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PROVINCIAL TREASURY

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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 MAY 2020

1. Purpose

To submit to the forum a report on Limpopo Provincial Revenue and Expenditure as at 31 May 2020.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 May 2020 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 May 2020 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

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. This also enables departments to set informed payment terms with their service providers in the course of service delivery. These processes have not yet taken place this year due to delays in issuing of National Payments Schedule by National Treasury as a result of national lockdown and pending re-tabling of reprioritized budget by the Minister. The Draft National Payments Schedule was only received in June and our processes will follow upon receipt of the approved National Payments Schedule.

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 several payment tapes have already been released thus far to meet prior year's accruals and payables, statutory and other contractual obligations for the current financial year, including Covid-19 related payments. This was based on cash flow projections that were submitted to National Treasury by the 15th March and tapes were honored from the tranches already received by the province prior receipt of Draft National Payments Schedule.

Table 1: Funds received from National Revenue Fund for period up to 31 May 2020

R'000

Fund/Grant Names	Receipts from National Revenue Fund					
	Annual Budget	Cash Flows Against National Payments Schedule				Balance to Annual Budget
		Allocation 31-May-20	% Allocation 31-May-20	Actual Receipt 31-May-20	Deviation from Schedule	
Equitable Share	62,328,931	10,388,156	17%	10,388,156	-	51,940,775
Conditional Grants:-	9,890,179	2,007,464	20%	1,985,389	22,075	7,904,790
National School Nutrition Prog.	1,369,485	343,374	25%	335,196	8,178	1,034,289
HIV/AIDS	28,137	2,813	10%	2,813	-	25,324
Education Infrastructure	1,256,364	376,909	30%	376,909	-	879,455
Learner with profound intellectual disabilities	32,432	9,730	30%	9,730	-	22,702
Maths, Science and Technology	46,860	4,686	10%	4,686	-	42,174
Letsema Projects	70,480	-	0%	-	-	70,480
CASP	233,558	-	0%	-	-	233,558
Land Care Programme	12,970	-	0%	-	-	12,970
Health Facility Revitalisation	742,473	136,122	18%	136,122	-	606,351
Comprehensive HIV/AIDS	2,179,020	379,227	17%	379,227	-	1,799,793
National Tertiary Services	445,200	93,648	21%	93,648	-	351,552
Statutory Human Resources, Training & Dev.	232,171	38,698	17%	38,698	-	193,473
National Health Insurance	32,066	5,344	17%	-	5,344	32,066
Public Transport Operation	402,035	35,264	9%	35,264	-	366,771
Provincial Roads Maintainance	1,294,756	291,029	22%	291,029	-	1,003,727
Human Settlement Development	1,060,622	195,864	18%	195,864	-	864,758
Title Deed Restoration	37,790	-	0%	-	-	37,790
EPWP Integrated Grant	25,379	6,344	25%	-	6,344	25,379
Social Sector (EPWP) Incentive	59,073	14,768	25%	14,768	-	44,305
Early Childhood Development	127,724	33,255	26%	31,046	2,209	96,678
Mass Participation & Sport Development	58,363	11,673	20%	11,673	-	46,690
Community Library Services Grant	143,221	28,716	20%	28,716	-	114,505
Total National Payments	72,219,110	12,395,620	17%	12,373,545	22,075	59,845,565

According to the Draft National Payments Schedule the province was set to receive an amount of R12.4 billion comprising R10.4 billion in Equitable Share and R2.0 billion in Conditional Grants, representing 17 percent of the annual national payments as at end of May 2020. The province has instead received an amount of R12.4 billion where it was under-transferred by R22.1 million in four (4) Conditional Grants, viz National School Nutrition at R8.2 million, National Health Insurance at R5.3 million, EPWP Integrated grant at R6.3 million as well as Early Childhood Development grant at R2.2 million. Funds received during April and May did not have confirmation letters, hence none of the Conditional Grants were transferred to provincial departments as National Payments Schedule was not yet there for alternative reference due national lockdowns.

4.1. Actual Expenditure vs Cash Allocations and Actual Funds Transferred to departments for period up to 31 May 2020

An analysis of actual expenditure against cash allocations and actual funds transferred indicates departments' ability to plan and spend in line with their plans and that follows the table below: -.

Table 2: Actual Expenditure vs Cash Allocations and Actual Funds Transferred to departments for period up to 31 May 2020

Departments	Opening Bank Balances at 01-Apr-20 R' 000	Cash Allocation 31-May-20 R' 000	Actual Expenditure 31-May-20 R' 000	Tranfers To Departments 31-May-20 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	335 757	5 637 002	5 115 886	4 684 075	521 116	9,2%	431 811	8,4%
Health	91 751	3 810 401	3 670 165	3 590 443	140 236	3,7%	79 722	2,2%
Social Development	-562	359 738	270 141	285 457	89 597	24,9%	-15 316	-5,7%
Office of the Premier	18 155	70 064	58 838	55 216	11 226	16,0%	3 622	6,2%
Provincial Legislature	22 738	132 952	58 875	132 952	74 077	55,7%	-74 077	-125,8%
Agriculture & Rural Development	80 043	290 517	222 451	152 212	68 066	23,4%	70 239	31,6%
Provincial Treasury	26 406	76 390	56 521	25 686	19 869	26,0%	30 835	54,6%
LEDET	29 395	264 863	259 424	232 637	5 439	2,1%	26 787	10,3%
Transport	126 180	404 097	246 697	235 054	157 400	39,0%	11 643	4,7%
Public Works, Roads and Infrs.	436 792	691 159	268 436	269 660	422 723	61,2%	-1 224	-0,5%
CoGHSTA	85 671	425 708	217 783	138 519	207 925	48,8%	79 264	36,4%
Sport, Arts & Culture	57 598	81 129	65 367	66 360	15 762	19,4%	-993	-1,5%
Total	1 309 924	12 244 020	10 510 584	9 868 271	1 733 436	14,2%	642 313	6,1%
Equitable Share	787 580	10 236 556	9 974 430	9 868 271	262 126	2,6%	106 159	1,1%
Conditional Grants	506 934	2 007 464	536 154	-	1 471 310	73,3%	536 154	100,0%
Total	1 294 514	12 244 020	10 510 584	9 868 271	1 733 436	14,2%	642 313	6,1%

Departments opened the financial year with a group favourable bank balance amounting R1.310 billion, comprising 2019/20 preliminary underspending of R1.294 billion and the balance of own revenue collections which were not yet paid into Provincial Revenue Fund (PRF) by 31 March 2020. This preliminary underspending consists of R787.580 million in Equitable Share and R506.934 million in conditional grants and those are estimated amounts that departments are in the process of surrendering to PRF to await the roll-over process that will unfold shortly.

Comparing actual expenditure to cash allocations, departments under-spent their overall cash flow projections by R1.7 billion or 14.2 percent. Equitable Share underspent by R262.1 million or 2.6 percent while Conditional Grants underspent by R1.5 billion or 73.3 percent. This may be attributed to the national lockdown as majority of economic activities were at stand still over the two months.

Comparing actual transfers to departments against actual expenditure, Provincial Revenue Fund under-transferred departments by R642.3 million or 6.1 percent, with Equitable share under-transferred by 1.1 percent while Conditional Grant was under-transferred by 100.0 percent. Under-transfer in most departments was to try and off-set favourable opening bank balances that most departments were not available to do preliminary surrender as a result of national lockdown. Few departments were over-transferred for varying reasons. Department of Social Development had opened with overdrawn bank balance while it had Bank Credit

Transfer (BCT) payments that were disbursed in March but could not be processed by 31 March due to budget and cash flow challenges and it prioritized those in April. Provincial Legislature was over-transferred as a result of Auditor-General's pressure that we delink it to be on its 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. Departments of Public Works, Roads & Infrastructure and Sport, Arts and Culture were also over-transferred by minor amounts for reasons relating to inadequate funds to surrender 2019/20 unspent funds in line with preliminary underspending.

4.2. Interest Performance

Table 3: Interest Performance

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											25,334
Commercial Bank (absa)	2,163	4,176											6,339
Total	14,711	19,296	-	-	-	-	-	-	-	-	-	-	34,007

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)	-	-											-
CPD (SA Reserve Bank)	14,225	19,417											33,642
Commercial Bank (absa)	2,178	2,312											4,490
Total	16,403	21,729	-	-	-	-	-	-	-	-	-	-	38,132

-24.70%

-10.82%

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

In terms of the table above, the province recorded a 10.82 percent decline in interest revenue from R38.132 million during same period in 2019/20 to R34.007 million this financial year. The decline was mainly on CPD account which dropped 24.70 percent and that may be attributed to a sharp decline in interest rates due to recent downgrades that was coupled with national lockdowns following Covid-19 outbreak. The provincial cash reserve has also drastically reduced as was utilized to fund priorities and budget pressures year-on-year.

5. Provincial Expenditure

Table 4: Provincial overall expenditure as at 31 May 2020

	Main Appropriation	Projected outcome	Actual spending as at 30 May 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand							
Education	33 893 648	33 475 773	5 115 886	15,1%	-	417 875	1,2%
Health	22 142 941	23 359 813	3 670 165	16,6%	-1 216 872	-	-5,5%
Social Development	2 360 027	2 161 531	270 141	11,4%	-	198 496	8,4%
Office Of The Premier	450 205	393 722	58 838	13,1%	-	56 483	12,5%
Provincial Legislature	385 137	363 973	58 875	15,3%	-	21 164	5,5%
Agriculture	2 031 311	1 731 930	222 451	11,0%	-	299 381	14,7%
Provincial Treasury	521 312	441 113	56 521	10,8%	-	80 199	15,4%
Economic Development, Environment And Tourism	1 706 008	1 285 131	259 424	15,2%	-	420 877	24,7%
Transport and Community Safety	2 454 549	2 312 819	246 697	10,1%	-	141 730	5,8%
Public Works, Roads And Infrastructure	3 859 787	3 859 787	268 436	7,0%	-	-	0,0%
Cooperative Governance, Human Settlements and Urban Development	2 466 516	2 352 208	217 783	8,8%	-	114 308	4,6%
Sport, Arts And Culture	524 882	466 515	65 367	12,5%	-	58 367	11,1%
Total	72 796 323	72 204 315	10 510 584	14,4%	-1 216 872	1 808 880	0,8%
Economic classification					Net		
					592 008		
Current payments	62 162 742	62 127 069	9 344 407	15,0%	-163 631	199 304	-0,3%
Compensation of employees	50 818 159	50 618 855	8 026 452	15,8%	-	199 304	0,4%
Goods and services	11 343 637	11 507 268	1 317 955	11,6%	-163 631	-	-1,4%
Interest and rent on land	946	946	-	0,0%	-	-	0,0%
Transfers and subsidies	8 081 034	7 510 524	1 064 905	13,2%	-	570 510	7,1%
Payments for capital assets	2 552 547	2 566 722	101 272	4,0%	-14 175	-	-0,6%
Total	72 796 323	72 204 315	10 510 584	14,4%	-177 806	769 814	0,8%
* Available funds refers to adjusted budget including any post adjustment (Virements and shi					Net	592 008	

Overall the provincial expenditure is R10.5 billion representing 14.4 percent spending of the R72.8 billion allocated budget. Hereunder is the synopsis of provincial expenditure as at 31 May 2020

- **Compensation of Employees (CoE)** spent R8.0 billion or 15.8 percent of the total budget of R50.8 million
- **Goods and Services** spent R1.3 billion or 11.6 percent of the total budget of R11.3 billion.
- **Transfers and subsidies** recorded an expenditure of R1.1 billion or 13.2 percent of the total budget of R8.1 billion.
- **Payment for Capital Assets** spent R101.3 million or 4.0 of the total budget of R2.6 billion.

The department of Health is projecting to overspend by R1.217 billion or 5.5 percent, while Education, Social Development, Office of the Premier, Legislature, Agriculture, Provincial Treasury, CoGHSTA and Sport, Arts and Culture, Transport and Community Safety and LEDET are projecting to underspend by R1.809 billion. Overall the Province is projecting to underspend by R592.0 million or 0.8 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 5: Compensation of Employees as at 31 May 2020

	Main Appropriation	Projected outcome	Actual as at 30 May 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand							
Education	27 050 417	26 950 417	4 262 147	15,8%	–	100 000	0,4%
Health	16 127 301	16 307 724	2 607 057	16,2%	-180 423	–	-1,1%
Social Development	1 356 928	1 258 599	199 458	14,7%	–	98 329	7,2%
Office of the Premier	331 134	321 634	50 584	15,3%	–	9 500	2,9%
Provincial Legislature	224 475	225 906	37 406	16,7%	-1 431	–	-0,6%
Agriculture	1 231 924	1 139 698	179 989	14,6%	–	92 226	7,5%
Provincial Treasury	339 096	318 544	48 771	14,4%	–	20 552	6,1%
Economic Development	608 016	590 357	91 321	15,0%	–	17 659	2,9%
Transport and Community Safety	1 118 546	1 118 546	184 245	16,5%	–	–	0,0%
Public Works, Roads and Infrastructure	1 159 073	1 159 073	167 303	14,4%	–	–	0,0%
Cooperative Governance, Human Settlement	1 045 221	1 024 570	165 159	15,8%	–	20 651	2,0%
Sport , Arts and Culture	226 028	203 787	33 012	14,6%	–	22 241	9,8%
Total	50 818 159	50 618 855	8 026 452	15,8%	-181 854	381 158	0,4%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)					Net	199 304	

The overall provincial CoE spending is at R8.0 billion or 15.8 percent. The highest percentage spending departments are Health at R2.6 billion or 16.2 percent, Legislature at 16.7 percent or R37.4 million, Transport and Community Safety at 16.5 percent or R184.2 million. Overall the Province is projecting to underspend by R199.3 million or 0.4 percent.

5.1.2. Goods and Services

Table 6: Goods and Services as at 31 May 2020

R thousand	Main Appropriation	Projected outcome	Actual as at 30 May 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	3 030 006	2 747 554	70 352	2,3%	-	282 452	9,3%
Health	5 096 217	5 881 282	988 917	19,4%	-785 065	-	-15,4%
Social Development	309 577	248 094	31 204	10,1%	-	61 483	19,9%
Office of the Premier	108 917	63 922	7 897	7,3%	-	44 995	41,3%
Provincial Legislature	71 246	49 826	2 383	3,3%	-	21 420	30,1%
Agriculture	467 185	531 475	35 016	7,5%	-64 290	-	-13,8%
Provincial Treasury	159 865	107 724	7 337	4,6%	-	52 141	32,6%
Economic Development	279 301	168 007	27 311	9,8%	-	111 294	39,8%
Transport and Community Safety	377 147	346 432	38 809	10,3%	-	30 715	8,1%
Public Works, Roads and Infrastructure	1 014 543	1 014 543	62 781	6,2%	-	-	0,0%
Cooperative Governace, Human Settlement	229 717	163 019	26 279	11,4%	-	66 698	29,0%
Sport , Arts and Culture	199 916	185 390	19 669	9,8%	-	14 526	7,3%
Total	11 343 637	11 507 268	1 317 955	11,6%	-849 355	685 724	-1,4%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)					Net	-163 631	

The overall spending on Goods and Services is at R1.3 billion or 11.6 percent of the total budget of R11.3 billion. The highest percentage spending departments are Health, CoGHSTA and Transport and Community Safety at R988.9 million or 19.4 percent, R26.3 million or 11.4 percent and R38.8 million or 10.3 percent respectively. Department of Health and Agriculture are projecting to overspend by R849.4 million. The Province is projecting to overspend by R163.6 million or 1.4 percent.

5.1.3. Transfers and subsidies

Table 7: Transfers and subsidies as at 31 May 2020

	Main Appropriation	Projected outcome	Actual as at 30 May 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand							
Education	2 583 701	2 583 701	771 926	29,9%	-	-	0,0%
Health	169 245	169 245	21 181	12,5%	-	-	0,0%
Social Development	624 169	624 169	24 792	4,0%	-	-	0,0%
Office of the Premier	5 645	5 645	205	3,6%	-	-	0,0%
Provincial Legislature	81 342	81 342	19 086	23,5%	-	-	0,0%
Agriculture	241 970	17 875	6 829	2,8%	-	224 095	92,6%
Provincial Treasury	4 736	5 137	401	8,5%	-401	-	0,0%
Economic Development	769 393	519 592	140 739	18,3%	-	249 801	32,5%
Transport and Community Safety	898 133	801 118	22 375	2,5%	-	97 015	10,8%
Public Works, Roads and Infrastructure	1 561 741	1 561 741	29 313	1,9%	-	-	0,0%
Cooperative Governace, Human Settlement	1 131 634	1 131 634	25 326	2,2%	-	-	0,0%
Sport , Arts and Culture	9 325	9 325	2 732	29,3%	-	-	0,0%
Total	8 081 034	7 510 524	1 064 905	13,2%	-401	570 911	7,1%
* Available funds refers to adjusted budget including any post adjustment (Virements and shi					Net	570 510	

The province spent R1.1 billion or 13.2 percent of the total budget of R8.1 billion on Transfers and subsidies. The highest percentage spending departments are Education, Legislature and Sport, Arts and Culture at R771.9 million or 29.9 percent, R19.1 million or 23.5 percent and R2.7 million or 29.3 percent respectively. The Province is projecting to underspend by R570.5 million or 7.1 percent.

5.1.4. Payment for Capital Assets

Table 8: Payment for Capital Assets as at 31 May 2020

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 30 May 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 229 524	1 229 524	1 194 101	11 461	0,9%	-	35 423	0,0%
Health	750 178	750 178	1 001 562	53 010	7,1%	-251 384	-	-33,5%
Social Development	69 353	69 353	30 669	14 687	21,2%	-	38 684	0,0%
Office of the Premier	4 509	4 509	2 521	152	3,4%	-	1 988	0,0%
Provincial Legislature	8 074	8 074	6 899	-	0,0%	-	1 175	14,6%
Agriculture	90 232	90 232	42 882	617	0,7%	-	47 350	52,5%
Provincial Treasury	17 615	17 615	9 708	12	0,1%	-	7 907	44,9%
Economic Development	48 352	48 352	6 229	53	0,1%	-	42 123	0,0%
Transport and Community Safety	60 723	60 723	46 723	1 268	2,1%	-	14 000	0,0%
Public Works, Roads and Infrastructure	124 430	124 430	124 430	9 039	7,3%	-	-	0,0%
Cooperative Governance, Human Settlement	59 944	59 944	32 985	1 019	1,7%	-	26 959	0,0%
Sport, Arts and Culture	89 613	89 613	68 013	9 954	11,1%	-	21 600	0,0%
Total	2 552 547	2 552 547	2 566 722	101 272	4,0%	-251 384	237 209	-0,6%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	-14 175	

The overall provincial expenditure on Payment for Capital Assets is at R101.3 million or 4.0 percent of the total budget of R2.6 billion. The provincial spending on this classification is expected to improve during the coming quarters. The Province is projecting to overspend by R14.2 million or 0.6 percent.

5.2. Equitable share spending

Table 9: Equitable share spending as at 31 May 2020

	Main Appropriation	Actual as at 31 May 2020	Actual spending as % of budget	Projected Outcome- May 2020	Variance
Education	31 137 468	5 084 731	16,3%	30 719 593	417 875
Health	18 483 725	3 256 816	17,6%	19 700 597	(1 216 872)
Social Development	2 220 349	267 909	12,1%	2 021 853	198 496
Office of the Premier	450 205	58 838	13,1%	393 722	56 483
Provincial Legislature	385 137	58 875	15,3%	363 973	21 164
Agriculture	1 707 693	208 718	12,2%	1 408 312	299 381
Provincial Treasury	521 312	56 521	10,8%	441 113	80 199
Economic Development, Environment and Natural Resources	1 703 014	259 290	15,2%	1 282 137	420 877
Transport and Community Safety	2 050 514	246 697	12,0%	1 908 784	141 730
Public Works, Roads and Infrastructure	2 559 325	237 876	9,3%	2 559 325	-
Cooperative Governance, Human Settlements and Urban Development	1 366 104	194 156	14,2%	1 251 796	114 308
Sport, Arts and Culture	321 298	44 003	13,7%	262 931	58 367
Total	62 906 144	9 974 430	15,9%	62 314 136	592 008
Economic classification					
Current payments	56 870 470	8 894 394	15,64%	56 834 797	35 673
Compensation of employees	49 391 865	7 817 361	15,8%	49 192 561	199 304
Goods and Services	7 478 605	1 077 033	14,4%	7 642 236	(163 631)
Interest and rent on land	946	-	0,0%	946	-
Current transfers and subsidies	5 366 903	1 030 566	19,2%	4 796 393	570 510
Payments for capital assets	667 825	49 470	7,4%	682 000	(14 175)
Payments for financial assets	-	-	100,0%	-	-
Total	62 906 144	9 974 430	15,9%	62 314 136	592 008

Provincial equitable share spending is at R9.9 billion or 15.9 percent of the total budget of R62.9 billion. The highest percentage spending departments are Health at R3.3 billion or 17.6 percent, Legislature at R58.9 million or 15.3 percent and Education at R5.1 billion or 16.3 percent. The Province is projecting to underspend by R592.0 million.

5.3. Conditional Grants

Table 10: Conditional Grants spending per department as at 31 May 2020

	Main Appropriation	Actual as at 31 May 2020	Actual spending as % of budget	Projected Outcome- May 2020	Variance
Education	2 756 180	31 155	1,1%	2 756 180	-
Health	3 659 216	413 349	11,3%	3 659 216	-
Social Development	139 678	2 232	1,6%	139 678	-
Public Works , Roads and Infras	1 300 462	30 560	2,3%	1 300 462	-
Agriculture	323 618	13 733	4,2%	323 618	-
Transport and Community Safe	404 035	-	0,0%	404 035	-
CoGHSTA	1 100 412	23 627	2,1%	1 100 412	-
Sport, Arts and Culture	203 584	21 364	10,5%	203 584	-
Community Safety	-	-	0,0%	-	-
Economic Development	2 994	134	4,5%	2 994	-
Total	9 890 179	536 154	5,4%	9 890 179	-
Current payments	5 291 326	450 013	8,50%	5 291 326	-
Compensation of employees	1 426 294	209 091	14,7%	1 426 294	-
Goods and Services	3 865 032	240 922	6,2%	3 865 032	-
Current transfers and subsidies	2 714 131	34 339	1,3%	2 714 131	-
Payments for capital assets	1 884 722	51 802	2,7%	1 884 722	-
Total	9 890 179	536 154	5,4%	9 890 179	-

The CGs' overall expenditure is at R536.1 million or 5.4 percent of the total budget of R9.9 billion. Spending by Departments has regressed as compared to the same period of the previous financial year which was R970.4 million or 10.7 percent. The highest percentage spending department is Sport, Arts and Culture 10.5 percent or R21.4 million of the total budget of R203.6 million, Health at 10.7 percent or R970.4 million and LEDET at 4.5 percent or R0.134 million.

Table 11: Limpopo Conditional Grant spending per grant as at 31 May 2020.

R thousand	Budget	Provincial Actual Payments	Actual Payments as a % of budget
Agriculture	323 618	13 733	4,2%
Comprehensive Agricultural Support Programme	233 558	10 561	4,5%
Ilima/Letsema Projects Grant	70 480	2 827	4,0%
EPWP Integrated grant	6 610	345	5,2%
Land Care Programme Grant	12 970	–	0,0%
Sport, Arts and Culture	203 584	21 364	10,5%
Mass Sport and Recreation Programme	58 363	3 840	6,6%
EPWP Integrated grant	2 000	–	0,0%
Community Library Services Grant	143 221	17 524	12,2%
Education	2 756 180	31 155	1,1%
HIV and Aids (Life Skills Education) Grant	28 137	503	1,8%
National School Nutrition Programme Grant	1 369 485	13 798	1,0%
Infrastructure Grant	1 256 364	13 463	1,1%
Maths, Science and Technology	46 860	394	0,8%
Learners with Profound Intellectual Disabilities	32 432	2 785	8,6%
Social sector EPWP grant	20 833	212	1,0%
EPWP Incentive allocation	2 069	–	0,0%
Health	3 659 216	413 349	11,3%
Comprehensive HIV and Aids Grant	2 179 020	233 506	10,7%
Community Outreach Services Component	337 473	–	0,0%
Comprehensive HIV, AIDS Component	1 693 259	233 506	13,8%
Human Papillomavirus Vaccine Grant	30 604	–	0,0%
Malaria Component	70 370	–	0,0%
Tuberculosis Component	47 314	–	0,0%
Human Resources and Health Professions	232 171	34 012	14,6%
Statutory Human Resources	74 547	34 012	45,6%
Training and Development	157 624	–	0,0%
EPWP Social Sector	28 286	5 510	19,5%
Hospital Revitalisation Grant	742 473	78 449	10,6%
Health Insurance	32 066	491	1,5%
National Tertiary Services Grant	445 200	61 381	13,8%
COGHSTA	1 100 412	23 627	2,1%
Integrated Housing & Human Settlements Development	1 060 622	23 627	2,2%
Deeds Restoration	37 790	–	0,0%
EPWP Incentive allocation	2 000	–	0,0%
Public Works, Roads and Infrastructure	1 300 462	30 560	2,3%
Infrastructure Grant	1 164 756	28 931	2,5%
Flood Damage Roads Maintenance Grant	130 000	–	0,0%
EPWP Integrated grant	5 706	1 629	28,5%
Economic Development	2 994	134	4,5%
EPWP Incentive grant	2 994	134	4,5%
Social Development	139 678	2 232	1,6%
Early Childhood development	127 724	858	0,7%
EPWP Integrated grant	2 000	985	49,3%
EPWP Social sector grant	9 954	389	3,9%
Transport and Community Safety	404 035	–	0,0%
Public Transport Operations Grant	402 035	–	0,0%
EPWP incentive grant	2 000	–	0,0%
Total	9 890 179	536 154	5,4%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R13.7 million or 4.2 percent of the total budget of R323.6 million.

- **Comprehensive Agricultural Support programme** spent 4.5 percent or R10.6 million of the total budget of R233.6 million.
- **Land care** - did not spend during the period
- **ILLIMA/LETSEMA** spend R2.8 million or 4.0 percent
- **EPWP incentive grant** spend R0.345 million or 5.2 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R21.4 million or 10.5 percent of the total budget of R203.6 million.

- **Mass Sport and Recreation Programme** spent R3.8 million or 6.6 percent of the total budget of R58.4 million.
- **Community Library Services** spent R17.5 million or 12.2 percent of the total budget of R143.2 million.
- **EPWP Incentive grant** – did not spend during the period.

5.3.3. Education

Overall spending by the department is at R31.2 million or 1.1 percent of the total budget of R2.8 billion.

- **HIV/AIDS Life skills** spent R0.503 million or 1.8 percent of the total budget of R28.1 million.
- **National School Nutrition Programme** spent R13.8 million or 1.0 percent of the total budget of R1.4 billion.
- **Infrastructure grant** spent R13.4 million or 1.1 percent of the total budget of R1.3 billion.
- **Maths, Science and Technology** spend R0.394 million or 0.8 percent of the total budget of R46.9 million.
- **EPWP Social sector** grant spend R0.212 million or 1.0 percent.
- **EPWP Incentive Grant** did not record any expenditure for the month.
- **Learners with Profound Intellectual Disabilities** – spent R2.8 million or 8.6 percent of the total budget of R32.4 million.

5.3.4. Health

The overall spending on CG is R413.3 million or 11.3 percent of the total budget of R3.7 billion.

- **HIV and AIDS** - spent 13.8 percent or R233.5 million of the total budget of R2.2 billion. The underspending is as a result of delayed implementation of the business plan due to National State of Disaster and lockdown. Reprioritized activities and amended business plan has already been submitted to Provincial Treasury and National Department of Health for approval amid the current State of National Disaster lockdown. Awaiting delivery of ARVs and invoices to the value of R111.9 million from service providers.
- **EPWP Social Sector** grant spend R5.5 million or 19.5 percent of the total budget of R28.3 million. EPWP beneficiaries paid accordingly up to May 2020

National Tertiary Services grant spent R61.4 million or 13.8 percent of the total budget of R445.2 million. The overall underspending is as a result of 10 specialists, 3 senior medical officers and nurses that have resigned before the beginning of the financial year. The underspending is also as a result of delay in delivery of Laparoscopy machines, Operating tables, Ventilators, mobile suction machine and other medical equipment.

- **Human Resources and Health Professions Training and Development** grant has recorded expenditure of R34.0 million or 14.6 percent of the total budget of R232.2 million. The overall expenditure pattern is in line with the business plan.
- **Health Facilities Revitalization grant** spent 10.6 percent or R78.4 million of the total budget of R742.5 million. The underspending is largely due to activities in various projects that came to halt as a result covid-19 lockdown. The delay in delivery of echocardiography machine, X-ray apparatus ceiling machine and laundry iron folding machine also contributed to the underspending to this effect and water treatment service project.
- **Human papilloma virus vaccine grant** – did not spend. The expenditure is anticipated to be incurred during the second round of 2020 campaign but due to covid-19 pandemic that will affect it, the business plan has been revised in order to allow the spending on other activities within the grant. The revised business plan will be submitted to Provincial Treasury and National Department of Health for approval.
- **Health Insurance grant** - has recorded expenditure of R0.491 million or 1.5 percent of the total budget of R32.1 million. The underspending is as a result of the suspension of surgical procedures in private hospitals due to covid-19.

5.3.5 CoGHSTA

In overall, the department spent R23.6 million or 2.1 percent of the total budget of R1.1 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R23.6 million or 2.2 percent of the budget of R1.1 billion.

Deeds Restoration grant did not spend.

- and **EPWP grant** reflected zero spending by end of April 2020

5.3.6 LEDET

The department spend R0.134 million or 4.5 percent.

5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R30.6 million or 2.3 percent of the budget of R1.3 billion.

- **Infrastructure grant** – spend R28.9 million or 2.5 percent of the total budget of R1.2 billion.
- **Flood Damaged Roads Infrastructure** – did not spend.
- **EPWP grant** – spend R1.6 million or 28.5 percent of the total budget of R5.7 million.

5.3.8. Transport and Community Safety

- The department has not yet spent its allocated budget of R404.0 million.

5.3.9. Social Development

Overall spending by the department is R2.2 million or 1.6 percent of the total budget of R139.7 million.

- **Early Childhood Development grant** - recorded an expenditure of R0.858 million or 0.7 percent of the total budget of R127.7 million.
- **EPWP social sector grant** - spent R0.389 million or 3.9 percent of the budget of R9.9 million.
- **EPWP integrated grant** - spent R0.985 million or 49.3 percent of the budget of R2.0 million.

6. Covid-19 spending report.

Table 12: COVID -19 expenditure

R'000	BUDGET	Commitments as at 31 May 2020	Actual Expenditure as at 31 May 2020	Commitment + Expenditure	Available Budget	% Expenditure and Commitment Year to Date	% Actual Expenditure Year to Date
Education	15 037	500	-	500	15 037	3,3%	0,0%
Health	42 449	484	282 758	283 242	(240 309)	667,3%	666,1%
Social Development	1 500	-	184	184	1 316	12,3%	12,3%
Agriculture	32 000	2 951	-	2 951	32 000	9,2%	0,0%
Treasury	159	55	40	95	119	59,7%	25,2%
Economic Development	1 268	366	-	366	1 268	28,9%	0,0%
Premier	1 611	-	-	-	1 611	0,0%	0,0%
Legislature	1 000	-	344	344	656	34,4%	34,4%
Transport and Community Safety	3 000	649	2 311	2 960	689	98,7%	77,0%
Public Works , Roads and Infrastructure	300	-	298	298	2	99,3%	99,3%
Cooperative Governance, Human Settlement and Traditional Affairs	1 150	1 037	-	1 037	113	90,2%	0,0%
Sport, Arts and Culture	1 130	344	-	344	1 130	30,4%	0,0%
TOTAL	100 604	6 386	285 935	292 321	(191 717)	290,6%	284,2%
Economic classification							
	BUDGET	Commitments as at 31 May 2020	Actual Expenditure as at 31 May 2020	Commitment + Expenditure	Available Budget	% Expenditure and Commitment Year to Date	% Actual Expenditure Year to Date
Compensation of employees	-	-	-	-	-	0,0%	0,0%
Goods and services	85 656	6 146	285 726	291 872	-206 216	340,7%	333,6%
Sanitisers	17 011	1 384	799	1 133	15 878	6,7%	4,7%
Masks	1 190	105	948	109	1 081	9,2%	79,7%
Gloves	469	20	298	18	451	3,8%	63,5%
Sanitisation by service providers eg. Buildings	1 600	448	834	382	1 218	23,9%	52,1%
Any other goods and services COVID related expenditure	65 386	4 189	282 847	4 133	61 253	8,3%	432,6%
Transfers and subsidies	-	-	-	-	-	0,0%	0,0%
Provincial and Local Governments	-	-	-	-	-	0,0%	0,0%
Non Profit Institutions	-	-	-	-	-	0,0%	0,0%
Households	-	-	-	-	-	0,0%	0,0%
Any other transfer expenditure related to COVID-19	-	-	-	-	-	0,0%	0,0%
Payments for Capital Assets	13 798	240	209	449	13 349	3,3%	1,5%
Buildings and other structure	-	-	-	-	-	0,0%	0,0%
Machinery and Equipments	-	240	209	449	-449	0,0%	0,0%
Any other payment for capital assets expenditure related to COVID-19	13 798	-	-	-	13 798		
Total expenditure	100 604	6 386	285 935	292 321	(191 717)	290,6%	284,2%

The Provincial departments has so far spent R285.9 million or 284.2 percent on COVID19 pandemic.

7. Provincial Own Revenue

Table 13: Provincial own revenue collection per vote as at 31 May 2020.

BUDGET AND REVENUE COLLECTION AS AT 31 MAY 2020												
Summary of Provincial Own Receipts as per Departments (Votes)												
Departments (Votes)	Main appropriation 2020/21	Projections as at end of May 2020	Projections as % of main appropriation	Actual Collection as at end May 2020	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of main appropriation	Main appropriation 2019/20	Actual Collection as end May 2019	Actual collection as % of main appropriation
	R'000	R'000		R'000		R'000	R'000	R'000		R'000	R'000	
Office of the Premier	608	71	11,7%	69	11,4%	537	606	(2)	-0,3%	583	68	11,6%
Education	51 034	8 435	16,5%	5 503	10,8%	42 599	48 102	(2 932)	-5,7%	43 826	6 052	13,8%
Agriculture & Rural Development	12 320	1 444	11,7%	162	1,3%	10 875	11 038	(1 282)	-10,4%	11 722	690	5,9%
Provincial Treasury	247 781	42 104	17,0%	20 477	8,3%	205 677	226 154	(21 627)	-8,7%	260 874	39 501	14,1%
Economic Development, Environment & Tourism	167 883	22 706	13,5%	1 198	0,7%	144 977	146 175	(21 508)	-12,8%	158 941	22 609	14,2%
Health	212 297	27 481	12,9%	20 706	9,8%	184 816	205 522	(6 775)	-3,2%	193 610	27 001	13,9%
Transport & Community Safety	651 293	105 131	16,1%	10 682	1,6%	546 163	556 845	(94 448)	-14,5%	564 740	100 969	17,3%
Public Works, Roads & Infrastructure	34 862	4 856	13,9%	4 911	14,0%	30 106	35 017	55	0,2%	30 438	5 070	16,7%
Sport, Arts & Culture	2 253	122	5,4%	69	3,1%	2 131	2 200	(53)	-2,4%	2 224	75	3,4%
Co-operative Governance, Human Settlements & Traditional Affairs	5 323	725	13,6%	227	4,3%	4 598	4 825	(498)	-9,4%	5 119	719	14,0%
Social Development	2 500	339	13,5%	323	12,9%	2 162	2 485	(16)	-0,6%	4 182	609	14,6%
Total provincial own receipts	1 388 064	213 414	15,4%	64 329	4,6%	1 174 640	1 238 969	(149 085)	-10,7%	1 316 258	203 363	15,5%

The main revenue appropriated target for 2020/21 financial year is R1.4 billion. As at the end of May 2020, the Province has collected an amount of R64.3 million or 4.6 percent against the set own revenue projections of R213.4 million or 15.4 percent of the original target which reflect a significant under collection of R149.1 million or 10.7 percent. The under collection is mainly on motor vehicle licences, casino & horse racing taxes, interest and patient fees by Departments of Transport and Community Safety; LEDET, Treasury and Health respectively. The under collection is mainly influenced by slow or lack thereof of economic activities due to enforced lockdown as a result of resurgence of covid-19 pandemic. Other main contributing items to under collections are due to slow recovery of previous year's expenditure related debts, penalties on motor vehicle licenses and abnormal load permits by Departments of Education and Transport & Community Safety respectively. The collection is by far below that of the previous year corresponding period of R203.4 million or 15.5 percent.

7.1. Out of eleven (11) Departments, nine (9) collected below their set own revenue projections as follows:

7.1.1. Education (Original Target is R51.0 million)

The Department collected R5.5 million or 10.8 percent against the set own revenue projections of R8.4 million or 16.5 percent of the original target. Under collection of R2.9 million or 5.7 percent is mainly due to less recovery of departmental debts and previous years' expenditure related debts than anticipated.

7.1.2. Agriculture and Rural Development (Original is R12.3 million)

As at the end of May 2020, the Department collected R0.162 million or 1.3 percent against the set own revenue projections of R1.4 million or 11.7 percent of the original target. Under collection of R1.2 million or 10.4 percent is mainly due to poor or less collection on academic and boarding services from Agricultural colleges as a result of suspension of academic activities due to enforced lockdown.

7.1.3. Provincial Treasury (Original Target is R247.8 million)

As at 31st of May 2020, actual collection is R20.4 million or 8.3 percent against the set own revenue projections of R42.1 million or 17.0 percent of the original target. Under collection of R21.6 million or 8.7 percent is due to less interest earned from favourable provincial bank balances however, collection on this item is unpredictable.

7.1.4. Economic Development, Environment & Tourism (Original Target is R167.7 million)

Collection as at the 31st May 2020 amounts to R1.1 million or 0.7 percent against the set own revenue projections of R22.7 million or 13.5 percent of the original target. Significant under collection of R21.5 million or 8.7 percent is mainly on casino and horse racing taxes from tax receipts as well as on entrance fees from resorts revenue due to lack of public participation of gambling activities and tourism revenue as a result of lockdown. The Department recorded no uncaptured receipts as at the end of May 2020 compared to R0.340 recorded in May 2019.

7.1.5. Health (Original Target is R212.3 million)

The Department collected R20.7 million or 9.8 percent against the set own revenue projections of R27.4 million or 12.9 percent of the original target. Under collection of R6.7 million or 3.2 percent is mainly on patient fee. The Department recorded uncaptured receipts amounting to R1.2 million as at the end of May 2020 compared to R1.6 million in May 2019.

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

As at end of May 2020, the Department collected R10.6 million or 1.6 percent against the set own revenue projections of R105.1 million or 16.1 percent of the original target. The significant under collection of R94.4 million or 14.5 percent is mainly on motor vehicle licenses, penalties on motor vehicle licenses, abnormal load licenses and traffic fines influence by or lack of economic activities as a result of the enforced lockdown. The Department recorded uncaptured receipts amounting to R0.042 as at May 2020 compared to R0.554 in May 2019.

7.1.7. Sport, Arts & Culture (Original Target is R2.3 million)

As at the end of May 2020, actual collection for the Department is R0.069 million or 3.1 percent against set own revenue projections of R0.122 million or 5.4 percent of the original target. Under

collection of R0.053 million or 2.4 percent is mainly influenced by no recovery of previous years' expenditure debts.

7.1.8. Co-operative Governance, Human Settlements & Traditional Affairs (Original Target is R5.3 million)

The actual collection as at the end of May 2020 amounts to R0.227 million or 4.3 percent against the set own revenue projections of R0.725 million or 13.6 percent of the original target. The under collection of R0.498 million or 9.4 percent is mainly due to less recovery of previous year's expenditure related debts than anticipated.

7.1.9. Social Development (Original Target is R2.5 million)

The Department collected R0.323 million or 12.9 percent against the set own revenue projections of R0.339 million or 13.5 percent of the original target. Collection is almost in line with the projections however, with an insignificant under collection mainly due to less recovery of previous year's expenditure related debts.

7.2. However, the following two (2) Departments collected above their set own revenue projections:

7.2.1. Office of the Premier (Original Target is R0.608 million)

An amount of R0.069 million or 11.4 percent has been collected against the set own revenue projections of R0.071 million or 11.7 percent of the original target. The office has collected in line with the projections.

7.2.2. Public Works, Roads and Infrastructure (Original Target is R34.9 million)

The Department collected R4.9 million or 14.0 percent against set own revenue projections of R4.8 million or 13.9 percent of the original target. Over collection of R0.055 million or 0.2 percent is mainly due to once-off recovery of previous year's expenditure related debts and improved collection on property rentals.

7.3. Own revenue per economic classification

Table 14: Provincial own revenue collection per economic classification as at 31st May 2020.

Summary of Provincial Own Receipts as per Economic Classification												
Items (Revenue Sources)	Main appropriation 2020/21	Projections as at end of May 2020	Projections as % of main appropriation	Actual Collection as at end May 2020	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variances Over / (Under) Collection as of main appropriation	Main appropriation 2019/20	Actual Collection as end May 2019	Actual collection as % of main appropriation
Tax receipts	660 665	107 195	16,2%	7 644	1,2%	553 470	561 114	-99 551	-15,1%	604 232	104 615	17,3%
<i>Casino taxes</i>	67 411	11 501	17,1%	345	0,5%	55 910	56 255	-11 156	-16,5%	59 897	5 945	9,9%
<i>Horse racing taxes</i>	45 335	6 917	15,3%	707	1,6%	38 418	39 125	-6 210	-13,7%	46 972	2 922	6,2%
<i>Liquor licenses</i>	4 069	129	3,2%	5	0,1%	3 940	3 945	-124	-3,0%	3 857	59	1,5%
<i>Motorvehicle licenses</i>	543 850	88 648	16,3%	6 587	1,2%	455 202	461 789	-82 061	-15,1%	493 506	39 411	8,0%
Sales of goods and services other than capital assets	324 527	46 857	14,4%	31 253	9,6%	277 670	308 923	-15 604	-4,8%	305 062	44 773	14,7%
<i>of which: Patient fees</i>	110 151	14 256	12,9%	8 496	7,7%	95 895	104 391	-5 760	-5,2%	99 021	4 418	4,5%
Transfers received from:	9 179	-	0,0%	-	0,0%	9 179	9 179	0	0,0%	5 700	-	0,0%
Fines, penalties and forfeits	72 041	11 231	15,6%	2 364	3,3%	60 809	63 173	-8 868	-12,3%	54 823	10 127	18,5%
Interest, dividends and rent on land	249 166	42 077	16,9%	20 466	8,2%	207 090	227 556	-21 611	-8,7%	281 727	39 509	14,0%
Sales of capital assets	17 055	-	0,0%	-	0,0%	17 055	17 055	0	0,0%	12 791	0	0,0%
Transaction in Financial Assets and Liabilities	55 421	6 054	10,9%	2 602	4,7%	49 367	51 970	-3 451	-6,2%	51 923	4 340	8,4%
Total provincial own receipts	1 388 054	213 414	15,4%	64 329	4,6%	1 174 640	1 238 969	(149 085)	-10,7%	1 316 258	203 363	15,5%

7.3.1. Tax Receipts (Original Target is R660.7 million)

An amount of R7.6 million or 1.2 percent has been collected against the set own revenue projections of R107.1 million or 16.2 percent of the original target. The under collection of R99.5 million or 15.1 percent is mainly on motor vehicle licences and registration fees by Department of Transport and Community Safety; and casino & horse racing taxes by Department of Economic Development, Environment and Tourism.

7.3.2. Sale of Goods and Services other than capital assets (Original Target is R324.5 million)

As at the 31st May 2020, actual collection is R31.2 million or 9.6 percent against the set own revenue projections of R46.8 million or 14.4 percent of the original target. The under collection of R15.6 million or 4.8 percent is mainly influenced by less collection on patient fees by the Department of Health, less collection on entrance fees, camping fees & accommodation by LEDET as well as less collection on abnormal load permits by Transport and community Safety.

7.3.3. Fines, penalties and forfeits (Original Target is R72.0 million)

Fines, penalties and forfeits collected R2.3 million or 3.3 percent against the set own revenue projections of R11.2 million or 15.6 percent of original target. Under collection of R8.8 million or 12.3 percent is mainly due to less collection of penalties on motor vehicle licences and traffic fines by Transport and Community Safety.

7.3.4. Transfers received from (Original Target is R9.2 million)

There is no collection on this item as yet since collection is expected in September 2020 from LEDET.

7.3.5. Interest, Dividends and Rent on Land (Original Target of R249.2 million)

Collection as at the 31st May 2020 is R20.5 million or 8.2 percent against the set own revenue projections of R42.0 million or 16.9 percent of original target. Under collection of R21.6 million or 8.7 as no collection of interest was recorded during the month of May.

7.3.6. Sale of Capital Assets (Original Target is R17.1 million)

There is no collection on this item as yet since auction sales are planned to take place from the third quarter of the financial year.

7.3.7. Transactions in Financial Assets and Liabilities (Original Target is R55.4 million)

The item collected R2.6 million or 4.7 percent against the set own revenue projections of R6.0 million or 10.9 percent of the original target. Under collection of R3.4 million or 6.2 percent is mainly due to less recovery of previous year's expenditure related debts by Department of Education and Health.

8. Provincial Infrastructure Performance

Table 15: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2018/19, 2019/20 and 2021/21) as at 31 May.

Department	Infrastructure Expenditure Comparison as at 31 May year-on-year								
	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
Education	1 013 426	1 051 986	1 258 291	187 051	74 053	13 463	18,5%	7,0%	1,1%
Agriculture & Rural Development	160 455	223 426	220 214	13 708	23 650	1 291	8,5%	10,6%	0,6%
LEDET	54 481	45 267	20 000	21 437	-	578		0,0%	2,9%
Health	729 277	656 200	952 819	97 878	82 967	84 306	13,4%	12,6%	8,8%
PWR&I - Total	1 958 938	2 153 433	3 370 658	431 474	380 554	144 860	22,0%	17,7%	4,3%
PWR&I - Roads*	1 883 322	2 077 037	2 505 298	427 220	376 482	44 053	22,7%	18,1%	1,8%
PWR&I - Works	75 616	76 396	865 360	4 254	4 072	60 845	5,6%	5,3%	7,0%
Transport	27 915	43 021	51 574	688	1 610	-	2,5%	3,7%	0,0%
CoGHSTA	1 312 187	1 337 497	1 100 412	185 299	138 355	19 005	14,1%	10,3%	1,7%
Social Development	43 201	47 846	71 794	11 602	9 740	10 810			15,1%
Sport, Arts & Culture	40 031	47 128	79 759	3 940	1 232	10 147	9,8%	2,6%	12,7%
TOTAL	5 339 911	5 605 804	7 125 521	953 075	712 162	284 459	17,8%	12,7%	4,0%

As at 31 May 2020, the Provincial Infrastructure expenditure stood at R284.5 million. The total expenditure represents 4.0 percent of the total Provincial infrastructure budget. The expenditure was supposed to be in the region of about R1.2 billion in terms of straight-line norm. The Provincial Infrastructure budget for the current financial year is as follows:

Main appropriation: R 7.1 billion against the R 5.604 billion for the 2019/20 financial year.

The overall Provincial Infrastructure Budget has increased by 27.0 percent or R1.5 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 Provincial Infrastructure Expenditure as at 31 May is recorded as follows:

- 18 percent - 2018/19
- 13 percent - 2019/20
- 4 percent - 2020/21

The expenditure for the current financial year is below all prior years, it has been a trend in previous financial years – however, for the current financial year, the non-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.

The departments have not finished the capturing of projects in the Infrastructure Reporting Model – the final date for capturing was 15 April 2019, extended to 30 April 2020. National Treasury gave an extension until 22 May 2020, Provincial Treasury has asked for an extension to 15 June 2020. Many GAPS have been identified, in particular that of aligning to the Table

B5, the 2020 MTEF Database, BAS and IYM. The departments will be provided with reports on areas where the quality is to be improved. The IRM is still open, departments have been encouraged to clear the gaps identified as staff start reporting for duty.

9. 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 May 2020 amounts to R10.5 billion or 14.4 percent of the total budget of R72.8 billion. Of the R10.5 billion total expenditures, R9.9 billion or 15.9 percent is on equitable share and R536.2 million or 5.4 percent on Conditional grant.
- As at the end of May 2020, the Province has collected an amount of R64.3 million or 4.6 percent against the set own revenue projections of R213.4 million or 15.4 percent of the original target which reflect a significant under collection of R149.1 million or 10.7 percent. The under collection is mainly on motor vehicle licences, casino & horse racing taxes, interest and patient fees by Departments of Transport and Community Safety; LEDET, Treasury and Health respectively. The under collection is mainly influenced by slow or lack thereof of economic activities due to enforced lockdown as a result of resurgence of covid-19 pandemic. Other main contributing items to under collections are due to slow recovery of previous year's expenditure related debts, penalties on motor vehicle licenses and abnormal load permits by Departments of Education and Transport & Community Safety respectively. The collection is by far below that of the previous year corresponding period of R203.4 million or 15.5 percent.
- The Provincial Infrastructure expenditure amount to R284.5 million or 4.0 percent.
- Revenue collection and expenditure performance is monitored monthly and quarterly through IYM and IRM analysis reports and bilateral meetings with Departments.

Regards,



Gavin Pratt CA (SA)

HOD: Provincial Treasury

22/6/2020

Date