



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ref : 12/4/5/1
Enq : Semenya PA
Tel : (015) 298-7000

**The Director General
National Treasury
Private Bag x115
PRETORIA**

LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 30 JUNE 2020

1. Purpose

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

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 30 June 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 June 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 30 June 2020

R'000

Fund/Grant Names	Receipts from National Revenue Fund					Balance to Annual Budget
	Annual Budget	Cash Flows Against National Payments Schedule			Deviation from Schedule	
		Allocation 30-Jun-20	% Allocation 30-Jun-20	Actual Receipt 30-Jun-20		
Equitable Share	62,328,931	15,582,234	25%	15,582,234	-	46,746,697
Conditional Grants:-	9,890,179	2,566,932	26%	2,488,703	78,229	7,401,476
National School Nutrition Prog.	1,369,485	343,374	25%	335,196	8,178	1,034,289
HIV/AIDS	28,137	2,813	10%	2,813	-	25,324
Education Infrastructure	1,256,364	376,909	30%	376,909	-	879,455
Learner with profound intellectual disabilities	32,432	9,730	30%	17,908	(8,178)	14,524
Maths, Science and Technology	46,860	4,686	10%	4,686	-	42,174
Letsema Projects	70,480	14,096	20%	-	14,096	70,480
CASP	233,558	45,047	19%	-	45,047	233,558
Land Care Programme	12,970	1,297	10%	-	1,297	12,970
Health Facility Revitalisation	742,473	136,122	18%	136,122	-	606,351
Comprehensive HIV/AIDS	2,179,020	590,683	27%	590,683	-	1,588,337
National Tertiary Services	445,200	126,731	28%	126,731	-	318,469
Statutory Human Resources, Training & Dev.	232,171	58,047	25%	58,047	-	174,124
National Health Insurance	32,066	8,016	25%	-	8,016	32,066
Public Transport Operation	402,035	66,672	17%	66,672	-	335,363
Provincial Roads Maintainance	1,294,756	291,029	22%	291,029	-	1,003,727
Human Settlement Development	1,060,622	394,051	37%	394,051	-	666,571
Title Deed Restoration	37,790	2,873	8%	-	2,873	37,790
EPWP Integrated Grant	25,379	6,344	25%	6,344	-	19,035
Social Sector (EPWP) Incentive	59,073	14,768	25%	10,077	4,691	48,996
Early Childhood Development	127,724	33,255	26%	31,046	2,209	96,678
Mass Participation & Sport Development	58,363	11,673	20%	11,673	-	46,690
Community Library Services Grant	143,221	28,716	20%	28,716	-	114,505
Total National Payments	72,219,110	18,149,166	25%	18,070,937	78,229	54,148,173

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

4.1. Actual Expenditure vs Cash Allocations and Actual Funds Transferred to departments for period up to 30 June 2020

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

Table 2: Actual Expenditure vs Cash Allocations and Actual Funds Transferred to departments for period up to 30 June 2020

Departments	Opening Bank Balances at 1-Apr-20 R' 000	Cash Allocation 30-Jun-20 R' 000	Actual Expenditure 30-Jun-20 R' 000	Tranfers To Departments 30-Jun-20 R' 000	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount R' 000	%	Amount R' 000	%
Education	335,757	8,117,873	7,597,947	7,634,295	519,926	6.4%	-36,348	-0.5%
Health	91,751	5,659,349	5,429,326	5,360,897	230,023	4.1%	68,429	1.3%
Social Development	-562	579,432	487,921	469,992	91,511	15.8%	17,929	3.7%
Office of the Premier	18,155	104,012	93,618	94,816	10,394	10.0%	-1,198	-1.3%
Provincial Legislature	22,738	162,649	79,437	162,649	83,212	51.2%	-83,212	-104.8%
Agriculture & Rural Development	80,043	469,549	359,341	287,312	110,208	23.5%	72,029	20.0%
Provincial Treasury	26,406	122,541	89,998	65,586	32,543	26.6%	24,412	27.1%
LEDET	29,395	399,063	372,379	372,637	26,684	6.7%	-258	-0.1%
Transport	126,180	595,549	413,276	375,726	182,273	30.6%	37,550	9.1%
Public Works, Roads and Infrast.	436,792	999,590	557,215	548,660	442,375	44.3%	8,555	1.5%
CoGHSTA	85,671	714,100	333,662	354,519	380,438	53.3%	-20,857	-6.3%
Sport, Arts & Culture	57,598	134,841	91,268	90,833	43,573	32.3%	435	0.5%
Total	1,309,924	18,058,548	15,905,388	15,817,922	2,153,160	11.9%	87,466	0.5%
Equitable Share	787,580	15,491,616	14,747,834	13,551,068	743,782	4.8%	1,196,766	8.1%
Conditional Grants	506,934	2,566,932	1,157,554	2,266,854	1,409,378	54.9%	-1,109,300	-95.8%
Total	1,294,514	18,058,548	15,905,388	15,817,922	2,153,160	11.9%	87,466	0.5%

Departments opened the financial year with a group favourable bank balance amounting R1.3 billion, comprising 2019/20 preliminary underspending of R1.3 billion and the balance of own revenue collections which were not yet paid into Provincial Revenue Fund (PRF) by 31 March 2020. This preliminary underspending consists of R787.6 million in Equitable Share and R506.9 million in conditional grants and those are estimated amounts that departments surrendered to PRF and awaiting the roll-over process that will unfold shortly.

Comparing actual expenditure to cash allocations, departments under-spent their overall cash flow projections by R2.2 billion or 11.9 percent. Equitable Share underspent by R743.8 million or 4.8 percent while Conditional Grants underspent by R1.4 billion or 54.9 percent. This may be attributed to the national lockdown as majority of economic activities were at stand still over the two months.

Comparing actual transfers to departments against actual expenditure, Provincial Revenue Fund under-transferred departments by R87.5 million or 0.5 percent, with Equitable share under-transferred by 8.1 percent while Conditional Grant was over-transferred by 95.8 percent. Under-transfer in most departments was to try and off-set favourable opening bank balances that most departments were not available to do preliminary surrender as a result of national lockdown. Provincial Legislature was over-transferred as a result of Auditor-General's pressure that we delink it to be on its in terms of its new Financial Management Act compelling PRF to transfer all its cash allocations at the beginning of each month irrespective of its spending patterns.

4.2. Interest Performance

Table 3: Interest Performance

R'000

Institution	2020/21													Total
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21		
Call Account (absa)	2,265	69												2,334
CPD (SA Reserve Bank)	10,283	15,051	13,325											38,659
Commercial Bank (absa)	2,163	4,176	1,352											7,691
Total	14,711	19,296	14,677	-	-	-	-	-	-	-	-	-	-	48,684

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	13,005											46,647
Commercial Bank (absa)	2,178	2,312	1,297											5,787
Total	16,403	21,729	14,302	-	-	-	-	-	-	-	-	-	-	52,434

-17.12%
 -7.15%

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

In terms of the table above, the province recorded a 7.15 percent decline in interest revenue from R46.6 million during same period in 2019/20 to R38.7 million this financial year. The decline was mainly on CPD account which dropped 17.12 percent and that may be attributed to a sharp decline in interest rates due to recent downgrades that was coupled with national lockdowns following Covid-19 outbreak. The provincial cash reserve has also drastically reduced as was utilized to fund priorities and budget pressures year-on-year.

5. Provincial Expenditure

Table 4: Provincial overall expenditure as at 30 June 2020

	Main Appropriation	Projected outcome	Actual spending as at 30 June 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
R thousand							
Education	33 893 648	33 475 773	7 597 947	22,4%	–	417 875	1,2%
Health	22 142 941	23 359 813	5 429 326	24,5%	-1 216 872	–	-5,5%
Social Development	2 360 027	2 161 531	487 921	20,7%	–	198 496	8,4%
Office Of The Premier	450 205	393 722	93 618	20,8%	–	56 483	12,5%
Provincial Legislature	385 137	364 114	79 437	20,6%	–	21 023	5,5%
Agriculture	2 031 311	1 655 250	359 341	17,7%	–	376 061	18,5%
Provincial Treasury	521 312	433 729	89 998	17,3%	–	87 583	16,8%
Economic Development, Environment And Tourism	1 706 008	1 299 475	372 379	21,8%	–	406 533	23,8%
Transport and Community Safety	2 454 549	2 300 383	413 276	16,8%	–	154 166	6,3%
Public Works, Roads And Infrastructure	3 859 787	3 125 702	557 215	14,4%	–	734 085	0,0%
Cooperative Governance, Human Settlements And Urban Development	2 466 516	2 352 208	333 662	13,5%	–	114 308	4,6%
Sport, Arts And Culture	524 882	466 515	91 268	17,4%	–	58 367	11,1%
Total	72 796 323	71 388 215	15 905 388	21,8%	-1 216 872	2 624 980	1,9%
Economic classification				Net	1 408 108		
Current payments	62 162 742	61 862 266	14 023 081	22,6%	–	300 476	0,0%
Compensation of employees	50 818 159	50 586 936	12 003 540	23,6%	–	231 223	0,5%
Goods and services	11 343 637	11 274 384	2 019 541	17,8%	–	69 253	0,0%
Interest and rent on land	946	946	–	0,0%	–	–	0,0%
Transfers and subsidies	8 081 034	7 002 256	1 686 487	20,9%	–	1 078 778	13,3%
Payments for capital assets	2 552 547	2 523 693	195 820	7,7%	–	28 854	1,1%
Total	72 796 323	71 388 215	15 905 388	21,8%	–	1 408 108	1,9%
* Available funds refers to adjusted budget including any post adjustment (Virements and shi				Net	1 408 108		

Overall the provincial expenditure is R15.9 billion representing 21.8 percent spending of the R72.8 billion allocated budget. The spending is below the straight line projection of 24.9 percent. The Province spent R16.8 billion or 24.1 percent the previous financial year by end of June. The low spending is mainly contributed by the COVID-19 lockdown. Hereunder is the synopsis of provincial expenditure as at 30 June 2020: -

- **Compensation of Employees (CoE)** spent R12.0 billion or 23.6 percent of the total budget of R50.8 billion.
- **Goods and Services** spent R2.0 billion or 17.8 percent of the total budget of R11.3 billion.
- **Transfers and subsidies** recorded an expenditure of R1.7 billion or 20.9 percent of the total budget of R8.1 billion.
- **Payment for Capital Assets** spent R195.8 million or 7.7 of the total budget of R2.6 billion.

The department of Health is projecting to overspend by R1.217 billion or 5.5 percent, while all other departments are projecting to underspend by R2.6 billion. Overall the Province is projecting to underspend by R1.4 billion or 1.9 percent. The projected underspending is mainly the funds set aside in line with National Treasury instruction 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 30 June 2020

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 30 June 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	27 050 417	27 050 417	26 950 417	6 401 930	23,7%	-	100 000	0,4%
Health	16 127 301	16 127 301	16 307 724	3 869 837	24,0%	-180 423	-	-1,1%
Social Development	1 356 928	1 356 928	1 258 599	298 951	22,0%	-	98 329	7,2%
Office of the Premier	331 134	331 134	321 634	74 812	22,6%	-	9 500	2,9%
Provincial Legislature	224 475	224 475	228 593	55 519	24,7%	-4 118	-	-1,8%
Agriculture	1 231 924	1 231 924	1 166 307	271 710	22,1%	-	65 617	5,3%
Provincial Treasury	339 096	339 096	317 354	73 339	21,6%	-	21 742	6,4%
Economic Development	608 016	608 016	599 219	136 669	22,5%	-	8 797	1,4%
Transport and Community Safety	1 118 546	1 118 546	1 118 546	270 745	24,2%	-	-	0,0%
Public Works, Roads and Infrastructure	1 159 073	1 159 073	1 090 186	253 483	21,9%	-	68 887	5,9%
Cooperative Governace, Human Settlement	1 045 221	1 045 221	1 024 570	246 855	23,6%	-	20 651	2,0%
Sport , Arts and Culture	226 028	226 028	203 787	49 690	22,0%	-	22 241	9,8%
Total	50 818 159	50 818 159	50 586 936	12 003 540	23,6%	-184 541	415 764	0,5%
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)						Net	231 223	

The overall provincial CoE spending is at R12.0 billion or 23.6 percent. The highest percentage spending departments are Health at R3.9 billion or 24.0 percent, Legislature at 24.7 percent or R55.5 million and Transport and Community Safety at 24.2 percent or R270.7 million. Overall the Province is projecting to underspend by R231.2 million or 0.5 percent.

5.1.2. Goods and Services

Table 6: Goods and Services as at 30 June 2020

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 30 June 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	3 030 006	3 030 006	2 747 554	103 618	3,4%	-	282 452	9,3%
Health	5 096 217	5 096 217	5 881 281	1 446 952	28,4%	-785 064	-	-15,4%
Social Development	309 577	309 577	248 094	54 715	17,7%	-	61 483	19,9%
Office of the Premier	108 917	108 917	63 922	16 159	14,8%	-	44 995	41,3%
Provincial Legislature	71 246	71 246	47 636	4 832	6,8%	-	23 610	33,1%
Agriculture	467 185	467 185	430 527	71 197	15,2%	-	36 658	7,8%
Provincial Treasury	159 865	159 865	101 771	12 124	7,6%	-	58 094	36,3%
Economic Development	279 301	279 301	171 932	44 919	16,1%	-	107 369	38,4%
Transport and Community Safety	377 147	377 147	346 432	59 062	15,7%	-	30 715	8,1%
Public Works, Roads and Infrastructure	1 014 543	1 014 543	886 826	136 006	13,4%	-	127 717	12,6%
Cooperative Governace, Human Settlement	229 717	229 717	163 019	42 331	18,4%	-	66 698	29,0%
Sport , Arts and Culture	199 916	199 916	185 390	27 626	13,8%	-	14 526	7,3%
Total	11 343 637	11 343 637	11 274 384	2 019 541	17,8%	-785 064	854 317	0,6%
						Net	69 253	

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

The overall spending on Goods and Services is at R2.0 billion or 17.8 percent of the total budget of R11.3 billion. The highest percentage spending departments are Health, Social Development and CoGHSTA at R1.4 billion or 28.4 percent, R54.7 million or 17.7 percent and R42.3 million or 118.4 percent respectively. Department of Health is projecting to overspend by R785.1 million or 15.4 percent. The Province is projecting to overspend by R69.3 million or 0.6 percent. The impact of COVID-19 and the lockdown to slow the spread of the pandemic has contributed significantly on spending on this item. Departments and entities suspended travelling, meetings and accommodations which are major cost drivers on the item.

5.1.3. Transfers and subsidies

Table 7: Transfers and subsidies as at 30 June 2020

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 30 June 2020	Actual spending as % of Main budget	(Over)	Under	%(Over)/ under of Main budget
Education	2 583 701	2 583 701	2 583 701	1 039 687	40,2%	-	-	0,0%
Health	169 245	169 245	169 245	28 439	16,8%	-	-	0,0%
Social Development	624 169	624 169	624 169	112 088	18,0%	-	-	0,0%
Office of the Premier	5 645	5 645	5 645	726	12,9%	-	-	0,0%
Provincial Legislature	81 342	81 342	81 342	19 086	23,5%	-	-	0,0%
Agriculture	241 970	241 970	19 283	14 488	6,0%	-	222 687	92,0%
Provincial Treasury	4 736	4 736	5 744	1 871	39,5%	-1 008	-	0,0%
Economic Development	769 393	769 393	519 400	187 893	24,4%	-	249 993	32,5%
Transport and Community Safety	898 133	898 133	788 682	81 118	9,0%	-	109 451	12,2%
Public Works, Roads and Infrastructure	1 561 741	1 561 741	1 064 086	154 857	9,9%	-	497 655	31,9%
Cooperative Governace, Human Settlement	1 131 634	1 131 634	1 131 634	43 457	3,8%	-	-	0,0%
Sport , Arts and Culture	9 325	9 325	9 325	2 777	29,8%	-	-	0,0%
Total	8 081 034	8 081 034	7 002 256	1 686 487	20,9%	-1 008	1 079 786	13,3%
<i>* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)</i>						Net	1 078 778	

The province spent R1.7 billion or 20.9 percent of the total budget of R8.1 billion on Transfers and subsidies. The highest percentage spending departments are Education, Provincial Treasury and Sport, Arts and Culture at R1.0 billion or 40.2 percent, R1.9 million or 39.5 percent and R2.8 million or 29.8 percent respectively. The Province is projecting to underspend by R1.1 billion or 13.3 percent.

5.1.4. Payment for Capital Assets

Table 8: Payment for Capital Assets as at 30 June 2020

R thousand	Main Appropriation	Available funds*	Projected outcome	Actual as at 30 June 2020	Actual spending as % of Main budget	(Over)	Under	% (Over)/ under of Main budget
Education	1 229 524	1 229 524	1 194 101	52 712	4,3%	-	35 423	0,0%
Health	750 178	750 178	1 001 563	84 098	11,2%	-251 385	-	-33,5%
Social Development	69 353	69 353	30 669	22 167	32,0%	-	38 684	0,0%
Office of the Premier	4 509	4 509	2 521	1 921	42,6%	-	1 988	0,0%
Provincial Legislature	8 074	8 074	6 543	-	0,0%	-	1 531	19,0%
Agriculture	90 232	90 232	39 133	1 946	2,2%	-	51 099	56,6%
Provincial Treasury	17 615	17 615	8 860	2 664	15,1%	-	8 755	49,7%
Economic Development	48 352	48 352	7 978	2 898	6,0%	-	40 374	0,0%
Transport and Community Safety	60 723	60 723	46 723	2 351	3,9%	-	14 000	0,0%
Public Works, Roads and Infrastructure	124 430	124 430	84 604	12 869	10,3%	-	39 826	0,0%
Cooperative Governance, Human Settlement	59 944	59 944	32 985	1 019	1,7%	-	26 959	0,0%
Sport, Arts and Culture	89 613	89 613	68 013	11 175	12,5%	-	21 600	0,0%
Total	2 552 547	2 552 547	2 523 693	195 820	7,7%	-251 385	280 239	1,1%
						Net	28 854	

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

The overall provincial expenditure on Payment for Capital Assets is at R195.8 million or 7.7 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 underspend by R28.9 million or 1.1 percent. Most of the projects are on hold due to the COVID-19 pandemic.

5.2. Equitable share spending

Table 9: Equitable share spending as at 30 June 2020

	Main Appropriation	Actual as at 30 June 2020	Actual spending as % of budget	Projected Outcome- June 2020	Variance
Education	31 137 468	7 433 872	23,9%	30 719 593	417 875
Health	18 483 725	4 597 186	24,9%	19 700 597	(1 216 872)
Social Development	2 220 349	461 171	20,8%	2 021 853	198 496
Office of the Premier	450 205	93 618	20,8%	393 722	56 483
Provincial Legislature	385 137	79 437	20,6%	364 114	21 023
Agriculture	1 707 693	333 911	19,6%	1 408 312	299 381
Provincial Treasury	521 312	89 998	17,3%	433 729	87 583
Economic Development, Environment and Forestry	1 703 014	372 173	21,9%	1 296 481	406 533
Transport and Community Safety	2 050 514	413 276	20,2%	1 896 348	154 166
Public Works, Roads and Infrastructure	2 559 325	516 853	20,2%	1 850 966	708 359
Cooperative Governance, Human Settlements and Informal Settlements	1 366 104	293 017	21,4%	1 251 796	114 308
Sport, Arts and Culture	321 298	63 322	19,7%	262 931	58 367
Total	62 906 144	14 747 834	23,4%	61 600 442	1 305 702
Economic classification					
Current payments	56 870 470	13 144 602	23,11%	56 543 164	327 306
Compensation of employees	49 391 865	11 674 145	23,6%	49 160 642	231 223
Goods and Services	7 478 605	1 470 457	19,7%	7 382 522	96 083
Interest and rent on land	946	-	0,0%	946	-
Current transfers and subsidies	5 366 903	1 520 550	28,3%	4 422 240	944 663
Payments for capital assets	667 825	82 682	12,4%	634 092	33 733
Payments for financial assets	-	-	100,0%	-	-
Total	62 906 144	14 747 834	23,4%	61 600 442	1 305 702

Provincial equitable share spending is at R14.8 billion or 23.4 percent of the total budget of R62.9 billion. The highest percentage spending departments are Health at R4.6 billion or 24.9 percent, Education at R7.4 billion or 23.9 percent and CoGHSTA at R293.0 million or 21.4 percent. The Province is projecting to underspend by R1.3 billion.

5.3. Conditional Grants

Table 10: Conditional Grants spending per department as at 30 June 2020

	Main Appropriation	Actual as at 30 June 2020	Actual spending as % of budget	Projected Outcome- June 2020	Variance
Education	2 756 180	164 075	6,0%	2 756 180	-
Health	3 659 216	832 140	22,7%	3 659 216	-
Social Development	139 678	26 750	19,2%	139 678	-
Public Works , Roads and Infras	1 300 462	40 362	3,1%	1 274 736	25 726
Agriculture	323 618	25 430	7,9%	246 938	76 680
Transport and Community Safe	404 035	-	0,0%	404 035	-
CoGHSTA	1 100 412	40 645	3,7%	1 100 412	-
Sport, Arts and Culture	203 584	27 946	13,7%	203 584	-
Economic Development	2 994	206	6,9%	2 994	-
Total	9 890 179	1 157 554	11,7%	9 787 773	102 406
Current payments	5 291 326	878 479	16,60%	5 318 156	204 812
Compensation of employees	1 426 294	329 395	23,1%	1 426 294	-
Goods and Services	3 865 032	549 084	14,2%	3 891 862	(26 830)
Current transfers and subsidies	2 714 131	165 937	6,1%	2 580 016	134 115
Payments for capital assets	1 884 722	113 138	6,0%	1 889 601	(4 879)
Total	9 890 179	1 157 554	11,7%	9 787 773	102 406

The CGs' overall expenditure is at R1.2 billion or 11.7 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 R1.6 billion or 17.5 percent. The low expenditure is due to COVID-19 lockdown to address the spread of the disease. The highest percentage spending department is Sport, Arts and Culture 13.7 percent or R27.9 million of the total budget of R203.6 million, Health at 22.7 percent or R832.1 million and Social Development at 19.2 percent or R26.7 million. The Province is projecting to underspend by R102.4 million.

Table 11: Limpopo Conditional Grant spending per grant as at 30 June 2020.

R thousand	Budget	Provincial Actual Payments	Actual Payments as a % of budget
Agriculture	323 618	25 430	7,9%
Comprehensive Agricultural Support Programme	233 558	19 575	8,4%
Ilima/Letsema Projects Grant	70 480	4 945	7,0%
EPWP Integrated grant	6 610	910	13,8%
Land Care Programme Grant	12 970	–	0,0%
Sport, Arts and Culture	203 584	27 946	13,7%
Mass Sport and Recreation Programme	58 363	4 363	7,5%
EPWP Integrated grant	2 000	–	0,0%
Community Library Services Grant	143 221	23 583	16,5%
Education	2 756 180	164 075	6,0%
HIV and Aids (Life Skills Education) Grant	28 137	617	2,2%
National School Nutrition Programme Grant	1 369 485	100 264	7,3%
Infrastructure Grant	1 256 364	55 685	4,4%
Maths, Science and Technology	46 860	394	0,8%
Learners with Profound Intellectual Disabilities	32 432	4 440	13,7%
Social sector EPWP grant	20 833	2 656	12,7%
EPWP Incentive allocation	2 069	19	0,9%
Health	3 659 216	832 140	22,7%
Comprehensive HIV and Aids Grant	2 179 020	474 701	21,8%
Community Outreach Services Component	337 473	–	0,0%
Comprehensive HIV, AIDS Component	1 693 259	457 193	27,0%
Human Papillomavirus Vaccine Grant	30 604	–	0,0%
Malaria Component	70 370	17 508	24,9%
Tuberculosis Component	47 314	–	0,0%
Human Resources and Health Professions	232 171	62 955	27,1%
Statutory Human Resources	74 547	21 907	29,4%
Training and Development	157 624	41 048	26,0%
EPWP Social Sector	28 286	8 269	29,2%
Hospital Revitalisation Grant	742 473	104 278	14,0%
Health Insurance	32 066	20 671	64,5%
COVID-19 Disaster grant	–	42 448	0,0%
National Tertiary Services Grant	445 200	118 818	26,7%
COGHSTA	1 100 412	40 645	3,7%
Integrated Housing & Human Settlements Development	1 060 622	40 645	3,8%
Deeds Restoration	37 790	–	0,0%
EPWP Incentive allocation	2 000	–	0,0%
Public Works, Roads and Infrastructure	1 300 462	40 362	3,1%
Infrastructure Grant	1 164 756	37 912	3,3%
Flood Damage Roads Maintenance Grant	130 000	–	0,0%
EPWP Integrated grant	5 706	2 450	42,9%
Economic Development	2 994	206	6,9%
EPWP Incentive grant	2 994	206	6,9%
Social Development	139 678	26 750	19,2%
Early Childhood development	127 724	23 967	18,8%
EPWP Integrated grant	2 000	520	26,0%
EPWP Social sector grant	9 954	2 263	22,7%
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	1 157 554	11,7%

5.3.1. Agriculture

Overall spending by the department on Conditional Grant (CG) is R25.4 million or 7.9 percent of the total budget of R323.6 million. The low expenditure is due to COVID-19 lockdown.

- **Comprehensive Agricultural Support programme** spent 8.4 percent or R19.6 million of the total budget of R233.6 million.

- **Land care** - did not spend during the period
- **ILLIMA/LETSEMA** spend R4.9 million or 7.0 percent
- **EPWP incentive grant** spend R0.9210 million or 13.8 percent.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CG's expenditure of R27.9 million or 13.7 percent of the total budget of R203.6 million. All 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 R4.4 million or 7.5 percent of the total budget of R58.4 million.
- **Community Library Services** spent R23.6 million or 16.5 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 R164.1 million or 6.0 percent of the total budget of R2.8 billion.

- **HIV/AIDS Life skills** spent R0.617 million or 2.2 percent of the total budget of R28.1 million. Underspending 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.
- **National School Nutrition Programme** spent R100.3 million or 7.3 percent of the total budget of R1.4 billion. Underspending is as a result of lockdown. Schools reopened in June 2020, and procurement processes are underway.
- **Infrastructure grant** spent R55.7 million or 4.4 percent of the total budget of R1.3 billion. Deliveries of the resources purchased for the e-learning project could not be made as a result of lockdown and other infrastructure project were put on hold in order to fight the pandemic.
- **Maths, Science and Technology** spend R0.394 million or 0.8 percent of the total budget of R46.9 million. Underspending is as a result of lockdown. Adjustment of plans and reprioritization of budget is underway to speed up the supply of e-learning materials.

- **EPWP Social sector** grant spend R2.7 million or 12.7 percent. Capturing of participants in the system was delayed due to lockdown.
- **EPWP Incentive Grant** - spend R0.019 million or 0.9 percent. Underspending is as a result of lockdown. Posts were advertised in June 2020 and the Human Resource is finalizing the appointment of casual labourers.
- **Learners with Profound Intellectual Disabilities** – spent R4.4 million or 13.7 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.

5.3.4. Health

The overall spending on CG is R832.1 million or 22.73 percent of the total budget of R3.7 billion.

- **HIV and AIDS** - spent 13.8 percent or R474.7 million of the total budget of R2.2 billion. The underspending is as a result of delayed implementation of the business plan due to National State of Disaster and lockdown. Reprioritized activities and amended business plan has already been submitted to Provincial Treasury and National Department of Health for approval amid the current State of National Disaster lockdown. Awaiting delivery of ARVs and invoices to the value of R111.9 million from service providers.
- **EPWP Social Sector** grant spend R8.3 million or 29.2 percent of the total budget of R28.3 million. EPWP beneficiaries paid accordingly up to May 2020.

National Tertiary Services grant spent R118.8 million or 26.7 percent of the total budget of R445.2 million. The overall underspending is as a result of 10 specialists, 3 senior medical officers and nurses that have resigned before the beginning of the financial year. The underspending is also as a result of delay in delivery of Laparoscopy machines, Operating tables, Ventilators, mobile suction machine and other medical equipment.

- **Human Resources and Health Professions Training and Development** grant has recorded expenditure of R62.9 million or 27.1 percent of the total budget of R232.2 million. The overall expenditure pattern is in line with the business plan.
- **Health Facilities Revitalization grant** spent 14.0 percent or R104.3 million of the total budget of R742.5 million. The underspending is largely due to activities in various projects that came to halt as a result covid-19 lockdown. The delay in delivery of echocardiography machine, X-ray apparatus ceiling machine and laundry iron folding machine also contributed to the underspending to this effect and water treatment service project.
- **Human papilloma virus vaccine grant** – did not spend. The expenditure is anticipated to be incurred during the second round of 2020 campaign but due to COVID-19 pandemic that will affect it, the business plan has been revised in order to allow the spending on other

activities within the grant. The revised business plan will be submitted to Provincial Treasury and National Department of Health for approval.

- **Health Insurance grant** - has recorded expenditure of R20.7 million or 64.5 percent of the total budget of R32.1 million. The underspending is as a result of the suspension of surgical procedures in private hospitals due to COVID-19.

5.3.5 CoGHSTA

In overall, the department spent R40.6 million or 3.7 percent of the total budget of R1.1 billion.

- **Integrated Housing, Human Settlement Development grant** – spent R40.6 million or 3.8 percent of the budget of R1.1 billion. The under 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** did not spend.
- **EPWP grant** reflects zero spending by end of June 2020

5.3.6 LEDET

The department spend R0.206 million or 6.9 percent.

5.3.7. Department of Works, Roads and Infrastructure

Overall spending by the department is R40.4 million or 3.1 percent of the budget of R1.3 billion.

- **Infrastructure grant** – spend R37.9 million or 3.3 percent of the total budget of R1.2 billion. Low spending is attributed to the declared National Disaster and lockdown to address the spread of corona virus.
- **Flood Damaged Roads Infrastructure** – did not spend.
- **EPWP grant** – spend R2.5 million or 42.9 percent of the total budget of R5.7 million.

5.3.8. Transport and Community Safety

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

5.3.9. Social Development

Overall spending by the department is R26.7 million or 19.2 percent of the total budget of R139.7 million.

- **Early Childhood Development grant** - recorded an expenditure of R23.9 million or 18.8 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 R2.3 million or 22.7 percent of the budget of R9.9 million.
- **EPWP integrated grant** - spent R0.520 million or 26.0 percent of the budget of R2.0 million.

6. Covid-19 spending report.

Table 12: COVID-19 expenditure

R'000	BUDGET	Commitments as at 30 June 2020	Actual Expenditure as at 30 June 2020	Commitment + Expenditure	Available Budget	% Expenditure and Commitment Year to Date	% Actual Expenditure Year to Date
Education	15 037	500	-	500	15 037	3,3%	0,0%
Health	42 449	484	282 758	283 242	(240 309)	667,3%	666,1%
Social Development	1 500	-	184	184	1 316	12,3%	12,3%
Agriculture	32 000	4 124	-	4 124	32 000	12,9%	0,0%
Treasury	159	55	40	95	119	59,7%	25,2%
Economic Development	1 268	366	-	366	1 268	28,9%	0,0%
Premier	751	54	620	674	77	89,7%	82,6%
Legislature	1 000	-	344	344	656	34,4%	34,4%
Transport and Community Safety	3 000	649	2 311	2 960	689	98,7%	77,0%
Public Works , Roads and Infrastructure	300	-	298	298	2	99,3%	99,3%
Cooperative Governance, Human Settlement and Traditional Affairs	1 150	1 037	-	1 037	113	90,2%	0,0%
Sport, Arts and Culture	1 130	1 030	62	1 092	1 068	96,6%	5,5%
TOTAL	99 744	8 299	286 617	294 916	(195 172)	295,7%	287,4%
Economic classification							
	BUDGET	Commitments as at 30 June 2020	Actual Expenditure as at 30 June 2020	Commitment + Expenditure	Available Budget	% Expenditure and Commitment Year to Date	% Actual Expenditure Year to Date
Compensation of employees	-	-	-	-	-	0,0%	0,0%
Goods and services	84 796	8 059	286 408	294 467	-209 671	347,3%	337,8%
Sanitisers	17 161	1 508	809	1 267	15 894	7,4%	4,7%
Masks	1 170	152	989	197	973	16,8%	84,5%
Gloves	469	20	298	18	451	3,8%	63,5%
Sanitisation by service providers eg. Buildings	1 600	448	1 223	771	829	48,2%	76,4%
Any other goods and services COVID related expenditure	64 396	5 931	283 089	6 117	58 279	9,5%	439,6%
Payments for Capital Assets	13 798	240	209	449	13 349	3,3%	1,5%
Buildings and other structure	-	-	-	-	-	0,0%	0,0%
Machinery and Equipments	-	240	209	449	-449	0,0%	0,0%
Any other payment for capital assets expenditure related to COVID-19	13 798	-	-	-	-	0,0%	0,0%
Total expenditure	99 744	8 299	286 617	294 916	(195 172)	295,7%	287,4%

The Provincial departments has so far spent R286.6 million or 287.4 percent on COVID-19 pandemic. Department of health is spending above all departments due to the fact that it is at the forefront in addressing and preventing the corona virus spreads and treatment.

7. Provincial Own Revenue

Table 13: Provincial own revenue collection per vote as at 30 June 2020.

Summary of Provincial Own Receipts as per Departments (Votes)												
Departments (Votes)	Main appropriation 2020/21	Projections as at end of June 2020	Projections as % of main appropriation	Actual Collection as at end June 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 June 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	173	28,5%	109	17,9%	436	545	(64)	-10,6%	583	167	28,7%
Education	51 034	12 663	24,8%	9 152	17,9%	38 371	47 523	(3 511)	-6,9%	43 826	9 258	21,1%
Agriculture & Rural Development	12 320	2 199	17,9%	283	2,3%	4 171	4 454	(1 916)	-15,6%	11 722	907	7,7%
Provincial Treasury	247 781	62 306	25,1%	53 760	21,7%	203 474	257 234	(8 546)	-3,4%	280 874	60 272	21,5%
Economic Development, Environment & Tourism	167 683	34 430	20,5%	2 512	1,5%	90 459	92 971	(31 918)	-19,0%	158 941	32 371	20,4%
Health	212 297	45 011	21,2%	30 243	14,2%	167 286	197 529	(14 768)	-7,0%	193 610	44 318	22,9%
Transport & Community Safety	651 293	155 524	23,9%	45 030	6,9%	396 721	441 751	(110 494)	-17,0%	584 740	149 660	25,6%
Public Works, Roads & Infrastructure	34 962	7 479	21,4%	7 204	20,6%	30 106	37 310	(275)	-0,8%	30 438	7 221	23,7%
Sport, Arts & Culture	2 253	178	7,9%	100	4,5%	2 131	2 231	(78)	-3,4%	2 224	101	4,5%
Co-operative Governance, Human Settlements & Traditional Affairs	5 323	1 235	23,2%	320	6,0%	4 088	4 408	(915)	-17,2%	5 119	966	18,9%
Social Development	2 500	514	20,6%	484	19,4%	1 994	2 478	(30)	-1,2%	4 182	767	18,3%
Total provincial own receipts	1 388 054	321 712	23,2%	149 196	10,7%	939 236	1 088 433	(172 516)	-12,4%	1 316 258	306 008	23,2%

The main revenue appropriated target for 2020/21 financial year is R1.388 billion. As at the end of June 2020, the Province has collected an amount of R149.1 million or 10.7 percent against the set own revenue projections of R321.7 million or 23.2 percent which reflect a significant under collection of R172.5 million or 12.4 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 slow 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 & Community Safety respectively. The collection is by far below that of the previous year corresponding period of R306.0 million or 23.2 percent.

6.1. All eleven (11) Departments collected below their set own revenue projections as follows:

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

An amount of R0.109 million or 17.9 percent has been collected against the set own revenue projections of R0.173 million or 28.5 percent. Under collection of R0.064 million or 10.6 percent is mainly due to less recovery of departmental debts.

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

The Department collected R9.1 million or 17.9 percent against the set own revenue projections of R12.6 million or 24.8 percent. Under collection of R3.5 million or 6.9 percent is mainly due to less recovery of previous years' expenditure related debts than anticipated.

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

As at the end of June 2020, the Department collected R0.283 million or 2.3 percent against the set own revenue projections of R2.1 million or 17.9 percent. Under collection of R1.9 million or 15.6 percent is mainly due to poor or less collection on academic and boarding services from Agricultural colleges as a result of suspension of academic activities due to enforced lockdown.

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

As at 30th of June 2020, actual collection is R53.7 million or 21.7 percent against the set own revenue projections of R62.3 million or 25.1 percent. Under collection of R8.5 million or 3.4 percent is due to less interest earned from favourable provincial bank balances however, collection on this item is unpredictable.

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

Collection as at the 30th June 2020 amounts to R2.5 million or 1.5 percent against the set own revenue projections of R34.4 million or 20.5 percent. Significant under collection of R31.9 million or 19.0 percent is mainly on casino and horse racing taxes from tax receipts as well as on entrance fees from resorts revenue due to lack or slow public participation on gambling and resort activities as a result of lockdown.

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

The Department collected R30.2 million or 14.2 percent against the set own revenue projections of R45.0 million or 21.2 percent. Under collection of R14.7 million or 7.0 percent is mainly on patient fee and rental dwelling.

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

As at end of June 2020, the Department collected R45.0 million or 6.9 percent against the set own revenue projections of R155.5 million or 23.9 percent. The significant under collection of R110.4 million or 17.0 percent is mainly on motor vehicle licenses, penalties on motor vehicle licenses, abnormal load licenses and traffic fines influence by or lack of economic activities as a result of the enforced lockdown.

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

The Department collected R7.2 million or 20.6 percent against set own revenue projections of R7.4 million or 21.4 percent. Under collection of R0.275 million or 0.8 percent is mainly due to less recovery of previous year's expenditure related debts.

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

As at the end of June 2020, actual collection for the Department is R0.100 million or 4.5 percent against set own revenue projections of R0.178 million or 7.9 percent. Under collection of R0.078 million or 3.4 percent is mainly influenced by less recovery of departmental debts than anticipated.

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

The actual collection as at the end of June 2020 amounts to R0.320 million or 6.0 percent against the set own revenue projections of R1.2 million or 23.2 percent. The under collection of R0.915 million or 17.2 percent is mainly due to less recovery of previous year's expenditure related debts than anticipated.

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

The Department collected R0.484 million or 19.4 percent against the set own revenue projections of R0.514 million or 20.6 percent. Under collection of R0.030 million or 1.2 percent is mainly due to less recovery of previous year's expenditure related debts.

6.2. Own revenue per economic classification

Table 14. Provincial own revenue collection per economic classification as at 30 June 2020.

Summary of Provincial Own Receipts as per Economic Classification

Items (Revenue Sources)	Main appropriation on 2020/21	Projections as at end of June 2020	Projections as % of main appropriation	Actual Collection as at end June 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 on 2019/20	Actual Collection as end June 2019	Actual collection as % of main appropriation
Tax receipts	660 665	159 030	24,1%	38 591	5,8%	380 812	419 403	-120 439	-18,2%	604 232	155 030	25,7%
<i>Casino taxes</i>	67 411	11 501	17,1%	345	0,5%	33 705	34 050	-11 156	-16,5%	59 897	5 945	9,9%
<i>Horse racing taxes</i>	45 335	6 917	15,3%	707	1,6%	22 667	23 374	-6 210	-13,7%	46 972	2 922	6,2%
<i>Liquor licenses</i>	4 069	129	3,2%	23	0,6%	3 940	3 963	-106	-2,6%	3 857	59	1,5%
<i>Motorvehicle licenses</i>	543 850	88 648	16,3%	37 516	6,9%	320 500	358 016	-51 132	-9,4%	493 506	39 411	8,0%
Sales of goods and services other than capital assets	324 527	74 006	22,8%	47 917	14,8%	230 245	278 162	-26 089	-8,0%	305 062	67 334	22,1%
<i>of which: Patient fees</i>	110 151	14 256	12,9%	11 526	10,5%	87 509	99 035	-2 730	-2,5%	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	16 532	22,9%	4 402	6,1%	56 029	60 431	-12 130	-16,8%	54 823	14 128	25,8%
Interest, dividends and rent on land	249 166	62 505	25,1%	53 765	21,6%	204 708	258 473	-8 740	-3,5%	281 727	60 487	21,5%
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	9 639	17,4%	4 522	8,2%	41 209	45 730	-5 117	-9,2%	51 923	9 029	17,4%
Total provincial own receipts	1 388 054	321 712	23,2%	149 196	10,7%	939 236	1 088 433	(172 516)	-12,4%	1 316 258	306 008	23,2%

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

An amount of R38.5 million or 5.8 percent has been collected against the set own revenue projections of R159.0 million or 24.1 percent. The under collection of R120.4 million or 18.2 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.

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

As at the 30th June 2020, actual collection is R47.9 million or 14.8 percent against the set own revenue projections of R74.0 million or 22.8 percent. The under collection of R26.0 million or 8.0 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.

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

Fines, penalties and forfeits collected R4.4 million or 6.1 percent against the set own revenue projections of R16.5 million or 22.9 percent. Under collection of R12.1 million or 16.8 percent is mainly due to less collection of penalties on motor vehicle licences and traffic fines by Transport and Community Safety.

6.2.4. 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.

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

Collection as at the 30th of June 2020 is R53.7 million or 21.6 percent against the set own revenue projections of R62.5 million or 25.1 percent. Under collection of R8.7 million or 3.5 percent is mainly influenced by less interests earned from favourable bank balances by Provincial Treasury.

6.2.6. 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.

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

The item collected R4.5 million or 8.2 percent against the set own revenue projections of R9.6 million or 17.4 percent. Under collection of R8.8 million or 16 percent is mainly due to less recovery of previous year's expenditure related debts by Department of Education.

7. Provincial Infrastructure Performance

Table 15: Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2018/19, 2019/20 and 2021/21) as at 30 June.

Infrastructure Expenditure Comparison as at 30 June 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
Education	1 013 426	1 051 986	1 258 291	282 693	118 785	55 685	27,9%	11,3%	4,4%
Agriculture & Rural Development	160 455	223 426	220 214	29 226	36 178	5 769	18,2%	16,2%	2,6%
LEDET	54 481	45 267	20 000	22 726	583	3 350		1,3%	16,8%
Health	729 277	656 200	952 819	126 459	142 240	150 801	17,3%	21,7%	15,8%
PWR&I - Total	1 958 938	2 153 433	3 370 658	538 134	447 691	351 292	27,5%	20,8%	10,4%
PWR&I - Roads*	1 883 322	2 077 037	2 505 298	531 822	438 814	58 667	28,2%	21,1%	2,3%
PWR&I - Works	75 616	76 396	865 360	6 312	8 877	228 922	8,3%	11,6%	26,5%
Transport	27 915	43 021	51 574	688	1 691	-	2,5%	3,9%	0,0%
CoGHSTA	1 312 187	1 337 497	1 100 412	272 051	201 946	40 641	20,7%	15,1%	3,7%
Social Development	43 201	47 846	71 794	12 570	11 360	12 066			16,8%
Sport, Arts & Culture	40 031	47 128	79 759	8 734	3 381	10 996	21,8%	7,2%	13,8%
TOTAL	5 339 911	5 605 804	7 125 521	1 293 281	963 854	630 601	24,2%	17,2%	8,8%

As at 30 June 2020, the Provincial Infrastructure expenditure stood at R630.6 million or 8.8 percent. The total expenditure represents 8.8 percent of the total Provincial infrastructure budget, an increase of five percent from May 2020. The expenditure was supposed to be in the region of about R 1.8 billion, which represents 24.9 percent of the total infrastructure budget in terms of the norm.).

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 June is recorded as follows:

- 24.2 percent - 2018/19
- 17.2 percent - 2019/20
- 8.8 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 RNIL expenditure by the end of June 2020 was Transport.

All the departments were below the norm as at 30 June 2020, except for the Works component in the Department of Public Works, Roads and Infrastructure, at 26.5 percent or R 228.9 million against a budget of R 865.4 million.

The departments have not finished the capturing of projects in the Infrastructure Reporting Model – the final date for capturing was 15 April 2019, extended to 30 April 2020. National Treasury gave an extension until 22 May 2020, Provincial Treasury has asked for an extension to 15 June 2020. Many GAPS have been identified, in particular that of aligning to the Table B5, the 2020 MTEF Database, BAS and IYM. The departments will be provided with reports on areas where the quality is to be improved. The IRM is still open, departments have been encouraged to clear the gaps identified as staff start reporting for duty.

8. Conclusion

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

- The overall provincial spending as at 30 June 2020 amounts to R15.9 billion or 21.8 percent of the total budget of R72.8 billion. Of the R14.7 billion total expenditures, R9.9 billion or 23.4 percent is on equitable share and R1.2 billion or 11.7 percent on Conditional grant.
- As at the end of June 2020, the Province has collected an amount of R149.1 million or 10.7 percent against the set own revenue projections of R321.7 million or 23.2 percent which reflect a significant under collection of R172.5 million or 12.4 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 slow 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 & Community Safety respectively. The collection is by far below that of the previous year corresponding period of R306.0 million or 23.2 percent.

- As at 30 June 2020, the Provincial Infrastructure expenditure stood at R630.6 million or 8.8 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)

HOD: Provincial Treasury

17/7/2020

Date

PROJECTS AND ACTUAL EXPENDITURE (RMB)

Table with columns for Expenditure, Previous Year Actual, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, and various project codes. The table lists various expenditure categories such as 'Personnel salaries', 'Capital investments', and 'Operating expenses' across multiple years and projects.

Total	Income		Expenses		Net Income		Total Assets		Total Liabilities		Total Equity	
	Income	Expenses	Net Income	Total Assets	Total Liabilities	Total Equity	Total Assets	Total Liabilities	Total Equity	Total Assets	Total Liabilities	Total Equity
11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000
11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000
11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000	11,000	0	11,000

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

Disbursements	Account	Balance	Debit		Credit		Balance
			Debit	Credit	Debit	Credit	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	
11,000	11,000	0	11,000	0	11,000	0	

