



HERMANUS PUBLIC PROTECTION

(A community based Company, not for gain Reg. no 1999/015007/08)

Report of the Chairman

Dear Members,

I have pleasure in submitting my Annual Report for the period ending 30th June 2019. The report is available in Afrikaans and has been placed on the Hermanus Public Protection website www.hppsecurity.co.za ahead of the Annual General Meeting scheduled for 12th August 2019.

Overview

The period under review is the seventeenth year of operation for HPP and I am pleased to report that HPP continued to make a valuable contribution towards public safety within the City Improvement District (CID).

Shortly after our Annual General Meeting in December 2018, the Board of Directors was invited to a meeting with the Overstrand Municipal Manager and his team, where it was communicated that the City Improvement District agreement with the Overstrand Municipality would be terminated on 30th June 2019. The final notice confirming the termination of the CID Agreement was subsequently issued by the Executive Mayor of the Overstrand on 31st May 2019 and it is with this in mind, together with the fact that the final levy from the Municipality will be paid over to HPP in August 2019, that the HPP Board of Directors decided to move the HPP AGM forward to 12th August 2019. The audited Financial Statements have been prepared for the period 1st September 2018 to the 30th June 2019. I will elaborate further on the termination of the CID later in the report.

Although the news of the CID Termination came as a shock, we decided to adopt a “business as usual” approach for all operations until such time as the final winding down period was reached. I am pleased to report that a clean sheet was achieved regarding safety on the Cliff Path with no serious incidents reported during the period. The introduction of additional Cliff Path supervisors and extended hours over the peak holiday season were contributing factors towards this improved performance. The CCTV surveillance system operated optimally, with minimal downtime impacting on the operational efficiency of the system.

The HPP mandate of supporting and facilitating “Public Safety in Public Places” within the boundaries of the CID remained unchanged with the core activities being Security Patrols, CCTV surveillance and Litter Control. At the AGM in December 2018 it once again became apparent that many of the ratepayers do not fully understand the limitations of our mandate, as there were many questions and comments from the floor relating to our role during protest action and the securing of private property. It was pointed out that only the SAPS can intervene during protest action and that the HPP mandate specifically excludes the securing of private property.

Our finances are sound and the detailed report on our core activities follows.

Operations

1. Security Patrols

We believe that security patrols continue to be an extremely effective deterrent and crime prevention activity. This aspect of our operations is outsourced to Fidelity ADT Hermanus, under the capable leadership of the Area Guarding Manager, Jason Botes.

Coverage of the area is achieved through patrol officers on foot, bicycles and dedicated patrol vehicles. Foot patrol officers are used in the suburbs, CBD and the Cliff Path which stretches from the New Harbour to Grotto Beach. Bicycle patrols are deployed in the suburbs and Swartdam Road Industrial Area. Predetermined routes are allocated for all activities and are monitored through GPS tracking from the control centre. The staff complement of 27 per shift is allocated to these duties as follows; 16 Foot Patrol Officers, 7 Bicycle Patrol Officers, 2 GPS Controllers and 2 Supervisors.

Following the attacks on the Cliff Path that took place during the peak holiday season of 2017 / 18 a number of interventions were put in place. Action plans and increased focus regarding Supervision, Peak Period Staffing, Staff Vacancies, AWOL, Communications and Staff Training were introduced. All of these had a positive impact on the effectiveness of the Cliff Path Patrols with no serious incident recorded during the peak holiday season of the period under review.

An additional motorised patrol vehicle was introduced in January 2019 covering the entire CID area on a 24/7 basis. The introduction of the additional patrol vehicles was part of an overall response by the community following an increase in burglaries over the holiday period. As reported previously, the patrol vehicles officers spend much of their time on night patrol reminding residents to close garage doors, lock vehicles parked in the street and generally pay attention to basic security precautions.

Bench numbering plaques were introduced onto the Cliff Path benches between the New Harbour and the Hermanus Pietersfontein Memorial area as a trial in order to improve response times should an incident be reported to the HPP Control Room. The plan was to extend this initiative to the remainder of the Cliff Path benches if successful.

In addition to the daily WhatsApp communication of staff deployment numbers, our General Manager, Hennie Niemand together with the Director responsible for overseeing the Security Patrols and CCTV system, Callie Westraat, have a formal meeting with the Fidelity ADT management team on a monthly basis to review progress against all agreed performance indicators. We believe that Fidelity ADT has once again provided an excellent service during the period under review.

2. CCTV

The HPP CCTV Surveillance system, which is a joint venture with the Overstrand Municipality is now in its third year of service and continues to grow in importance. Problems relating to the operating efficiency of the system have been resolved following the conversion from solar to municipal power. In addition to this, the change to a competent local service provider has all but eliminated the delayed response times that we were experiencing in the past. System downtime was reduced to less than 2% compared to 18% in the previous period.

The table below reflects the camera positions presently in place and the planned Phase 2 expansion which was placed on hold following the announcement by the OM of the CID termination.

Phase 1 Completed	Phase 2 Planned now on hold
<ol style="list-style-type: none"> 1. Engen Garage / Sandbaai intersection R43 2. Fusion Restaurant / Old Harbour 3. Gearings Point 4. Lemm's Corner / Main Road 5. Main Road Traffic Circle / Entry to Hermanus R43 6. Mitchell & Long Street intersection 7. Mountain / Lookout Point 8. Mountain / Fernkloof Nature Reserve 9. Mountain / Mount Pleasant 10. Mountain / Rotary Drive 11. Mr. Price / Main Road 12. New Harbour / Cliff Path 13. Royal Street Traffic Circle / Checkers 14. Still Street 15. Swallow Park 16. Voëlklip / de Mond R43 	<ol style="list-style-type: none"> 17. Roman Rock Parking area 18. Marine Hotel corner 19. Rietfontein Cliff Path Westcliff 20. FNB corner CBD 21. Clicks corner CBD 22. Voëlklip Traffic Circle 23. <i>York Cash and Carry (completed)</i> 24. <i>Davidson's Boards (completed)</i> 25. <i>Snuffels corner / Industrial (completed)</i> 26. Fick's pool parking area

The cameras used are both fixed position and rotating, depending on the specific requirement at the various locations. The three camera positions in the Industrial Area, that were completed prior to the Phase 2 expansion of the CCTV surveillance system being suspended, have been extremely valuable identifying suspicious activities particularly during the hours of darkness.

As a crime prevention tool we continue to reap the benefits of having the system operational with 32% of all incidents being identified through the CCTV surveillance system. We remain of the view that the presence of the cameras has a significant effect on reducing crime levels where they are present. A number of ATM card fraud operators were identified and apprehended as a result of the CCTV surveillance system as well as drug dealers operating in parking areas close to the popular late night venues in the CBD.

3. Litter Control

A clean and litter free environment tends to lend itself to being a safe environment. It is with this in mind that HPP has for a number of years focussed on keeping the identified public areas clean.

The Litter Control function is outsourced to Jambi Project Management c.c. under the leadership of James Janse van Rensburg. The areas that are cleaned by Jambi Project Management c.c. on a regular basis throughout the year are as follows:

- Piet se Bos
- Hoy's Koppie
- Cliff Path / Grotto Beach to Kraal Rock
- Cliff Path / Swallow Park to Hermanus New Harbour

HPP are not responsible for the area stretching from the pedestrian board walk in front of Swallow Park to Roman Rock, including the food court parking areas and gardens. These areas are under the control of the Overstrand Municipality.

An average of 366 bags of litter was collected per month during the period. This was in line with previous years and there has been no improvement in visitor habits regarding litter over the past few years.

Jambi Projects Management c.c. has provided a reliable and efficient service in the past year and is to be congratulated on the standards that have been maintained throughout.

4. Financial Results

The audited HPP Financial Results for the period ending 30th June 2019, having already been placed on the HPP web page www.hppsecurity.co.za, my comments as follows:

Balance Sheet

HPP is in a very sound financial position with Retained Surplus increasing marginally to R5,440,206 for the period under review.

Fixed assets were mainly unchanged at R1,133,203 due to our CCTV Phase 2 Expansion being placed on hold following the announcement of the Termination of the CID.

Income Statement

Given that the Income Statement has been prepared for a 10 month period, comparisons to the prior year need to be adjusted in order to accommodate the change.

Both Income and Expenditure were in line with budget expectations with the only exceptions worth mention being increased Fidelity ADT patrol expenses and Legal Fees that were not budgeted.

Fidelity ADT expenses were higher than the prior period mainly as a result of the significantly reduced staff vacancies, the introduction of an attendance bonus and hardship allowances, together with the additional night patrol vehicle introduced. Legal Fees were for consultations with Henk Rademeyer SC regarding a challenge by a group of ratepayers demanding the removal of the HPP Board earlier in the year.

The final levy that was processed in June and collected in July will be paid to HPP during August 2019. A detailed financial projection has been completed assuming a normal operation and the indication is that HPP will deplete its cash reserves and need to cease operations at the end of January 2020. It is important to note that the Fidelity ADT service contract has a four calendar month notice period which will require that we formally give notice of termination by 1 October 2019.

5. Termination of the City Improvement District (CID)

By way of background to the Termination of the Hermanus CID by the Overstrand Municipality, it needs to be noted that for some time there have been requests that the HPP CID be extended as well as questions regarding the legality of the CID. In response to the enquiries the Municipal Manager referred the matter to their legal team and the legal opinion was conveyed to the HPP Board of Directors at a meeting on the 11th December 2018.

At the above meeting we were informed that the City Improvement District levy providing the income for HPP will cease at the end of June 2019 and were advised that the establishment of a Special Ratings Area by the Hermanus ratepayers will be the only viable option for a levy to continue. A copy of the legal opinion of AM Breitenbach SC dated 4 December 2018 was handed to the HPP Board. This document together with the other documents referred to can be accessed on the HPP web page www.hppsecurity.co.za

Below is a summary of events that followed the communication on 11th December 2018:

In January 2019 the HPP Board of Directors issued a communication to the Hermanus CID ratepayers informing them of the development regarding the levy that was to be discontinued. The communication indicated that HPP would commence a winding down process allowing for the continuation of normal operations until January 2020 when the reserve funds would be depleted and HPP dissolved. The primary reason for the early communication was to encourage the Hermanus ratepayer associations and business community to start with the process of registering a SRA soonest, as it is a lengthy process.

In March 2019 HPP are included by the Hermanus Ratepayers Association in an initiative that would allow for the transition of the Hermanus CID to a SRA in line with a process that we believe was followed in Cape Town. The Overstrand Municipality agreed to refer the request for a legal opinion. At a meeting held on the 25th March 2019 the Executive Mayor provides feedback that any process that will bypass full public participation and disclosure will not be agreed to by the Overstrand Municipality. The legal opinion of AM Breitenbach SC dated the 20th March 2019 supporting this decision was made available and can be accessed on the HPP web page.

On the 5th April 2019 the Overstrand Municipal Manager issued a document outlining the process that will need to be followed when the HPP Board finally dissolves HPP. This includes the formation of a joint working committee with the Overstrand Municipality as they have an oversight responsibility and outlines the process regarding the remaining assets when HPP is finally dissolved.

During April 2019 an Action Group including members of the EPI and the WCBCF obtain a further legal opinion from RCL Stelzner SC and make representations to the Executive Mayor of the Overstrand Municipality to extend the HPP levy beyond 30th June 2019. Below is an extract from an email that I received from the Executive Mayor dated 31st May 2019.

“Dear All

At the meeting which took place, in my office on Monday, 29 April 2019, with Minister Anton Bredell, it was decided that the legal opinions received from Advocates Breitenbach, Stelzner and Burger would be forwarded to Minister Bredell, who would then obtain an opinion on the possibility of continuing the funding of the Hermanus CID by the Municipality beyond the 30 June 2019.

Unfortunately we have now received feedback to inform us that the funding of the Hermanus CID, by the Municipality, cannot continue beyond 30 June 2019. Also that the management of the finances of the CID by the HPP must be wound down.

Kind Regards

Ald / Rdh Dudley Coetzee”

Following the receipt of the above communication it was decided at the HPP June 2019 Board Meeting that the HPP Annual General Meeting be brought forward to August 2019, in order that the CID ratepayers are fully appraised of the latest developments and the next steps to be followed in line with the directive issued by the Overstrand Executive Mayor.

It is indeed unfortunate that at the time of writing this report, very little progress has been made to establish a Special Rating Area, which remains the only viable long term funding solution for HPP or a similar organisation.

6. Directors and Management

HPP has an elected Board of Directors who offers their time and services at no charge. The day to day activities are run by our General Manager Hennie Niemand, who is ably supported with secretarial services by Christine Hibberd.

My sincere thanks go to the HPP Board of Directors for their support and input over the difficult period that we have been through, following the communication of the CID Termination by the Overstrand Municipality in December 2018.

We welcomed Michael Farr, elected as a Director to the HPP Board at the AGM in December 2018. After a relatively short period of service, he decided to resign from the HPP Board. I thank him for his input during the period that he was with us.

Christine Hibberd attended all Director and Management meetings and provided the secretarial services to the excellent standard that we have become accustomed to.

The HPP Board members currently are Chairman Roger Smith, Deputy Chairman Callie Westraat and Directors Councillor Kari Brice, Coenie Bierman and Michael Clark. All Board members, with exception of Michael Clark and Kari Brice will completed their current term of office.

7. Conclusion

My thanks to the Hermanus SAPS and the Overstrand Municipality Protection Services for the excellent response and support given when needed. A cordial working relationship with the Overstrand Municipality under the leadership of our Executive Mayor Alderman Dudley Coetzee and Municipal Manager Coenie Groenewald was maintained during the period under review.

As there will not be a Special Ratings Area established by the time HPP finally ceases operations, the responsibility of ensuring a safe environment along the Hermanus Cliff Path and the Hermanus Public Spaces will revert back to the South African Police Services and the Overstrand Municipality. The HPP Board of Directors will need to ensure that a proper hand over of these duties takes place at the appropriate time.

Roger Smith
Chairman

7/19/2019