



HERMANUS PUBLIC PROTECTION (HPP)
The HPP NPC is the Management Body of the Hermanus Special Rating Area (HSRA)
Non-Profit Company (NPC) | Registration Number 1999/015007/08
Website: www.hpp.org.za Email: info@hpp.org.za

HPP NPC 2021/2022 Budget for HSRA

Notes on budget:

1. **Budget term:** This budget is for the financial year 21/22, which is from 1 July 2021 to 30 June 2022.
2. **Annual adjustments:** It is important to recognise that COVID-19 will undoubtedly have an influence on the ratepayers' payment performance. HPP NPC consulted with the CFO's department at Overstrand Municipality and decided that it would be advisable to work on only 3,5 % increase on levies for 21/22. We also settled on a non-payment level of 10%. This will obviously be closely monitored into the future.
3. **Approach for 21/22 budget**
We carefully considered the 21/22 budget and decided that we should not reduce the original expenditure budget (part of the original 5-year plan) proportionate to the revenue reduction. This decision is due to the following:
 - We accumulated a healthy surplus, in the order of R3m, due to the late appointments of the service providers. This surplus will reduce to about R 2,5m by 30 June 2021.
 - Our one main strategy is to boost the CCTV surveillance capacity. Many of the existing camera installations are old and need repair or replacement. We also need to introduce new cameras to provide better coverage and to optimise the value of our software upgrades (e.g., improved AI functionality).
 - Increased contribution towards a clean and healthy environment. This includes items such as litter campaigns, measures to raise awareness and increased partnerships with all relevant role players.
4. **Financial Outcome:**
The HPP NPC Financial Agreement requires that we should retain a balance equal to 2 months' levies. The proposed 21/22 budget achieves that and in fact, carries an additional surplus of in the order of R663k into the following financial year.
5. **Implementation Plan**
The 21/22 Budget must be read in conjunction with the Implementation Plan.

HPP NPC Budget for 21/22

As on: 15 January 2021



Financial year 21/22 is from 1 July 2021 to 30 June 2022

	Base as on 1 July 2019	R	8,300,000	
Income	Annual Rate increase			3.5%
	Adjusted for 21/22	R	8,590,500	
	Less: Retention			10%
	Levies paid to HSRA during 21/22	R	7,731,450	
	Estimated Balance at 1 July 2021	R	2,500,000	

Expenditure	Expenditure for 21/22 as per Schedule A	R	8,279,049	
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Balance at YE	Bank Balance at 30 June 2022	R	1,952,401	
	Less: Required Retained balance	R	1,288,575	
	Surplus at 30 June 2022	R	663,826	

All excluding VAT

Budget Detail for 21/22: Schedule A

		Original 21/22 Budget	Revised 21/22 Budget	Variance
SRA Management	R	279,575	R 360,000	-R 80,425
General Administration	R	107,610	R 77,800	R 29,810
Toilet Facilities	R	52,750	R 50,000	R 2,750
Communications	R	137,150	R 100,000	R 37,150
CCTV Maintenance & IT	R	319,665	R 324,000	-R 4,335
Subtotal A VAT Excl	R	896,750	R 911,800	-R 15,050
Public safety and Crime Prevention	R	7,543,250		
FADT			R 6,489,465	
CCTV New Infrastructure			R 450,000	R 603,785
Clean Environment	R	316,500		
Litter control initiative			R 50,000	
Iphupha			R 377,784	-R 111,284
Subtotal B VAT Excl	R	7,859,750	R 7,367,249	R 492,501
Total Budget VAT Excl	R	8,756,500	R 8,279,049	R 477,451