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## **LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 DECEMBER 2015**

### **1. Purpose**

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 December 2015

### **2. Background**

The Limpopo Provincial Treasury hereby submits the Provincial revenue and expenditure report as at 31 December 2015 in line with chapter 5, section 40 (4) (b) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act 29 of 1999. The Act requires the designated accounting officer of a department to submit information to the Provincial Treasury on actual revenue and expenditure for the preceding month and the anticipated revenue and expenditure for the remaining period of the financial year in terms of section 40 (4) (a).

### **3. Discussion**

The Limpopo provincial government revenue and expenditure trend for the period under review finds its basis on the December 2015 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analysed in terms of the projected expenditure, projected cash requests and actual expenditure as recorded in the IYM and Infrastructure Reporting Model (IRM) submissions. The explanations for the variances were provided by departments as per their IYM and IRM variance reports and where necessary, further clarity was sought from the departments in line with the requirements of the Provincial Treasury Instruction Notes 03 of 2012, 09 of 2012 and 04 of 2013.

#### 4. Cash Management

Schedule of payments runs were sent to departments to enable them to inform service providers of the dates of payments as they serve them with invoices for services rendered:-

- Persal runs are scheduled 4 times a month, i.e. the 15<sup>th</sup> for normal salaries, 22<sup>nd</sup> for Educators' salaries, last Wednesday of the month for Supplementary payments (claims) and month-end for probation and contract employees and Third Party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the 15<sup>th</sup> and for month-end.

These systems and processes were put in place to ensure that service delivery continues without disruptions relating to cash flow problems as well as to alleviate cash flow challenges experienced in the previous financial year.

##### 4.1. Cash Allocations Vs. Actual Expenditure Vs. Actual Funds Transferred

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. The table below provides cash flow projections, actual expenditure and transfers to departments during December 2015.

**Table 1: Cash Flow Management Performance as at 31 December 2015**

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 December 2015

Departments	Opening Bank Balances at 01-Apr-15 R' 000	Cash Allocation 31-Dec-15 R' 000	Actual Expenditure 31-Dec-15 R' 000	Tranfers To Departments 31-Dec-15 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	508 149	19 114 755	18 645 186	18 637 510	469 569	2.5%	7 676	0.0%
Health	58 649	11 407 273	11 873 777	12 103 704	-466 504	-4.1%	-229 927	-1.9%
Social Development	30 358	1 114 574	1 146 803	1 169 921	-32 229	-2.9%	-23 118	-2.0%
Public Works	377 346	2 155 305	1 875 761	1 867 628	279 544	13.0%	8 133	0.4%
Agriculture	53 379	1 292 390	1 135 092	1 136 926	157 298	12.2%	-1 834	-0.2%
Roads & Transport	176 941	1 363 237	1 248 066	1 178 623	115 171	8.4%	69 443	5.6%
CoGSTHA	117 569	1 538 825	1 527 007	1 654 344	11 818	0.8%	-127 337	-8.3%
Sport, Arts & Culture	30 487	277 655	265 934	277 681	11 721	4.2%	-11 747	-4.4%
Safety & Security and Liaison	7 795	67 997	58 820	55 337	9 177	13.5%	3 483	5.9%
Office of the Premier	9 171	258 802	248 776	249 136	10 026	3.9%	-360	-0.1%
Provincial Legislature	4 321	205 478	237 839	240 864	-32 361	-15.7%	-3 025	-1.3%
Provincial Treasury	45 419	281 649	260 433	235 235	21 216	7.5%	25 198	9.7%
Economic Development, Environmental & Tourism	60 275	878 988	865 953	875 566	13 035	1.5%	-9 613	-1.1%
<b>Total</b>	<b>1 479 859</b>	<b>39 956 928</b>	<b>39 389 447</b>	<b>39 682 473</b>	<b>567 481</b>	<b>1.4%</b>	<b>-293 026</b>	<b>-0.7%</b>
<b>Summary Per Fund</b>								
Equitable Share		34 819 448	34 561 911	33 842 432	257 537	0.7%	719 479	2.1%
Conditional Grant		5 137 480	4 827 536	5 840 042	309 944	6.0%	-1 012 506	-21.0%
<b>Total</b>		<b>39 956 928</b>	<b>39 389 447</b>	<b>39 682 473</b>	<b>567 481</b>	<b>1.4%</b>	<b>-293 026</b>	<b>-0.7%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R567.5 million or 1.4 percent. Transfers to departments were R293.0 million or 0.7 percent more than actual expenditure. More funds were transferred than was required due to insufficient funds in some departments to surrender the 2014/15 unspent funds.

## 4.2. Interest Performance

**Table 2: Interest Earned as at 31 December 2015**

R'000

Institution	2015/16												
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Total
Commercial Bank (SBSA)	5 541	2 258	2 334	1 357	1 564	1 142	1 286	1 775	1 225				18 482
CPD (SA Reserve Bank)	14 442	22 676	21 254	20 934	22 475	25 060	25 339	23 448	25 375				201 003
<b>Total</b>	<b>19 983</b>	<b>24 934</b>	<b>23 588</b>	<b>22 291</b>	<b>24 039</b>	<b>26 202</b>	<b>26 625</b>	<b>25 223</b>	<b>26 600</b>	-	-	-	<b>219 485</b>

INTEREST EARNED : 2014/15 FINANCIAL YEAR

R'000

Institution	2014/15												
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Commercial Bank (SBSA)	5 264	2 061	2 772	2 359	1 571	2 419	1 885	2 067	3 859				24 257
CPD (SA Reserve Bank)	12 273	22 140	18 899	25 180	26 864	26 262	26 505	22 733	21 715				202 571
<b>Total</b>	<b>17 537</b>	<b>24 201</b>	<b>21 671</b>	<b>27 539</b>	<b>28 435</b>	<b>28 681</b>	<b>28 390</b>	<b>24 800</b>	<b>25 574</b>	-	-	-	<b>226 828</b>

When compared to the same period in the previous year, interest revenue decreased from R226.8 million in 2014/15 to R219.5 million in 2015/16. Interest earned in the CPD account alone also decreased from R202.5 million to R201.0 million. In the public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions.

## 5. Provincial Expenditure

**Table 3: Provincial overall expenditure as at 31 December 2015**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2015	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	25 284 705	-	25 284 705	25 284 705	25 284 705	18 645 186	73.7%	-	-	0.0%
Health	14 754 135	647 659	15 401 794	15 401 794	15 648 997	11 873 777	77.1%	-247 203	-	-1.7%
Social Development	1 537 757	71 127	1 608 884	1 608 884	1 608 884	1 146 803	71.3%	-	-	0.0%
Public Works, Roads And Infrastructure	2 749 756	7 180	2 756 936	2 756 936	2 756 936	1 875 761	68.0%	-	-	0.0%
Agriculture	1 697 131	-46 530	1 650 601	1 650 601	1 650 601	1 135 092	68.8%	-	-	0.0%
Transport	1 838 898	-100 373	1 738 525	1 738 525	1 738 525	1 248 066	71.8%	-	-	0.0%
Co-Operative Governance Human Settlements	2 269 327	420 287	2 689 614	2 689 614	2 689 614	1 527 007	56.8%	-	-	0.0%
Sport, Arts And Culture	345 324	51 338	396 662	396 662	396 662	265 934	67.0%	-	-	0.0%
Safety, Security And Liaison	90 354	-1 617	88 737	88 737	86 492	58 820	66.3%	-	2 245	2.5%
Office Of The Premier	352 150	-1 544	350 606	350 606	346 473	248 776	71.0%	-	4 133	1.2%
Provincial Legislature	262 688	45 147	307 835	307 835	307 835	237 839	77.3%	-	-	0.0%
Provincial Treasury	385 179	-10 852	374 327	374 327	369 989	260 433	69.6%	-	4 338	1.1%
Economic Development, Environment And Tourism	1 160 813	-629	1 160 184	1 160 184	1 154 287	865 953	74.6%	-	5 897	0.5%
<b>Total</b>	<b>52 728 217</b>	<b>1 081 193</b>	<b>53 809 410</b>	<b>53 809 410</b>	<b>54 040 000</b>	<b>39 389 447</b>	<b>73.2%</b>	<b>-247 203</b>	<b>16 613</b>	<b>-0.4%</b>
<b>Economic classification</b>								<b>Net</b>	<b>-230 590</b>	
<b>Current payments</b>	<b>45 384 184</b>	<b>-37 863</b>	<b>45 346 321</b>	<b>45 346 321</b>	<b>45 325 791</b>	<b>33 749 479</b>	<b>74.4%</b>	<b>-</b>	<b>207 312</b>	<b>0.5%</b>
Compensation of employees	38 426 999	-246 459	38 180 540	38 180 540	37 973 328	28 252 810	74.0%	-	207 212	0.5%
Goods and services	6 956 769	208 510	7 165 279	7 165 279	7 352 061	5 496 267	76.7%	-186 782	-	-2.7%
Interest and rent on land	416	86	502	502	402	402	80.1%	-	100	24.0%
<b>Transfers and subsidies</b>	<b>5 626 940</b>	<b>855 369</b>	<b>6 482 309</b>	<b>6 482 309</b>	<b>6 550 377</b>	<b>4 277 640</b>	<b>66.0%</b>	<b>-68 068</b>	<b>-</b>	<b>-1.2%</b>
Payments for capital assets	1 717 094	261 291	1 978 385	1 978 385	2 160 585	1 359 872	68.7%	-182 180	-	-10.6%
Payments for financial assets	-	2 396	2 396	2 396	3 267	2 456	102.5%	-871	-	-
of which: NPNC	12 584 125	1 066 361	13 650 486	13 650 486	13 906 107	9 776 765	71.6%	-1 321 982	-	-10.5%
<b>Total</b>	<b>52 728 218</b>	<b>1 081 193</b>	<b>53 809 411</b>	<b>53 809 411</b>	<b>54 040 000</b>	<b>39 389 447</b>	<b>73.2%</b>	<b>-437 901</b>	<b>207 312</b>	<b>-0.4%</b>
								<b>Net</b>	<b>-230 589</b>	

\* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The synopsis of provincial expenditure as at 31 December 2015 is presented hereunder:

- Compensation of Employees (CoE) spent R28.2 billion or 74.0 percent representing R207.2 million or 0.5 percent projected under-spending mainly due to delays in appointments of funded vacant posts and resignations.
- Goods and Services spent R5.5 billion or 76.7 percent with projected overspending of R186.8 million or 2.7 percent of the adjusted budget mainly in the department of Health.
- Transfers and subsidies recorded an expenditure of R4.3 billion or 66.0 percent and projected to overspend by R68.1 million or 1.2 percent due to payments of leave gratuities for unplanned resignations.
- Payment for Capital Assets spent R1.3 billion or 68.7 percent representing a projected overspending of R182.2 million or 10.6 percent due to reduction of conditional grants budgets especially in departments of Health.

The Province is projecting to overspend by R230.6 million or 0.4 percent which is mainly influenced by the department of Health at R247.2 million or 1.7 percent. However, the above projected overspending is reduced by the anticipated under-spending mainly from the department of Safety, Security and Liaison by R2.2 million or 2.5 percent, Office of the Premier by R4.1 million or 1.2 percent, Provincial Treasury by R4.3 million or 1.1 percent and Economic Development by R5.9 million or 0.5 percent.

## 5.1. Spending per Economic Classification

### 5.1.1. Compensation of Employees

The overall provincial CoE spending is at R28.3 billion or 74.0 percent. The highest spending departments are Transport at R581.5 million or 75.6 percent, Health at R8.5 billion 74.9 percent, Social Development at R622.2 million or 74.5 percent.

**Table 4: Compensation of Employees as at 31 December 2015**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2015	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	21 515 773	-461 260	21 054 513	21 054 513	20 725 879	15 523 436	73.7%	-	328 634	1.6%
Health	11 166 905	187 314	11 354 219	11 354 219	11 509 380	8 500 732	74.9%	-155 161	-	-1.4%
Social Development	764 629	70 050	834 679	834 679	834 679	622 174	74.5%	-	-	0.0%
Public Works , Roads and Infrastructure	969 610	-5 264	964 346	964 346	947 387	694 497	72.0%	-	16 959	1.8%
Agriculture	1 076 175	-49 253	1 026 922	1 026 922	1 026 922	754 642	73.5%	-	-	0.0%
Transport	748 761	20 581	769 342	769 342	769 342	581 500	75.6%	-	-	0.0%
Co-Operative Governance Human Settlements	809 026	37 075	846 101	846 101	846 101	614 528	72.6%	-	-	0.0%
Sport,Art And Culture	149 422	2 212	151 634	151 634	151 634	107 048	70.6%	-	-	0.0%
Safety,Security And Liason	63 146	-1 615	61 531	61 531	59 283	42 618	69.3%	-	2 248	3.7%
Office of the Premier	256 909	-11 644	245 265	245 265	252 030	180 525	73.6%	-6 765	-	-2.8%
Legislature	150 651	6 159	156 810	156 810	153 398	113 543	72.4%	-	3 412	2.2%
Treasury	278 127	-24 900	253 227	253 227	241 696	179 974	71.1%	-	11 531	4.6%
Economic Development	477 865	-15 914	461 951	461 951	455 597	337 593	73.1%	-	6 354	1.4%
<b>Total</b>	<b>38 426 999</b>	<b>-246 459</b>	<b>38 180 540</b>	<b>38 180 540</b>	<b>37 973 328</b>	<b>28 252 810</b>	<b>74.0%</b>	<b>-161 926</b>	<b>369 138</b>	<b>0.5%</b>
								<b>Net</b>	<b>207 212</b>	

\* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The following departments are projecting to overspend their CoE allocations:

- Health by R155.2 million or 1.4 percent due to pay-progression, performance bonuses, appointment on advertised critical posts and the intake of health professionals.
- Office of the Premier by R6.7 million or 2.8 percent due to expected filling of vacant posts.

In contrast, the following departments have projected an under-spending:-

- Provincial Treasury – R11.5 million or 4.6 percent under-spending due to delay in filling of funded vacant posts,
- Safety, Security and Liaison - R2.2 million or 3.7 percent under-spending due to late filling of vacant budgeted posts.
- Legislature – R3.4 million or 2.2 percent due to the delay in the implementation of the annual increase of the MPLs.
- Economic Development – R6.3 million or 1.4 percent under-spending due to late appointments and payment of outstanding performance bonuses and pay progression for SMS,
- Education – R328.6 million or 1.6 percent due to late filling of promotional posts in schools and attrition posts for support staff, and
- Public Works, Roads and Infrastructure - R16.9 million or 1.8 percent due to high vacancy rate and the prolonged process of filling the vacant posts.

### 5.1.2. Goods and Services

**Table 5: Goods and Services as at 31 December 2015**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2015	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
<b>R thousand</b>										
Education	1 897 022	11 203	1 908 225	1 908 225	2 028 033	1 381 356	72.4%	-119 808	-	-6.3%
Health	2 844 906	256 341	3 101 247	3 101 247	3 165 420	2 565 489	82.7%	-64 173	-	-2.1%
Social Development	202 888	30 597	233 485	233 485	233 485	168 710	72.3%	-	-	0.0%
Public Works, Roads and Infrastructure	668 450	-140 213	528 237	528 237	531 096	397 095	75.2%	-2 859	-	-0.5%
Agriculture	378 834	395	379 229	379 229	380 266	238 667	62.9%	-	-1 057	-0.3%
Transport	218 001	-12 180	205 821	205 821	205 821	164 747	80.0%	-	-	0.0%
Co-Operative Governance Human Settlements And Tradit	163 537	-1 567	161 970	161 970	161 550	113 932	70.3%	-	420	0.3%
Sport,Art And Culture	144 940	27 362	172 302	172 302	172 302	127 793	74.2%	-	-	0.0%
Safety,Security And Liason	26 284	-157	26 127	26 127	26 127	15 557	59.5%	-	-	0.0%
Office of the Premier	82 787	12 858	95 645	95 645	84 174	62 740	65.6%	-	11 471	12.0%
Legislature	41 527	13 988	55 515	55 515	58 927	39 908	71.9%	-3 412	-	-6.1%
Treasury	94 073	12 278	106 351	106 351	112 443	70 439	66.2%	-6 092	-	-5.7%
Economic Development	193 520	-2 395	191 125	191 125	192 397	149 834	78.4%	-1 272	-	-0.7%
<b>Total</b>	<b>6 956 769</b>	<b>208 510</b>	<b>7 165 279</b>	<b>7 165 279</b>	<b>7 352 061</b>	<b>5 496 267</b>	<b>76.7%</b>	<b>-197 616</b>	<b>10 834</b>	<b>-2.6%</b>
								<b>Net</b>	<b>-186 782</b>	

\* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)



The overall spending on Goods and Services is at R5.5 billion or 76.7 percent of the total allocated budget of R7.2 billion. The province projects to overspend by R186.8 million or 2.6 percent. This overspending is contributed by the following attributes;

- Legislature – R3.4 million or 6.1 percent due Subsistence and Travel allowances for constituency work,
- Health – R64.2 million or 2.1 percent due to payments of emergency repairs and replacement of mechanical equipment, payment of accruals, shortfall on the budget for key accounts and non-negotiable items,
- Provincial Treasury – R6.1 million or 5.7 percent due to projected payments of outstanding invoices resulting from non-submission of supporting documents,
- Education – R119.8 million or 6.3 percent due to insufficient allocations for monitoring and support activities for schools,
- Economic Development – R1.3 million or 0.7 percent due to payment of accruals.

Despite the projected overall overspending, the following departments project to underspend their budget; Agriculture (R0.420 million or 0.3 percent), CoGHSTA (R0.420 million or 0.3 percent), and Office of the Premier (R11.4 million or 12.0 percent).

### 5.1.3. Transfers and subsidies

The province spent R4.3 billion or 66.0 percent of the total budget of R6.5 billion on Transfers and subsidies. The highest percentage spending departments are, Legislature at R82.8 million or 99.2 percent, Health at R515.9 or 99.7 percent and Safety, Security and Liaison at R349.0 million or 97.2 percent.

**Table 6: Transfers and subsidies as at 31 December 2015**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2015	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	1 085 121	321 418	1 406 539	1 406 539	1 440 365	971 584	69.1%	-33 826	-	-2.4%
Health	509 798	7 639	517 437	517 437	533 599	515 881	99.7%	-16 162	-	-3.1%
Social Development	496 709	-250	496 459	496 459	496 459	340 671	68.6%	-	-	0.0%
Public works, Roads and Infrastructure	753 510	141 605	895 115	895 115	909 074	607 667	67.9%	-13 959	-	-1.6%
Agriculture	168 468	1 021	169 489	169 489	170 032	99 978	59.0%	-543	-	-0.3%
Transport	752 395	-30 910	721 485	721 485	721 485	477 051	66.1%	-	-	0.0%
Co-Operative Governance Human Settlements & Rural Development	1 295 909	380 862	1 676 771	1 676 771	1 677 091	795 691	47.5%	-320	-	0.0%
Sport, Art And Culture	8 562	2 629	11 191	11 191	11 191	7 533	67.3%	-	-	0.0%
Safety, Security And Liaison	574	-215	359	359	362	349	97.2%	-3	-	-0.8%
Office of the Premier	10 229	-3 258	6 971	6 971	8 190	4 141	59.4%	-1 219	-	-17.5%
Legislature	58 522	25 000	83 522	83 522	83 522	82 869	99.2%	-	-	0.0%
Treasury	6 479	-	6 479	6 479	7 438	5 358	82.7%	-959	-	-14.8%
Economic Development	480 664	9 828	490 492	490 492	491 569	368 574	75.1%	-1 077	-	-0.2%
<b>Total</b>	<b>5 626 940</b>	<b>855 369</b>	<b>6 482 309</b>	<b>6 482 309</b>	<b>6 550 377</b>	<b>4 277 347</b>	<b>66.0%</b>	<b>-68 068</b>	<b>-</b>	<b>-1.1%</b>
							<b>Net</b>	<b>-68 068</b>		

\* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

In overall, the province is projecting to overspend by R60.1 million or 1.1 percent due to reasons outlined below.

- Education – R33.8 million or 2.4 percent due to unanticipated resignations and payment of leave gratuity,
- CoGHSTA – R0.320. million due to payment of leave gratuity and expenditure on inauguration of traditional leaders,
- Provincial Treasury at R0.959 million or 14.8 percent due to payment of leave gratuity to retiring officials,
- Health – R9.5 million or 1.9 percent due to households' payments of bursaries, leave gratuity and payments to NPIs,
- Public Works, Roads and Infrastructure – R13.9 million or 1.6 percent due to payments of leave gratuity and municipal rates,
- Treasury - R0.959 million or 14.8 percent due to payment of leave gratuity.
- Economic Development – R1.1 million or 0.2 percent due to payment of leave gratuity.

#### 5.1.4. Payment for Capital Assets

The overall provincial expenditure on Payment for Capital Assets is at R1.3 billion or 68.3 percent of the total budget of R1.9 billion.

**Table 7: Payment for Capital Assets as at 31 December 2015**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Dec 2015	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
<b>R thousand</b>										
Education	786 789	128 639	915 428	915 428	1 090 428	768 810	84.0%	-175 000	-	-19.1%
Health	232 527	196 364	428 891	428 891	440 598	291 675	68.0%	-11 707	-	-2.7%
Social Development	73 531	-29 270	44 261	44 261	44 261	13 332	30.1%	-	-	0.0%
Public Works, Roads and Infrastructure	358 186	11 052	369 238	369 238	369 150	176 273	47.7%	-	88	0.0%
Agriculture	73 654	-693	72 961	72 961	70 961	40 173	55.1%	-	2 000	2.7%
Transport	119 741	-77 864	41 877	41 877	41 877	24 768	59.1%	-	-	0.0%
Co-Operative Governance Human Settlements And Tradition	855	3 817	4 672	4 672	4 772	2 758	59.0%	-100	-	-2.1%
Sport/Art/And Culture	42 400	19 135	61 535	61 535	61 535	23 560	38.3%	-	-	0.0%
Safety, Security And Liason	350	330	680	680	680	296	43.5%	-	-	0.0%
Office of the Premier	2 225	500	2 725	2 725	2 079	1 370	50.3%	-	646	23.7%
Legislature	11 988	-	11 988	11 988	11 988	1 519	12.7%	-	-	0.0%
Treasury	6 500	1 770	8 270	8 270	8 270	4 227	51.1%	-	-	0.0%
Economic Development	8 348	7 511	15 859	15 859	13 967	9 195	58.0%	-	1 892	11.9%
<b>Total</b>	<b>1 717 094</b>	<b>261 291</b>	<b>1 978 385</b>	<b>1 978 385</b>	<b>2 160 566</b>	<b>1 357 956</b>	<b>68.8%</b>	<b>-186 807</b>	<b>4 626</b>	<b>-9.2%</b>
							<b>Net</b>	<b>-182 181</b>		

\* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)

The highest percentage spending departments are Education at R768.8 million or 84.0 percent on CG infrastructure, Health spent R291.7 million or 68.0 percent on payments of accruals in Health Facility Revitalization grant and payment of certified work by the DBSA.

## 5.2. Equitable share spending

**Table 8: Equitable share spending as at 31 December 2015**

	Budget	Actual as at December 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	23 376 679	17 097 688	73.1%	6 301 541	23 399 229	(22 550)
Health	13 473 559	10 637 014	78.9%	3 083 749	13 720 762	(247 203)
Social Development	1 605 694	1 143 400	71.2%	461 868	1 605 481	213
Public Works , Roads and Infrastructure	1 755 054	1 111 812	63.3%	643 242	1 755 054	-
Agriculture	1 320 411	968 276	73.3%	352 135	1 320 411	-
Transport	1 440 227	1 049 147	72.8%	391 080	1 440 227	-
CoGHSTA	1 095 725	737 334	67.3%	358 391	1 095 725	-
Sport, Arts & Culture	197 306	148 660	75.3%	48 646	197 306	-
Safety & Security	88 737	58 820	66.3%	27 672	86 492	2 245
Office of the Premier	348 528	248 016	71.2%	96 379	344 395	4 133
Legislature	307 835	237 839	77.3%	69 996	307 835	-
Treasury	374 328	260 433	69.6%	109 556	369 989	4 339
Economic Development	1 157 702	863 472	74.6%	288 333	1 151 805	5 897
<b>Total</b>	<b>46 541 785</b>	<b>34 561 911</b>	<b>74.3%</b>	<b>12 232 588</b>	<b>46 794 711</b>	<b>(252 926)</b>

Provincial equitable share spending is at R34.6 billion or 74.3 percent of the total adjusted budget of R46.5 billion. The highest percentage spending departments are Sport, Arts and Culture at R148.7 million or 75.3 percent and Health at R10.6 billion or 78.9 percent. However, the lowest spending departments are Provincial Treasury at R260.4 million or 69.6 percent, Safety, Security and Liaison at R58.8 million or 66.3 percent, and DPWRI at R1.1 billion or 63.3 percent. Provincial Departments project to overspend by R252.9 million. The highest projected overspending is in Departments of Health by R247.2 million and Education at R22.5 million.

## 5.3. Conditional grants spending

**Table 9: Conditional Grants spending per department as at 31 December 2015**

Summary Conditional Grant						
	Adjusted Appropriation	Actual as at December 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	1 908 026	1 547 498	81.1%	337 978	1 885 476	22 550
Health	1 928 235	1 236 763	64.1%	691 471	1 928 235	-
Social Development	3 190	3 403	106.7%	213	3 403	(213)
Public Works , Roads and Infrastructure	1 001 882	763 949	76.3%	237 933	1 001 882	-
Agriculture	330 190	166 816	50.5%	163 374	330 190	-
Transport	298 298	198 919	66.7%	99 379	298 298	-
CoGHSTA	1 593 889	789 673	49.5%	804 216	1 593 889	-
Sport, Arts & Culture	199 356	117 274	58.8%	82 082	199 356	-
Safety & Security	2 078	760	36.6%	1 318	2 078	-
Economic Development	2 482	2 481	100.0%	1	2 482	-
<b>Total</b>	<b>7 267 626</b>	<b>4 827 536</b>	<b>66.4%</b>	<b>2 417 965</b>	<b>7 245 289</b>	<b>22 337</b>

The table above portrays an update on provincial Conditional Grant (CG) spending as at end of December 2015. The CGs' overall expenditure is very low at R4.8 billion or 66.4 percent of the total budget of R6.7 billion. The highest spending departments are Economic Development at R2. 481 million or 100.0 percent, Social Development at R3.4 million or 106.7 percent LEDET at R2.4 million or 100 percent and Education at R1.5 billion or 81.1 percent.



**Table 10: Limpopo Conditional Grant spending per grant as at 31 December 2015**

R thousand	Adjusted Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
<b>Agriculture</b>	<b>330 190</b>	<b>166 816</b>	<b>50.5%</b>
Comprehensive Agricultural Support Programme Grant	264 567	126 904	48.0%
Ilima/Letsema Projects Grant	50 337	28 966	57.5%
EPWP Incentive allocation	5 285	4 455	84.3%
Land Care Programme Grant	10 001	6 491	64.9%
<b>Sport, Arts and Culture</b>	<b>199 356</b>	<b>117 274</b>	<b>58.8%</b>
Mass Sport and Recreation Programme	63 459	51 836	81.7%
EPWP Incentive allocation	2 000	1 758	87.9%
Community Library Services Grant	133 897	63 680	47.6%
<b>Education</b>	<b>1 908 026</b>	<b>1 547 498</b>	<b>81.1%</b>
HIV and Aids (Life Skills Education) Grant	25 875	17 279	66.8%
National School Nutrition Programme Grant	1 030 799	750 827	72.8%
Infrastructure Grant	735 762	692 612	94.1%
Flood damaged projects	69 366	66 621	96.0%
Maths, Science and Technology	40 979	11 471	28.0%
Social sector EPWP grant	3 095	7 228	233.5%
EPWP Incentive allocation	2 150	1 460	67.9%
<b>Health</b>	<b>1 928 235</b>	<b>1 236 763</b>	<b>64.1%</b>
Comprehensive HIV and Aids Grant	1 084 340	720 763	66.5%
Health Professions Training and Development Grant	118 855	85 806	72.2%
EPWP Social Sector	20 650	13 852	67.1%
EPWP Incentive grant	2 000	370	18.5%
Health insurance grant	7 673	3 633	47.3%
Provincial Disaster Grant	-	-	#DIV/0!
Hospital Revitalisation Grant	364 255	180 201	49.5%
National Tertiary Services Grant	330 462	232 138	70.2%
<b>Co-operate Governance, Human Settlements and Traditional Affairs</b>	<b>1 593 889</b>	<b>789 673</b>	<b>49.5%</b>
Disaster : Flood Damage	-	-	#DIV/0!
Integrated Housing & Human Settlements Development Grant	1 591 889	789 203	49.6%
EPWP Incentive allocation	2 000	470	23.5%
<b>Public Works</b>	<b>1 001 882</b>	<b>763 949</b>	<b>76.3%</b>
Infrastructure Grant	994 762	757 972	76.2%
EPWP incentive grant	7 120	5 977	83.9%
<b>Economic Development</b>	<b>2 482</b>	<b>2 481</b>	<b>100.0%</b>
EPWP Incentive grant	2 482	2 481	100.0%
<b>Social Development</b>	<b>3 190</b>	<b>3 403</b>	<b>106.7%</b>
EPWP Incentive grant	3 190	3 403	106.7%
<b>Safety, Security and Liaison</b>	<b>2 078</b>	<b>760</b>	<b>36.6%</b>
EPWP Incentive grant	2 078	760	36.6%
<b>Transport</b>	<b>298 298</b>	<b>198 919</b>	<b>66.7%</b>
Public Transport Operations Grant	298 298	198 919	66.7%
<b>Total</b>	<b>7 267 626</b>	<b>4 826 776</b>	<b>66.4%</b>

### 5.3.1. Agriculture

The department has spent R166.8 million or 50.0 percent of the total budget of R330.2 million. The breakdown expenditure is as follows:

- **CASP** spent R126.9 million or 48.0 percent of the total budget of R264.6 million. Slow spending is due to poor planning on major projects under the grant, delayed finalization of plans and procurement processes contributed to low spending and improper management of project implementation processes, lack of skills and knowledge resulting in delays in the implementation of key mega projects. Delay in spending on Fetsa-Tlala due to the drought.
- **Letsema** spent R29.0 million or 57.5 percent of the total budget of R50.3 million. The under-spending is due to late delivery of production inputs and late submission of invoices by service providers. Drought has slowed down procurement as well as expiry of contract for seeds and seedlings.
- **Land Care** spent R6.5 million or 64.9 percent of the total budget of R10.0 million due to late start in implementing Ga-Kgatla Project. The slow spending on farming supplies is as a result of delays in delivery of fencing materials.
- **EPWP** spent R4.5 million or 84.3 percent of the total allocated budget of R5.3 million which is in accordance with the business plan.

### 5.3.2. Sport, Arts and Culture.

The department recorded and overall CGs' expenditure of R117.3 million or 58.8 percent.

- **Community Library Services** spent R63.7 million or 47.6 percent of the total budget of R133.9 million. Slow spending is due to late filling of vacant funded library grant positions. However, posts are filled during the second quarter of the financial year. The savings realised has been reprioritised to alleviate budget pressures in Goods and services for the same programme.
- **Mass Sport** spent R51.8 million or 81.7 percent of the budget of R63.4 million. Most programmes are implemented according to the plan.
- **EPWP** spent R1.7 million or 87.9 percent of R2.0 million.

### 5.3.3. Education

Overall spending by the department is at R1.5 billion or 81.1 percent of the total budget of R1.9 billion.

- **HIV and AIDS** spent R17.3 million or 66.8 percent of the total budget of R25.9 million due to delay in filling vacant funded posts. 2066 bed screens to the value of R3.9 million are being delivered. Invoice for LTSM amounting to R5.0 million has been submitted for payment. Most training programmes have been suspended due to examinations and shall resume in December before the schools close.

- **National School Nutrition Programme** spent R750.8 million or 72.8 percent of R1.0 billion. Payment is made after the service has been rendered. New tender has been advertised and the spending will improve later in the year.
- **Infrastructure grant** spent R692.6 million or 94.1 percent in line with approved business plans.
- **Flood damaged Infrastructure allocation** spent R66.6 million or 96.0 percent of the total budget of R69.3 million due to backlogs from the previous years.
- **Math, Science and Technology** is very low at R11.5 million or 28.0 percent of the total budget of R40.9 million. The tender to procure Maths and Science kits is at the evaluation phase. The following training programmes have been offered to educators: Technical Mathematics; Technical Science; Mechanical Technology; and Electrical Technology. The procurement of laptops, Maths and Science kit to the value of R20 million and R2 million respectively is still underway.
- **EPWP (Social sector)** spent R7.2 million or 233.5 percent. The grant is overspending due to incorrect postings which are being investigated. Districts have completed appointing beneficiaries and stipend is paid on a monthly basis.
- **EPWP (Incentive allocation)** spending is low at R1.5 million or 67.9 percent. The program has identified 102 beneficiaries who are paid monthly stipend. The department had challenges in finalizing the business plan. Grant spending is expected to improve by the end of third quarter.

#### 5.3.4. Health

The overall spending on CG is R1.2 billion or 64.1 percent of the total budget of R1.9 billion.

- **HIV and Aids** spent R720.7 million or 66.5 percent of the total budget of R1.0 billion. Slow spending is due to delayed implementation of scheduled training programmes and delivery of male condoms to the value of R11.3 million by supplier. Purchase orders for male and female condoms amounting to R27 million was issued in October 2015.
- **HPTD** spent R85.8 million or 72.2 percent of the total budget of R118.8 million. The department doesn't anticipate any challenges.
- **EPWP (Social sector)** spent R13.8 million or 67.1percent. Spending is in line with the approved business plan.
- **EPWP (Incentive grant)** spent R0.370 million or 18.5 percent of the total budget of R2.0 million. The under spending is due to late submission of the annual plan to Public Works Department which impacted on timeous appointment of contract workers.
- **Hospital Revitalization grant** spent R180.2 million or 49.5 percent of the allocated budget of R364.3 million. The department started 2015/16 financial year with a drastically reduced budget of R194 million and was provided with additional funding of R100 million during the adjustment which will be utilised during the 4<sup>th</sup> quarter.
- **National Tertiary Services** spent R232.1 million or 70.2 percent of the total budget of R330.5 million. The under spending is due to delay in delivery of CT SIM to the value

of R7.5 million, Crip intensive unit, 3 theater tables, Video endoscope and other medical equipment's to the value of R11.7 million.

#### **5.3.5. CoGHSTA**

In overall, the department spent R789.6 million or 49.5 percent of the total budget of R1.5 billion. Low spending is mainly due to late appointment of new contractors, as well as relocation and replacemt of beneficiaries.

#### **5.3.6. Public Works, Roads and Infrastructure**

The department's overall expenditure is at R763.9 million or 76.3 percent of the total allocated budget of R1.0 billion.

- **Infrastructure grant** spent R757.9 million or 76.2 percent of the budget of R994.8 million. Road Agency Limpopo (RAL) projects are still in the early construction stages and newly transferred are at the procurement stages. The department has transferred 16 projects to DBSA with a budget of R200.0 million of which the contractors were only appointed in July 2015 and are now on site. The spending will improve by the end of third quarter. The department has also revised its plans and will be transferring one project to the value of R34 million to RAL for implementation.
- **EPWP incentive grant** performed well at R5.9 million or 83.9 percent of the total budget of R7.1 million.

#### **5.3.7. LEDET**

The department spent 100.0 percent of the total allocated budget of R 2.5 million of its EPWP Incentive allocation.

#### **5.3.8. Transport**

The department spent R198.9 million or 66.7 percent of the budget of R298.3 million on PTOG. The spending is in line with the terms of the contract.

#### **5.3.9. Safety, Security and Liaison**

The department spent R0.760 million or 36.6 percent of the EPWP Incentive allocation of R2.1 million. The delay in spending was due to the fact that the grant was initially registered under social sector instead of environment sector and this has since been corrected.

#### **5.3.10. Social Development.**

The department has spent R3.4 million or 106.7 percent of the EPWP Social sector budget of R3.2 million

## 6. Provincial Own Revenue

**Table 11: Provincial own revenue collection per vote as at 31 December 2015**

REVENUE COLLECTION AS AT 31 DECEMBER 2015												
Departments (Votes)	Main appropriation	Adjusted Estimates	Projections to December 2015	Projections as % of budget	Actual to December 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to December 2014	Actual collection as % of the budget
Office of the Premier	662	1 272	1 115	87.7%	1 083	85.2%	165	1 248	-32	720	545	75.7%
Provincial Legislature	156	291	200	68.7%	236	80.9%	77	313	36	144	147	102.1%
Education	50 291	50 291	35 912	71.4%	34 606	68.8%	15 685	50 291	-1 306	52 164	29 958	57.4%
Agriculture	7 108	7 835	6 514	83.1%	8 654	110.5%	1 561	10 215	2 140	8 497	4 640	54.6%
Provincial Treasury	151 781	236 815	218 426	92.2%	218 448	92.2%	18 564	237 012	22	214 576	217 549	101.4%
Economic Development	131 737	146 376	106 876	73.0%	84 523	57.7%	62 007	146 530	-22 353	139 377	103 743	74.4%
Health	150 131	160 131	101 739	63.5%	102 345	63.9%	58 512	160 857	606	140 850	96 596	68.6%
Transport	423 666	423 666	283 900	67.0%	288 912	68.2%	134 753	423 665	5 012	402 208	284 143	70.6%
Public Works	54 599	164 833	157 678	95.7%	147 382	89.4%	13 556	160 938	-10 296	420 356	25 307	6.0%
Safety & Security	84	270	209	77.4%	209	77.6%	62	271	0	170	57	33.5%
Co-operative Governance	2 663	5 602	4 682	83.6%	5 084	90.7%	761	5 845	402	2 925	2 662	91.0%
Social Development	2 867	3 105	2 083	67.1%	2 016	64.9%	1 300	3 316	-67	5 182	4 696	90.6%
Sport, Arts & Culture	962	1 134	1 050	92.6%	1 448	127.7%	72	1 520	398	1 948	1 501	77.1%
<b>Total provincial receipts</b>	<b>976 707</b>	<b>1 201 621</b>	<b>920 384</b>	<b>76.6%</b>	<b>894 946</b>	<b>74.5%</b>	<b>307 075</b>	<b>1 202 021</b>	<b>-25 438</b>	<b>1 389 117</b>	<b>771 544</b>	<b>55.5%</b>

Original Provincial own revenue target for 2015/16 is R976.7 million and was adjusted to R1.201.6 billion. As at 31 December 2015 provincial own revenue collection is R894.9 million or 74.5 percent less than a projection of R920.3 million or 76.6 percent. The overall under collection is R25.7 million, which is mainly contributed by Economic Development, Environment and Tourism and Public Works, Roads & Infrastructure due to non-transfer of gaming levies and own revenue from entities from Limpopo Gambling Board (LGB), Limpopo Tourism Agency (LTA) and Road Agency Limpopo (RAL) as well as poor collection on property rentals. The collection is higher than that of the previous corresponding period of R771.5 million or 55.5 percent.

### **Eight (8) Departments collected above their set monthly projections.**

#### **6.1.1. Legislature (Original Target of R0.156 million adjusted to R0.291 million)**

Actual collection as at 31 December 2015 is R0.236 million or 80.9 percent as compared to projections of R0.200 million or 68.7 percent. The over collection is due to recovery of debts from the previous years.

#### **6.1.2. Agriculture (Original Target of R7.1 million adjusted to R7.8 million)**

The Department collected R8.6 million or 110.5 percent as compared to projections of R6.5 million or 83.1percent. Over collection of R2.1 million is due to more proceeds received on sale of capital assets (biological and machinery). The department budgeted R0.039 million on this item.



### **6.1.3. Provincial Treasury (Original Target of R151.7 million adjusted to R236.8 million)**

The Department collected R218.4 million or 92.2 percent as compared to projections of R218.4 million or 92.2 percent. The department has collected in line with the projections.

### **6.1.4. Health (Original Target of R150.1 million adjusted to R160.1 million)**

The Department has collected R102.3 million or 63.9 percent as compared to the projected amount of R101.7 million or 63.5 percent. The department has collected in line with the projections. The department has however, under-collected on patients fees, which has collected R45.5 million against projections of R59.5 million.

### **6.1.5. Transport (Target R423.6 million)**

The Department collected R288.9 million or 68.2 percent against set projections of R283.9 million or 67.0 percent. The over collection of R5.0 million is mainly due to improved collection on motor vehicle licenses. Receipts to the value of R 17million remain un-captured as a result of poor response of BAS; however, the department has arranged extra working hours for officials to clear the backlog.

### **6.1.6. Safety, Security & Liaison (Original Target of R0.084 million adjusted to R0.270 million)**

The Department collected R0.209 million or 77.6 percent compared to projections of R0.209 million or 77.4 percent. Collection is in line with the projections.

### **6.1.7. Co-operative Governance (Original Target of R2.7 million adjusted to R5.6 million)**

Collection as at 31 December 2015 is R5.0 million or 90.7 percent as compared to set projection of R4.6 million or 83.6 percent. The over collection of R0.402 million is mainly due to sale of house a mounting to R0.165 million, improved recovery of debts as well as sale of tender documents which has already collected 100 and 107 percent respectively.

### **6.1.8. Sports, Arts & Culture (Original Target of R0.962 million adjusted to R1.1 million)**

The Department collected R1.4 million or 127.7 percent against set projections of R1.0 million or 92.6 percent. The over-collection is mainly due to entrance fees transferred from the Mapungubwe Arts Festival. The department has already collected above the main budget

## **Five (5) Departments have collected below their set projections**

### **6.1.9. Office of the Premier (Original Target of R0.662 million adjusted to R1.2 million)**

The office collected R1.0 million or 85.2 percent as compared to projections of R1.1 million or 87.7 percent. The under collection is due to less tender documents sold than anticipated and poor recovery of debts.

### **6.1.10. Education (Original Target of R50.3 million)**

The Department collected R34.6 million or 68.8 percent as compared to projections of R35.9 million or 71.4 percent. Under collection is mainly caused by poor recovery of debts from the previous financial year. Revenue from former college's accounts is still outstanding due to the slow process of finalising the process.

### **6.1.11. Economic Development, Environment & Tourism (Original Target of R131.7 million adjusted to R146.3 million)**

The Department has collected R84.5 million or 57.7 percent against projections of R106.8 million or 73.0 percent. Under collection of R22.3 million is mainly due to non-transfer of gaming levies and own revenue from the Limpopo Gambling Board and Limpopo Tourism Agency. Revenue collected from sale of assets is not yet classified correctly in terms of the items.

### **6.1.12. Public Works, Roads and Infrastructure (Original Target of R54.6 million adjusted to R164.8)**

The Department collected R147.3 million or 89.4 percent as compared to projections of R157.6 million or 95.7 percent. The under collection of R10.2 million is due to non-transfer of own revenue from the Public Entity (RAL) and poor collection of property rental.

### **6.1.13. Social Development (Original Target of R2.9 Million adjusted to R3.1 million)**

The Department collected R2.016 million or 64.9 percent against projections of R2.083 million or 67.1 percent. The under collection is mainly due to poor recovery of previous financial year debts, with a budget of R1.233 million and has only collected R0.205 million.

## 6.2. Own revenue per economic classification

**Table 12: Own revenue collection per economic classification as at 31 December 2015**

Summary of Provincial Own Receipt by Economic Classification

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Projections to December 2015	Projections as % of budget	Actual to December 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Previous yr Actual to December 2014	Actual collection as % of the budget
Tax receipts	400 885	400 885	276 173	68.9%	278 698	69.5%	127 569	406 267	2 525	371 960	250 758	67.4%
Sales of goods and services other than capital assets	298 163	300 082	207 675	69.2%	171 999	57.3%	120 412	292 411	-35 676	266 100	162 830	61.2%
Transfers received from:	-	-	-	-	-	-	-	-	-	-	605	
Fines, penalties and forfeits	52 605	53 567	37 130	69.3%	38 312	71.5%	14 497	52 809	1 182	52 901	32 180	60.8%
Interest, dividend and rent on land	153 803	241 075	221 766	92.0%	222 154	92.2%	19 615	241 769	388	218 090	219 100	100.5%
Sales of capital assets	16 683	19 024	9 874	51.9%	9 441	49.6%	9 115	18 556	-433	19 397	12 143	62.6%
Revenue financial assets	54 568	186 988	167 766	89.7%	174 342	93.2%	15 867	190 209	6 576	460 669	93 928	20.4%
<b>Total departmental receipts</b>	<b>976 707</b>	<b>1 201 621</b>	<b>920 384</b>	<b>76.6%</b>	<b>894 946</b>	<b>74.5%</b>	<b>307 075</b>	<b>1 202 021</b>	<b>-25 438</b>	<b>1 389 117</b>	<b>771 544</b>	<b>55.5%</b>

### 6.2.1. Tax receipts (Original Target of R400.9 million)

An amount of R278.6 million or 69.5 percent has been collected against projections of R276.1 million or 68.9 percent. Over collection of R2.5 million is mainly due to improved motor vehicle licenses by Department of Transport, where more motor vehicles licenses were renewed than projected. Gaming levies estimated as R15 million is still outstanding from the department of Economic Development, Environment and Tourism.

### 6.2.2. Sale of goods & services non capital assets (Original Target of R298.1 million adjusted to R300.0)

As at 31 December 2015 collection is R171.9 million or 57.3 percent against projections of R207.6 million or 69.2 percent. Under collection of R35.6 million is mainly because of poor collection of rentals by Public Works, non-transfer of own revenue by LEDET under 'management fees' as well as poor collection of patients fees by Health.

### 6.2.3. Fines, penalties and forfeits (Original Target of R52.6 million adjusted to R53.5 million)

Fines, penalties and forfeits collected R38.3 million or 71.5 percent against projections of R37.1 million or 69.3 percent. Over collection of R1.1 million is from the Limpopo Economic Development, Environment and Tourism for more fines issued on non-compliance through the implementation of the National Environment Management Act (NEMA).

### 6.2.4. Interest, dividend and rent on land (Original Target of R153.8 million adjusted to R241.0 million)

Collection as at 31 December 2015 is R222.1 million or 92.2 percent against set projections of R221.7 million or 92.0 percent. The item collected in line with projections.

### 6.2.5. Sale of capital assets (Original Target of R16.7 million adjusted to R19.0 million)

As at 31 December 2015 there is collection of R9.4 million or 49.6 percent against projections of R9.8 million or 51.9 percent. The under collection of R0.443 million is primarily due to misclassification of revenue collected from an auction of assets by LEDET as well non auctioning by Social Development. A journal will be passed to correct the misclassification.

### 6.2.6. Financial transactions in assets and liabilities (Original Target of R54.6 million adjusted to R186.9 million)

The item collected R174.3 million or 93.2 percent against projections of R167.7 million or 89.7 percent. The over collection of R6.5 million is mainly due to the surrender of accumulated surpluses by Economic Development and Public Works, recovery of debts by Health, Agriculture and COGHSTA.

## 7. Provincial Infrastructure Performance

**Table 13: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2013/14, 2014/15 and 2015/16) as at 31 December.**

Infrastructure Expenditure Comparison as at 31 December year-on-year									
Department	Budget (R'000)			Expenditure (R'000)			% Expenditure		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
Education	997 599	1 123 325	955 128	749 633	1 000 205	809 393	75%	89%	85%
Agriculture	187 558	162 019	167 943	86 594	81 604	73 389	46%	50%	44%
LEDET	53 102	92 473	68 465	6 158	49 906	36 771	12%	54%	54%
Health	641 095	575 626	625 926	260 738	402 805	507 741	41%	70%	81%
Public Works, Roads & Infrastructure	59 765	59 439	1 825 353	19 283	16 850	1 093 972	32%	28%	60%
Transport*	2 416 948	2 073 312	9 882	944 518	1 189 496	2 584	39%	57%	26%
CoGHSTA	1 327 742	1 387 247	1 593 889	202 350	238 355	789 706	15%	17%	50%
Social Development	95 639	30 000	34 886	41 578	14 522	20 490	43%	48%	59%
Sport, Arts & Culture	30 283	42 356	56 651	6 166	6 742	17 197	20%	16%	30%
<b>TOTAL</b>	<b>5 809 731</b>	<b>5 545 797</b>	<b>5 338 123</b>	<b>2 317 018</b>	<b>3 000 485</b>	<b>3 351 243</b>	<b>40%</b>	<b>54%</b>	<b>63%</b>
<b>Percentage</b>									
Education	17%	20%	18%	32%	33%	24%			
Agriculture	3%	3%	3%	4%	3%	2%			
LEDET	1%	2%	1%	0%	2%	1%			
Health	11%	10%	12%	11%	13%	15%			
Public Works, Roads & Infrastructure	1%	1%	34%	1%	1%	33%			
Transport	42%	37%	0%	41%	40%	0%			
CoGHSTA	23%	25%	30%	9%	8%	24%			
Social Development	2%	1%	1%	2%	0%	1%			
Sport, Arts & Culture	1%	1%	1%	0%	0%	1%			
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>			

\*The Roads component used to be part in Transport

### **Infrastructure Expenditure comparison as at 31 December year-on-year**

As at 31 December 2015, the Provincial Infrastructure expenditure stood at R3.3 billion. The total expenditure represents sixty three percent of the Adjusted Provincial infrastructure budget.

The total expenditure for the month of December 2015 is R390 million, representing seven percent of the total adjusted provincial infrastructure budget and a move of four percent from the previous month (November 2015).

The expenditure was supposed to be in the region of about R4. 0 billion representing seventy five percent of the total budget in terms of the norm. The province is seven percent or R 652 million below the straight line norm.

All the departments had submitted their expenditure reports at the time of the compilation of the report, except for Public Works, Roads and Infrastructure, mainly the Public Works component. The expenditure for the Public Works component once factored will not show significant growth, since the budget of Sport contribute one percent of the overall provincial budget.

The Provincial Infrastructure budget for the current financial year is as follows:

Adjusted appropriation: R5.34 billion (against the R5.55 appropriated for Financial Year 2014/15). This represents a decline of R207 million or four percent from the 2014/15 Financial Year. Provincial Treasury projects under-expenditure by other departments except for Health and Education even though most are projecting to break-even.



## 8. Conclusion

The Provincial Treasury hereby submits the Limpopo Provincial revenue and expenditure report and the following should be noted:-

- The overall provincial spending as at 31 December 2015 amounts to R39.4 billion or 73.2 percent of the total adjusted budget of R53.8 billion.
- Of the R39.4 billion total expenditure, R30.4 billion is on equitable share and R4.2 billion on Conditional grant. As at 31 December 2015 provincial own revenue collection is R894.9 million or 74.5 percent less than a projection of R920.3 million or 76.6 percent.
- The overall under collection is R25.7 million, which is mainly contributed by Economic Development, Environment and Tourism and Public Works, Roads & Infrastructure due to non-transfer of gaming levies and own revenue from entities from Limpopo Gambling Board (LGB), Limpopo Tourism Agency (LTA) and Road Agency Limpopo (RAL) as well as poor collection on property rentals. The collection is higher than that of the previous corresponding period of R771.5 million or 55.5 percent.
- The total Infrastructure expenditure for the month of December 2015 is R390 million, representing 7 percent of the total adjusted provincial infrastructure budget and a move of 4 percent from the previous month (November 2015).

Regards,



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**Gavin Pratt CA (SA)**  
**HOD: Provincial Treasury**

20/1/2016  
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**Date**