

HPP

Hermanus Public Protection

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

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HERMANUS SRA BUDGET 2026 / 2027		Notes:
KEY ASSUMPTIONS USED	2026/27	
Annual levy increase	5%	1
Annual cost inflation (other than ADT)	6%	2
ADT annual increase	5%	3
Bad debt provision recovery (percentage of prior year's retention)	75%	4
Interest received on 2 months levies held in reserve	6%	5
OPERATING INCOME AND EXPENSES		
INCOME		
Levies received	11,582,844	
Less Retention for Bad Debt (10%)	(1,158,284)	
Rate - HSRA	10,424,560	
Retention Rebate Recovered	827,346	
Other income		
Donations, insurance claim, other		
Interest	115,828	
Total Income	11,367,734	
EXPENDITURE		
HSRA ADMINISTRATION		
HPP EO consulting fee	654,609	
Administrator / Consultancy / Legal Fees	8,287	
Insurance	68,483	
Accounting Fees	39,850	
Bank Charges	4,830	
Auditor / Secretarial Fees	15,393	
Control Room Property Rental	254,400	
Rates and electricity	63,600	
Incident Desk - Online Reporting	87,070	
Subscriptions (LPRs, email, website)	101,433	
Expenses (meetings, AGM, staff refreshments)	43,796	
Marketing and Communications	16,543	
Postage	10,703	
Stationery	7,345	
Security	4,372	
Staff welfare	2,918	
Repairs and other charges	37,100	
Telephone (Fixed lines & VOIP)	26,673	
Sub-Total	1,447,406	
PROJECTS		
Public Safety & Monitoring		
Public Safety & Crime Prevention Management (Public Safety Officers, Response Vehicles, CCTV Monitoring)	8,715,000	
CCTV Management (Technical Support and Maintenance)	636,000	
Public Safety related Social Upliftment		
Toilet Rental Management	51,674	
Clean Environment		
Cleansing Management	616,920	
Cleansing & Environmental Projects	25,000	
Sub-Total	10,044,594	
AGGREGATE OPERATIONAL EXPENDITURE	11,492,000	
Operational Surplus / (Deficit) for the year	(124,266)	
CAPITAL EXPENDITURE		
CCTV Replacement and Expansion	200,000	
Control Room IT Infrastructure & Equipment	20,000	
	220,000	
CASH POSITION		
Opening Cash Balance (estimate)	3,215,571	
Surplus/(Deficit) for the year	(124,266)	
Movement in net current assets/liabilities		
Capital expenditure	(220,000)	
Closing cash balance	2,871,305	
Required Retained Balance (2 months levies received)	1,930,474	
Operational cash surplus	940,831	

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Notes on assumptions:

- 1 Guidance received from Overstrand Municipality (same assumption used for previous 5 year term)
- 2 Slightly above current CPI of 5.2%. Future inflation rate difficult to accurately predict.
The annual increase in ADT's cost will consist of two variables namely an inflationary cost
- 3 increase and a decrease in scope of services as available cash flow become constrained.
- 4 Conservative estimate based on past experience
- 5 Interest on cash investments based on estimated average attained in past years