



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 30 APRIL 2020

1. Purpose

To submit to the forum a report on Limpopo Provincial Revenue and Expenditure as at 30 April 2020.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 30 April 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 April 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 usually 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 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, which might be as a result of Covid-19.

Payments in the province were scheduled as follows for 2020/21 financial year.

- 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.

The schedule of payment runs was issued to departments and this report is based on raw Cash Flow Projections submitted by departments pending Cash Allocation Letters.

Cash Allocations vs. Actual Expenditure vs. Actual Funds Transferred

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. Table 3 below provides cash flow projections, actual expenditure and transfers to departments during April 2020.

Table 1: Cash Allocations vs. Actual Expenditure vs. Actual Funds Transferred

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 30 April 2020

Departments	Opening Bank Balances at 01-Apr-20 R' 000	Cash Allocation 30-Apr-20 R' 000	Actual Expenditure 30-Apr-20 R' 000	Tranfers To Departments 30-Apr-20 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
					Education	335 757	2 306 894	2 200 843
Health	91 751	1 953 125	1 697 803	1 583 575	255 322	13,1%	-114 228	-6,7%
Social Development	-562	186 742	136 581	146 402	50 161	26,9%	9 821	7,2%
Office of the Premier	18 155	34 658	27 875	11 277	6 783	19,6%	-16 598	-59,5%
Provincial Legislature	22 738	64 215	38 459	64 215	25 756	40,1%	25 756	67,0%
Agriculture	80 043	133 532	103 856	29 200	29 676	22,2%	-74 656	-71,9%
Provincial Treasury	26 406	35 209	26 177	1 586	9 032	25,7%	-24 591	-93,9%
Economic Development, Environmental & Tourism	29 395	133 726	153 168	127 509	-19 442	-14,5%	-25 659	-16,8%
Transport	126 180	206 025	113 316	38 785	92 709	45,0%	-74 531	-65,8%
Public Works, Roads and Infrastructure	436 792	408 926	105 440	-	303 486	74,2%	-105 440	-100,0%
CoGHSTA	85 671	246 956	119 803	34 855	127 153	51,5%	-84 948	-70,9%
Sport, Arts & Culture	57 598	33 596	37 606	-	-4 010	-11,9%	-37 606	-100,0%
Total	1 309 924	5 743 604	4 760 927	3 900 055	982 677	17,1%	-860 872	-18,1%

Comparing actual expenditure to the cash flow projections, departments under-spent their projections by R982.6 million or 17.1 percent. It should be clear that the overall under-spending by departments has nothing to do with availability of cash as Treasury has always be in touch with departments with regard to interim arrangements pending National Payment Schedule.

On the other hand, transfers to departments is R860.8 million or 18.1 percent less than actual expenditure. The reason for transferring less funds than was actually required is due to the huge opening PMG balances of almost all departments at the beginning of April 2020.

Interest Performance

Table 2: 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												2,265
CPD (SA Reserve Bank)	10,283												10,283
Commercial Bank (absa)	2,163												2,163
Total	14,711	-	-	-	-	-	-	-	-	-	-	-	14,711

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												14,225
Commercial Bank (absa)	2,178												2,178
Total	16,403	-	-	-	-	-	-	-	-	-	-	-	16,403

-27.71%

-10.32%

It is important to note that the province generate interest from its group favorable bank balance comprising Exchequer Account, PMG Accounts, Call Account and 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 10.3 percent decline in interest revenue from R16.4 million in 2019/20 to R14.7 million last financial year. The decline was on CPD account which dropped 27.7 percent mainly due to change in spending patterns of departments as well as reduction in provincial cash reserve that was utilized to fund priorities and budget pressures year-on-year.

5. Provincial Expenditure

Table 3: Provincial overall expenditure as at 30 April 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 30 April 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	33 893 648	33 893 648	33 893 648	33 893 648	2 200 843	6,5%	-	-	0,0%
Health	22 142 941	22 142 941	22 142 941	23 359 813	1 697 803	7,7%	-1 216 872	-	-5,5%
Social Development	2 360 027	2 360 027	2 360 027	2 161 531	136 581	5,8%	-	198 496	0,0%
Office Of The Premier	450 205	450 205	450 205	450 205	27 875	6,2%	-	-	0,0%
Provincial Legislature	385 137	385 137	385 137	359 381	38 459	10,0%	-	25 756	6,7%
Agriculture	2 031 311	2 031 311	2 031 311	1 731 930	103 856	5,1%	-	299 381	14,7%
Provincial Treasury	521 312	521 312	521 312	511 919	26 177	5,0%	-	9 393	1,8%
Economic Development, Environment And Tourism	1 706 008	1 706 008	1 706 008	1 706 008	153 168	9,0%	-	-	0,0%
Transport and Community Safety	2 454 549	2 454 549	2 454 549	2 454 549	113 316	4,6%	-	-	0,0%
Public Works, Roads And Infrastructure	3 859 787	3 859 787	3 859 787	3 859 787	105 440	2,7%	-	-	0,0%
Cooperative Governance, Human Settlements And Urban Development	2 466 516	2 466 516	2 466 516	2 466 516	119 803	4,9%	-	-	0,0%
Sport, Arts And Culture	524 882	524 882	524 882	524 882	37 606	7,2%	-	-	0,0%
Total	72 796 323	72 796 323	72 796 323	73 480 169	4 760 927	6,5%	-1 216 872	533 026	-0,9%
Economic classification							Net	-683 846	
Current payments	62 162 742	62 162 742	62 162 742	62 928 642	4 503 387	7,2%	-778 806	12 906	-1,3%
Compensation of employees	50 818 159	50 818 159	50 818 159	50 805 253	3 916 055	7,7%	-	12 906	0,0%
Goods and services	11 343 637	11 343 637	11 343 637	12 122 443	587 332	5,2%	-778 806	-	-6,9%
Interest and rent on land	946	946	946	946	-	0,0%	-	-	0,0%
Transfers and subsidies	8 081 034	8 081 034	8 081 034	7 835 075	184 560	2,3%	-	245 959	3,0%
Payments for capital assets	2 552 547	2 552 547	2 552 547	2 716 452	72 980	2,9%	-163 905	-	-6,4%
Total	72 796 323	72 796 323	72 796 323	73 480 169	4 760 927	6,5%	-942 711	258 865	-0,9%
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>							Net	-683 846	

Overall the provincial expenditure is R4.8 billion representing 6.5 percent spending of the R72.8 billion allocated budget. Hereunder is the synopsis of provincial expenditure as at 30 April 2020

- **Compensation of Employees (CoE)** spent R3.9 billion or 7.7 percent of the total budget of R50.8 million
- **Goods and Services** spent R587.1 million or 5.2 percent of the total budget of R11.3 billion.
- **Transfers and subsidies** recorded an expenditure of R184.6 million or 2.3 percent of the total budget of R8.1 billion.
- **Payment for Capital Assets** spent R73.0 million or 2.9 of the total budget of R2.6 billion.

The department of Health is projecting to overspend by R1.2 billion or 5.5 percent, while Social Development, Legislature, Agriculture, and Provincial Treasury are projecting to underspend by R533.0 million.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 4: Compensation of Employees as at 30 April 2020

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand									
Education	27 050 417	27 050 417	27 050 417	27 050 417	2 135 259	7,9%	-	-	0,0%
Health	16 127 301	16 127 301	16 127 301	16 307 724	1 204 165	7,5%	-180 423	-	-1,1%
Social Development	1 356 928	1 356 928	1 356 928	1 258 599	100 109	7,4%	-	98 329	7,2%
Office of the Premier	331 134	331 134	331 134	331 134	25 798	7,8%	-	-	0,0%
Provincial Legislature	224 475	224 475	224 475	225 228	18 533	8,3%	-753	-	-0,3%
Agriculture	1 231 924	1 231 924	1 231 924	1 139 698	90 086	7,3%	-	92 226	7,5%
Provincial Treasury	339 096	339 096	339 096	335 569	24 365	7,2%	-	3 527	1,0%
Economic Development	608 016	608 016	608 016	608 016	45 728	7,5%	-	-	0,0%
Transport and Community Safety	1 118 546	1 118 546	1 118 546	1 118 546	83 435	7,5%	-	-	0,0%
Public Works, Roads and Infrastructure	1 159 073	1 159 073	1 159 073	1 159 073	88 188	7,6%	-	-	0,0%
Cooperative Governance, Human Settlement	1 045 221	1 045 221	1 045 221	1 045 221	84 254	8,1%	-	-	0,0%
Sport, Arts and Culture	226 028	226 028	226 028	226 028	16 135	7,1%	-	-	0,0%
Total	50 818 159	50 818 159	50 818 159	50 805 253	3 916 055	7,7%	-181 176	194 082	0,0%
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>							Net	12 906	

The overall provincial CoE spending is at R3.9 billion or 7.7 percent. The highest percentage spending departments are Education at R2.1 billion or 7.9 percent, Legislature at 8.3 percent or R18.5 million, CoGHSTA at 8.1 percent or R84.3 million. Overall the Province is projecting to underspend by R12.9 million.

5.1.2. Goods and Services

Table 5: Goods and Services as at 30 April 2020

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
R thousand									
Education	3 030 006	3 030 006	3 030 006	3 030 006	45 587	1,5%	-	-	0,0%
Health	5 096 217	5 096 217	5 096 217	5 881 282	450 647	8,8%	-785 065	-	-15,4%
Social Development	309 577	309 577	309 577	248 094	9 605	3,1%	-	61 483	19,9%
Office of the Premier	108 917	108 917	108 917	108 917	2 077	1,9%	-	-	0,0%
Provincial Legislature	71 246	71 246	71 246	67 030	840	1,2%	-	4 216	5,9%
Agriculture	467 185	467 185	467 185	531 475	12 588	2,7%	-64 290	-	-13,8%
Provincial Treasury	159 865	159 865	159 865	155 015	1 808	1,1%	-	4 850	3,0%
Economic Development	279 301	279 301	279 301	279 301	15 044	5,4%	-	-	0,0%
Transport and Community Safety	377 147	377 147	377 147	377 147	9 881	2,6%	-	-	0,0%
Public Works, Roads and Infrastructure	1 014 543	1 014 543	1 014 543	1 014 543	13 539	1,3%	-	-	0,0%
Cooperative Governance, Human Settlement	229 717	229 717	229 717	229 717	15 957	6,9%	-	-	0,0%
Sport , Arts and Culture	199 916	199 916	199 916	199 916	9 759	4,9%	-	-	0,0%
Total	11 343 637	11 343 637	11 343 637	12 122 443	587 332	5,2%	-849 355	70 549	-6,9%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-778 806	

The overall spending on Goods and Services is at R587.3 million or 5.2 percent of the total budget of R11.3 billion. The highest percentage spending departments are Health and LEDET and Cooperative Governance, Human Settlement and Traditional Affairs at R450.6 million or 8.8 percent, R15.0 million or 5.4 percent and R15.9 million or 6.9 percent respectively. Department of Health and Agriculture are projecting to overspend by R849.4 million due to COVID-19 PPEs procurements. The Province is projecting to overspend by R778.8 million or 6.9 percent.

5.1.3. Transfers and subsidies

Table 6: Transfers and subsidies as at 30 April 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	2 583 701	2 583 701	2 583 701	2 583 701	14 109	0,5%	-	-	0,0%
Health	169 245	169 245	169 245	169 245	127	0,1%	-	-	0,0%
Social Development	624 169	624 169	624 169	624 169	13 207	2,1%	-	-	0,0%
Office of the Premier	5 645	5 645	5 645	5 645	-	0,0%	-	-	0,0%
Provincial Legislature	81 342	81 342	81 342	60 108	19 086	23,5%	-	21 234	26,1%
Agriculture	241 970	241 970	241 970	17 875	1 160	0,5%	-	224 095	92,6%
Provincial Treasury	4 736	4 736	4 736	4 106	-	0,0%	-	630	13,3%
Economic Development	769 393	769 393	769 393	769 393	92 366	12,0%	-	-	0,0%
Transport and Community Safety	898 133	898 133	898 133	898 133	20 000	2,2%	-	-	0,0%
Public Works, Roads and Infrastructure	1 561 741	1 561 741	1 561 741	1 561 741	2 181	0,1%	-	-	0,0%
Cooperative Governance, Human Settlement	1 131 634	1 131 634	1 131 634	1 131 634	19 592	1,7%	-	-	0,0%
Sport, Arts and Culture	9 325	9 325	9 325	9 325	2 732	29,3%	-	-	0,0%
Total	8 081 034	8 081 034	8 081 034	7 835 075	184 560	2,3%	-	245 959	3,0%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	245 959	

The province spent R184.6 million or 2.3 percent of the total budget of R8.1 billion on Transfers and subsidies. The highest percentage spending departments are Legislature at R19.1 million or 23.5 percent and Economic Development at R92.4 million or 12.0 percent and Sport, Arts and Culture at 29.3 percent or 2.7 million. The Province is projecting to underspend by R245.9 million or 3.0 percent.

5.1.4. Payment for Capital Assets

Table 7: Payment for Capital Assets as at 30 April 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 30 April 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	1 229 524	1 229 524	1 229 524	1 229 524	5 888	0,5%	-	-	0,0%
Health	750 178	750 178	750 178	1 001 562	42 864	5,7%	-251 384	-	-33,5%
Social Development	69 353	69 353	69 353	30 669	13 660	19,7%	-	38 684	55,8%
Office of the Premier	4 509	4 509	4 509	4 509	-	0,0%	-	-	0,0%
Provincial Legislature	8 074	8 074	8 074	7 015	-	0,0%	-	1 059	13,1%
Agriculture	90 232	90 232	90 232	42 882	22	0,0%	-	47 350	52,5%
Provincial Treasury	17 615	17 615	17 615	17 229	4	0,0%	-	386	2,2%
Economic Development	48 352	48 352	48 352	48 352	30	0,1%	-	-	0,0%
Transport and Community Safety	60 723	60 723	60 723	60 723	-	0,0%	-	-	0,0%
Public Works, Roads and Infrastructure	124 430	124 430	124 430	124 430	1 532	1,2%	-	-	0,0%
Cooperative Governance, Human Settlement	59 944	59 944	59 944	59 944	35	0,1%	-	-	0,0%
Sport , Arts and Culture	89 613	89 613	89 613	89 613	8 980	10,0%	-	-	0,0%
Total	2 552 547	2 552 547	2 552 547	2 716 452	73 015	2,9%	-251 384	87 479	-6,4%
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>						Net	-163 905		

The overall provincial expenditure on Payment for Capital Assets is at R73.1 million or 2.9 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 R163.9 million or 6.4 percent.

5.2. Equitable share spending

Table 8: Equitable share spending as at 30 April 2020

	Main Appropriation	Actual as at 30 April 2020	Actual spending as % of budget	Projected Outcome- April 2020	Variance
Education	31 137 468	2 181 014	7,0%	31 137 468	-
Health	18 483 725	1 470 431	8,0%	19 700 597	(1 216 872)
Social Development	2 220 349	135 205	6,1%	2 021 853	198 496
Office of the Premier	450 205	27 875	6,2%	450 205	-
Provincial Legislature	385 137	38 459	10,0%	359 381	25 756
Agriculture	1 707 693	98 912	5,8%	1 408 312	299 381
Provincial Treasury	521 312	26 177	5,0%	511 919	9 393
Economic Development, Environment and Forestry	1 703 014	152 836	9,0%	1 703 014	-
Transport and Community Safety	2 050 514	113 316	5,5%	2 050 514	-
Public Works, Roads and Infrastructure	2 559 325	104 413	4,1%	2 559 325	-
Cooperative Governance, Human Settlements and Urban Development	1 366 104	100 798	7,4%	1 366 104	-
Sport, Arts and Culture	321 298	22 385	7,0%	321 298	-
Total	62 906 144	4 471 821	7,1%	63 589 990	(683 846)
Economic classification					
Current payments	56 870 470	4 281 563	7,53%	57 636 370	(765 900)
Compensation of employees	49 391 865	3 815 207	7,7%	49 378 959	12 906
Goods and Services	7 478 605	466 356	6,2%	8 257 411	(778 806)
Interest and rent on land	946	-	0,0%	946	-
Current transfers and subsidies	5 366 903	158 521	3,0%	5 120 944	245 959
Payments for capital assets	667 825	31 737	4,8%	831 730	(163 905)
Payments for financial assets	-	-	100,0%	-	-
Total	62 906 144	4 471 821	7,1%	63 589 990	(683 846)

Provincial equitable share spending is at R4.5 billion or 7.1 percent of the total budget of R62.9 billion. The highest percentage spending departments are Health at R1.5 billion or 8.0 percent, Legislature at R38.5 million or 10.0 percent and LEDET at R153.1 million or 9.0 percent. The Province is projecting to overspend by R683.8 million or 1.1 percent.

5.3. Conditional Grants

Table 9: Conditional Grants spending per department as at 30 April 2020

	Main Appropriation	Actual as at 30 April 2020	Actual spending as % of budget	Outcome- April 2020	Variance
Education	2 756 180	19 829	0,7%	2 756 180	-
Health	3 659 216	227 372	6,2%	3 659 216	-
Social Development	139 678	1 376	1,0%	139 678	-
Public Works , Roads and Infras	1 300 462	1 027	0,1%	1 300 462	-
Agriculture	323 618	4 944	1,5%	323 618	-
Transport and Community Safe	404 035	-	0,0%	404 035	-
CoGHSTA	1 100 412	19 005	1,7%	1 100 412	-
Sport, Arts and Culture	203 584	15 221	7,5%	203 584	-
Community Safety	-	-	0,0%	-	-
Economic Development	2 994	332	11,1%	2 994	-
Total	9 890 179	289 106	2,9%	9 890 179	-
Current payments	5 291 326	221 824	4,19%	5 291 326	-
Compensation of employees	1 426 294	100 848	7,1%	1 426 294	-
Goods and Services	3 865 032	120 976	3,1%	3 865 032	-
Current transfers and subsidies	2 714 131	26 039	1,0%	2 714 131	-
Payments for capital assets	1 884 722	41 243	2,2%	1 884 722	-
Total	9 890 179	289 106	2,9%	9 890 179	-

The CGs' overall expenditure is at R289.1 million or 2.9 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 R316.7 million or 3.5 percent. The highest percentage spending department is Sport, Arts and Culture 7.5 percent or R15.2 million of the total budget of R203.6million, Health at 6.2 percent or R227.4 million and LEDET at 11.1 percent or R0.332 million.

Table 10 Limpopo Conditional Grant spending per grant as at 30 April 2020.

R thousand	Budget	Provincial Actual Payments	Actual Payments as a % of budget
Agriculture	323 618	4 944	1,5%
Comprehensive Agricultural Support Programme	233 558	4 090	1,8%
Ilima/Letsema Projects Grant	70 480	613	0,9%
EPWP Integrated grant	6 610	241	3,6%
Land Care Programme Grant	12 970	–	0,0%
Sport, Arts and Culture	203 584	15 221	7,5%
Mass Sport and Recreation Programme	58 363	3 126	5,4%
EPWP Integrated grant	2 000	–	0,0%
Community Library Services Grant	143 221	12 095	8,4%
Education	2 756 180	19 829	0,7%
HIV and Aids (Life Skills Education) Grant	28 137	247	0,9%
National School Nutrition Programme Grant	1 369 485	10 895	0,8%
Infrastructure Grant	1 256 364	6 900	0,5%
Maths, Science and Technology	46 860	394	0,8%
Learners with Profound Intellectual Disabilities	32 432	1 393	4,3%
Social sector EPWP grant	20 833	–	0,0%
EPWP Incentive allocation	2 069	–	0,0%
Health	3 659 216	227 372	6,2%
Comprehensive HIV and Aids Grant	2 179 020	134 706	6,2%
Community Outreach Services Component	337 473	–	0,0%
Comprehensive HIV, AIDS Component	1 693 259	134 212	7,9%
Human Papillomavirus Vaccine Grant	30 604	494	1,6%
Malaria Component	70 370	–	0,0%
Tuberculosis Component	47 314	–	0,0%
Human Resources and Health Professions	232 171	23 649	10,2%
Statutory Human Resources	74 547	12 605	16,9%
Training and Development	157 624	11 044	7,0%
EPWP Social Sector	28 286	27	0,1%
Hospital Revitalisation Grant	742 473	44 427	6,0%
Health Insurance	32 066	62	0,2%
National Tertiary Services Grant	445 200	24 501	5,5%
COGHSTA	1 100 412	19 005	1,7%
Integrated Housing & Human Settlements Development	1 060 622	19 005	1,8%
Deeds Restoration	37 790	–	0,0%
EPWP Incentive allocation	2 000	–	0,0%
Public Works, Roads and Infrastructure	1 300 462	1 027	0,1%
Infrastructure Grant	1 164 756	–	0,0%
Flood Damage Roads Maintenance Grant	130 000	–	0,0%
EPWP Integrated grant	5 706	1 027	18,0%
Economic Development	2 994	332	11,1%
EPWP Incentive grant	2 994	332	11,1%
Social Development	139 678	1 376	1,0%
Early Childhood development	127 724	598	0,5%
EPWP Integrated grant	2 000	392	19,6%
EPWP Social sector grant	9 954	386	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	289 106	2,9%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R4.9 million or 1.5 percent of the total budget of R323.6 million.

- **Comprehensive Agricultural Support programme** spent 1.8 percent or R4.1 million of the total budget of R233.6 million.
- **Land care** - did not spend during the period
- **ILLIMA/LETSEMA** spend R0.613 million or 0.9 percent
- **EPWP incentive grant** spend R0.241 million or 3.6 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R15.2 million or 7.5 percent of the total budget of R203.6 million.

- **Mass Sport and Recreation Programme** spent R3.1 million or 5.4 percent of the total budget of R58.4 million.
- **Community Library Services** spent R12.1 million or 8.4 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 R19.8 million or 0.7 percent of the total budget of R2.8 billion.

- **HIV/AIDS Life skills** spent R0.247 million or 0.9 percent of the total budget of R28.1 million.
- **National School Nutrition Programme** spent R10.9 million or 0.8 percent of the total budget of R1.4 billion.
- **Infrastructure grant** spent R6.9 million or 0.5 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 did not spend.
- **EPWP Incentive Grant** did not record any expenditure for the month.
- **Learners with Profound Intellectual Disabilities** – spent R1.4 million or 4.3 percent of the total budget of R32.4 million.

5.3.4. Health

The overall spending on CG is R227.4 million or 6.2 percent of the total budget of R3.7 billion.

- **HIV and AIDS** - spent 6.2 percent or R134.7 million of the total budget of R2.2 billion.
- **EPWP Social Sector** grant spend R0.027 million or 0.1 percent of the total budget of R28.3 million.
- **National Tertiary Services** grant spent R24.5 million or 5.5 percent of the total budget of R445.2 million.
- **Human Resources and Health Professions Training and Development** grant has recorded expenditure of R23.6 million or 10.2 percent of the total budget of R232.2 million.
- **Health Facilities Revitalization** grant spent 6.0 percent or R44.4 million of the total budget of R742.5 million.
- **Human papilloma virus vaccine grant** – spend R0.494 million or 1.6 percent of the total budget of R30.6 million

5.3.5 CoGHSTA

In overall, the department spent R19.0 million or 1.7 percent of the total budget of R1.1 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R19.0 million or 1.8 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 R0.332 million or 11.1 percent.

5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R1.0 million or 0.1 percent of the budget of R1.3 billion.

- **Infrastructure grant** – did not spend.
- **Flood Damaged Roads Infrastructure** – did not spend.
- **EPWP grant** – did not spend.

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 R1.4 million or 1.0 percent of the total budget of R139.7 million.

- **Early Childhood Development grant** - recorded an expenditure of R0.598 million or 0.5 percent of the total budget of R127.7 million.
- **EPWP social sector grant** - spent R0.386 million or 3.9 percent of the budget of R9.9 million.
- **EPWP integrated grant** - spent R0.392 million or 19.6 percent of the budget of R2.0 million.

6. Covid-19 spending report per department

Table 11: COVID -19 expenditure

	BUDGET (R'000)	EXPENDITURE	% SPENDING
Office of the Premier	1 611	433	26,9%
Provincial Legislature	-	97	0,0%
Education	400 000	-	0,0%
Agriculture	32 000	683	2,1%
Provincial Treasury	109	-	0,0%
Economic Development	420 887	-	0,0%
Health	42 449	159 168	375,0%
Transport and Community Safety	3 000	-	0,0%
Public Works, Roads and Infrastructure	300	298	99,3%
Sport, Arts and Culture	1 130	-	0,0%
Cooperative Governance , Human Settlement and Traditional Affairs	1 000	-	0,0%
Social Development	198 496	-	0,0%
TOTAL	1 100 982	160 679	14,6%

	BUDGET	EXPENDITURE	% SPENDING
Gateway Airport Authority(GAAL)	-	-	0,0%
Roads Agency Limpopo (RAL)	-	265 484	0,0%
Limpopo Gambling Board (LGB)	-	15 785	0,0%
Tourism Agency Limpopo (LTA)	95 300	-	0,0%
Limpopo Economic Agency (LEDA)	201 673	-	0,0%
	296 973	281 269	94,7%

The Provincial departments has so far spent R160.7 million or 14.6 percent on COVID19 pandemic and entities spent R281.3 million. The departments and entities which are reflecting

zero budgeting is due to the fact that they utilize the current budget without creating a specific budget for the pandemic.

7. Provincial Own Revenue

Table 12: Provincial own revenue collection per vote as at 30 April 2020.

BUDGET AND REVENUE COLLECTION AS AT 30 APRIL 2020

Summary of Provincial Own Receipts as per Departments (Votes)

Departments (Votes)	Main appropriation on 2020/21	Projections as at end of April 2020	Projections as % of main appropriation	Actual Collection as at end April 2020	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variance Over / (Under) Collection	% Variances Over / (Under) Collection as of main appropriation	Main appropriation on 2019/20	Actual Collection as end April 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	34	5,6%	36	5,9%	574	610	2	0,3%	583	34	5,8%
Education	51 034	4 219	8,3%	2 716	5,3%	46 815	49 532	(1 502)	-2,9%	43 826	2 679	6,1%
Agriculture & Rural Development	12 320	697	5,7%	67	0,5%	9 252	9 320	(630)	-5,1%	11 722	216	1,8%
Provincial Treasury	247 781	19 554	7,9%	20 450	8,3%	177 330	197 781	897	0,4%	280 874	22 935	8,2%
Economic Development, Environment & Tourism	167 683	11 546	6,9%	64	0,0%	67 280	67 344	(11 482)	-6,8%	158 941	10 156	6,4%
Health	212 297	14 376	6,8%	11 031	5,2%	108 066	119 097	(3 345)	-1,6%	193 610	10 370	5,4%
Transport & Community Safety	651 293	47 559	7,3%	8 551	1,3%	492 742	501 293	(39 008)	-6,0%	584 740	45 714	7,8%
Public Works, Roads & Infrastructure	34 962	2 428	6,9%	2 603	7,4%	32 534	35 137	175	0,5%	30 438	2 886	9,5%
Sport, Arts & Culture	2 253	26	1,2%	37	1,6%	527	564	11	0,5%	2 224	26	1,2%
Co-operative Governance, Human Settlements & Traditional Affairs	5 323	574	10,8%	128	2,4%	4 749	4 877	(446)	-8,4%	5 119	598	11,7%
Social Development	2 500	164	6,5%	163	6,5%	2 337	2 500	(0)	0,0%	4 182	174	4,2%
Total provincial own receipts	1 388 054	101 176	7,3%	45 847	3,3%	942 207	988 054	(55 329)	-4,0%	1 316 258	95 788	7,3%

The main revenue appropriated target for 2020/21 financial year is R1.4 billion. As at the end of April 2020, the Province has collected an amount of R45.9 billion or 3.3 percent against the set own revenue projections of R101.2 million or 7.3 percent which reflect a significant under collection of R55.3 million or 4.0 percent. The under collection is mainly on motor vehicle licences; casino and horse racing taxes, resort revenue; and patient fees by Departments of Transport and Community Safety; LEDET and Health respectively. The under collection is mainly influenced by minimal or lack of social and economic activities due to enforced lockdown as a result of resurgence of COVID-19 pandemic. The collection is far below that of the previous year corresponding period of R95.8 million or 7.3 percent. It is anticipated that revenue of approximately R400.0 million will be lost in 2020/21 as a result of COVID-19 government social and economic activities restrictions.

7.1. Out of eleven (11) Departments, four (4) collected above their set own revenue projections as follows:

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

An amount of R0.036 million or 5.9 percent has been collected against the set own revenue projections of R0.034 million or 5.6 percent. Over collection of R0.002 million or 0.3 percent is mainly due to improved recovery of departmental debts.

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

As at 30th of April 2020, actual collection is R20.5 million or 8.3 percent against the set own revenue projections of R19.6 million or 7.9 percent of the original target. Over collection of R0.897 million or 0.4 percent is due to more interest earned from favourable provincial bank balances however, collection on this item is unpredictable.

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

As at the end of April 2020, actual collection for the Department is R0.037 million or 1.6 percent against set own revenue projections of R0.026 million or 1.2 percent of the original target. Over collection of R0.011 million or 0.5 percent is mainly influenced by more recovery of departmental debts than anticipated.

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

The Department collected R2.6 million or 7.4 percent against set own revenue projections of R2.4 million or 6.9 percent. Over collection of R0.175 million or 0.5 percent is mainly due to once-off recovery of previous year's expenditure related debts and improved collection on property rentals.

The following seven (7) Departments collected below their set own revenue projections:

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

The Department collected R2.7 million or 5.3 percent against the set own revenue projections of R4.2 million or 8.3 percent. Under collection of R1.5 million or 2.9 percent is mainly due to less recovery of departmental debts and previous years' expenditure related debts than anticipated.

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

As at the end of April 2020, the Department collected R0.067 million or 0.5 percent against the set own revenue projections of R0.697 million or 5.7 percent of the original target. Under collection of R0.630 million or 5.7 percent is mainly on academic and boarding services from Agricultural colleges as a result of suspension of academic activities due to enforced lockdown.

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

Collection as at the 30th of April 2020 amounts to R0.064 million or 0.0 percent against the set own revenue projections of R11.6 million or 6.9 percent. Significant under collection of R11.5 million or 6.8 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 and resorts activities as a result of lockdown.

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

The Department collected R11.0 million or 5.2 percent against the set own revenue projections of R14.4 million or 6.8 percent. Under collection of R3.4 million or 1.6 percent is mainly on patient fee due to continuous lockdown affecting payment by funders. The Department recorded an uncaptured receipts amounting to **R1.5 million**.

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

As at end of April 2020, the Department collected R8.6 million or 1.3 percent against the set own revenue projections of R47.6 million or 7.3 percent of the original target. The significant under collection of R39.0 million or 6.0 percent is mainly on motor vehicle licenses, penalties on motor vehicle licenses, abnormal load licenses and traffic fines due to enforced lockdown. The Department recorded an uncaptured receipts amounting to **R0.040 million**.

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

The actual collection as at the end of April 2020 amounts to R0.128 million or 2.4 percent against the set own revenue projections of R0.574 million or 10.8 percent. The under collection of R0.446 million or 8.4 percent is mainly due to less recovery of previous year's expenditure related debts than anticipated.

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

The Department collected R0.163 million or 6.5 percent against the set own revenue projections of R0.164 million or 6.5 percent of the original target. Collection is in line with the projections.

7.2. Own revenue per economic classification

Table 13: Provincial own revenue collection per economic classification as at 30th April 2020.

Summary of Provincial Own Receipts as per Economic Classification												
Items (Revenue Sources)	Main appropriation 2020/21	Projections as at end of April 2020	Projections as % of main appropriation	Actual Collection as at end April 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 April 2019	Actual collection as % of main appropriation
Tax receipts	660 665	50 183	7,6%	6 566	1,0%	410 633	417 199	-43 617	-6,6%	604 232	48 336	8,0%
<i>Casino taxes</i>	67 411	5 945	8,8%	-	0,0%	12 466	12 466	-5 945	-8,8%	59 897	5 945	9,9%
<i>Horse racing taxes</i>	45 335	3 922	8,7%	-	0,0%	3 913	3 913	-3 922	-8,7%	46 972	2 922	6,2%
<i>Liquor licenses</i>	4 069	71	1,7%	3	0,1%	1 641	1 644	-68	-1,7%	3 857	59	1,5%
<i>Motorvehicle licenses</i>	543 850	40 245	7,4%	6 563	1,2%	392 613	399 176	-33 682	-6,2%	493 506	39 411	8,0%
Sales of goods and services other than capital assets	324 527	23 640	7,3%	15 793	4,9%	206 963	222 756	-7 846	-2,4%	305 062	18 112	5,9%
<i>of which: Patient fees</i>	110 151	8 291	7,5%	5 408	4,9%	16 053	21 460	-2 883	-2,6%	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	4 913	6,8%	1 588	2,2%	67 128	68 716	-3 325	-4,6%	54 823	4 075	7,4%
Interest, dividends and rent on land	249 166	19 543	7,8%	20 449	8,2%	178 726	199 175	906	0,4%	281 727	22 931	8,1%
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	2 898	5,2%	1 450	2,6%	52 523	53 973	-1 448	-2,6%	51 923	2 334	4,5%
Total provincial own receipts	1 388 054	101 176	7,3%	45 847	3,3%	942 207	988 054	(55 329)	-4,0%	1 316 258	95 788	7,3%

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

An amount of R6.6 million or 1.0 percent has been collected against the set own revenue projections of R50.2 million or 7.6 percent. The under collection of R43.6 million or 6.6 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 due to enforced COVID 19 lockdown.

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

As at the 30th of April 2020, actual collection is R15.8 million or 4.9 percent against the set own revenue projections of R23.6 million or 7.3 percent. The under collection of R7.8 million or 2.4 percent is mainly influenced by less collection on patient fees by the Department of Health; less collection on entrance, camping and accommodation revenue by LEDET; and also less collection on abnormal load permits by Transport and community Safety due to enforced COVID 19 lockdown.

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

Fines, penalties and forfeits collected R1.6 million or 2.2 percent against the set own revenue projections of R4.9 million or 6.8 percent of original target. Under collection of R3.3 million or

4.6 percent is mainly due to less collection of penalties on motor vehicle licences and traffic fines by Transport and Community Safety due to amongst other things, travelling restrictions.

7.2.4. 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 Public Entities.

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

Collection as at the 30th of April 2020 is R20.5 million or 8.2 percent against the set own revenue projections of R19.5 million or 7.8 percent. Over collection of R0.906 million or 0.4 percent is mainly influenced by more interests earned from favourable bank balances by Provincial Treasury.

7.2.6. 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.

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

The item collected R1.5 million or 2.6 percent against the set own revenue projections of R2.9 million or 5.2 percent of the original target. Under collection of R1.5 million or 2.6 percent is mainly due to less recovery of previous year's expenditure related debts by Department of Education.

8. Provincial Infrastructure Performance

Table 14: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2018/19, 2019/20 and 2021/21) as at 30 April.

Department	Infrastructure Expenditure Comparison as at 30 April 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	180 173	42 372	6 900	17,8%	4,0%	0,5%
Agriculture & Rural Development	160 455	223 426	220 214	165	8 664	28	0,1%	3,9%	0,0%
LEDET	54 481	45 267	20 000	-	1 771	305		3,9%	1,5%
Health	729 277	656 200	952 819	30 909	50 280	-	4,2%	7,7%	0,0%
PWR&I - Total	1 958 938	2 153 433	3 370 658	408 012	52 452	108 999	20,8%	2,4%	3,2%
PWR&I - Roads*	1 883 322	2 077 037	2 505 298	408 012	49 563	33 188	21,7%	2,4%	1,3%
PWR&I - Works	75 616	76 396	865 360	-	2 889	37 529		3,8%	4,3%
Transport	27 915	43 021	51 574	-	3 000	-	0,0%	7,0%	0,0%
CoGHSTA	1 312 187	1 337 497	1 100 412	68 512	64 425	19 005	5,2%	4,8%	1,7%
Social Development	43 201	47 846	71 794	3 950	2 854	10 332			14,4%
Sport, Arts & Culture	40 031	47 128	79 759	-	1 113	8 946	0,0%	2,4%	11,2%
TOTAL	5 339 911	5 605 804	7 125 521	691 722	226 931	154 515	13,0%	4,0%	2,2%

As at 30 April 2020, the Provincial Infrastructure expenditure stood at R154.5 million. The total expenditure represents 2.2 percent of the total Provincial infrastructure budget. The expenditure was supposed to be in the region of about R593.8 million, which represents 8.3 percent of the total infrastructure budget in terms of the norm. The Provincial Infrastructure budget for the current financial year is as follows:

- Main appropriation: R7.1 billion against the R5.6 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 Budget is primarily funded by Conditional Grants, representing 80.0 percent of the entire budget. The failure to spend has a huge impact on the Provincial Infrastructure Budget and service delivery.

The Provincial Infrastructure Expenditure as at 30 April is recorded as follows:

- 13.0 percent - 2018/19
- 4.0 percent - 2019/20
- 2.2 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.

The following departments recorded zero expenditure by the end of April 2020: Health and Transport. All the departments were below the norm as at 30 April 2020 except for the Departments of Social Development and Sport, Arts and Culture, which were at 14.4 percent and 11.2 percent respectively. The tendency by the departments to fail to spend during the first month of the financial year remains a concern.

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 for capturing, with the close out report due on 31 May 2020.

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 30 April 2020 amounts to R4.8 billion or 6.5 percent of the total budget of R72.8 billion. Of the R4.8 billion total expenditures, R4.5 billion or 7.1 percent is on equitable share and R289.1 million or 2.9 percent on Conditional grant.
- As at the end of April 2020, the Province has collected an amount of R45.9 billion or 3.3 percent against the set own revenue projections of R101.2 million or 7.3 percent which reflect a significant under collection of R55.3 million or 4.0 percent. The under collection is mainly on motor vehicle licences; casino and horse racing taxes, resort revenue; and patient fees by Departments of Transport and Community Safety; LEDET and Health respectively. The under collection is mainly influenced by minimal or lack of social and economic activities due to enforced lockdown as a result of resurgence of COVID-19 pandemic. The collection is far below that of the previous year corresponding period of R95.8 million or 7.3 percent.
- The Provincial Infrastructure expenditure amount to R154.5 million or 2.2 percent.
- The entities spend R109.7 million or 3.1 percent of the total budget of R3.5 billion.

- 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

11/6/2020

Date

