	5.8 times		Costs are well managed in the operations as well as the retention of cash generated by operations have increased.	None required.		
Objective 16: A capable and collaborative city government	Net debtors to annual income	11.0%	6.3%		13.5%	4.0%		The debtors book is being maintained and managed daily to collect debt resulting in the lower % to revenue.	None required.		