



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

Website: www.hpp.org.za Email: info@hpp.org.za Mail: P.O Box 1599, Hermanus 7200

HERMANUS SRA BUDGET 2027 / 2028		Notes:
KEY ASSUMPTIONS USED	2027/28	
Annual levy increase	6.7%	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	12,354,500	
Less Retention for Bad Debt (10%)	(1,235,450)	
Rate - HSRA	11,119,050	
Retention Rebate Recovered	868,713	
Other income		
Donations, insurance claim, other		
Interest	123,545	
Total Income	12,111,308	
EXPENDITURE		
HSRA ADMINISTRATION		
HPP EO consulting fee	681,156	
Administrator / Consultancy / Legal Fees	8,784	
Insurance	72,592	
Accounting Fees	42,241	
Bank Charges	5,120	
Auditor / Secretarial Fees	16,317	
Control Room Property Rental	272,494	
Rates and electricity	106,000	
Incident Desk - Online Reporting	92,294	
Subscriptions (LPRs, email, website)	107,519	
Expenses (meetings, AGM, staff refreshments)	46,424	
Marketing and Communications	17,536	
Postage	11,345	
Stationery	7,786	
Security	4,634	
Staff welfare	3,093	
Repairs and other charges	39,326	
Telephone (Fixed lines & VOIP)	28,273	
Sub-Total	1,562,934	
PROJECTS		
Public Safety & Monitoring		
Public Safety & Crime Prevention Management (Public Safety Officers, Response Vehicles, CCTV Monitoring)	9,150,750	
CCTV Management (Technical Support and Maintenance)	674,160	
Public Safety related Social Upliftment		
Toilet Rental Management	54,775	
Clean Environment		
Cleansing Management	653,935	
Cleansing & Environmental Projects	25,000	
Sub-Total	10,558,620	
AGGREGATE OPERATIONAL EXPENDITURE	12,121,554	
Operational Surplus / (Deficit) for the year	(10,245)	
CAPITAL EXPENDITURE		
CCTV Replacement and Expansion	200,000	
Control Room IT Infrastructure & Equipment	20,000	
	220,000	
CASH POSITION		
Opening Cash Balance (estimate)	2,598,715	
Surplus/(Deficit) for the year	(10,245)	
Movement in net current assets/liabilities		
Capital expenditure	(220,000)	
Closing cash balance	2,368,470	
Required Retained Balance (2 months levies received)	2,059,083	
Operational cash surplus	309,386	

Notes on assumptions:

- 1 Guidance received from Overstrand Municipality
- 2 Slightly above current CPI of 5.2%. Future inflation rate difficult to accurately predict.
- 3 The annual increase in ADT's cost will consist of two variables namely an inflationary cost 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