



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 report for the year ending 31st August 2018. 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.

Overview

The year under review is the sixteenth year of operation for HPP and I am pleased to report that it has been a year with a number of challenges, but a year in which HPP continued to make a valuable contribution towards public safety within the Community Improvement District. The early setback of the attacks on the cliff path followed by the Zwelihle housing and service delivery protest action later in the year, influenced and shaped much of our efforts during the past year. I will further elaborate on these aspects later in the report.

The CCTV surveillance system once again consumed most of our time and energy, but the fundamental decision taken to use solar power only in locations where municipal power is not accessible, has given immediate results with a substantial improvement in the operating efficiency of the system. CCTV continues to play an ever increasing role in improving public safety within the CID and I foresee that the system footprint will be significantly expanded over the medium term.

The joint venture between the Overstrand Municipality and HPP regarding the establishment of the CCTV surveillance system played a critical role in containing the civil disobedience and rioting that became part of the Zwelihle housing and service delivery protest action commencing March 2018 and peaking in mid July 2018. The Overberg SAPS Cluster Commander, Brigadier Heilbron, established his Joint Operation Centre in the HPP CCTV control room and coordinated the various activities of SAPS and the Overstrand Protection Services from there. The CCTV control room will be significantly expanded in the year ahead and will continue to be used as a Joint Operation Centre in order to coordinate the various role players that would be need to effectively manage any natural disaster or crisis situation that may arise in the Overstrand.

The merging of the ADT and Fidelity group during the previous year added a few unintended complications to the daily operations of our business, particularly regarding administration systems. The SAP computer system was implemented by Fidelity ADT Group, which gave rise to a number of teething problems related to the payroll administration. This resulted in stay-away action by a number of employees during the period under review. The system has now been successfully bedded down and is running optimally.

The HPP mandate of supporting and facilitating “Public Safety in Public Places” remains unchanged with the core activities being Security Patrols, CCTV surveillance and Litter Control. We remain proud supporters of the local economy where we have created in excess of 90 direct employment opportunities and make use of local service providers where practicable. 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 primarily in the CBD and the Cliff Path, which stretches from the New Harbour to Grotto Beach and bicycle patrols 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.

On the 20th November 2017, the first of six attacks took place on the Hermanus Cliff Path during the period under review. In the period 20th – 26th November 2017, four attacks took place with a similar modus operandi. A middle aged couple would give the impression that they were sightseeing on the Cliff Path behaving typically as tourists would. Once a target had been identified, usually elderly foreign visitors sitting on a secluded bench, they would approach and in most instances produce a firearm, rob the victims and escape. It is our belief that the same couple were involved in all of these attacks that took place between the New Harbour and Roman Rock.

There were two further attacks which we believe were opportunistic, the first at the Marine tidal pool where an elderly foreign couple were robbed of their valuables by two young men on 29th November 2017 and the last attack was at the Mussel River parking area where a foreign couple was again robbed of their valuables. This attack took place in the second week of January 2018 and a group of young men emerged from a car parked in the parking area.

In response to the November attacks the Directors of HPP had an emergency meeting and the action items from this meeting were presented at the AGM in December 2017. Listed below are the primary focus areas and outcomes from the meeting that were implemented in order to address the situation.

- *Peak period plan.* Extended working hours for patrol officers were introduced over the peak holiday period and known crime “hot spots” along the Cliff Path are saturated with additional patrol officers.
- *Communications.* A tourist security information flier was produced and is distributed to tourists along the Cliff Path during the holiday period by the patrol officers. Hermanus Tourism Association was encouraged to communicate personal security and safety awareness to their membership on a regular basis.
- *Staff vacancies.* Salary packages were reviewed and improved by adding a “hardship allowance” for all officers operating in the field in an effort to reward and differentiate them from their colleagues based in the office. We believe that the improved packages had a positive impact on recruiting and retaining a better quality of employee.

- *AWOL*. Absenteeism has been at unacceptably high levels and an attendance bonus system was introduced in order to address this problem. Employees who have a clean attendance record for the month receive an attendance bonus.
- *Supervisors*. Additional supervisory positions were introduced into the organisation structure, particularly with regard to Cliff Path patrols. Not only will the presence of supervisors improve guarding activities, it will also lend itself to on the job training opportunities.
- *Training*. Increased training activities have taken place over the past year on Municipal By-Laws and General Guarding proficiency. It is believed that these activities will contribute towards improved effectiveness in the field and at the same time have a motivational impact on the employees.

Following the January 2018 incident, the attacks and robberies on the Cliff Path ended. Fortunately the victims of the attacks did not incur serious injuries or assaults. The cliff path remains a priority area for us and in order to enhance the safety and improve response times when an incident occurs, we will be introducing a *bench numbering system and placing a plaque on all benches* reflecting the location number and emergency contact details. The expansion of the CCTV surveillance system will include an additional six cameras along the cliff path.

The motorised patrols that were introduced in Voëlklip during the prior year were continued and expanded to cover the entire CID. These patrols are conducted on a 24/7 basis and serve also to assist and respond to incidents reported by our patrol officers in the field. An ongoing problem that is reported by our patrol vehicles continues to be a general lack of awareness and security by the residents. On a regular basis our patrol officers wake up residents that have retired for the evening, leaving motor vehicles unlocked with open windows in the street, open garage doors, open windows and even leaving the front door ajar. On most occasions the residents are grateful for the contact.

I alluded to the fact that vagrants and loitering was on the increase last year and it is encouraging to report that good progress has been made, with the total number of incidents reducing by 19% to 493, when compared to the prior year. This remains a very difficult issue for Law Enforcement Officers to control and they need to be commended for their efforts. A further problem in this regard that has recently manifested itself is the number of people living and sleeping in their motor vehicles. They will generally choose secluded or dark locations for obvious reasons and then become vulnerable to attacks by criminal elements. There are by-laws in place prohibiting this activity, but once again, difficult to enforce. We encourage these people to park in well lit areas where there is CCTV surveillance cover for their personal safety.

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 provided an excellent service during the year under review.

2. CCTV

The HPP CCTV Surveillance system, which is a joint venture with the Overstrand Municipality has completed its second year in service and continues to grow in importance. Although we have encountered a number of difficulties during the implementation and establishment phase, I firmly believe that we are on the right track and the effectiveness of the system will continue to improve going forward.

One of the major problems that needed to be overcome and solved before expanding the coverage of the system was the operating efficiency. We continued to have cameras going offline during the early hours of the morning as a result of power storage limitations. This was then further exacerbated by the system not being able to reboot itself when the solar panel restored power to the battery. We were then faced with the challenge of a supplier based in Durban which would route call outs through a Cape Town office resulting in unacceptable delays in responding to the problems. Bigger batteries and solar panels were a solution but the limiting factor remained placing this heavy equipment on a pole, which was not ideal. A decision was taken to use solar power in locations only where municipal power was not available and the conversion took place over the past few months. We have enjoyed excellent support from the Overstrand Municipality in making power points available and I am pleased to report that a vast improvement to the operating efficiency and stability of the system has been achieved.

During the conversion process we made extensive use of local suppliers and have phased out Intervid as our service provider for CCTV support and maintenance. We will shortly be entering into an agreement with a local supplier. The local supplier will be used for the planned Phase 2 expansion as well as providing support and maintenance for the entire system. The table below reflects the camera positions presently in place and the planned Phase 2 expansion which I am hopeful will be in progress by the end of the year.

Phase 1 Completed	Phase 2 Planned
<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. Arum / Swartdam street corner Industrial 24. Steenbras / Swartdam street corner Industrial 25. Snuffels corner / Industrial 26. Fick's pool parking area 27. Westcliff Drive / Cliff Path

The cameras used are both fixed position and rotating, depending on the specific requirement at the various locations. By the end of the Phase 2 expansion we will have 27 camera positions on the system.

The strategic importance of the CCTV surveillance system to the Hermanus community cannot be overemphasised and the critical role that it played during the recent service delivery protest action has reinforced the importance of the system and the control centre. Plans are in place and the Overstrand Municipality has approved funding for the expansion of the present facility which when completed will significantly enhance the ability of the SAPS and Overstrand Protection Services to cope with any natural disaster or emergency situation.

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. The planned expansion of the system includes a number of "hot spots" particularly around ATM's as well as problematic locations along the Cliff Path.

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. Bush clearing is undertaken where needed in order to discourage illegal vagrant sleeping areas and other criminal activities.

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 cleaning team.

Cleaning activities are stepped up during the holiday season and during the period under review 4,160 bags of litter were collected and removed from the areas listed above. This reflects an 8% reduction when compared to previous year. The downward trend is positive and in view of the ever increasing number of visitors to Hermanus it is viewed as a positive result.

In addition to the routine cleaning program that is followed by the Jambi team, when problem locations are identified by members of the public or patrol Supervisors special teams are sent in to remedy the situation.

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.

There was no need for bush clearing during the year under review.

Financial Results

The audited HPP Financial Results for the year ending 31st August 2018, having already been circulated and 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 Income increasing by 32.4% to R5,430,213 for the period under review.

Fixed assets were mainly unchanged at R1,145,042 due to our CCTV Phase 2 Expansion being delayed pending a solution being found to address system power and stability issues. We are now in a position to expand the system and in the process of evaluating quotations for the project. I do not expect the anticipated expansion to exceed R1,000,000.

Income Statement

Revenue shows an increase of 8.7% over the prior period which is in line with the municipal rates increase plus a small increase to the base. We anticipate that the revenue increases for the foreseeable future will be in line with CPI, as the Overstrand Municipality will remain under pressure to contain rates increases in line with or below inflation levels. The HPP levy remained unchanged at 10% of property rates.

Operating Expenses have increase by 21.3% over the prior period with Fidelity ADT Patrol Expenses and the CCTV maintenance contract being the main drivers. We anticipate that this trend will continue, particularly accelerated increases in the Fidelity ADT Patrol Expenses. The revised salary packages which now include a hardship allowance and attendance bonus for Patrol Officers together with increased focus on recruitment and retention of staff will go a long way to addressing the high level of vacancies that we have experienced in the past few years.

Under-spending on Fidelity ADT Patrol Expenses as a result of high vacancy levels has been the main contributor towards our ongoing surpluses in the recent past. The HPP Budget for the period ending August 2019 reflects a deficit of R680,916 and assumes a fully recruited Fidelity ADT guarding compliment.

Given the current strength of the Balance Sheet and in particular the high level of our Retained Income, I will look to more closely align our revenue collection with expenses going forward. I believe that at this time it would be premature to consider a reduction in the levy, until we can evaluate the financial implications of completing the CCTV surveillance system together with operating at full manning levels in the Fidelity ADT guarding division.

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 past year. A special mention for an extremely valuable contribution made by Director Jamie Hart for his support, expertise and advice regarding the solving of the CCTV power supply and operating efficiency problems that we were experiencing. Once again, long hours put in by our General Manager Hennie Niemand and Director Callie Westraat together with Jamie on this project.

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

We welcomed Christoffel du Toit, elected as a Director to the HPP Board at the AGM in December 2017. An unforeseen change in his personal circumstances however, necessitated that he resign from the HPP Board early in the year. I thank him for his support and input during the short period that he was with us.

The HPP Board members currently are Chairman Roger Smith, Deputy Chairman Callie Westraat and Directors Councillor Kari Brice, Coenie Bierman, Jamie Hart and Michael Clark.

Conclusion

My thanks to the Hermanus SAPS and the Overstrand Protection Services for the excellent response and support given when needed. The calm and efficient manner in which our SAPS Cluster Commander, Brigadier Heilbron, managed a particularly difficult situation with regard to the recent Zwelihle housing and service delivery protests was a fine example of leadership to all.

We look forward to maintaining the cordial working relationship in the year ahead with the Overstrand Municipality under the leadership of our Executive Mayor Alderman Dudley Coetzee and Municipal Manager Coenie Groenewald.

I remain confident that with the continued expansion and enhancement of the HPP offering planned for the year ahead, we should be well placed to build on our proud track record of improving public safety in the CID.

Roger Smith
Chairman