



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 AUGUST 2020

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 August 2020.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 August 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 August 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. It also enables departments to set informed payment terms with their service providers in the course of service delivery. The 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 MEC for Provincial Treasury.

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 August 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-Aug-20	% Allocation 31-Aug-20	Actual Receipt 31-Aug-20	Deviation from Schedule	
Equitable Share	62,328,931	25,970,390	42%	25,970,390	-	36,358,541
Conditional Grants:-	9,890,179	4,971,998	50%	4,130,379	841,619	5,759,800
National School Nutrition Prog.	1,369,485	705,933	52%	705,933	-	663,552
HIV/AIDS	28,137	11,252	40%	11,252	-	16,885
Education Infrastructure	1,256,364	753,818	60%	616,563	137,255	639,801
Learner with profound intellectual disabilities	32,432	23,351	72%	23,351	-	9,081
Maths, Science and Technology	46,860	23,430	50%	18,068	5,362	28,792
Letsema Projects	70,480	42,288	60%	31,716	10,572	38,764
CASP	233,558	116,779	50%	-	116,779	233,558
Land Care Programme	12,970	5,837	45%	-	5,837	12,970
Health Facility Revitalisation	742,473	327,187	44%	327,187	-	415,286
Comprehensive HIV/AIDS	2,179,020	973,237	45%	1,006,336	(33,099)	1,172,684
National Tertiary Services	445,200	203,597	46%	204,597	(1,000)	240,603
Health Professional Training & Development	157,624	65,679		65,679	-	91,945
Statutory Human Resources	74,547	31,063	42%	31,063	-	43,484
National Health Insurance	32,066	13,360	42%	-	13,360	32,066
Public Transport Operation	402,035	131,966	33%	131,966	-	270,069
Provincial Roads Maintainance	1,294,756	763,790	59%	291,029	472,761	1,003,727
Human Settlement Development	1,060,622	541,834	51%	539,478	2,356	521,144
Title Deed Restoration	37,790	2,873	8%	-	2,873	37,790
EPWP Integrated Grant	25,379	17,765	70%	6,344	11,421	19,035
Social Sector (EPWP) Incentive	59,073	41,351	70%	14,768	26,583	44,305
Early Childhood Development	127,724	66,510	52%	31,046	35,464	96,678
Mass Participation & Sport Development	58,363	29,182	50%	11,673	17,509	46,690
Community Library Services Grant	143,221	79,916	56%	62,330	17,586	80,891
Total National Payments	72,219,110	30,942,388	43%	30,100,769	841,619	42,118,341

According to the Draft National Payments Schedule the province was set to receive an amount of R30.9 billion comprising R25.9 billion in Equitable Share and R4.9 billion in Conditional Grants, representing 43 percent of the annual national payments as at end of August 2020. The province has instead received an amount of R30.1 billion where it was under-transferred by a net amount of R841.6 million in various conditional grants, inclusive of excess receipt in Comprehensive HIV/AIDS and National Tertiary Services in Department of Health by R33.1 million and R1 million respectively.

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

Departments	Opening Bank Balances at 1-Apr-20 R' 000	Cash Allocation 31-Aug-20 R' 000	Actual Expenditure 31-Aug-20 R' 000	Tranfers To Departments 31-Aug-20 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	335,757	13,166,567	12,501,322	12,544,122	665,245	5.1%	42,800	0.3%
Health	91,751	9,434,131	9,092,176	9,021,795	341,955	3.6%	-70,381	-0.8%
Social Development	-562	963,521	806,514	833,192	157,007	16.3%	26,678	3.3%
Office of the Premier	18,155	178,620	153,077	154,466	25,543	14.3%	1,389	0.9%
Provincial Legislature	22,738	213,707	157,394	213,707	56,313	26.4%	56,313	35.8%
Agriculture & Rural Development	80,043	817,816	615,273	621,654	202,543	24.8%	6,381	1.0%
Provincial Treasury	26,406	220,231	172,599	159,086	47,632	21.6%	-13,513	-7.8%
LEDET	29,395	670,816	607,004	602,136	63,812	9.5%	-4,868	-0.8%
Transport	126,180	1,040,624	748,139	664,320	292,485	28.1%	-83,819	-11.2%
Public Works, Roads and Infrs.	436,792	1,649,076	1,079,979	1,072,415	569,097	34.5%	-7,564	-0.7%
CoGHSTA	85,671	1,088,957	689,535	710,783	399,422	36.7%	21,248	3.1%
Sport, Arts & Culture	57,598	233,332	145,615	146,776	87,717	37.6%	1,161	0.8%
Total	1,309,924	29,677,398	26,768,627	26,744,452	2,908,771	9.8%	-24,175	-0.1%
Equitable Share		24,705,400	24,567,744	23,615,096	137,656	0.6%	-952,648	-3.9%
Conditional Grants		4,971,998	2,200,883	3,129,356	2,771,115	55.7%	928,473	42.2%
Total		29,677,398	26,768,627	26,744,452	2,908,771	9.8%	-24,175	-0.1%

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: -

- Departments opened the financial year with a group favorable bank balance amounting R1.3 billion, comprising 2019/20 unspent funds and revenue accruals which were surrendered/paid into Provincial Revenue Fund (PRF) by provincial departments this financial year 2020/21. National Treasury has approved a total amount of R220.5 million in roll-over for various Conditional Grants out of R789.9 million underspent by provincial departments last financial year, and the balance of R569.4 million will be surrendered back to National Revenue Fund.

Comparing actual expenditure to cash allocations/cash projections for period up to August 2020, departments under-spent their overall cash allocations/cash projections by R2.9 billion or 9.8 percent. Equitable Share underspent by R137.6 million or 0.6 percent, while Conditional Grants underspent by R2.8 billion or 55.7 percent. This may be attributed to the national

lockdown as majority of economic activities were at stand still for the better part of the 1st quarter.

It is important to further note that the PMG accounts are funded in line with payments processed and disbursed by departments within their respective cash allocations/projections in minimizing PMG balances at the commercial bank, while optimizing provincial CPD account in the South African Reserve Bank to maximize returns. Comparing total actual transfer to total actual expenditure, Provincial Revenue Fund over-transferred departments by a total of R24.2 million or 0.1 percent, with Equitable share over-transferred by R952.6 million or 3.9 percent while Conditional Grant was under-transferred by R928.5 million or 42.2 percent. Reason for under-transfer in some departments was the favorable opening balances on the payment dates, while over-transfer in others was due to surrender of prior year's underspending and own revenue included in the payment tape while the opening balance was not sufficient on the pay-date. This is with exception of Provincial Legislature that was over-transferred due to its independence in terms of its new Financial Management Act compelling PRF to transfer all its cash allocations at the beginning of each month irrespective of its spending patterns. Legislature is allowed to invest its own surpluses and accumulate its own interest independent of Provincial Revenue Fund. Generally over-transfer of Equitable Share and under-transfer of Conditional Grants is due to lack of necessary BAS reports that breakdown the payments per fund on the disbursement dates.

Table 3: Interest Performance up to 31 August 2020

R'000

Institution	2020/21													Total
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21		
Call Account (absa)	2,265	69											2,334	
CPD (SA Reserve Bank)	10,283	15,051	13,325	17,391	16,648								72,698	
Commercial Bank (absa)	2,163	4,176	1,352	1,199	1,282								10,172	
Total	14,711	19,296	14,677	18,590	17,930	-	-	-	-	-	-	-	85,204	

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	13,006	18,459	20,879								85,985	
Commercial Bank (absa)	2,178	2,312	1,297	1,767	2,277								9,831	
Total	16,403	21,729	14,302	20,226	23,156	-	-	-	-	-	-	-	95,816	

-15.45%

-11.08%

It is important to note that the province generates interest from its daily group favorable bank balance comprising Exchequer Account, Exchequer-linked Call Account, PMG Accounts, as well as Wildlife Resorts and Agricultural Colleges sub-accounts held with the provincial banker.

It further generates interest from its CPD account held at the South African Reserve Bank for Equitable Share flow and investment purposes.

In terms of the table 3 above, the province recorded an overall decline of 11.0 percent in interest revenue from R95.8 million during same period in 2019/20 to R85.2 million this financial year. The decline was mainly on CPD account which dropped 15.5 percent over the same period, mainly due to a sharp decline in interest rates resulting from recent downgrades as coupled with national lockdowns following Covid-19 outbreak. The provincial cash reserve has also drastically reduced as it was utilized to fund priorities and budget pressures year-on-year.

5. Provincial Expenditure

Table 4: Provincial overall expenditure as at 31 August 2020

	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 August 2020	Actual spending as % of Total Available	(Over)	Under	%(Over)/under of Total Available
R thousand									
Education	33 893 648	33 577 565	33 577 565	33 593 420	12 501 322	37,2%	-15 855	-	0,0%
Health	22 142 841	23 227 253	23 227 253	23 648 884	9 062 176	39,1%	-421 631	-	-1,8%
Social Development	2 360 027	2 171 921	2 171 921	2 230 212	806 614	37,1%	-58 291	-	-2,7%
Office Of The Premier	450 205	399 722	399 722	399 722	153 077	38,3%	-	-	0,0%
Provincial Legislature	385 137	364 137	364 137	378 570	157 394	43,2%	-14 433	-	-4,0%
Agriculture	2 031 311	1 712 750	1 712 750	1 724 201	615 273	35,9%	-11 541	-	-0,7%
Provincial Treasury	621 312	441 113	441 113	429 881	172 599	39,1%	-	11 232	2,5%
Economic Development, Environment And Tourism	1 706 008	1 327 631	1 327 631	1 343 529	607 004	45,7%	-15 898	-	-1,2%
Transport and Community Safety	2 454 549	2 312 643	2 312 643	2 312 643	748 139	32,3%	-	-	0,0%
Public Works, Roads And Infrastructure	3 859 787	3 450 440	3 450 440	3 455 340	1 079 979	31,3%	-4 900	-	-0,1%
Cooperative Governance, Human Settlements And Urban Development	2 496 516	2 215 037	2 215 037	2 215 037	689 535	31,1%	-	-	0,0%
Sport, Arts And Culture	524 882	409 252	409 252	427 848	145 615	35,6%	-18 596	-	-4,5%
Total	72 796 323	71 609 464	71 609 464	72 159 377	26 768 627	37,4%	-561 145	11 232	-0,8%
Economic classification							-548 913		
Current payments	62 176 742	61 935 858	61 935 858	62 440 162	23 640 722	38,2%	-304 304	-	-0,5%
Compensation of employees	50 818 159	50 602 563	50 602 563	50 511 244	19 889 027	39,3%	-8 681	-	0,0%
Goods and services	11 357 637	11 332 349	11 332 349	11 827 972	3 751 695	33,1%	-495 623	-	-4,4%
Interest and rent on land	946	946	946	946	-	0,0%	-	-	0,0%
Transfers and subsidies	8 067 034	7 463 671	7 463 671	7 331 756	2 722 579	36,5%	-	131 915	1,8%
Payments for capital assets	2 552 547	2 209 930	2 209 935	2 387 459	405 326	18,3%	-177 524	-	-8,0%
Total	72 796 323	71 609 464	71 609 464	72 159 377	26 768 627	37,4%	-681 828	131 915	-0,8%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-548 913	

Overall the provincial expenditure is R26.8 billion representing 37.4 percent spending of the R71.6 billion adjusted budget. The spending is below the straight line projection of 41.6 percent. The Province spent R28.0 billion or 40.3 percent the previous financial year by end of August 2019. The low spending is mainly contributed to the COVID-19 lockdown since most of the activities were on hold. Hereunder is the synopsis of provincial expenditure as at 31 August 2020: -

- **Compensation of Employees (CoE)** spent R19.9 billion or 39.3 percent of the total adjusted budget of R50.6 million.

- **Goods and Services** spent R3.8 billion or 33.1 percent of the total adjusted budget of R11.3 billion.
- **Transfers and subsidies** recorded an expenditure of R2.7 billion or 36.5 percent of the total adjusted budget of R7.5 billion.
- **Payment for Capital Assets** spent R405.3 million or 18.3 percent of the total adjusted budget of R2.2 billion.

The department of Education, Health, Social Development, Legislature, Agriculture, Economic Development, Public Works, Roads and Infrastructure and Sport, Arts and Culture are projecting to overspend by R561.1 million or 0.8 percent while Provincial Treasury is projecting to underspend by R11.2 million or 2.5 percent. The province is projecting to overspend by R549.9 million or 0.8 percent. The projected overspending is mainly as a result of expected expenditure to address the COVID-19 pandemic.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

Table 5: Compensation of Employees as at 31 August 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 31 August 2020	Actual spending as % of Adjusted budget	(Over)	Under	%(Over)/under of Adjusted budget
Education	27 050 417	27 092 371	27 092 371	27 092 371	10 690 291	39,5%	-	-	0,0%
Health	16 127 301	16 193 488	16 193 488	16 193 488	6 330 688	39,1%	-	-	0,0%
Social Development	1 356 928	1 260 999	1 260 999	1 277 984	495 272	39,3%	-16 985	-	-1,3%
Office of the Premier	331 134	322 134	322 134	322 134	123 118	38,2%	-	-	0,0%
Provincial Legislature	224 475	224 475	224 475	235 179	101 458	45,2%	-10 704	-	-4,8%
Agriculture	1 231 924	1 163 917	1 163 917	1 140 137	449 436	38,6%	-	23 780	2,0%
Provincial Treasury	339 096	320 019	320 019	308 275	121 756	38,0%	-	11 744	3,7%
Economic Development	606 016	599 249	599 249	599 249	225 847	37,7%	-	-	0,0%
Transport and Community Safety	1 118 546	1 118 546	1 118 546	1 118 546	443 955	39,7%	-	-	0,0%
Public Works, Roads and Infrastructure	1 159 073	1 090 814	1 090 814	1 090 814	418 268	38,3%	-	-	0,0%
Cooperative Governance, Human Settlement	1 045 221	1 024 571	1 024 571	1 022 491	407 350	39,8%	-	2 080	0,2%
Sport, Arts and Culture	226 028	191 980	191 980	210 576	81 622	42,5%	-18 556	-	-9,7%
Total	50 818 159	50 602 563	50 602 563	50 611 244	19 889 027	39,3%	-46 285	27 604	0,0%
							Net	-8 681	

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

The overall provincial CoE spending is at R19.9 billion or 39.3 percent by the end of August 2020. The highest percentage spending departments are Sport, Arts and Culture and Legislature at 42.5 percent or R407.3 million and 45.2 percent or R101.5 million respectively. Overall the province is projecting to overspend by R8.7 million.

5.1.2. Goods and Services

Table 6: Goods and Services as at 31 August 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 31 August 2020	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
Education	3 030 006	3 011 470	3 011 470	3 027 325	449 415	14,9%	-15 855	-	-0,5%
Health	5 096 217	5 865 881	5 865 881	6 267 874	2 520 123	43,0%	-401 983	-	-6,9%
Social Development	309 577	248 094	248 094	298 767	90 943	36,7%	-29 673	-	-8,3%
Office of the Premier	108 917	69 422	69 422	69 422	26 967	38,9%	-	-	0,0%
Provincial Legislature	71 246	51 421	51 421	54 400	18 603	36,2%	-2 979	-	-5,8%
Agriculture	487 185	314 539	314 539	358 548	124 305	39,5%	-45 009	-	-14,3%
Provincial Treasury	159 865	167 650	159 865	103 135	42 519	39,5%	-	4 515	4,2%
Economic Development	279 301	187 052	187 052	200 710	73 124	39,1%	-13 658	-	-7,3%
Transport and Community Safety	381 147	274 417	274 417	274 417	101 803	37,1%	-	-	0,0%
Public Works, Roads and Infrastructure	1 014 543	894 751	894 751	894 751	207 482	23,3%	-	-	0,0%
Cooperative Governance, Human Settlement	229 717	160 168	160 168	160 139	59 419	37,1%	-	29	0,0%
Sport, Arts and Culture	199 916	157 484	157 484	157 484	44 955	28,5%	-	-	0,0%
Total	11 357 637	11 332 348	11 384 584	11 827 972	3 751 685	33,1%	-580 187	4 544	-4,4%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)							Net	-495 623	

The overall spending on Goods and Services is at R3.8 billion or 33.1 percent of the total adjusted budget of R11.3 billion. The highest percentage spending departments are Health, Agriculture and Treasury at R2.5 billion or 43.0 percent and R124.3 million or 39.5 percent and R42.5 million or 39.5 percent respectively. The Province is projecting to overspend by R495.6 million or 4.4 percent. The spending on this item will start to improve now as the lockdown levels has been reduced. Lockdown seriously impacted negatively on the performance of the item.

5.1.3. Transfers and subsidies

Table 7: Transfers and subsidies as at 31 August 2020

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 31 August 2020	Actual spending as % of Adjusted budget	(Over)	Under	%(Over)/ under of Adjusted budget
Education	2 583 701	2 559 944	2 559 944	2 559 944	1 189 979	46,5%	-	-	0,0%
Health	169 245	169 245	169 245	188 883	112 775	66,6%	-19 638	-	0,0%
Social Development	624 169	632 159	632 159	632 159	191 003	30,6%	-	-	0,0%
Office of the Premier	5 645	5 645	5 645	5 645	989	17,5%	-	-	0,0%
Provincial Legislature	81 342	81 342	81 342	82 092	45 338	55,7%	-750	-	-0,9%
Agriculture	241 970	194 111	194 111	31 715	30 744	15,8%	-	162 396	83,7%
Provincial Treasury	4 736	2 736	2 736	3 603	1 487	54,3%	-867	-	-31,7%
Economic Development	769 393	529 091	529 091	531 337	303 074	57,3%	-2 246	-	-0,4%
Transport and Community Safety	884 133	883 957	883 957	883 957	198 767	22,5%	-	-	0,0%
Public Works, Roads and Infrastructure	1 561 741	1 404 521	1 404 521	1 409 421	427 353	30,4%	-4 900	-	-0,3%
Cooperative Governance, Human Settlement	1 131 634	994 463	994 463	996 543	218 163	21,9%	-2 080	-	-0,2%
Sport, Arts and Culture	9 325	6 457	6 457	6 457	2 907	45,0%	-	-	0,0%
Total	8 067 034	7 463 671	7 463 671	7 331 756	2 722 579	36,5%	-30 481	162 396	1,8%
							Net	131 915	

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

The province spent R2.7 billion or 36.5 percent of the total adjusted budget of R7.5 billion on Transfers and subsidies. The highest percentage spending departments are Health, Provincial Treasury and LEDET at R112.8 million or 66.6 percent, R1.5 million or 54.3 percent and R303.1 million or 57.3 percent respectively. The Province is projecting to underspend by R131.9 million or 1.8 percent.

5.1.4. Payment for Capital Assets

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

R thousand	Main Appropriation	Adjusted Appropriation	Available funds*	Projected outcome	Actual as at 31 August 2020	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
Education	1 229 524	913 780	913 780	913 780	171 667	18,8%	-	-	0,0%
Health	750 178	998 639	998 639	998 639	128 562	12,9%	-	-	0,0%
Social Development	69 353	30 689	30 689	51 300	29 296	95,5%	-20 633	-	-67,3%
Office of the Premier	4 509	2 521	2 521	2 521	1 973	78,3%	-	-	0,0%
Provincial Legislature	8 074	6 899	6 899	6 899	-	0,0%	-	-	0,0%
Agriculture	90 232	40 183	40 183	162 891	10 788	26,8%	-152 708	-	-380,0%
Provincial Treasury	17 615	18 708	10 708	14 888	6 837	63,8%	4 160	-	-38,8%
Economic Development	48 353	11 293	11 293	11 287	4 959	43,9%	-	6	0,0%
Transport and Community Safety	60 723	35 723	35 723	35 723	3 614	10,1%	-	-	0,0%
Public Works, Roads and Infrastructure	124 430	70 354	70 354	70 354	26 866	38,2%	-	-	0,0%
Cooperative Governance, Human Settlement	59 944	35 835	35 835	35 864	4 603	12,8%	-29	-	-0,1%
Sport, Arts and Culture	69 613	53 331	53 331	53 331	16 131	30,2%	-	-	0,0%
Total	2 552 548	2 209 935	2 208 935	2 387 459	485 326	18,3%	-177 530	6	-8,0%
						Net	-177 524		

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

The overall provincial expenditure on Payment for Capital Assets is at R405.3 million or 18.3 percent of the total adjusted budget of R2.2 billion. The provincial spending on this classification is expected to improve during the coming quarters due to the easing of lockdown rules. The Province is projecting to overspend by R177.5 million or 8.0 percent. Most of the projects has resumed now in line with the relaxation of COVID-19 rules.

5.2. Equitable share spending

Table 9: Equitable share spending as at 31 August 2020

	Main Appropriation	Special Adjusted Appropriation	Actual as at 31 August 2020	Actual spending as % of budget	Projected Outcome- August 2020	Variance
Education	31 137 468	31 117 224	12 021 118	38,6%	31 133 079	(15 855)
Health	18 483 725	19 302 159	7 827 102	40,6%	19 723 790	(421 631)
Social Development	2 220 349	2 032 243	773 223	38,0%	2 090 534	(58 291)
Office of the Premier	450 205	399 722	153 077	38,3%	399 722	-
Provincial Legislature	385 137	364 137	157 394	43,2%	378 570	(14 433)
Agriculture	1 707 693	1 465 812	565 097	38,5%	1 477 353	(11 541)
Provincial Treasury	521 312	441 113	172 599	39,1%	429 881	11 232
Economic Development (Environment and Tourism)	1 703 014	1 324 837	606 008	45,7%	1 340 535	(15 896)
Transport and Community Safety	2 050 514	1 908 608	653 276	34,2%	1 908 608	-
Public Works, Roads and Infrastructure	2 559 325	2 346 075	980 608	41,8%	2 350 975	(4 900)
Cooperative Governance, Human Settlement and Sport, Arts and Culture	1 366 104	1 251 796	479 452	38,3%	1 251 796	-
	321 298	266 531	103 405	38,8%	285 127	(18 596)
Total	62 906 144	62 220 057	24 492 329	39,4%	62 769 970	(549 913)
Economic classification						
Current payments	56 870 470	56 649 331	22 128 133	39,06%	57 150 740	(501 409)
Compensation of employees	49 391 865	49 004 631	19 355 919	39,5%	49 005 182	(551)
Goods and Services	7 478 605	7 644 700	2 772 214	36,3%	8 145 558	(500 858)
Interest and rent on land	946	946	-	0,0%	946	-
Current transfers and subsidies	5 366 903	5 055 409	2 213 089	43,8%	4 923 493	131 916
Payments for capital assets	667 825	514 371	151 107	29,4%	694 791	(180 420)
Payments for financial assets	-	-	-	100,0%	-	-
Total	62 906 144	62 220 057	24 492 329	39,4%	62 769 970	(549 913)

Provincial equitable share spending is at R24.5 billion or 39.4 percent of the total adjusted budget of R62.2 billion. The highest percentage spending departments are Economic Development at R606.0 million or 45.7 percent, Legislature at R157.4 million or 43.2 percent, and Public Works, Roads and Infrastructure at R980.6 million or 41.8 percent. The Province is projecting to overspend by R549.9 million or 0.9 percent.

5.3. Conditional Grants

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

	Main Appropriation	Special Adjusted Appropriation	Actual as at 31 August 2020	Actual spending as % of budget	Projected Outcome- August 2020	Variance
Education	2 756 180	2 460 341	480 204	19,5%	2 460 341	-
Health	3 659 216	3 925 094	1 265 074	32,2%	3 925 094	-
Social Development	139 678	139 678	33 291	23,8%	139 678	-
Public Works , Roads and Infrastructure	1 300 462	1 104 365	99 371	9,0%	1 104 365	-
Agriculture	323 618	246 938	50 206	20,3%	246 938	-
Transport and Community Safety	404 035	404 035	94 863	23,5%	404 035	-
CoGHSTA	1 100 412	963 241	210 083	21,8%	963 241	-
Sport, Arts and Culture	203 584	142 721	42 210	29,6%	142 721	-
Economic Development	2 994	2 994	996	33,3%	2 994	-
Total	9 890 179	9 389 407	2 276 298	24,2%	9 389 407	-
Current payments	5 291 326	5 288 476	1 512 589	28,60%	5 288 476	-
Compensation of employees	1 426 294	1 606 062	533 108	33,2%	1 606 062	-
Goods and Services	3 865 032	3 682 414	979 481	26,6%	3 682 414	-
Current transfers and subsidies	2 714 131	2 408 263	509 490	21,2%	2 408 263	-
Payments for capital assets	1 884 722	1 692 668	254 219	15,0%	1 692 668	-
Total	9 890 179	9 389 407	2 276 298	24,2%	9 389 407	-

The CGs' overall expenditure is at R2.3 billion or 24.2 percent of the total adjusted budget of R9.4 billion. The low expenditure is due to COVID-19 lockdown to address the spread of the disease. The highest percentage spending departments are Health at R1.3 billion or 32.2 percent, Sport, Arts and Culture 29.6 percent or R42.2 million and LEDET at R0.996 million or 33.3 percent.

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

R thousand	Budget	Special Adjustment	Provincial Actual Payments	Actual Payments as a % of budget
Agriculture	323 618	246 938	50 206	20,3%
Comprehensive Agricultural Support Programme	233 558	174 498	36 879	21,1%
Ilima/Letsema Projects Grant	70 480	52 860	10 870	20,6%
EPWP Integrated grant	6 610	6 610	2 445	37,0%
Land Care Programme Grant	12 970	12 970	12	0,1%
Sport, Arts and Culture	203 584	142 721	42 210	29,6%
Mass Sport and Recreation Programme	58 363	32 291	5 053	15,6%
EPWP Integrated grant	2 000	2 000	224	11,2%
Community Library Services Grant	143 221	108 430	36 933	34,1%
Education	2 756 180	2 460 341	480 204	19,5%
HIV and Aids (Life Skills Education) Grant	28 137	21 339	1 176	5,5%
National School Nutrition Programme Grant	1 369 485	1 369 485	284 352	20,8%
Infrastructure Grant	1 256 364	976 043	176 839	18,1%
Maths, Science and Technology	46 860	38 140	1 895	5,0%
Learners with Profound Intellectual Disabilities	32 432	32 432	8 178	25,2%
Social sector EPWP grant	20 833	20 833	7 613	36,5%
EPWP Incentive allocation	2 069	2 069	151	7,3%
Health	3 659 216	3 925 094	1 265 074	32,2%
Comprehensive HIV and Aids Grant	2 179 020	2 402 449	739 564	30,8%
Community Outreach Services Component	337 473	337 473	-	0,0%
Comprehensive HIV, AIDS Component	1 555 254	1 555 254	733 622	47,2%
Human Papillomavirus Vaccine Grant	30 604	30 604	-	0,0%
Malaria Component	70 370	70 370	5 942	8,4%
Tuberculosis Component	47 314	47 314	-	0,0%
COVID-19 Disaster grant	138 005	361 434	-	0,0%
Human Resources and Health Professions	232 171	232 171	95 430	41,1%
Statutory Human Resources	74 547	74 547	33 123	44,4%
Training and Development	157 624	157 624	62 307	39,5%
EPWP Social Sector	28 286	28 286	10 873	38,4%
Hospital Revitalisation Grant	742 473	742 473	165 471	22,3%
Health Insurance	32 066	32 066	22 114	69,0%
National Tertiary Services Grant	445 200	445 200	189 174	42,5%
Disaster Emergency Funds	-	42 449	42 448	100,0%
COGHSTA	1 100 412	963 241	210 063	21,8%
Integrated Housing & Human Settlements Development	1 060 622	948 161	209 133	22,1%
Deeds Restoration	37 790	13 080	950	7,3%
EPWP Incentive allocation	2 000	2 000	-	0,0%
Public Works, Roads and Infrastructure	1 300 462	1 104 365	99 371	9,0%
Infrastructure Grant	1 164 756	968 659	94 568	9,8%
Flood Damage Roads Maintenance Grant	130 000	130 000	-	0,0%
EPWP Integrated grant	5 706	5 706	4 803	84,2%
Economic Development	2 994	2 994	996	33,3%
EPWP Incentive grant	2 994	2 994	996	33,3%
Social Development	139 678	139 678	33 291	23,8%
Early Childhood development	127 724	127 724	28 428	22,3%
EPWP Integrated grant	2 000	2 000	772	38,6%
EPWP Social sector grant	9 954	9 954	4 091	41,1%
Transport and Community Safety	404 035	404 035	94 863	23,5%
Public Transport Operations Grant	402 035	402 035	94 863	23,6%
EPWP Incentive grant	2 000	2 000	-	0,0%
Total	9 890 179	9 389 407	2 276 298	24,2%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R50.2 million or 20.3 percent of the total adjusted budget of R246.9 million. The department could not perform as planned due to lockdown rules, most projects were on hold.

- **Comprehensive Agricultural Support programme** spent 21.1 percent or R36.9 million of the total adjusted budget of R174.5 million. The expenditure is below the expected expenditure trends due to the impact of COVID-19 lockdown.
- **Land care** - spent R0.012 million or 0.1 percent during the period. Delays in conclusion of assessment of Land Care projects by National Assessment Panel and Transferring Officer as results of National Lock down.
- **ILLIMA/LETSEMA** spent R10.8 million or 20.6 percent. The low spending is attributed to expired seed & seedling and Fertilizer contracts. Procurements through best advantage takes more time to conclude.
- **EPWP incentive grant** spent R2.4 million or 37.0 percent. The department has been waiting the relaxation of the lockdown to advertise for procurement of goods and services.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R42.2 million or 29.6 percent of the total adjusted budget of R142.7 million. Most programmes for the first quarter were cancelled due to COVID-19. The department have revised the targets to align to the COVID-19 pressures and requirements.

- **Mass Sport and Recreation Programme** spent R5.1 million or 15.6 percent of the total adjusted budget of R32.3 million. All programmes and projects in Sport and Recreation such as, District and Provincial School Sport leagues, Active Recreational programmes, Sport Development Leagues for Q1 were cancelled due to COVID-19
- **Community Library Services** spent R36.9 million or 34.1 percent of the total adjusted budget of R108.4 million. The spending is mainly for prior year accruals. Library Conditional Grant Business Plans have to be revised to reflect budget and target changes due to the COVID-19 impact
- **EPWP Incentive grant** – spent R0.224 million or 11.2 percent during the period. EPWP workers started working on the 1st of July 2020

5.3.3. Education

Overall spending by the department is at R480.2 million or 19.5 percent of the total adjusted budget of R2.5 billion.

- **HIV/AIDS Life skills** spent R1.2 million or 5.5 percent of the total adjusted budget of R21.3 million. The low spending is caused by lack of activities due to National Lockdown. The

subsequent revision of the business plan due to budget cut and the need to re-prioritize for COVID-19 for support and management at schools as per revised grant framework will enhance spending on the grant in line with the revised business plan. Vacant posts were advertised as per approved recruitment plan but not yet filled. Procurement and lease of machinery not successful due to suppliers also affected by lock down.

- **National School Nutrition Programme** spent R284.4 million or 20.8 percent of the total adjusted budget of R1.4 billion. The low spending is as a result of lockdown. There was no feeding of food to learners due to the closure of schools and procurement of machinery and equipment could not take place as a result of lockdown.
- **Infrastructure grant** spent R176.8 million or 18.1 percent of the total adjusted budget of R976.0 billion. Deliveries of the resources purchased for the e-learning project could not be made as a result of lockdown and other infrastructure projects were put on hold in order to fight the pandemic.
- **Maths, Science and Technology** spent R1.9 million or 5.0 percent of the total adjusted budget of R38.1 million. Low spending on Compensation of Employees on this grant is due to wrong posting of expenditure. Deliveries of e-learning solutions could not be concluded due to lockdown.
- **EPWP Social sector** grant spent R7.6 million or 36.5 percent of the total budget of R20.8 million. There was a delay of appointment and capturing of participants in the system due to lockdown. The planned training could not take place due to COVID-19.
- **EPWP Incentive Grant** - spent R0.151 million or 7.3 percent. The low spending is as a result of lockdown. Appointment of casual labourers was disrupted by lockdown. Protective clothing not procured pending the appointment of casual labourers.
- **Learners with Profound Intellectual Disabilities** – spent R8.2 million or 25.2 percent of the total budget of R32.4 million. Adjustment of plans and reprioritization of budget is underway in order to purchase materials which will assist learners to study. Delayed assumption of duty by appointed outreach team members also contributed to the low spending. Procurement could not take place as the economy was closed as a result of the lockdown.

5.3.4. Health

The overall spending on CG is R1.3 billion or 32.2 percent of the total adjusted budget of R3.9 billion.

- **HIV and AIDS** - spent 30.8 percent or R739.6 million of the total adjusted budget of R2.4 billion. The low spending is as a result of delayed implementation of the business plan due

to National State of Disaster and lockdown. 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. Delayed delivery of ARVs and invoices to the value of R353.6 million from service providers impacted negatively on performance on this grant.

- **EPWP Social Sector** grant spend R10.9 million or 38.4 percent of the total budget of R28.3 million. Current EPWP beneficiaries' contracts are lapsing on 30th September 2020 and recruitment is in process for the period October to March 2021. Extension of contract ending on 30th September 2020, recruitment for EPWP workers on minimum wage is in process.
- **National Tertiary Services** grant spent R189.2 million or 42.5 percent of the total budget of R445.2 million. The overall high spending is basically as a result of payment of invoices for COVID-19 PPEs to the value of R22.2 million, laboratory tests and blood products. The department will monitor the expenditure to be within the allocated budget.
- **Human Resources and Health Professions Training and Development** grant has recorded expenditure of R95.4 million or 41.1 percent of the total budget of R232.2 million. The overall expenditure pattern is in line with the business plan. The overall high expenditure is mainly on goods and services as a result of payment of COVID-19 PPEs.
- **Health Facilities Revitalization grant** spent 22.3 percent or R165.5 million of the total budget of R742.5 million. Shortlisting for a prioritized Chief Engineer position took place but no suitable candidates were identified which also negatively affected the performance on the grant. A re-advertisement of the posts is being arranged. National Disaster Lockdown restricted the operation of various economic sectors such as cement manufacture, access to building and hardware products and the free movement of goods and services generally. While the construction sector has opened up to some extent under level 2 restrictions there has been insufficient time to incur noticeable expenditure on projects.
- **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 also affect the campaign, the business plan has been revised in order to allow the spending on other activities within the grant.
- **Health Insurance grant** - has recorded expenditure of R22.1 million or 69.0 percent of the total budget of R32.1 million. The high spending is as a result of payment of COVID-19 PPEs and appointed additional personnel in the fight of the pandemic.
- **COVID-19 disaster Management grant** did not spend as funds were allocated during special adjustment.

- **Disaster Emergency Fund grant-** spent 100 percent of the allocated budget of R42.4 million.

5.3.5 CoGHSTA

In overall, the department spent R210.1 million or 21.8 percent of the total adjusted budget of R963.2 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R209.1 million or 22.1 percent of the adjusted budget of R948.2 million. The low spending is due to COVID-19 lockdown and as a result no construction of houses were made during the period. The expenditure incurred is for work done during 2019/20 of which claims could not be paid due to late submission of claims by service providers.
- **Deeds Restoration grant** spend R0.950 million or 7.3 percent. The low spending is due to COVID-19 lockdown.
- **EPWP grant** reflects zero spending by end of August 2020. The department is in the process of renewing the contracts of EPWP workers.

5.3.6 LEDET

The department spent R0.996 million or 33.3 percent. 108 beneficiaries are scheduled to start in September and finish in March 2021 in order to catch up the lost time and improve expenditure.

5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R99.4 million or 9.0 percent of the adjusted budget of R1.1 billion.

- **Infrastructure grant** – spent R94.6 million or 9.8 percent of the total adjusted budget of R968.7 million. Low spending is attributed to the declared National Disaster and lockdown to address the spread of corona virus. The Department did not receive any fund requisition from the Entity (RAL) during the reporting period.
- **Flood Damaged Roads Infrastructure** – did not spend due to the delay on appointments of service providers which will be finalized by the end of the month of September 2020.
- **EPWP grant** – spent R4.8 million or 84.2 percent of the total budget of R5.7 million.

5.3.8. Transport and Community Safety

The department has spent R94.9 million or 23.5 percent of the allocated budget of R404.0 million.

- **Public Transport Operations grant** – spent R94.9 million or 23.6 percent of the R402.0 million allocated budget, the performance of the grant was affected by the lockdown as buses spent the better part of the first quarter standing.
- **EPWP Incentive grant** – the spending is zero to date however the department has finalized the appointments at the beginning of September 2020.

5.3.9. Social Development

Overall spending by the department is R33.3 million or 23.8 percent of the total budget of R139.7 million.

- **Early Childhood Development grant** - recorded an expenditure of R28.4 million or 22.3 percent of the total budget of R127.7 million. The spending has been negatively affected by the lockdown, however with changes on the grant frameworks, delivery of targets will be enhanced to ensure that ECD centers are conducive for the children and also to curb the corona virus.
- **EPWP social sector grant** - spent R4.1 million or 41.1 percent of the budget of R9.9 million.
- **EPWP integrated grant** - spent R0.772 million or 38.6 percent of the budget of R2.0 million.

6. COVID-19 spending report.

Table 12: COVID-19 expenditure

DEPARTMENT	BUDGET	EXPENDITURE	% SPENDING
Premier	6 821	752	11,0%
Legislature	1 000	441	44,1%
Education	421 933	39 949	9,5%
Agriculture and Rural Development	32 200	10 057	31,2%
Provincial Treasury	379	312	82,3%
Economic Development	2 318	1 561	67,3%
Health	2 469 753	640 309	25,9%
Transport and Community Safety	24 274	3 205	13,2%
Public Works, Roads and Infrastructure	49 598	2 363	4,8%
Sport Arts and Culture	16 049	527	3,3%
CoGHSTA	1 532	1 421	92,8%
Social Development	26 890	4 644	17,3%
TOTAL	3 052 747	705 541	23,1%

The Provincial departments has so far spent R705.5 million or 23.1 percent on COVID-19 pandemic.

Provincial Own Revenue

Table 13: Provincial own revenue collection per vote as at 31st August 2020
BUDGET AND REVENUE COLLECTION AS AT 31 AUGUST 2020

Summary of Provincial Own Receipts as per Departments (Votes)

Departments (Votes)	Main appropriation 2020/21	Projections as at end of August 2020	Projections as % of main appropriation	Actual Collection as at end August 2020	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	Variance Over / (Under) Collection as of main appropriation	Main appropriation 2019/20	Actual Collection as end August 2019	Actual collection as % of main appropriation
	R000	R000		R000		R000	R000	R000		R000	R000	
Office of the Premier	608	277	45.6%	179	29.4%	331	510	(98)	-16.2%	583	285	45.4%
Education	51 034	21 210	41.6%	14 411	28.2%	29 824	44 235	(6 709)	-13.3%	43 825	42 879	97.8%
Agriculture & Rural Development	12 320	4 124	33.5%	2 670	21.7%	8 190	10 868	(1 454)	-11.8%	11 722	2 420	20.8%
Provincial Treasury	247 781	103 805	41.8%	86 747	35.0%	144 178	230 923	(16 858)	-6.8%	280 874	95 477	34.0%
Economic Development, Environment & Tourism	167 683	68 092	40.6%	15 053	9.0%	99 551	114 844	(53 030)	-31.6%	158 941	69 003	43.4%
Health	212 297	79 509	37.5%	53 120	25.0%	132 788	185 908	(26 389)	-12.4%	193 610	74 375	38.4%
Transport & Community Safety	651 293	276 851	42.5%	164 443	25.2%	374 442	538 885	(112 400)	-17.3%	584 740	266 155	45.5%
Public Works, Roads & Infrastructure	34 962	13 291	38.0%	12 694	36.3%	21 671	34 365	(597)	-1.7%	30 438	14 685	48.2%
Sport, Arts & Culture	2 253	256	11.4%	157	7.0%	1 997	2 155	(98)	-4.4%	2 224	353	15.9%
Co-operative Governance, Human Settlements & Traditional Affairs	5 323	1 653	31.1%	906	17.0%	3 670	4 576	(747)	-14.0%	5 119	1 392	27.2%
Social Development	2 500	870	34.8%	938	37.5%	1 630	2 968	68	2.7%	4 182	1 195	28.6%
Total provincial own receipts	1 388 054	569 738	41.0%	351 318	25.3%	818 318	1 169 634	(218 420)	-18.7%	1 316 258	568 179	43.2%

Provincial revenue appropriated target for 2020/21 financial year is R1.4 billion. As at the end of August 2020, the Province has collected an amount of R351.3 million or 25.3 percent against the set own revenue projections of R569.7 million or 41.0 percent which reflect a significant under collection of R218.4 million or 15.7 percent. The under collection is mainly on motor vehicle licence; casino and horse racing taxes; and patient fees by Departments of Transport and Community Safety; LEDET and Health respectively. The under collection is mainly influenced by the decline or lack of economic activities due to enforced lockdown as a result of resurgence of covid-19 pandemic.

Other contributing items to under collections amongst others are less recovery of previous year's expenditure related debts; penalties on motor vehicle licenses and abnormal load permits by Departments of Education and Transport and Community Safety respectively. The collection is far below that of the previous year corresponding period of R568.1 million or 43.2 percent.

7.1. All Departments, with the exception of the Department of Social Development collected below their set target.

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

The Department collected R0.938 million or 37.5 percent against the set own revenue projections of R0.870 million or 34.8 percent. Over collection of R0.063 million or 2.7 percent is mainly due to more recovery of previous year's expenditure related debts.

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

An amount of R0.179 million or 29.4 percent has been collected against the set own revenue projections of R0.277 million or 45.6 percent. Under collection of R0.098 million or 16.2 percent is mainly due to less recovery of departmental debts.

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

The Department collected R14.4 million or 28.2 percent against the set own revenue projections of R21.2 million or 41.6 percent. Under collection of R6.7 million or 13.3 percent is mainly due to less recovery of previous years' expenditure related debts than anticipated.

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

As at the end of August 2020, the Department collected R2.6 million or 21.7 percent against the set own revenue projections of R4.1 million or 33.5 percent. Under collection of R1.4 million or 11.8 percent is mainly on academic and boarding services from Agricultural colleges which is influenced by enforced lockdown.

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

As at 31st of August 2020, actual collection is R86.7 million or 35.0 percent against the set own revenue projections of R103.6 million or 41.8 percent. Under collection of R16.8 million or 6.8 percent is due to less interest earned from favourable provincial bank balances however, collection on this item is unpredictable.

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

Collection as at the 31st August 2020 amounts to R15.0 million or 9.0 percent against the set own revenue projections of R68.0 million or 40.6 percent. Significant under collection of R53.0 million or 31.6 percent is mainly on casino and horse racing taxes from tax receipts as well as on entrance fees from resorts revenue due to decline or lack of public participation on gambling and resort activities as a result of lockdown. Uncaptured receipts improved to R0.008 million

as compared to R0.569 million as at end of July and R0.075 of the previous year corresponding period.

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

The Department collected R53.1 million or 25.0 percent against the set own revenue projections of R79.5 million or 37.5 percent. Under collection of R26.3 million or 12.4 percent is mainly on patient fee. Uncaptured receipts improved to R1.8 million as compared to R2.0 million at end of July and to R7.0 million of the previous year corresponding period.

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

As at end of August 2020, the Department collected R164.4 million or 25.2 percent against the set own revenue projections of R276.8 million or 42.5 percent. The significant under collection of R112.4 million or 17.3 percent is mainly on motor vehicle licenses, penalties on motor vehicle licenses, abnormal load licenses and traffic fines influence by decline or lack of economic activities as a result of the enforced lockdown. Uncaptured receipts amounts to R26.0 million, regressed as compared to R8.0 as at end of July 2020, and R0.889 million of the previous year corresponding period.

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

The Department collected R12.6 million or 36.3 percent against set own revenue projections of R13.3 million or 38.0 percent. Under collection of R0.597 million or 1.7 percent is mainly on property rentals collection.

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

As at the end of August 2020, actual collection for the Department is R0.157 million or 7.0 percent against set own revenue projections of R0.256 million or 11.4 percent. Under collection of R0.098 million or 4.4 percent is mainly influenced by less recovery of departmental debts than anticipated.

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

The actual collection as at the end of August 2020 amounts to R0.906 million or 17.0 percent against the set own revenue projections of R1.6 million or 31.1 percent. The under collection of R0.747 million or 14.0 percent is mainly due to less recovery of previous year's expenditure related debts than anticipated.

7.2. Own revenue per economic classification

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

Summary of Provincial Own Receipts as per Economic Classification												
Items (Revenue Sources)	Main appropriation 2020/21	Projections as at end of August 2020	Projections as % of main appropriation	Actual Collection as at end August 2020	Actual collection as % of the main appropriation	Projected remainder of the year	Estimated total revenue	Variances Over / (Under) Collection	% Variance Over / (Under) Collection as of main appropriation	Main appropriation 2019/20	Actual Collection as end August 2019	Actual collection as % of main appropriation
Tax receipts	660 655	279 776	42.3%	153 100	23.2%	380 889	533 989	-126 676	-19.2%	604 232	274 004	45.3%
Casino taxes	67 411	27 836	41.3%	2 019	3.0%	39 575	41 594	-25 817	-38.3%	59 897	32 459	54.2%
Horse racing taxes	45 335	17 745	39.1%	8 824	19.5%	27 590	36 414	-8 921	-19.7%	46 972	15 745	33.5%
Liquor licenses	4 069	339	8.3%	133	3.3%	3 730	3 863	-206	-5.1%	3 857	274	7.1%
Motorvehicle licenses	543 850	233 856	43.0%	142 123	26.1%	309 994	452 117	-91 733	-16.9%	492 506	225 526	45.7%
Sales of goods and services other than capital assets	324 527	127 243	39.2%	90 015	27.7%	197 283	287 258	-37 228	-11.5%	305 062	114 329	37.5%
of which: Patient fees	110 151	38 608	35.1%	18 780	17.0%	71 543	90 323	-19 828	-18.0%	99 021	37 427	37.8%
Transfers received from	9 179	-	0.0%	-	0.0%	9 179	9 179	0	0.0%	5 700	170	3.0%
Fines, penalties and forfeits	72 041	29 831	41.4%	12 807	17.6%	42 210	55 017	-17 024	-23.0%	54 823	28 288	51.6%
Interest, dividends and rent on land	249 186	104 020	41.7%	87 226	35.0%	145 147	232 373	-16 794	-6.7%	281 727	96 161	34.1%
Sales of capital assets	17 055	-	0.0%	75	0.4%	17 055	17 130	75	0.4%	12 791	2 901	22.7%
Transaction in Financial Assets and Liabilities	55 421	28 868	52.1%	8 095	14.6%	26 552	34 648	-20 773	-37.5%	51 923	52 345	100.8%
Total provincial own receipts	1 388 054	569 738	41.0%	351 318	25.3%	818 316	1 169 634	(218 420)	-15.7%	1 316 258	568 179	43.2%

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

An amount of R153.1 million or 23.2 percent has been collected against the set own revenue projections of R279.7 million or 42.3 percent. The under collection of R126.6 million or 19.2 percent is mainly on motor vehicle licences registration and renewal fees by Department of Transport and Community Safety; and casino & horse racing taxes by Department of Economic Development, Environment and Tourism.

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

As at the 31 August 2020, actual collection is R90.1 million or 27.7 percent against the set own revenue projections of R127.2 million or 39.2 percent. The under collection of R37.2 million or 11.5 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.

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

Fines, penalties and forfeits collected R12.8 million or 17.8 percent against the set own revenue projections of R29.8 million or 41.4 percent. Under collection of R17.0 million or 23.6 percent is mainly due to less collection of penalties on motor vehicle licences and traffic fines by Transport and Community Safety.

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 for any accumulated surpluses / unspent funds from Schedule 3 (C) Public Entities.

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

Collection as at the 31st of August 2020 is R87.2 million or 35.0 percent against the set own revenue projections of R104.0 million or 41.7 percent. Under collection of R16.7 million or 6.7 percent is mainly influenced by less interests earned from favourable bank balances by Provincial Treasury.

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

Collection of R0.075 million against zero projections. The collection emanates from recovery of previous year auction conducted but not accounted in the year of receipt by CoGHSTA.

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

The item collected R8.1 million or 14.6 percent against the set own revenue projections of R28.8 million or 52.1 percent. Under collection of R20.7 million or 37.5 percent is mainly due to less recovery of previous year's expenditure related debts by LEDET, Education and Health.

8. Provincial Infrastructure Performance

Table 15: Infrastructure Expenditure comparison as at end August year-on-year

Infrastructure Expenditure Comparison as at 31 Aug year-on-year										
Department	Budget (R'000)				Expenditure (R'000)			% Expenditure		
	2018/19	2019/20	2020/21		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
			Main	Adjusted						
Education	1 013 426	1 051 986	1 258 291	977 970	379 558	207 828	176 839	37,5%	19,8%	18,1%
Agriculture & Rural Development	160 455	223 426	220 214	89 002	50 333	70 821	18 143	31,4%	31,6%	20,4%
LEDET	54 481	45 267	20 000	6 600	36 048	2 637	4 797	66,2%	5,8%	72,7%
Health	729 277	656 200	962 819	1 053 776	176 826	229 082	223 878	24,2%	34,9%	21,2%
PWR&I - Total	1 958 938	2 153 433	3 370 658	2 972 594	969 829	881 588	923 506	49,5%	40,9%	31,1%
PWR&I - Roads	1 883 322	2 077 037	2 505 298	2 228 412	953 651	862 024	573 366	50,6%	41,5%	25,7%
PWR&I - Works	75 616	76 396	865 360	744 182	16 178	19 564	350 148	21,4%	25,6%	47,1%
Transport	27 915	43 021	51 574	32 574	946	3 179	-	3,4%	7,4%	0,0%
CoGHSTA	1 312 187	1 337 497	1 100 412	961 241	441 364	559 257	213 290	33,6%	41,8%	22,2%
Social Development	43 201	47 846	71 794	25 213	24 550	15 382	17 223	56,8%	32,1%	68,3%
Spot, Arts & Culture	40 031	47 128	79 759	53 359	21 231	12 786	15 954	53,0%	27,1%	29,9%
TOTAL	5 339 911	5 605 804	7 125 521	6 172 329	2 100 686	1 982 361	1 593 630	39,3%	35,4%	25,8%

As at 31 August 2020, the Provincial Infrastructure expenditure stood at R1.6 billion or 25.8 percent of the total budget of R6.2 billion. The Provincial Infrastructure budget for the current financial year is as follows:

Main appropriation: R 7.1 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 budget was adjusted downwards to R 6.172 billion due to the Covid-19 pandemic. 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 31 August 2020 is recorded as follows:

- o 39.3 percent - 2018/19
- o 35.4 percent - 2019/20
- o 25.8 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 only department with R NIL expenditure by the end of August 2020 was Transport. There are still many GAPS that have been identified in the IRM, in particular that of aligning to the Table B5, the 2020 MTEF Database (the adjusted budget), BAS and IYM. The departments were provided with reports on areas where the quality is to be improved.

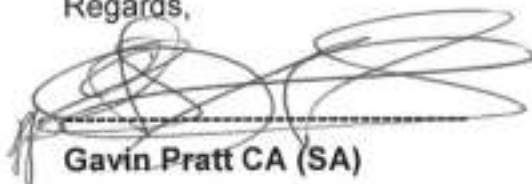
The compliance levels with the submission and approval of the IRM continue to improve, however there are still improvements required concerning the submission of signed-off reports. For the August 2020 IRM, all departments, did submit by the due date of 15 September 2020, except the Public Works, Roads and Infrastructure – Roads component. All departments project to break-even by year-end following the adjusted budget, Provincial Treasury projects an under-expenditure.

9. Conclusion

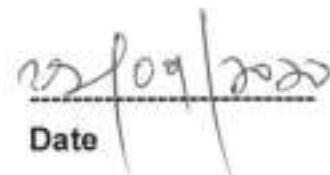
The Provincial Treasury hereby submits the Limpopo Provincial Revenue and Expenditure report and the following should be noted: -

- The overall provincial spending as at 31 August 2020 amounts to R26.8 billion or 37.4 percent of the total adjusted budget of R71.6 billion. Of the R26.8 billion total expenditures, R24.5 billion or 39.4 percent is on equitable share and R2.3 billion or 24.2 percent on Conditional grant.
- As at the end of August 2020, the Province has collected an amount of R351.3 million or 25.3 percent against the set own revenue projections of R569.7 million or 41.0 percent which reflect a significant under collection of R218.4 million or 15.7 percent. The under collection is mainly on motor vehicle licence; casino and horse racing taxes; and patient fees by Departments of Transport and Community Safety; LEDET and Health respectively. The under collection is mainly influenced by the decline or lack of economic activities due to enforced lockdown as a result of resurgence of covid-19 pandemic.
- As at 31 August 2020, the Provincial Infrastructure expenditure stood at R1.6 billion or 25.8 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)



Date

HOD: Provincial Treasury

Category	1/01	1/02	1/03	1/04	1/05	1/06	1/07	1/08	1/09	1/10	1/11	1/12	1/13	1/14	1/15	1/16	1/17	1/18	1/19	1/20	1/21	1/22	1/23	1/24	1/25	1/26	1/27	1/28	1/29	1/30	1/31		
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M.S. Pharmacy
 12/29/2000

Pharmacy Department of the State of Michigan
 Pharmacy Division

Summary

Fiscal Year: 2023
 Budget: 2,000
 Actual: 2,000

Department	Division	Account	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Year	Year to Date	Progress			
Department of Public Works	Division of Street Maintenance	Account 100000	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,000	2,000	100%		
		Account 100001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Account 100010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Available			200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,000	2,000	100%			

Details

Fiscal Year: 2023
 Budget: 2,000
 Actual: 2,000

Department	Division	Account	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Year	Year to Date	Progress		
Department of Public Works	Division of Street Maintenance	Account 100000	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,000	2,000	100%	
		Account 100001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Account 100009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Account 100010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Available			200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,000	2,000	100%	

