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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 JANUARY 2021

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 January 2021.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 January 2021 in line with chapter 5, section 40 (4) (c) (i) – (iii) 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 officers of departments to submit to the provincial treasury, information on actual revenue and expenditure for the preceding month and again provided the anticipated revenue and expenditure for the remaining period of the financial year and explanation on material variance.

3. Discussion

The Limpopo provincial government revenue and expenditure trend for the period under review finds its basis on the January 2021 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analyzed in terms of the projected revenue and expenditure, projected cash requests and actual expenditure as recorded in the IYM reports 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.

4. Cash Management

4.1. Cash Allocations

Provincial Treasury normally conducts Annual Cash Allocations Bi-laterals with all departments and subsequently issue Cash Allocation Letters at the beginning of and just after tabling of Adjustment Estimates every financial year. These serve to mitigate risk of overspending the budget as they enable Treasury to outline and clarify payment and cash management processes, as well as scheduling payment runs and allocating funds for each in line with business plans and cash projections. It also enables departments to set informed payment terms with their service providers in the course of service delivery. These processes have not been done this financial year due to National Treasury that has not issued a single Approved National Payments Schedule to date, and that may be attributed to the pressures of COVID-19 on the working arrangements.

The payment runs in the province for both salaries, goods and services, as well as transfers are arranged as follows: -

- Persal runs are scheduled 5 times a month, i.e. the 15th for normal salaries, 22nd for Educators' salaries, two Supplementary payments (claims) and month-end for probation, contract employees and third party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the action dates 15th and for month-end.

Payments have been scheduled for the financial year 2020/21 and since April 2020 payment tapes were released based on original and adjusted cash flow projections that were submitted by departments, as well as the Draft National Payments Schedules received.

Table 1: Funds received from National Revenue Fund for period up to 31 January 2021

Fund/Grant Names	Receipts from National Revenue Fund					
	Annual Budget	Cash Flows Against National Payments Schedule				Balance to Annual Budget
		Allocation 31-Jan-21	% Allocation 31-Jan-21	Actual Receipt 31-Jan-21	Deviation from Schedule	
Equitable Share	60 298 989	51 940 780	86%	51 940 780	-	8 358 209
Conditional Grants:-	9 523 187	8 531 875	90%	8 868 807	(336 932)	654 380
National School Nutrition Prog.	1 369 485	1 369 485	100%	1 369 485	-	-
HIV/AIDS	21 339	21 339	100%	19 688	1 651	1 651
Education Infrastructure	976 043	976 043	100%	976 043	-	-
Learner with profound intellectual disabilities	32 432	32 432	100%	20 833	11 599	11 599
Maths, Science and Technology	38 140	31 450	82%	23 516	7 934	14 624
Letsema Projects	52 231	52 860	101%	43 875	8 985	8 356
CASP	172 254	174 498	101%	132 618	41 880	39 636
CASP (Disaster Allocation)	18 640	18 640	100%	18 640	-	-
Land Care Programme	12 816	12 970	101%	10 377	2 593	2 439
Health Facility Revitalisation	742 473	742 473	100%	742 473	-	-
Comprehensive HIV/AIDS	2 413 783	2 029 050	84%	2 402 449	(373 399)	11 334
National Tertiary Services	445 200	355 647	80%	356 647	(1 000)	88 553
Health Professional Training & Development	180 143	123 848	69%	131 354	(7 506)	48 789
Statutory Human Resources	74 547	69 629	93%	69 629	-	4 918
National Health Insurance	32 066	26 724	83%	10 687	16 037	21 379
Public Transport Operation	402 035	300 923	75%	300 923	-	101 112
Provincial Roads Maintainance	1 169 237	974 457	83%	974 457	-	194 780
Human Settlement Development	948 161	855 989	90%	855 989	-	92 172
Title Deed Restoration	13 080	10 521	80%	7 042	3 479	6 038
EPWP Integrated Grant	25 379	25 379	100%	25 379	-	-
Social Sector (EPWP) Incentive	59 073	59 073	100%	59 073	-	-
Early Childhood Development	185 965	86 962	47%	186 813	(99 851)	-848
Mass Participation & Sport Development	31 777	73 053	230%	23 929	49 124	7 848
Community Library Services Grant	106 888	108 430	101%	106 888	1 542	-
Total National Payments	69 822 176	60 472 655	87%	60 809 587	(336 932)	9 012 589

It is important to note that the province did not receive any Adjusted National Payment Schedule from National Treasury after the tabling on the normal Adjustment Estimates, hence it is presumed that there no changes from Special Covid-19 Adjustment Budget. According to the Draft Special National Payments Schedule received, the province was set to receive an amount of R60.5 billion, comprising R51.9 billion in Equitable Share and R8.5 billion in Conditional Grants, which represents 86 percent of the annual national payments as at end of January 2021. The province has instead received an amount of R60.8 billion where it was over-transferred by a net amount of R336.9 million in various conditional grants. The province is remaining with a balance of R10.9 billion to flow from National Revenue Fund in the last two months of the financial year.

Table 2: Actual Expenditure vs Cash Allocations and Actual Funds Transferred to departments for period up to 31 January 2021

Departments	Opening Bank Balances at 1-Apr-20 R' 000	Cash Allocation 31-Jan-21 R' 000	Actual Expenditure 31-Jan-21 R' 000	Transfers To Departments 31-Jan-21 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	335,757	27,974,032	26,521,190	26,501,700	1,452,842	5.2%	19,490	0.1%
Health	91,751	19,719,568	17,670,659	17,647,952	2,048,909	10.4%	22,707	0.1%
Social Development	-562	1,849,337	1,788,168	1,819,884	61,169	3.3%	-31,716	-1.8%
Office of the Premier	18,155	341,458	311,306	312,329	30,152	8.8%	-1,023	-0.3%
Provincial Legislature	22,738	320,090	300,701	320,090	19,389	6.1%	-19,389	-6.4%
Agriculture & Rural Dev.	80,043	1,440,420	1,262,449	1,326,379	177,971	12.4%	-63,930	-5.1%
Provincial Treasury	26,406	374,686	340,231	346,682	34,455	9.2%	-6,451	-1.9%
LEDET	29,395	1,138,117	1,138,473	1,142,904	-356	0.0%	-4,431	-0.4%
Transport & Community Safety	126,180	1,958,861	1,683,579	1,630,377	275,282	14.1%	53,202	3.2%
Public Works, Roads and Infra.	436,792	3,205,384	2,422,302	2,455,335	783,082	24.4%	-33,033	-1.4%
CoGHSTA	85,671	1,875,138	1,603,188	1,643,490	271,950	14.5%	-40,302	-2.5%
Sport, Arts & Culture	57,598	367,005	309,930	314,393	57,075	15.6%	-4,463	-1.4%
Total	1,309,924	60,564,096	55,352,176	55,461,515	5,211,920	8.6%	-109,339	-0.2%

Equitable Share		52,050,861	49,128,245	48,797,740	2,922,616	5.6%	330,505	0.7%
Conditional Grants		8,513,235	6,223,931	6,663,775	2,289,304	26.9%	-439,844	-7.1%
Total		60,564,096	55,352,176	55,461,515	5,211,920	8.6%	-109,339	-0.2%

Departments opened the financial year with a group favorable bank balance amounting R1.3 billion, comprising 2019/20 unspent funds and revenue accruals which were surrendered/paid into Provincial Revenue Fund (PRF) by provincial departments this financial year 2020/21. National Treasury has approved a total amount of R220.5 million in roll-over for various Conditional Grants out of R789.9 million underspent by provincial departments last financial year, and surrender of the balance of R569.5 million to National Revenue Fund was delayed due to some of the outstanding submissions of audited figures by departments.

Comparing actual expenditure to cash allocations/cash projections for period up to January 2021, departments under-spent their overall cash allocations/cash projections by R5.2 billion or 8.6 percent. That comprises R2.9 billion or 5.6 percent underspending in Equitable Share and R2.3 billion or 26.9 percent in Conditional Grants. It is worth noting that, despite cash

allocations being approved through cash allocation letters annually, the PMG accounts of provincial departments are funded in line with actual payments processed by departments as per disbursement schedule within their respective cash allocations/projections and that is to minimize PMG balances at the commercial bank, while optimizing provincial CPD account in the South African Reserve Bank to maximize returns.

Comparing total actual transfer to total actual expenditure, Provincial Revenue Fund over-transferred departments by a net of R109.3 million or 0.2 percent, with Equitable share under-transferred by R330.5 million or 0.7 percent while Conditional Grant was over-transferred by R439.9 million or 7.1 percent. Reason for under-transfer in some departments was the favorable opening balances on the payment dates, while over-transfer in others was due to surrender of prior year's underspending and own revenue included in the payment tapes while the opening balance was not sufficient on the pay dates. Lack of necessary BAS reports that breakdown the payments per fund on the disbursement dates, to allow for proportional funding of the PMG accounts on the action dates of payments at the bank, is the cause of over/under-transfer interchange between the Equitable Share and Conditional Grants. This is with exception of Provincial Legislature which is always over-transferred due to its independence in terms of its new Financial Management Act compelling PRF to transfer all its cash allocations at the beginning of each month irrespective of its spending patterns. Legislature is allowed to invest its own surpluses and accumulate its own interest independent of Provincial Revenue Fund.

Table 3: Interest Performance up to 31 January 2021

INTEREST EARNED : 2020/21 FINANCIAL YEAR

R'000

Institution	2020/21												Total
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	
Call Account (absa)	2 265	69	-	-	-	-	-	-	-	-	-	-	2 334
CPD (SA Reserve Bank)	10 283	15 051	13 325	17 391	16 648	18 521	20 531	22 519	25 504	23 911			183 684
Commercial Bank (absa)	2 163	4 176	1 352	1 199	1 282	1 349	982	1 079	1 387	991			15 960
Total	14 711	19 296	14 677	18 590	17 930	19 871	21 513	23 598	26 891	24 902	-	-	201 979

Institution	2019/20												Total
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	
Call Account (absa)	-	-					-	-	2 431	79			2 510
CPD (SA Reserve Bank)	14 225	19 417	13 005	18 459	20 879	17 592	23 680	22 367	13 314	16 299			179 237
Commercial Bank (absa)	2 178	2 312	1 297	1 767	2 277	1 938	1 414	1 625	2 446	5 477			22 731
Total	16 403	21 729	14 302	20 226	23 156	19 530	25 094	23 992	18 191	21 855	-	-	204 478

2,48%

-1,22%

It is important to note that the province generates interest from its daily favorable group bank balance comprising Exchequer Account, Exchequer-linked Call Account, PMG Accounts, as well as Wildlife Resorts and Agricultural Colleges sub-accounts held with the provincial banker. It further generates interest from its CPD account held at the South African Reserve Bank for Equitable Share flow and investment purposes.

In terms of the table above, the province recorded an overall decline of 1.22 percent in interest revenue from R204.5 million during same period in 2019/20 to R201.9 million this financial year. The decline may be attributed to a sharp decline in interest rates resulting from recent downgrades coupled with the ravages of COVID-19 outbreak. The provincial cash reserve has also drastically reduced as it was utilized to fund priorities and budget pressures year-on-year.

5. Provincial Expenditure

Table 4: Provincial overall expenditure as at 31 January 2021

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual spending as at 31 January 2021	Actual spending as % of Total Available	(Over)	Under	%(Over)/ under of Total Available
Education	33 893 648	33 754 627	33 754 627	26 521 190	78,6%	-	-	0,0%
Health	22 142 941	22 597 717	23 035 557	17 670 659	78,2%	-437 841	-	-1,9%
Social Development	2 360 027	2 282 188	2 283 097	1 788 168	78,4%	-909	-	0,0%
Office Of The Premier	450 205	394 285	394 285	311 306	79,0%	-	-	0,0%
Provincial Legislature	385 137	354 665	354 665	300 701	84,8%	-	-	0,0%
Agriculture	2 031 311	1 698 463	1 675 929	1 262 449	74,3%	-	22 534	1,3%
Provincial Treasury	521 312	439 002	425 280	340 231	77,5%	-	13 722	3,1%
Economic Development, Environment And Tourism	1 706 008	1 390 791	1 401 019	1 138 473	81,9%	-10 228	-	-0,7%
Transport and Community Safety	2 454 549	2 218 713	2 218 713	1 683 579	75,9%	-	-	0,0%
Public Works, Roads And Infrastructure	3 859 787	3 530 120	3 543 332	2 422 302	68,6%	-13 212	-	-0,4%
Cooperative Governance, Human Settlements and Informal Settlements	2 466 516	2 243 302	2 243 302	1 603 188	71,5%	-	-	0,0%
Sport, Arts And Culture	524 882	428 479	402 144	309 930	72,3%	-	26 335	6,1%
Total	72 796 323	71 332 352	71 731 950	55 352 176	77,6%	-462 190	62 591	-0,6%
Economic classification						-399 599		
Current payments	62 176 742	60 605 543	60 938 916	47 683 652	78,7%	-392 119	58 746	-0,6%
Compensation of employees	50 818 159	49 131 098	49 072 352	39 929 557	81,3%	-	58 746	0,1%
Goods and services	11 357 637	11 472 284	11 864 403	7 753 142	67,6%	-392 119	-	-3,5%
Interest and rent on land	946	2 161	2 161	953	44,1%	-	-	0,0%
Transfers and subsidies	8 067 034	8 820 900	8 860 673	6 514 298	73,9%	-39 773	-	-0,5%
Payments for capital assets	2 552 547	1 905 909	1 932 361	1 154 226	60,6%	-26 453	-	-1,4%
Total	72 796 323	71 332 352	71 731 950	55 352 176	77,6%	-458 344	58 746	-0,6%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net		-399 599

Overall the provincial expenditure is R55.4 billion representing 77.6 percent spending of the R71.3 billion of the adjusted budget. The spending is below the straight line projection of 83.3 percent. The Province spent R56.8 billion or 80.5 percent the previous financial year ending 31 January 2020. Generally, the spending is improving since the activation of some activities which were suspended in line with State of the Nation Disaster declaration and COVID-19 lockdown.

Hereunder is the synopsis of provincial expenditure as at 31 January 2021: -

- **Compensation of Employees (CoE)** spent R39.9 billion or 81.3 percent of the total adjusted budget of R49.1 billion.
- **Goods and Services** spent R7.8 billion or 67.6 percent of the total adjusted budget of R11.5 billion. The major cost driver on this classification since the beginning of the financial year are payments of contractual obligations since other activities started to happen during the level 2 and 1 lockdown.
- **Transfers and subsidies** recorded an expenditure of R6.5 billion or 73.9 percent of the total adjusted budget of R8.8 billion.

- **Payment for Capital Assets** spent R1.2 billion or 60.6 percent of the total adjusted budget of R1.9 billion. The classification was negatively affected by the lockdown however the spending is starting to pick up since the projects have been reactivated and some of the ordered goods which are capital in nature are being delivered to departments and entities.

The department of Health, Social Development, LEDET and Public Works, Roads and Infrastructure are projecting to overspend by R462.2 million or 0.6 percent and in the main is on Goods and services and Transfers and subsidies while the department of Agriculture, Provincial Treasury and Sport, arts and Culture are projecting to underspend by R62.6 million or 0.1 percent. The province is projecting to overspend by R399.6 million or 0.6 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 5: Compensation of Employees as at 31 January 2021

	Main Appropriation	Available funds*	Projected outcome	Actual as at 31 January 2021	Actual spending as % of Total Available	(Over)	Under	%(Over)/under of Total Available
R thousand								
Education	27 050 417	26 322 350	26 322 350	21 605 984	82,1%	-	-	0,0%
Health	16 127 301	15 658 647	15 658 647	12 506 702	79,9%	-	-	0,0%
Social Development	1 356 928	1 250 192	1 222 283	1 023 494	81,9%	-	27 909	2,2%
Office of the Premier	331 134	307 791	307 791	246 046	79,9%	-	-	0,0%
Provincial Legislature	224 475	232 752	236 761	199 731	85,8%	-4 009	-	-1,7%
Agriculture	1 231 924	1 111 729	1 104 396	896 621	80,7%	-	7 333	0,7%
Provincial Treasury	339 096	303 898	293 145	243 146	80,0%	-	10 753	3,5%
Economic Development	608 016	565 827	555 257	458 337	81,0%	-	10 570	1,9%
Transport and Community Safety	1 118 546	1 097 141	1 097 141	913 200	83,2%	-	-	0,0%
Public Works, Roads and Infrastructure	1 159 073	1 021 399	1 021 399	833 412	81,6%	-	-	0,0%
Cooperative Governance, Human Settlement	1 045 221	1 051 959	1 051 959	837 864	79,6%	-	-	0,0%
Sport, Arts and Culture	226 028	207 413	201 223	165 020	79,6%	-	6 190	3,0%
Total	50 818 159	49 131 098	49 072 352	39 929 557	81,3%	-4 009	62 755	0,1%
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>						Net	58 746	

The overall provincial CoE spending is at R39.9 billion or 81.3 percent by the end of January 2021. The highest percentage spending departments are Provincial Legislature at 85.8 percent or R199.7 million, Education at 82.1 percent or R21.6 billion, Transport and Community Safety at 83.2 percent or R913.2 million and Social Development at 81.9 percent or R1.0 billion.

The province is projecting to underspend by R58.7 million by the end of the financial year and in the main is department of Social Development at 2.2 percent or R27.9 million, Agriculture at 0.7 percent or R7.3 million, Provincial Treasury at 3.5 percent or R10.7 million, LEDET at 1.9 percent or R10.6 million and Sport, Arts and Culture at 3.0 percent or R6.2 million. Legislature is projecting to overspend by R4.0 million or 1.7 percent.

5.1.2. Goods and Services

Table 6: Goods and Services as at 31 January 2021

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 31 January 2021	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	3 030 006	3 024 584	3 024 584	1 455 683	48,1%	-	-	0,0%
Health	5 096 217	5 858 768	6 260 764	4 489 696	76,6%	-401 996	-	-6,9%
Social Development	309 577	254 312	263 353	196 372	77,2%	-9 041	-	-3,6%
Office of the Premier	108 917	76 930	76 930	55 591	72,3%	-	-	0,0%
Provincial Legislature	71 246	40 571	35 030	21 932	54,1%	-	5 541	13,7%
Agriculture	467 185	451 965	426 764	265 782	58,8%	-	25 201	5,6%
Provincial Treasury	159 865	113 122	111 507	92 666	81,9%	-	1 615	1,4%
Economic Development	279 301	186 164	203 606	151 509	81,4%	-17 442	-	-9,4%
Transport and Community Safety	391 147	294 019	294 019	222 821	75,8%	-	-	0,0%
Public Works, Roads and Infrastructure	1 014 543	841 720	854 932	565 975	67,2%	-13 212	-	-1,6%
Cooperative Governance, Human Settlement	229 717	163 871	163 871	128 392	78,3%	-	-	0,0%
Sport, Arts and Culture	199 916	166 258	149 043	106 723	64,2%	-	17 215	10,4%
Total	11 357 637	11 472 284	11 864 403	7 753 142	67,6%	-441 691	49 572	-3,4%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	-392 119	

The overall spending on Goods and Services is at R7.8 billion or 67.6 percent of the total adjusted budget of R11.5 billion. The highest percentage spending departments are Treasury at 81.9 percent or R92.7 million, LEDET 81.4 percent or R151.5 million and CoGHSTA at R128.4 million or 78.3 percent. Departments had to reprioritize the budget in order to address the fight against the corona virus pandemic. The spending on this classification was mainly on contractual obligation since most officials were working from home which reduces expenditure on other items such as telephones, stationeries and etc. The Province is projecting to overspend by R392.1 million or 3.4 percent mainly in the department of Health.

5.1.3. Transfers and subsidies

Table 7: Transfers and subsidies as at 31 January 2021

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 31 January 2021	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	2 583 701	3 733 282	3 733 282	2 975 723	79,7%	-	-	0,0%
Health	169 245	240 907	276 752	216 806	90,0%	-35 845	-	-21,2%
Social Development	624 169	746 015	746 015	533 317	71,5%	-	-	0,0%
Office of the Premier	5 645	5 793	5 793	6 381	110,2%	-	-	0,0%
Provincial Legislature	81 342	81 342	81 351	78 699	96,8%	-9	-	0,0%
Agriculture	241 970	31 969	31 969	46 579	145,7%	-	-	0,0%
Provincial Treasury	4 736	17 322	18 349	3 630	21,0%	-1 027	-	-5,9%
Economic Development	769 393	625 673	628 565	519 399	83,0%	-2 892	-	-0,5%
Transport and Community Safety	884 133	776 830	776 830	533 369	68,7%	-	-	0,0%
Public Works, Roads and Infrastructure	1 561 741	1 564 214	1 564 214	970 921	62,1%	-	-	0,0%
Cooperative Governance, Human Settlement	1 131 634	987 458	987 458	622 445	63,0%	-	-	0,0%
Sport, Arts and Culture	9 325	10 095	10 095	7 029	69,6%	-	-	0,0%
Total	8 067 034	8 820 900	8 860 673	6 514 298	73,5%	-39 773	-	-0,5%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	-39 773	

The province spent R6.5 billion or 73.5 percent of the total adjusted budget of R8.8 billion on Transfers and subsidies. Department of Agriculture and Office of the Premier are already overspending on this classification, however for Agriculture is a misclassification of the expenditure which will be corrected. Department of Health is projecting to overspend on this classification by R35.8 million mainly due to claims against the state.

5.1.4. Payment for Capital Assets

Table 8: Payment for Capital Assets as at 31 January 2021

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 31 January 2021	Actual spending as % of Total Available	(Over)	Under	% (Over)/ under of Total Available
Education	1 229 524	674 411	674 411	463 800	71,7%	-	-	0,0%
Health	750 178	839 395	839 394	457 455	54,5%	-	-	0,0%
Social Development	69 353	31 669	51 446	34 985	110,5%	-19 777	-	-64,5%
Office of the Premier	4 509	3 771	3 771	3 288	87,2%	-	-	0,0%
Provincial Legislature	8 074	-	1 523	339	-100,0%	-1 523	-	-100,0%
Agriculture	90 232	102 800	112 800	53 467	52,0%	-10 000	-	-9,7%
Provincial Treasury	17 615	4 660	2 279	789	16,9%	-	2 381	0,0%
Economic Development	48 353	12 065	12 529	9 228	76,5%	-464	-	-3,8%
Transport and Community Safety	60 723	50 723	50 723	14 189	28,0%	-	-	0,0%
Public Works, Roads and Infrastructure	124 430	102 787	102 787	51 994	50,6%	-	-	0,0%
Cooperative Governace, Human Settlement	59 944	40 014	40 014	14 487	36,2%	-	-	0,0%
Sport , Arts and Culture	89 613	43 614	40 684	30 205	69,3%	-	2 930	0,0%
Total	2 552 548	1 905 909	1 932 361	1 154 226	60,6%	-31 764	5 311	-1,1%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)					Net	-26 453		

The overall provincial expenditure on Payment for Capital Assets is at R1.2 billion or 60.6 percent of the total adjusted budget of R1.9 billion. The Province is projecting to overspend by R26.5 million or 1.1 percent. COVID-19 had a negative impact on the implementation of the capital projects in the province. Social Development is overspending on this classification due to the payment of vehicles purchased in 2019/20 however paid in in 2020/21 financial year.

5.2. Equitable share spending

Table 9: Equitable share spending as at 31 January 2021

	Special Adjusted Appropriation	Actual as at 31 January 2021	Actual spending as % of budget	Projected Outcome- March 2021 2020	Variance
Education	31 092 352	24 786 370	79,7%	31 092 352	-
Health	18 630 936	14 839 122	79,6%	19 068 776	(437 841)
Social Development	2 083 421	1 696 252	81,4%	2 084 330	(909)
Office of the Premier	394 285	311 306	79,0%	394 285	-
Provincial Legislature	354 665	300 701	84,8%	354 665	-
Agriculture	1 435 912	1 144 001	79,7%	1 413 378	22 534
Provincial Treasury	439 002	340 231	77,5%	425 280	13 722
Economic Development, Environment and Tourism	1 387 797	1 136 808	81,9%	1 398 025	(10 228)
Transport and Community Safety	1 814 678	1 429 545	78,8%	1 814 678	-
Public Works, Roads and Infrastructure	2 357 035	1 930 048	81,9%	2 370 247	(13 212)
Cooperative Governance, Human Settlement and Sport, Arts and Culture	1 278 785	996 548	77,9%	1 278 785	-
	279 172	217 313	77,8%	252 837	26 335
Total	61 548 040	49 128 245	79,8%	61 947 638	(399 599)
Economic classification					
Current payments	54 816 828	43 840 094	79,98%	55 150 201	(333 373)
Compensation of employees	47 644 874	38 731 499	81,3%	47 586 128	58 746
Goods and Services	7 171 954	5 108 595	71,2%	7 564 073	(392 119)
Interest and rent on land	2 161	953,00	0,0%	2 161	-
Current transfers and subsidies	6 156 489	4 913 608	79,8%	6 196 262	(39 773)
Payments for capital assets	572 562	373 590	65,2%	599 014	(26 452)
Payments for financial assets	-	-	0,0%	-	-
Total	61 548 040	49 128 245	79,8%	61 947 638	(399 599)

Provincial equitable share spending is at R49.1 billion or 79.8 percent of the total adjusted budget of R61.5 billion. The highest percentage spending departments are Provincial Legislature at R300.7 million or 84.8 percent due to payment of salary increases and performance bonuses and Public Works, Roads and Infrastructure at R1.9 billion or 81.9 percent mainly on compensation of employee and transfers to RAL and LEDET at R1.1 billion or 81.9 percent.

The Province is projecting to overspend by R399.6 million however departments were advised to develop strategies to curb unauthorized expenditure since such will not be permitted.

5.3. Conditional Grants

Table 10: Conditional Grants spending per department as at 31 January 2021

	Special Adjusted Appropriation	Actual as at 31 January 2021	Actual spending as % of budget	Projected Outcome-March 2021 2020	Variance
Education	2 662 275	1 734 820	65,2%	2 662 275	-
Health	3 966 781	2 831 537	71,4%	3 966 781	-
Social Development	198 767	91 916	46,2%	198 767	-
Public Works , Roads and Infrastructure	1 173 085	492 254	42,0%	1 173 085	-
Agriculture	262 551	118 448	45,1%	262 551	-
Transport and Community Safety	404 035	254 034	62,9%	404 035	-
CoGHSTA	964 517	606 640	62,9%	964 517	-
Sport, Arts and Culture	149 307	92 617	62,0%	149 307	-
Economic Development	2 994	1 665	55,6%	2 994	-
Total	9 784 312	6 223 931	63,6%	9 784 312	-
Current payments	5 786 554	3 842 605	66,41%	5 786 554	-
Compensation of employees	1 486 224	1 198 058	80,6%	1 486 224	-
Goods and Services	4 300 330	2 644 547	61,5%	4 300 330	-
Current transfers and subsidies	2 664 411	1 600 690	60,1%	2 664 411	-
Payments for capital assets	1 333 347	780 636	58,5%	1 333 347	-
Total	9 784 312	6 223 931	63,6%	9 784 312	-

The CGs' overall expenditure is at R6.2 billion or 63.6 percent of the total adjusted budget of R9.8 billion. The low expenditure is mainly attributed to COVID-19 lockdown to address the spread of the disease and changes on the grants frameworks since such required amendment of business plans and approval thereof.

In the main majority of the departments in the province are underspending on conditional grants allocations. The highest percentage spending departments are Health at R2.8 billion or 71.4 percent and Education at 65.2 percent or R1.7 billion however the spending is still below expectation and departments are starting to pick up during the third quarter.

Table 11: Limpopo Conditional Grant spending per grant as at 31 January 2021

R thousand	Budget Adjustment	Provincial Actual Payments	Actual Payments as a % of budget
Agriculture	262 551	118 448	45,1%
Comprehensive Agricultural Support Programme Grant	172 254	83 625	48,5%
Ilima/Letsema Projects Grant	52 231	25 170	48,2%
EPWP Integrated grant	6 610	5 712	86,4%
Land Care Programme Grant	12 816	3 941	30,8%
Provincial Disaster Drought Relief grant	18 640	—	0,0%
Sport, Arts and Culture	149 307	92 617	62,0%
Mass Sport and Recreation Programme	31 777	15 646	49,2%
EPWP Integrated grant	2 000	1 103	55,2%
Community Library Services Grant	115 530	75 868	65,7%
Education	2 662 275	1 734 820	65,2%
HIV and Aids (Life Skills Education) Grant	22 715	7 028	30,9%
National School Nutrition Programme Grant	1 378 434	873 497	63,4%
Infrastructure Grant	1 131 400	751 270	66,4%
Maths, Science and Technology	74 227	64 366	86,7%
Learners with Profound Intellectual Disabilities	32 597	20 355	62,4%
Social sector EPWP grant	20 833	17 113	82,1%
EPWP Incentive allocation	2 069	1 191	57,6%
Health	3 966 781	2 831 537	71,4%
Comprehensive HIV/AIDS	2 330 309	1 718 791	73,8%
Malaria control	55 451	37 079	66,9%
COVID-19 Disaster grant	42 449	42 448	100,0%
Human Resources Capitalisation	97 066	61 206	63,1%
Social sector EPWP grant	28 286	23 654	83,6%
Human Papillomavirus Vaccine grant	30 604	3 851	12,6%
National Health Insurance	32 066	29 846	93,1%
National Tertiary Services	445 200	369 521	83,0%
Health Professionals Training	157 624	136 824	86,8%
Health Facilities Revitalisation grant	747 726	408 317	54,6%
COGHSTA	964 517	606 640	62,9%
Integrated Housing & Human Settlements Development C	948 161	601 923	63,5%
Deeds Restoration	13 080	3 858	29,5%
EPWP Incentive allocation	3 276	859	0
Public Works, Roads and Infrastructure	1 173 085	492 254	42,0%
Infrastructure Grant	1 167 379	486 549	41,7%
EPWP Integrated grant	5 706	5 705	100,0%
Economic Development	2 994	1 665	55,6%
EPWP Incentive grant	2 994	1 665	55,6%
Social Development	198 767	91 916	46,2%
Early Childhood development	186 813	82 262	44,0%
EPWP Integrated grant	2 000	1 618	80,9%
EPWP Social sector grant	9 954	8 036	80,7%
Transport and Community Safety	404 035	254 034	62,9%
Public Transport Operations Grant	402 035	252 034	62,7%
EPWP incentive grant	2 000	2 000	100,0%
Total	9 784 312	6 223 931	63,6%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R118.4 million or 45.1 percent of the total adjusted budget of R262.6 million. The department could not perform as planned due to lockdown rules, most projects which were on hold has been reactivated.

- **Comprehensive Agricultural Support programme** spent 48.5 percent or R66.5 million of the total adjusted budget of R172.3 million. Slow progress on site due to community unrest and limited number of labours on site due to COVID-19 protocols.
- **Land care** spent R3.9 million or 30.8 percent during the period. Low expenditure is due to delays in conclusion of assessment of Land Care projects by National Assessment Panel and Transferring Officer as results of National Lockdown to fight the outbreak of corona virus and due to delays in finalization of Fencing term contract
- **ILLIMA/LETSEMA** spent R225.2 million or 48.2 percent. The low spending is attributed to expired seed & seedling and Fertilizer contracts. The department is still in the process of finalizing the contract for the fertilizers.
- **EPWP incentive grant** spent R5.7 million or 86.4 percent which is on track.
- **Draught Relief grant** – has not yet started spending.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R92.6 million or 62.0 percent of the total adjusted budget of R149.3 million.

- **Mass Sport and Recreation Programme** spent R15.6 million or 49.2 percent of the total adjusted budget of R31.8 million. All programmes and projects in Sport and Recreation such as, District and Provincial School Sport leagues, Active Recreational programmes, Sport Development Leagues for Q1 and Q2 were cancelled due to COVID-19. The department is very cautious on the sporting codes to be resumed without compromising the health of the participants. Sporting activities are being resumed at a small scale.
- **Community Library Services** spent R75.9 million or 65.7 percent of the total adjusted budget of R115.54 million. The spending is mainly for prior year accruals. Library Conditional Grant Business Plans have been revised to reflect budget and target changes due to the COVID-19 impact.
- **EPWP Incentive grant** – spent R1.1 million or 55.2 percent during the period. A total of 50 EPWP workers were appointed at Dzata, Schoemansdaal and Muti wa Va Tsonga museums for maintenance.

5.3.3. Education

Overall spending by the department is at R1.7 billion or 65.2 percent of the total adjusted budget of R2.7 billion.

- **HIV/AIDS Life skills** spent R7.0 million or 30.9 percent of the total adjusted budget of R22.7 million. The low spending is caused by lack of activities due to National Lockdown during the first five months of the financial year however spending has improved from the month of September 2020 as a result of relaxations on lockdown rules. The subsequent revision of the business plan due to budget cut and the need to re-prioritize for COVID-19 for support and management at schools as per revised grant framework had enhanced spending on the grant in line with the revised business plan. There are vacancies of posts which are not yet filled.

- **National School Nutrition Programme** spent R873.5 million or 63.4 percent of the total adjusted budget of R1.4 billion. There was no feeding of food to learners due to the closure of schools, procurement of machinery and equipment could not take place as a result of lockdown and vacancies not yet filled. Not all learners are fed on school going days as learners are attending schooling on rotational basis.
- **Infrastructure grant** spent R751.3 million or 66.4 percent of the total adjusted budget of R1.1 billion. The department has reactivated projects and the spending has improved. The department is in the process of ascertaining that posts within the infrastructure is filled in order to render the services effectively. Underspending on Compensation of Employees due to high vacancy rate.
- **Maths, Science and Technology** spent 86.7 percent of the total adjusted budget of R74.2 million. Accruals for e-learning paid and expenditure is on track in line with the business plan.
- **EPWP Social sector grant** spent R17.1 million or 82.1 percent of the total budget of R20.8 million. High spending on the payment of School Based Monitors. Purchase order for the procurement of protective clothing issued in January 2021
- **EPWP Incentive Grant** - spent R1.2 million or 57.6 percent. Appointment of casual laborers was disrupted by lockdown however the department is finalizing the appointments of casual laborers which will necessitates the procurement of protective clothing.
- **Learners with Profound Intellectual Disabilities** – spent R20.4 million or 62.4 percent of the total budget of R32.6 million. The department is on the process of procuring learning materials to assist learners with studying. The department is still to process payments for the five vehicles procured after finalisation of the delivery process.

5.3.4. Health

The overall spending on CG is R2.8 billion or 71.4 percent of the total adjusted budget of R3.9 billion.

- **HIV and AIDS** - spent 73.8 percent or R1.7 billion of the total adjusted budget of R2.4 billion. The low spending is as a result of delayed implementation of the business plan due to National State of Disaster and lockdown. Awaiting delivery of ARVs and invoices amounting to R392 million.
- **Malaria control** – spent R37.1 million or 66.9 percent of the budget of R55.5 million. The underspending is as a result of withdrawal of the advertised posts for the 6 surveillance teams consisting of 5 people. The service provider for maintenance of malaria station in Malamulele is on site and will be completed soon. The purchase order to the value of R3.8 million for 10 vehicles and R3.5million for chemicals have been issued to service providers.
- **EPWP Social Sector grant** spent R23.7 million or 83.6 percent of the total budget of R28.3 million.
- **National Tertiary Services grant** spent R369.5 million or 83.0 percent of the total budget of R445.2 million.
- **Human Resources Capitalization grant** has recorded expenditure of R61.2 million or 63.1 percent of the total budget of R97.1 million. The low spending is as a result of resignation of 1 Specialist and 3 Registrars before the beginning of the financial year. 16 posts of Registrar were shortlisted and interviewed but only 5 recommended for appointment.

- **Health Professional and Training-** spending is at 86.8 percent or R136.8 million of the total budget of R157.6 million. The overall high expenditure is as a result of payment of specialists and Registrars in the training service platform.
- **Health Facilities Revitalization grant** spent 54.6 percent or R408.3 million of the total budget of R747.7 million. Shortlisting for a prioritized Chief Engineer position took place but no suitable candidates were identified. A re-advertisement of the posts available is being arranged. The effect on the nationwide lockdown has impacted the progress on construction of projects thereby reducing spending. There has been a slow start on construction sites generally but all projects in the construction phase have now been reactivated.
- **Human Papilloma Virus Vaccine grant** – spent R3.9 million or 12.6 percent. The interview for nurses has been conducted and wait for approval to appoint the successful candidates. The data capturers have been shortlisted and currently awaiting approval to interview. The purchasing orders to the value of R3.0 million for vehicles and R7.0 million for vaccine fridges have been issued to the service provider for delivery.
- **Health Insurance grant** - has recorded expenditure of R29.8 million or 93.1 percent of the total budget of R32.1 million. The overall high expenditure of is as a result of payment of COVID-19 PPEs to the value of R3.2 million and appointed additional personnel for R16.4 million in the fight for COVID-19.
- **Disaster Emergency Fund grant-** spent 100 percent of the allocated budget of R42.4 million.

5.3.5 CoGHSTA

In overall, the department spent R606.6 million or 62.9 percent of the total adjusted budget of R964.5 million.

- **Integrated Housing, Human Settlement Development grant** – spent R601.9 million or 63.5 percent of the adjusted budget of R948.2 million. The low spending is due to COVID-19 lockdown and as a result no construction of houses were made during the period. The delay in the finalization of enrolment of 20/21 projects by NHBRC as well as challenges in development areas by the municipalities.
- **Deeds Restoration grant** spend R3.9 million or 29.5 percent. The low spending is due to COVID-19 lockdown. The process of identifying beneficiaries was on hold however the department is working together with other government institution to trace and identify true beneficiaries of the completed houses. It is also due to unproclaimed townships.
- **EPWP grant** reflects spending of R0.859 million by end of January 2021. The department is in the process of renewing the contacts of EPWP workers. The low spending is also due to the effect of COVID-19.

5.3.6 LEDET

The department spent R1.7 million or 55.6 percent. There was a delay in recruitment of new beneficiaries due to lockdown. Beneficiaries started in September and will finish in March 2021 in order to catch up the lost time and improve expenditure.

5.3.7. Department of Public Works, Roads and Infrastructure

Overall spending by the department is R492.3 million or 42.0 percent of the adjusted budget of R1.2 billion. Low expenditure is due to National lockdown.

Infrastructure grant – spent R486.5 million or 41.7 percent of the total adjusted budget of R1.2 billion. Low spending is attributed to the declared National Disaster and lockdown to address the spread of corona virus. The department only received the claim of R9.5 million from RAL for PRMG and disaster fund. The Department will re-project its spending plans accordingly. The Department made follow ups with the Entity and they were still in the procurement process of evaluation the tenders during the reporting period

- **Flood Damaged Roads Infrastructure** – did not spend due to the delay on appointments of service providers.
- **EPWP grant** – spent R5.7 million or 100.0 percent of the total budget of R5.7 million.

5.3.8. Transport and Community Safety

The department has spent R190.4 million or 47.1 percent of the allocated budget of R404.0 million.

- **Public Transport Operations grant** – spent R252.0 million or 62.7 percent of the R402.0 million allocated budget, the performance of the grant was affected by the lockdown. Subsidized buses did not operate fully during COVID-19 lockdown and has therefore not claimed full subsidy amount.
- **EPWP Incentive grant** – the spending is R2.0 million or 100.0 percent.

5.3.9. Social Development

Overall spending by the department is R91.9 million or 46.2 percent of the total budget of R198.8 million.

- **Early Childhood Development grant** - recorded an expenditure of R82.3 million or 44.0 percent of the total budget of R186.8 million. The spending has been negatively affected by the second quarter transfers to the NPOs and migration of payments processing to LOGIS. Procurement of PPEs to facilitate the re-opening of ECDs is in process and delivery is happening in the month of January 2021. Directive has been issued to exempt the NPOs not registered on CSD to be paid on BAS while completing registration to be ready for the 3rd quarter repayment tranche.
- **EPWP social sector grant** - spent R8.0 million or 80.7 percent of the budget of R9.9 million. The programme was negatively affected by lockdown which had delayed the appointment of EPWP workers.

- **EPWP integrated grant** - spent R1.6 million or 80.9 percent of the budget of R2.0 million. The grant was negatively affected by the lockdown and the delay in the appointment of EPWP workers.

5.3.10 Covid-19 spending

Table 12: COVID-19 Earmarked funding expenditure as at 31 January 2021.

LIMPOPO COVID-19 CONSOLIDATED REPORT: JANUARY 2021				
DEPARTMENT	BUDGET	EXPENDITURE	COM+EX	% SPENDING
Premier	6 875	4 402	5 680	64,0%
Legislature	1 000	560	560	56,0%
Education	397 631	240 546	240 746	60,5%
Agriculture and Rural Development	32 200	20 781	20 781	64,5%
Provincial Treasury	654	334	351	51,1%
Economic Development	42 500	21 984	21 984	51,7%
Health	1 760 123	1 044 670	1 202 468	59,4%
Transport and Community Safety	20 102	1 760	1 760	8,8%
Public Works, Roads and Infrastructure	449 598	358 246	358 246	79,7%
Sport Arts and Culture	16 049	5 273	5 273	32,9%
CoGHSTA	2 031	1 776	1 776	87,4%
Social Development	26 890	10 144	10 144	37,7%
TOTAL	2 755 653	1 710 476	1 869 769	62,1%

The province spent R1.7 billion on or 62.0 percent COVID-19 from an allocated budget of R2.8 billion. Spending is lower than anticipated due to lower infection rate in the province and effective implementation of the COVID-19 Surge plan by the Department of Health.

6. Own Revenue collection per vote

Table 13: Provincial own revenue collection per vote as at 31st January 2021

BUDGET AND REVENUE COLLECTION AS AT 31 JANUARY 2021

Summary of Provincial Own Receipts as per Departments (Votes)

Departments (Votes)	Main appropriation 2020/21	Adjusted Appropriation 2020/21	Projections as at end of January 2021	Projections as % of adjusted appropriation	Actual Collection as at end January 2020	Actual collection as % of the adjusted appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variance Over / (Under) Collection as of adjusted appropriation	Adjusted appropriation 2019/20	Actual Collection as end January 2020	Actual collection as % of adjusted appropriation
	R'000	R'000	R'000		R'000		R'000	R'000	R'000		R'000	R'000	
Office of the Premier	608	436	355	81.5%	340	78.0%	85	425	(15)	-3.5%	587	517	88.1%
Education	51 034	51 034	34 681	68.0%	32 814	64.3%	16 354	49 167	(1 867)	-3.7%	74 993	75 763	101.0%
Agriculture & Rural Development	12 320	11 190	7 619	68.1%	8 001	71.5%	1 650	9 651	383	3.4%	11 722	11 857	101.2%
Provincial Treasury	247 781	201 713	168 933	83.7%	196 512	97.4%	32 779	229 291	27 579	13.7%	235 757	206 334	87.5%
Economic Development, Environment & Tourism	167 683	124 027	93 081	75.0%	91 102	73.5%	30 946	122 048	(1 979)	-1.6%	158 941	153 490	96.6%
Health	212 297	180 100	135 412	75.2%	117 508	65.2%	62 592	180 100	(17 904)	-9.9%	201 861	159 724	79.1%
Transport & Community Safety	651 293	651 293	510 848	78.4%	535 579	82.2%	140 445	676 024	24 731	3.8%	618 011	533 252	86.3%
Public Works, Roads & Infrastructure	34 962	37 833	32 328	85.4%	26 188	69.2%	10 898	37 086	(6 140)	-16.2%	38 016	26 776	70.4%
Sport, Arts & Culture	2 253	612	537	87.8%	326	53.3%	237	564	(211)	-34.4%	2 135	2 044	95.8%
Co-operative Governance, Human Settlements & Traditional Affairs	5 323	7 703	5 770	74.9%	2 787	36.2%	5 525	8 312	(2 983)	-38.7%	26 493	24 288	91.7%
Social Development	2 500	2 500	1 704	68.1%	1 804	72.1%	1 630	3 434	100	4.0%	3 910	2 327	59.5%
Total provincial own receipt	1 388 054	1 268 443	991 268	78.1%	1 012 962	79.9%	303 441	1 316 103	21 694	1.7%	1 372 426	1 196 372	87.2%

Provincial revenue appropriated target for 2020/21 financial year is R1.388 billion and was revised to R1.268 billion. As at the end of January 2021, the Province has collected an amount of R1.0 billion or 79.9 percent against the set adjusted own revenue projections of R991.3 million or 78.1 percent which reflect an over collection of R21.7 million or 1.7 percent. The over collection is mainly on motor vehicle license and interest on favourable bank balances by Transport and Community Safety and Provincial Treasury respectively.

The collection is below that of the previous year corresponding period of R1.2 billion or 87.2 percent.

6.1. The following four (4) Departments collected above their set target.

6.1.1. Agriculture and Rural Development (Revised Target is R11.1 million)

As at the end of January 2021, the Department collected R8.0 million or 71.5 percent against the set own revenue projections of R7.6 million or 68.1 percent. Over collection of R0.383 million or 6.9 percent is mainly due more collection on sale of scraps.

6.1.2. Transport and Community Safety (Original Target is R651.3 million)

As at end of January 2021, the Department collected R535.5 million or 82.2 percent against the set own revenue projections of R510.8 million or 78.4 percent. The over collection of R24.7 million or 3.8 percent is mainly on motor vehicle licenses, penalties on motor vehicle licenses, abnormal load licenses and traffic fines. Uncaptured receipts as at end of the month amount to

R1.7 million and improved as compared to R14.1 million of the previous months and regressed as compared to R0.911 million of the previous year corresponding period.

6.1.3. Provincial Treasury (Revised Target is R201.7 million)

As at 31st January 2021, actual collection is R196.5 million or 97.4 percent against the set own revenue projections of R168.9 million or 83.7 percent. Over collection of R27.5 million or 13.7 percent is due to more interest earned from favourable provincial bank balances however, collection on this item is unpredictable.

6.1.4. Social Development (Revised Target is R2.5 million)

The Department collected R1.8 million or 72.1 percent against the set own revenue projections of R1.7 million or 68.1 percent. The Over collection of R0.100 million or 4.0 percent is mainly due to more recovery of previous year's expenditure related debts.

6.2. The following Seven (7) Departments collected below their set target.

6.2.1. Office of the Premier (Revised Target is R0.436 million)

An amount of R0.340 million or 78.0 percent has been collected against the set own revenue projections of R0.355 million or 81.5 percent. Under collection of R0.015 million or 3.5 percent is mainly due to less recovery of departmental debts.

6.2.2. Education (Revised Target is R51.0 million)

The Department collected R32.8 million or 64.3 percent against the set own revenue projections of R34.7 million or 68.0 percent. Under collection of R1.9 million or 3.7 percent is mainly due to less recovery of previous years' expenditure related debts than anticipated.

6.2.3. Economic Development, Environment & Tourism (Revised Target is R124.0 million)

Collection as at the 31st January 2021 amounts to R91.1 million or 73.5 percent against the set own revenue projections of R93.1 million or 75.0 percent. Under collection of R1.9 million or 1.6 percent is mainly on horse racing tax as well as entrance fees from resorts revenue due to decline or lack of public participation on gambling and resort activities as a result of lockdown. Uncaptured receipts amounts to R0.916 million and regressed as compared to R0.883 million as at end of December 2020 and R0.770 million of the previous year corresponding year.

6.2.4. Health (Revised Target is R180.1 million)

The Department collected R117.5 million or 65.2 percent against the set own revenue projections of R135.4 million or 75.2 percent. Under collection of R17.9 million or 9.9 percent is mainly on patient fee. Uncaptured receipts as at January 2021 amounts R2.8 million and improved as compared to R6.5 million of the previous month and R7.5 million of the previous year corresponding period.

6.2.5. Public Works, Roads and Infrastructure (Revised Target is R37.8 million)

The Department collected R26.2 million or 69.2 percent against set own revenue projections of R32.3 million or 85.4 percent. Under collection of R6.1 million or 16.2 percent is mainly due to none sale of capital assets.

6.2.6. Sport, Arts & Culture (Revised Target is R0.612 million)

As at the end of January 2021, actual collection for the Department is R0.326 million or 53.3 percent against set own revenue projections of R0.537 million or 87.8 percent. Under collection of R0.211 million or 34.5 percent is mainly influenced by less recovery of departmental debts and sale of tender documents than anticipated.

6.2.7. Co-operative Governance, Human Settlements & Traditional Affairs (Revised Target is R7.7 million)

The actual collection as at the end of January 2021 amounts to R2.8 million or 36.2 percent against the set own revenue projections of R5.8 million or 74.9 percent. Under collection of R2.9 million or 38.7 percent is mainly due to less sale of tender document and less collection of interest from implementing agencies than anticipated.

6.3. Own revenue per economic classification

Table 14: Provincial own revenue collection per economic classification as at 31st January 2021.

Summary of Provincial Own Receipts as per Economic Classification													
Items (Revenue Sources)	Main appropriation 2020/21	Adjusted Appropriation 2020/21	Projections as at end of January 2021	Projections as % of adjusted appropriation	Actual Collection as at end January 2020	Actual collection as % of the adjusted appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variance Over / (Under) Collection as of adjusted appropriation	Adjusted appropriation 2019/20	Actual Collection as end January 2020	Actual collection as % of adjusted appropriation
Tax receipts	660 665	626 947	484 671	77,3%	510 742	81,5%	142 276	653 018	26 070	4,2%	626 496	547 160	87,3%
<i>Casino taxes</i>	67 411	42 548	26 690	62,7%	29 388	69,1%	15 858	45 246	2 698	6,3%	63 897	67 453	105,6%
<i>Horse racing taxes</i>	45 335	36 650	27 730	75,7%	26 002	70,9%	8 920	34 922	-1 728	-4,7%	42 972	33 183	77,2%
<i>Liquor licenses</i>	4 069	3 900	3 505	89,9%	2 624	67,3%	395	3 019	-881	-22,6%	3 857	3 006	77,9%
<i>Motorvehicle licenses</i>	543 850	543 850	426 747	78,5%	452 728	83,2%	117 103	569 831	25 981	4,8%	515 769	443 518	86,0%
Sales of goods and services other than capital assets	324 527	282 274	217 358	77,0%	197 487	70,0%	78 091	275 578	-19 872	-7,0%	309 611	248 926	80,4%
of which: <i>Patient fees</i>	110 151	85 209	62 628	73,5%	48 859	57,3%	22 581	71 440	-13 769	-16,2%	104 734	84 027	80,2%
Transfers received from:	9 179	19 179	19 179	100,0%	21 005	109,5%	-	21 005	1 826	9,5%	1 020	21 890	2145,7%
Fines, penalties and forfeits	72 041	77 114	60 846	78,9%	61 158	79,3%	16 268	77 426	312	0,4%	67 661	63 383	93,7%
Interest, dividends and rent on land	249 166	206 712	173 074	83,7%	196 997	95,3%	37 068	234 065	23 923	11,6%	259 804	228 611	88,0%
Sales of capital assets	17 055	14 667	9 888	67,4%	588	4,0%	12 240	12 828	-9 300	-63,4%	20 263	5 564	27,5%
Transaction in Financial Assets and Liabilities	55 421	41 550	26 252	63,2%	24 985	60,1%	17 198	42 183	-1 267	-3,0%	87 571	80 838	92,3%
Total provincial own receipts	1 388 054	1 268 443	991 268	78,1%	1 012 962	79,9%	303 141	1 316 103	21 694	1,7%	1 372 426	1 196 372	87,2%

6.3.1 Tax Receipts (Revised Target is R626.9 million)

An amount of R510.7 million or 81.5 percent has been collected against the set own revenue projections of R484.7 million or 77.3 percent. The over collection of R26.1 million or 4.2 percent is mainly on motor vehicle licenses registration and renewal fees and Casino by Department of Transport and Community Safety and LEDET

6.3.2. Sale of Goods and Services other than capital assets (Revised Target is R282.3 million)

As at the 31st January 2021, actual collection is R197.5 million or 70.0 percent against the set own revenue projections of R217.4 million or 77.0 percent. The under collection of R19.8 million or 7.0 percent is mainly influenced by less collection on patient fees by the Department of Health, none sale of capital assets by Public Works, less entrance and accommodation Resorts fees by LEDET.

6.3.3. Fines, penalties and forfeits (Revised Target is R77.1 million)

Fines, penalties and forfeits collected R61.1 million or 79.3 percent against the set own revenue projections of R60.8 million or 78.9 percent. Over collection of R1.2 million or 1.5 percent is mainly due to more collection of penalties on motor vehicle licenses and traffic fines by Transport and Community Safety.

6.3.4. Transfers received from (Revised Target is R19.2 million)

Transfer received amounts to R21.0 million or 109.5 percent against projection of R19.2 million or 100 percent for accumulated surpluses / unspent funds from Gambling Board and LTA

6.3.5. Interest, Dividends and Rent on Land (Revised Target of R206.7 million)

Collection as at the 31st January 2021 is R196.9 million or 95.3 percent against the set own revenue projections of R173.0 million or 83.7 percent. Over collection of R23.9 million or 11.6 percent is mainly influenced by more interests earned from favourable bank balances by Provincial Treasury.

6.3.6. Sale of Capital Assets (Revised Target is R14.7 million)

Collection of R0.588 million or 4.0 percent against the set projection of R9.9 million or 67.4 percent. Under collection of R9.3 million or 63.4 percent is mainly on Public Works, Transport and Community Safety and Health due none sale of capital assets.

6.3.7. Transactions in Financial Assets and Liabilities (Revised Target is R41.5 million)

The item collected R24.9 million or 60.1 percent against the set own revenue projections of R26.2 million or 63.2 percent. Under collection of R1.2 million or 3.0 percent is mainly due to less recovery of previous year's expenditure related debts by Education.

Provincial revenue appropriated target for 2020/21 financial year is R1.388 billion and was revised to R1.268 billion. As at the end of January 2021, the Province has collected an amount of R1.013 billion or 79.9 percent against the set adjusted own revenue projections of R991.2 million or 78.1 percent which reflect an over collection of R21.7 million or 1.7 percent. The over collection is mainly on motor vehicle license and interest on favourable bank balances by Transport and Community Safety and Provincial Treasury respectively.

The collection is below that of the previous year corresponding period of R1.196 billion or 87.2 percent.

7. Provincial Infrastructure Performance

Table 14: Infrastructure Expenditure comparison as at end January year-on-year

Infrastructure Expenditure Comparison as at 31 January year-on-year										
Department	Budget (R'000)				Expenditure (R'000)			% Expenditure		
	2018/19	2019/20	2020/21		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
			Main	Adjusted						
Education	1 013 426	1 081 245	1 258 291	977 970	708 999	668 278	751 588	70,0%	61,8%	76,9%
Agriculture & Rural Development	165 171	195 866	220 214	89 002	151 531	103 155	51 197	91,7%	52,7%	57,5%
LEDET	54 689	38 167	20 000	11 300	53 829	6 767	8 091	98,4%	17,7%	71,6%
Health	729 277	656 200	952 819	1 053 776	573 001	542 681	618 253	78,6%	82,7%	58,7%
PWR&I - Total	2 337 659	2 620 138	3 380 658	3 101 336	1 803 026	1 639 271	2 088 989	77,1%	62,6%	67,4%
PWR&I - Roads*	2 262 043	2 543 742	2 505 298	2 278 455	1 770 461	1 597 989	1 374 298	78,3%	62,8%	60,3%
PWR&I - Works	75 616	76 396	875 360	816 881	32 565	41 282	714 691	43,1%	54,0%	87,5%
Transport	27 915	43 021	-	-	2 056	7 699	-	7,4%	17,9%	0,0%
CoGHSTA	1 312 187	1 409 568	1 098 412	961 241	872 871	1 088 804	605 781	66,5%	77,2%	63,0%
Social Development	37 705	60 105	50 452	25 213	29 544	40 607	35 566	78,4%	67,6%	141,1%
Sport, Arts & Culture	44 404	54 828	79 759	57 239	30 651	42 147	31 996	69,0%	76,9%	55,9%
TOTAL	5 722 433	6 159 138	7 060 605	6 277 077	4 225 508	4 139 409	4 191 461	73,8%	67,2%	66,8%

As at 31 January 2021, the Provincial Infrastructure expenditure stood at R4.2 billion or 66.8 percent of the adjusted Provincial infrastructure budget, an increase of 9.0 percent from December 2020.

The expenditure was supposed to be in the region of about R5.3 billion, which represents 83.0 percent of the adjusted infrastructure budget in terms of the norm. The province is seventeen 17.0 percent or R 1.1 billion below the straight-line norm. The Provincial Infrastructure budget for the current financial year is as follows:

- Main appropriation: R7.1 billion against the R 5.6 billion for the 2019/20 financial year.

The overall Provincial Infrastructure Budget has increased by 27.0 percent or R 1.5 billion from the previous financial year. The increase is mainly due to the Department of Public Works, Roads and Infrastructure – the Works Component having included administrative costs like compensation of employees in the infrastructure budget. The budget was adjusted downwards to R 6.2 billion due to the Covid-19 pandemic. The second adjustment saw an increase to R 6.3 billion.

The Provincial Infrastructure Budget is primarily funded by Conditional Grants, representing 63.0 percent of the entire budget. The failure to spend has a huge impact on the Provincial Infrastructure Budget and service delivery. The expenditure on conditional grants was at 47.0 percent against 78.0 percent on equitable share as at end of January 2021.

- The Provincial Infrastructure Expenditure as at 31 January is recorded as follows:
 - 73.8 percent - 2018/19
 - 67.2 percent - 2019/20

- 66.8 percent - 2020/21

The expenditure for the current financial year is below all prior years, however, for the current financial year, the low expenditure for some departments can be attributed to the National Lockdown. As the restrictions are being eased, it is hoped that there will be some expenditure for the projects, which are under implementation – as can be observed. All departments recorded expenditure as at the end of January 2021.

All the departments were below the norm as at 31 January 2021, except for the Works component in the Department of Public Works, Roads and Infrastructure and Social Development at 87 percent (R714.7 million) and 118 percent (R29.7 million), respectively. There are still many GAPS that have been identified in the IRM, in particular that of aligning to the Table B5, the 2020 MTEF Database (the adjusted budget), BAS and IYM. The departments were provided with reports on areas where the quality is to be improved.

The recorded expenditure in the IRM was R3.718 billion; bringing about a difference of R701.4 million compared to the IYM, which is higher. The only departments where the adjusted budgets are aligned are Departments of Agriculture and Rural Development; Economic Development, Environment and Tourism and Sport, Arts and Culture. The departments with the expenditure aligned are Education, Agriculture and Rural Development, Economic Development, Environment and Tourism, Public Works, Roads and Infrastructure – Works Component and Sport, Arts and Culture. Work continues to be done to get all the departments aligned.

The compliance levels with the submission and approval of the IRM continue to improve, however there are still improvements required concerning the submission of signed-off reports. For the January 2021 IRM, all departments, did submit by the due date of 15 February 2021. All departments project to break-even by year-end following the adjusted budget, Provincial Treasury projects an under-expenditure.

7.1. Infrastructure delivery

7.1.1 Education

The EIG budget allocated to LDOE during 2020/21 FY was R1.3 million but was adjusted downwards to R976.0 million during the first adjustment budget. There was a roll-over of R159 million from 2019/20 FY resulting in the second adjusted budget of R1.2 million. LDoE in-house projects (R447 million for Sanitation projects and supply of mobile classrooms) The sanitation programme consists of the 215 School Sanitation projects (44 clusters) implemented by LDOE.

- schools are completed and handed over to end-users. 145 schools are under construction, 7 schools where the contractor refused to proceed with the works after award.
- 53 schools (11 clusters) are to be retendered.
- More schools are anticipated to reach practical completion before the end of 2020/21 FY.

- IDT [R 110 mil budget allocation]
 - busy with finalizing final accounts on various projects
 - Expenditure currently at R 73 million – with R 20 million committed for payment of final accounts – to be paid before end of 2020/21 FY.
 - Re-advertised tender for Rivoni special school closed in Jan 2021 and will be ready for implementation in April 2021.
- LDPWR&I (R 60 million budget allocation)
 - 6 schools were handed over to contractors – unlikely to accelerate expenditure.
 - The expenditure on the allocation of LDPWR&I is still low (R5.7 million)
 - Professional fee claims for design of 52 schools (R55.0 million). Discussions between LDPWR&I and LDoE are underway and are anticipated to be concluded in time in order to realise this expenditure.
- The Mvula Trust (R 93.0 million budget allocated]
 - IDT is projecting to spend R33,.0 million in February & March 2021.
 - R 5.5 million (invoices already submitted); R 11.4 million (old projects) and R 16.8 million for 25.0 percent of the newly appointed contractors.
 - R 345 mil of the EIG budget allocated to address the other COVID challenges (PPE and Sanitizers) as per Provincial Treasury approval. To date R220 million has been spent.
 - Expenditure was at 66.0 percent as of end of January 2021. There is a commitment to expend the allocated budget.

7.1.2 Health

- The appropriated budget has increased from R952.819 million to R 1.1 billion. Project and budget allocation for all implementing agents:
 - LDoH (129 projects and budget R 804 million with expenditure of R 412.0 million)
 - LDPWR&I (93 projects and budget R213 million with expenditure R 153.0 million);
 - IDT (56 projects and budget R 9.7 million with expenditure of R2.5 million)
 - and DBSA (23 projects and budget of R 2 mil; with expenditure of R 109 thousand).
- 86 projects at project initiation and pre-feasibility (budget: R145.0 million) have realised accelerated expenditure. These projects consisted of various facility maintenance projects that are all in the works phase - but not updated on the PIMS system – as previously reported.
- Expenditure at 59.0 percent % as at end of January 2021.Key areas to improve expenditure:
 - Relocatable – delivered and busy with closeout reports [R41 million]
 - Repairs and maintenance of critical beds for COVID [R25 million]
 - The 32 projects at various stages of construction [R 303 million], which includes the Maphutha Malatji OPD and the Letaba Hospital Contract A6 (combined projections of R 40.0 million for the two projects before end of 2020/21 FY).
 - R52.0 million transferred to the 5 districts for maintenance – these transfers have not reflected on the system.
 - Accelerate the review and processing of final accounts by IDT and LDPWR&I.
 - Laundry machines at Philadelphia hospital – expected delivery in January (R10 million).

- Other invoices under process: R 6 million for maintenance and R 2 mil for payment of fees to DBSA.
- The 35 projects in design phase, which includes the various laundry projects, EMS projects, hospital projects etc, will also realise expenditure on professional fees. Four of these projects are planned for advert in this financial year [Lebowakgomo EMS, Bosele EMS (re-advert), Malamulele laundry, Thabamopo Health support, – all under LDPWR&I.

7.1.3. Agriculture and Rural Development

- Initial Infrastructure budget – R220.2 million. The budget has been adjusted to R89.0 million in response to COVID-19 relief intervention. Most of the projects are on-site and the department anticipate overspending due to budget reduction. Implementing Agents:
 - DBSA (R 23 million allocated and expenditure at R21.0 million);
 - LPWR&I (R 4. 8 million with an expenditure of R 1.9 million) and own projects (R67.9 million with expenditure at R28. 2 million). Expenditure is currently at R51.4 million (equivalent to 58.0 percent). Slow progress on site is due to -
 - Delayed payment of contractors due to system challenges. The challenges have since been resolved and due to contractor cash flow.
- Department plans to expand the remainder of the allocated budget in February and March (balance of R 37. 5 million). Department requested to provide implementation plan to LPT & LDPWR&I. Key is to monitor progress on-site; ensure contractors recruit more labour to accelerate the works and expenditure.

7.1.4 Economic Development, Environment and Tourism

- The budget has been adjusted to R11.3 million from R6.6 mil (internal) Implementing agents – DBSA (9 projects and budget R 6.4 million) and LDPWR&I (10 projects and budget R4.9 mil) Expenditure currently at 72.0 percent of the adjusted budget. Department in receipt of invoices amounting to R2.9 million received in December 2020 from DBSA – to be paid in February 2021 Some of the projects that are implemented by DBSA were put on hold. At the initial budget adjustment due to COVID-19, DBSA had appointed service providers.
- LDPWRI has been issued a strategic brief for 2020/21 projects ranging from maintenance, upgrades and new works.
- Some of these projects on the strategic brief have had their funding cut, a request was issued to LDPWRI to assist with the designs in case the department finds itself in a position to implement. This will also assist with the readiness for 2021/22 financial year

7.1.5. Works, Roads and Infrastructure (Roads / Roads Agency Limpopo)

- The combined budget for both LDPWR&I – Roads and RAL is R 2.3 million. RAL (R1.3million) and the Department (R966 million).
- Department (in-house)
 - Projects implemented by the department have been awarded using the term contracts and are all on site due for completion in the current financial year and these are 22 Household based routine maintenance projects resumed.
 - Department has spent R749 mil of the allocated budget [77 percent].
 - Roads maintenance and construction material items for departmental road teams at various stages of procurement.
 - Procurement of protective clothing for in-house household beneficiaries at bid specification stage and list of beneficiaries received from respective local municipalities
- Roads Agency Limpopo
 - Of the 48 advertised tenders:
 - 9 are appointed and site handed over to Contractors;
 - 25 projects are at advanced stage of evaluation are due for site handover in February 2021;
 - Evaluations for the balance of the projects will be finalized between February and March 2021.
 - Target to issue appointment letters to service providers before end of the financial year.
 - Due to this, RAL projects to spend only 50 % of the PRMG and achieve an overall expenditure of 75 % of the allocated budget.
 - RAL to request rollover of non-spent but committed allocation of PRMG (R250 million). Discussions with Provincial Treasury and National Department of Transport are underway.
 - To reduce risk of over-commitment on PRMG, RAL has set-aside R300 million from PRMG allocation of 2021/22 [R650 million]. To advertise the tender if the rollover is granted.
- Public Works, Roads and Infrastructure (Works Component)
 - The budget has been adjusted from R25.6 million to R30.7 million. The contractors for Installation of Lifts and Refurbishment of 40 Paul Kruger have been appointed and are on site. Progress has been made and first payment for 40 Paul Kruger has been paid during January 2021. Commitment towards the first payment of lifts - to be done February 2021. This will take the overall expenditure above 80.0 percent.
 - Parliamentary Village has been procured through the maintenance term contract and the contractor is on site. The in-house maintenance projects are at construction stage and the procurement of building materials is done through three quotation system. Expenditure stood at 73 .0 percent at the end of January 2021.

7.1.6 Transport and Community Safety

- The budget adjusted again from R41.5 million to R32.6 million. Expenditure at 36.0 percent against an adjustment of R32. 6 million.
- LDPWR&I is the implementing agent; with SANRAL implementing Mampakuil Weigh Bridge. R15.0 million is allocated for Mampakuil is yet to be transferred to SANRAL– but will be done before end of financial year. LDPWR&I continue with monitoring of construction works at Limpopo Traffic Training College Accommodation Blocks A & B. The Thohoyandou and

Seshego K53 testing stations are at design stage; allocation of land is yet to be finalised. The Projects will be implemented by using in-house professional teams will design the projects – expenditure will only be realized only is special studies (Geotech and surveys). The department is likely to surrender R10 million in this financial year.

7.1.7 Cooperative Governance, Human Settlements and Traditional Affairs

- Database established for 3 years (2020/21 -2022/23). Implementation protocol signed with IA.
- Projects agreed upon - Projections for February & March 2021 – R94.2 million, will take the expenditure to 75.0 percent.
- Delay in return to sites due to declared State of Disaster. Contractors could only take sites in the second quarter of 2020. Finalisation of enrolments by NHBRC affected. Availability of materials in the sector & Change in development areas by municipalities. Revised safety requirements in line with Covid 19 safety regulations. Slow progress by mining towns contractors All projects are on-site – will continue with close monitoring.

7.1.8 Social Development

- The initial infrastructure budget before COVID19 was R50.0 million and reduced to 25.0 million. Expenditure end January 2021 – R27.9 million (or 111.0 percent of allocated budget). The department have already incurred expenditure of R5.3 million in early February and in receipt of R1.5 million invoice for March 2021. DSD projects submitted a revised letter to LPT to request additional funds of R10.5 million as indicated on the projections.

7.1.9 Sport, Arts and Culture

- Initial Infrastructure budget was R79. 8 million. The budget has been adjusted to R57. 2 million.
- 1 x project is at feasibility (the provincial theater). Provincial Treasury requested to allocate budget in the MTEF. The project is allocated to LDPWR&I for implementation. LDPWR&I will appoint PSPs to conduct designs through framework agreements in plane.
- 1 x project at tender [Schoemansdaal museum – currently at adjudication by LDPWR&I. All other projects are at construction stage. However, there is slow progress on some of the libraries implemented by IDT due to lack of steel material and COVID-19.
- Expenditure stood at 56.0 percent. The department is likely to spend only R40. 3 million and forfeit R17.0 million.

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 January 2021 amounts to R55.4 billion or 77.6 percent of the total adjusted budget of R71.3 billion. Of the R55.4 billion total expenditures, R49.1 billion or 79.8 percent is on equitable share and R6.2 billion or 63.6 percent on Conditional grant.

- As at the end of January 2021, the Province has collected an amount of R1.0 billion or 79.9 percent against the set adjusted own revenue projections of R991.3 million or 78.1 percent which reflect an over collection of R21.7 million or 1.7 percent. The over collection is mainly on motor vehicle license and interest on favourable bank balances by Transport and Community Safety and Provincial Treasury respectively.
- As at 31 January 2021, the province spent R4.2 billion or 66.8 percent of the adjusted Provincial infrastructure budget.
- Revenue collection and expenditure performance is monitored monthly and quarterly through IYM and IRM analysis reports and bilateral meetings with Departments.

Regards,



Pratt GC CA (SA)
HOD: Provincial Treasury

22/2/2021
Date