

Public Meeting  
Application for the Establishment of the HSRA  
20 February 2020



**HERMANNUS**  
Special Rating Area

# HSRA – Steering Committee

## **Chair: Michael Farr**

Organisation: Hermanus Ratepayers Association

## **Jan Cilliers**

Organisation: Westcliff Residents Association

## **Terry McCarthy**

Organisation: Fernkloof Estates

## **Gideon Serfontein**

Organisation: Hermanus Business Chamber

## **Lourens Theron**

Organisation: Afriforum

## **Clinton Lerm**

Organisation: Whale Coast Business & Community Forum



# Hermanus Special Rating Area

The vision of the proposed HSRA is to ensure that Hermanus remains a safe, clean and healthy town for the benefit of all its residents and visitors so that Hermanus can remain the residential, retirement, and work place as well as holiday destination of choice for all its residents and visitors.

It is the mission of the proposed HSRA to deliver supplementary municipal services as determined by the community itself to ensure, in a sustainable manner, a safe, healthy and clean environment for residents and visitors. The services should be supplementary to those services already provided and rendered by OM.

Public Safety | Crime Prevention | Cleansing Services



# Boundary Map



From 17<sup>th</sup> Avenue in the East up to Swartdam Road in the West, with Still Street as the southern border and Fernkloof Nature Reserve as the northern border.

Suburbs included in this area are Westcliff, Westdene, Industria, Northcliff, the Central Business District, Eastcliff, Hermanus Heights, Fernkloof, Kwaaiwater and Voelklip.



# What is an SRA?

A Special Rating Area (SRA) refers to a clearly defined geographical area, in which property owners contribute additional rates to enhance and supplement municipal services, such as safety in public areas, cleansing services and crime prevention.

A special rating area is a statutory body where the requirements of section 22 of the Property Rates Act are complied with;

- The special rating area allows an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area; and
- The levies will pay for supplementary municipal services within the defined area such as security, cleansing and other urban upgrade initiatives as described in the business plan.



# Legislation Governing SRAs

SRAs are governed by:

- The SA Constitution;
- Section 22 of the Municipal Property Rates Act of 2004 (MPRA);
- The Municipal Finance Management Act (MFMA);
- The Companies Act (Non-Profit Company - NPC);
- The Overstrand Municipality Special Rating Area By-Law of 2016; and
- The Overstrand Municipality Special Rating Area Policy of 2019.



# Public Perception Survey – Key Results

- A majority of all respondents were of the opinion that **safety in the town was becoming a problem** and that they still felt safe in Hermanus, but **only during the daytime**.
- Additional security services, such as the **HPP, neighbourhood watches and security companies** were viewed very favourably and deemed **essential in preventing crime**.
- More than half of the respondents agreed that **all property owners should share responsibility for ensuring a safer town**.
- Respondents viewed the **safety of residents and visitors as being the biggest need** in Hermanus.



# Key Features of Business Plan

## Supplementary Crime Prevention and Public Safety Plan

- Patrol officers on foot in the CBD area and vehicle patrols throughout the area. The vehicle patrols will be on a 24-hour basis, 7 days a week.
- Foot patrol officers will be used primarily in the CBD, Hoy's Koppie and on the Cliff Path which stretches from the New Harbour to Grotto Beach.
- Vehicle patrols will be throughout all the suburbs included in the HSRA area.
- All activities will be monitored through GPS tracking from the control centre.
- The HSRA NPC will have access to a minimum of 19 monitoring CCTV cameras (in the instance of a municipal decision, to transfer existing Hermanus Public Protection (HPP) assets to the HSRA).





# Key Features of Business Plan

## Supplementary Cleansing Plan

The plan will be executed by an appointed cleansing service provider tasked to work in conjunction with the relevant Overstrand Municipality department to:

- Decrease waste and grime in the area through a sustainable cleansing programme.
- Provide additional street sweeping, waste picking and additional refuse collection in all the public areas of the HSRA.
- Promote waste minimization by providing supplementary municipal services in the area including but not limited to more waste bins and waste recycling opportunities.
- The HSRA will also support the Overstrand Municipality with an effective litter collection service on the Cliff Path and Hoy's Koppie.



# 5-Year Budget

	<b>HERMANUS SRA ESTIMATED 5-YEAR BUDGET</b>				
	<b>Budget Fin Year 2020/21</b>	<b>Budget Fin Year 2021/22 5.5%</b>	<b>Budget Fin Year 2022/23 5.5%</b>	<b>Budget Fin Year 2023/24 5.5%</b>	<b>Budget Fin Year 2024/25 5.5%</b>
<b>INCOME</b>					
Estimated Levies	8,300,000	8,756,500	9,238,108	9,746,203	10,282,245
<b>Total Income</b>	<b>8,300,000</b>	<b>8,756,500</b>	<b>9,238,108</b>	<b>9,746,203</b>	<b>10,282,245</b>
<b>EXPENDITURE</b>					
<b>HSRA ADMINISTRATION</b>					
CID Manager	265,000	279,575	294,952	311,174	328,289
Administration	102,000	107,610	113,529	119,773	126,360
<b>Sub-Total</b>	<b>367,000</b>	<b>387,185</b>	<b>408,480</b>	<b>430,947</b>	<b>454,649</b>
<b>PROJECTS</b>					
Cleansing Management	300,000	316,500	333,908	352,272	371,647
Toilet Rental Management	50,000	52,750	55,651	58,712	61,941
Public Safety & Crime Prevention Management, including software upgrades and incremental CCTV expansion	7,150,000	7,543,250	7,958,129	8,395,826	8,857,596
Communication Management (Fixed line, cell phones, radios)	130,000	137,150	144,693	152,651	161,047
CCTV Management (Agreement, Insurance, Maintenance)	303,000	319,665	337,247	355,795	375,364
<b>Sub-Total</b>	<b>7,933,000</b>	<b>8,369,315</b>	<b>8,829,627</b>	<b>9,315,257</b>	<b>9,827,596</b>
<b>TOTAL ALL EXPENDITURE</b>	<b>8,300,000</b>	<b>8,756,500</b>	<b>9,238,108</b>	<b>9,746,203</b>	<b>10,282,245</b>



# Calculation of the Rate

- Funding of HSRA will be sourced from a Special Rating Area rate charged by OM, and applied to owners of approx. 5501 valid rateable properties on the OM property database.
- The additional rate payment for HSRA will be determined by the property's Municipal valuation and will amount to a tariff of 0.00061 times the valuation per annum.

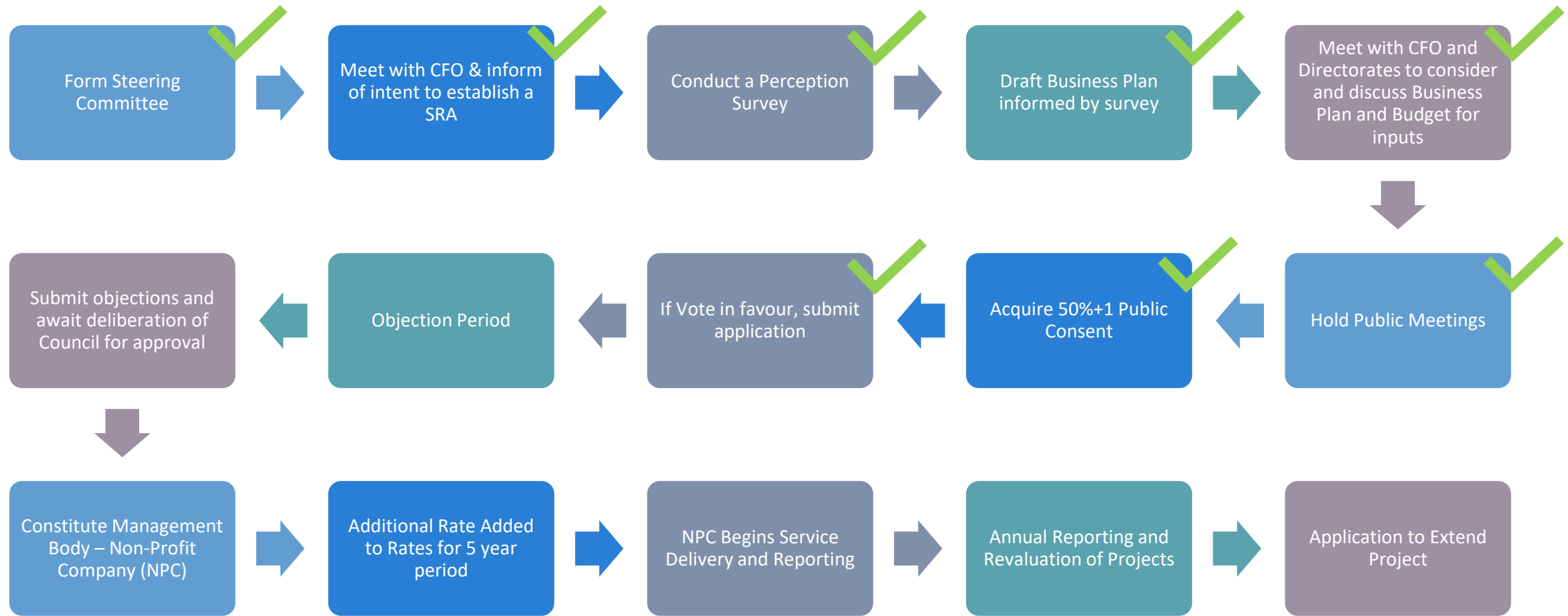


# Levies based on Municipal Evaluation

Municipal Valuation	Estimated Monthly Special Rate					
	Residential		Business		Vacant	
	From	To	From	To	From	To
Less than R50 000	Less than R0		Less than R3.56	R3.56	Less than R2.03	R2.03
R50 001 – R100 000	R0.08	R2.03	R3.56	R5.08	No properties in this range	
R100 001 – R300 000	R2.03	R10.17	R5.08	R15.25	R6.10	R14.74
R300 001 – R600 000	R10.17	R22.37	R15.25	R32.18	R14.74	R33.55
R600 001 – R1 000 000	R22.37	R38.63	R32.18	R50.82	R33.55	R50.83
R1 000 001 – R1 500 000	R38.63	R58.97	R50.83	R76.25	R50.83	R76.25
R1 500 001 – R3 000 000	R58.97	R119.97	R76.25	R152.50	R76.25	R152.50
R3 000 001 – R6 000 000	R119.97	R241.97	R152.50	R304.96	R152.50	R305.00
R6 000 001 – R12 000 000	R241.97	R446.12	R304.96	R605.68	R305.00	R559.17
R12 000 001 – R35 000 000	R446.12	R1379.62	R605.68	R1768.45	R559.17	R1779.17
Estimated Income per month						
R691, 829.88	R538 491.97		R128 485.74		R24 852.17	



# Establishing a SRA



# Timeline

ACTIVITY	RESP.	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
INITIATE SRA PROCESS	HRA	◆															
ESTABLISH STEERING COMMITTEE	SC	■															
SC AGREEMENT ON PROCESS	SC	◆															
CFO AGREE ON SC AND PROCESS	CFO/SC			◆													
PERCEPTION SURVEY & ANALYSIS	SC					■	■	■	■	■	■						
BUSINESS PLAN	SC						■	■									
CFO AGREE ON BUSINESS PLAN	CFO						■	◆									
PUBLIC MEETING	SC							◆									
CONSENT FROM PROPERTY OWNERS	SC							◆									
OBTAIN 50%+1	SC							■	■	■							
PREPARE APPLICATION	SC								■	■							
LODGE APPLICATION	SC								◆								
OBJECTIONS	SC/CFO								■	■	■	■					
DELIBERATION BY COUNCIL	OM										■	■	■				
CONSTITUTE MANAGEMENT BODY - NPC	SC											■					
ELECTION OF DIRECTORS	DIR												◆				
REGISTRATION OF COMPANY	DIR												◆				
APPOINTMENT OF SERVICE PROVIDERS	NPC													◆			
DRAFT BUDGET TABLED IN COUNCIL	OM												◆				
ADOPTION OF BUDGET BY COUNCIL	OM												◆				
APPROVAL OF PLAN	OM												◆				
PAYMENT OF LEVY	OM													◆			
COMMENCEMENT OF SERVICES	NPC																◆



# Voting - 50%+1 Majority Needed

Overstrand Municipality By-law states:

*“any special rating area must comply fully with the provisions of the By-law, save that, with reference to the majority support, the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 50% (fifty percent) plus 1 in number of such properties, approve the formation of the special rating area”*



# Voting - 50%+1 Majority Obtained

- Voting closed Friday, 31 January 2020
- Required 50%+1 or 2 752 affirmative votes
- Majority obtained – 57%
- 3 141 (subject to verification) property owners gave their consent





# Objections

- The application, together with related information, is available for scrutiny on the HSRA website at: [www.hermanussra.co.za](http://www.hermanussra.co.za) and at the Overstrand Municipality, Hermanus Municipal Offices, 1 Magnolia Street, Hermanus (Enquiries: Ms Johette Basson, tel: +27(0)28 313 8133).
- Any objections to the establishment of the Hermanus SRA must be submitted in writing to the Municipal Manager, PO Box 20, Hermanus 7200, or emailed to [cgroenewald@overstrand.gov.za](mailto:cgroenewald@overstrand.gov.za) or delivered by hand to the Municipal Manager, Municipal Offices, 1 Magnolia Street, Hermanus.
- Objections must be received by the office of the Municipal Manager by not later than Friday, 6 March 2020.



# Deliberation by Council

- Should the HSRA be approved by Council the HSRA Steering Committee will establish the management body – a non-profit company (NPC).
- If application is refused by Council, the applicant may, within 6 months, reapply to Council, provided that the re-application has been amended in light of the reasons for refusal or referral.

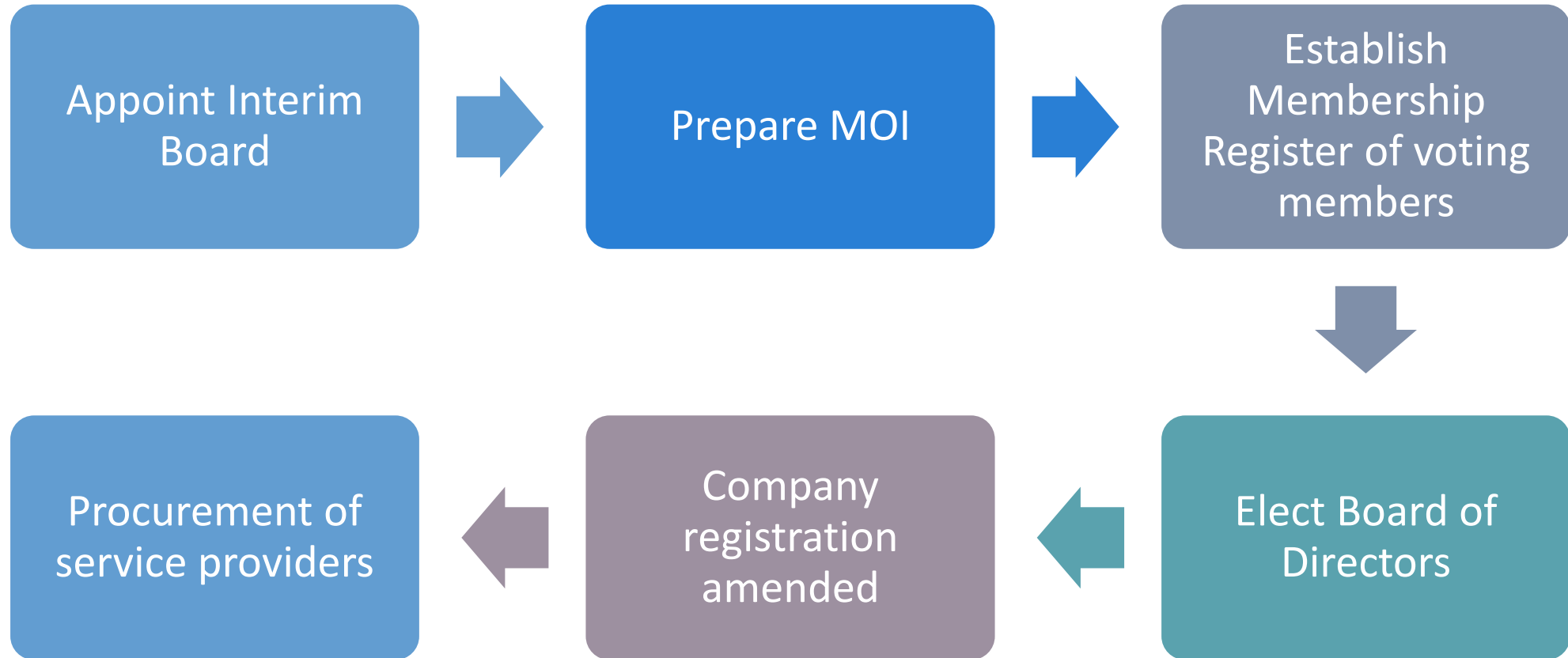


# Management Body – Non-Profit Company

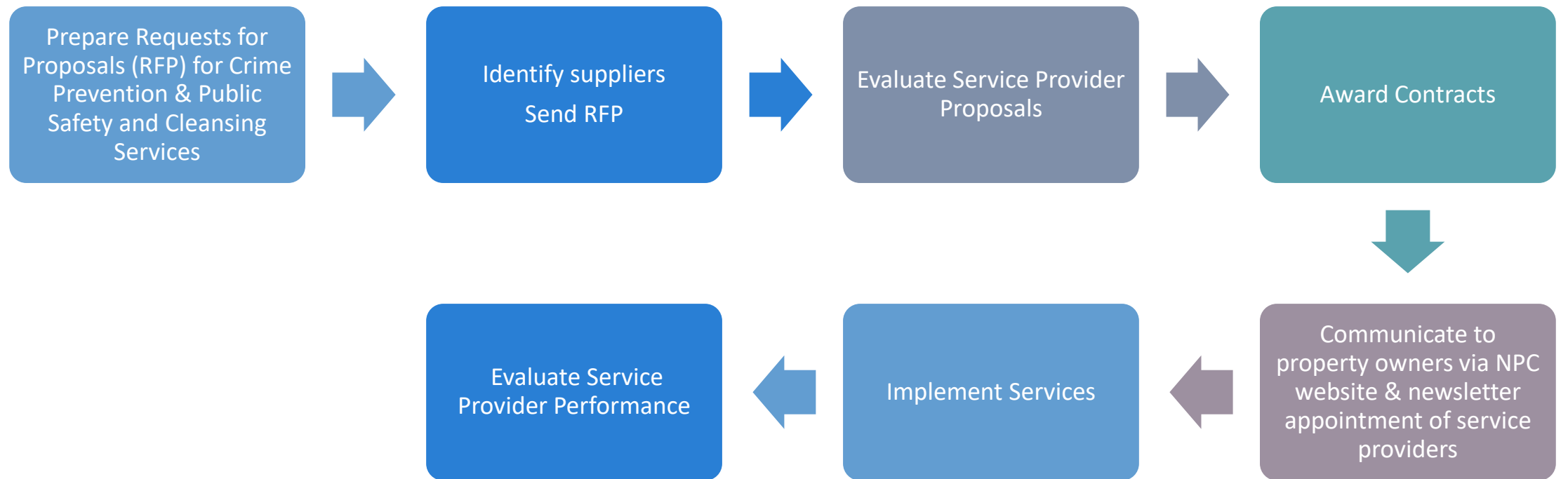
- Hermanus Public Protection (HPP) will be the management body of the HSRA
- A draft MOI is available on the HSRA website for comment
- An interim board will manage the transition



# Management Body - NPC Process



# Procurement of Service Providers



# QUESTIONS & ANSWERS



# Contact Us



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<https://hermanussra.co.za/>



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