



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

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**The Director General  
National Treasury  
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**LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 JANUARY 2015**

**1. Purpose**

To provide National Treasury with a report on Provincial Revenue and Expenditure as at 31 January 2015.

**2. Background**

We, the Limpopo Provincial Treasury hereby submit the January 2015 provincial revenue and expenditure report for the Limpopo provincial government. Kindly note that this is in accordance with chapter 5, section 40 (4) (b) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act 29 of 1999, which requires the designated Accounting officer of a department to submit information to the provincial treasury in the prescribed format on actual revenue and expenditure for the preceding month and the amounts anticipated for that month in terms of section 40 (4) (a) and all other necessary information submitted to Provincial Treasury by departments in terms of section 40 (4) (c).

**3. Discussion**

The Limpopo provincial government revenue and expenditure trend for the period under review is based on the January 2015 In-Year Monitoring (IYM) reports from various provincial departments. Departmental submissions were duly analysed in terms of the projected expenditure, projected cash requests and actual expenditure as recorded in the IYM and Infrastructure Reporting Model (IRM) submissions. The explanations provided for the variances were provided by departments as per their IYM and IRM variance report and where necessary further clarity was sought from the

departments in line with the requirements of the Provincial Treasury Instruction Notes 03 of 2012, 09 of 2012 and 04 of 2013.

#### 4. Cash Management

Cash allocation letters for 2014/15 financial year were issued to departments indicating cash available for each payment run as well as the processes to be followed by departments to enable Provincial Treasury to release payment tapes. Schedule of payments runs were also sent to departments to enable them to inform service providers of the dates of payments as they serve them with invoices for services rendered:-

- PERSAL runs are scheduled 4 times a month, i.e. the 15th for normal salaries, 22<sup>nd</sup> for Educators' salaries, last Wednesday of the month for Supplementary payments (claims) and month-end for probation and contract employees and Third Party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the 15<sup>th</sup> and for month-end.

These systems and processes were put in place to ensure that service delivery continues without disruptions relating to cash flow problems as well as to alleviate cash flow challenges experienced in the previous financial year.

#### 4.1. Cash Allocations Vs Actual Expenditure Vs Actual Funds Transferred

An analysis of cash projections, actual expenditure and actual funds transferred indicates departments' ability to plan, budget and spend. The below provides cash flow projections, actual expenditure and transfers to departments from April 2014 to January 2015.

**Table 4.1: Cash Allocation Vs Actual Expenditure Vs Actual Funds Transferred as at 31 January 2015**

Cash Allocations Vs Actual Expenditure Vs Actual Transfers as at 31 January 2015

Departments	Opening Bank Balances at 01-Apr-14	Cash Allocation 31-Jan-15	Actual Expenditure 31-Jan-15	Tranfers To Departments 31-Jan-15	Variance Cash allocation Vs Actual Expenditure		Variance Actual Expenditure Vs Funds Transferred	
					Amount	%	Amount	%
Education	615 023	21 563 103	20 689 816	20 539 565	873 287	4.0%	150 251	0.7%
Health	196 242	12 113 860	11 720 215	11 931 949	393 645	3.2%	-211 734	-1.8%
Social Development	48 090	1 200 578	1 130 612	1 146 486	69 966	5.8%	-15 874	-1.4%
Public Works	82 408	1 659 797	2 171 711	876 549	-511 914	-30.8%	1 295 162	59.6%
Agriculture	53 306	1 310 041	1 217 110	1 215 146	92 931	7.1%	1 964	0.2%
Roads & Transport	323 345	3 032 140	1 330 346	2 369 233	1 701 794	56.1%	-1 038 887	-78.1%
CoGSTHA	176 843	1 360 315	1 052 675	1 251 644	307 640	22.6%	-198 969	-18.9%
Sport, Arts & Culture	32 062	273 778	222 927	234 161	50 851	18.6%	-11 234	-5.0%
Safety & Security and Liaison	5 344	63 018	61 900	58 476	1 118	1.8%	3 424	5.5%
Office of the Premier	2 195	284 996	278 479	277 955	6 517	2.3%	524	0.2%
Provincial Legislature	420	235 462	236 660	239 056	-1 198	-0.5%	-2 396	-1.0%
Provincial Treasury	43 731	313 232	273 316	255 283	39 916	12.7%	18 033	6.6%
Economic Development, Environmental & Tourism	34 025	913 946	880 556	882 961	33 390	3.7%	-2 405	-0.3%
<b>Total</b>	<b>1 613 034</b>	<b>44 324 266</b>	<b>41 266 323</b>	<b>41 278 464</b>	<b>3 057 943</b>	<b>6.9%</b>	<b>-12 141</b>	<b>0.0%</b>

#### Summary Per Fund

Equitable Share	36 978 526	35 933 392	34 963 922	1 045 134	2.8%	969 470	2.7%
Conditional Grant	7 345 740	5 332 931	6 314 542	2 012 809	27.4%	-981 611	-18.4%
<b>Total</b>	<b>44 324 266</b>	<b>41 266 323</b>	<b>41 278 464</b>	<b>3 057 943</b>	<b>6.9%</b>	<b>-12 141</b>	<b>0.0%</b>

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R3.0 billion or 6.9 percent. It should be clear that the under-



spending has nothing to do with availability of cash or Treasury interruptions as Treasury has given cash allocations and processes well upfront. On the other hand transfers to departments were R12.1 million or zero percent more than actual expenditure.

#### 4.2. Interest Performance

**Table 4.2: Interest Performance 31 January 2015**

INTEREST EARNED : 2014/15 FINANCIAL YEAR  
R'000

Institution	2014/15												
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Commercial Bank (FNB)	-												-
Commercial Bank (SBSA)	5 264	2 061	2 772	2 359	1 571	2 419	1 885	2 067	3 859	2 886			27 143
CPD (SA Reserve Bank)	12 273	22 140	18 899	25 180	26 864	26 262	26 505	22 733	21 715	22 124			224 695
<b>Total</b>	<b>17 537</b>	<b>24 201</b>	<b>21 671</b>	<b>27 539</b>	<b>28 435</b>	<b>28 681</b>	<b>28 390</b>	<b>24 800</b>	<b>25 574</b>	<b>25 010</b>	-	-	<b>251 838</b>

INTEREST EARNED : 2013/14 FINANCIAL YEAR  
R'000

Institution	2013/14												
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Commercial Bank (FNB)	2 277	1 617	510		104								4 508
Commercial Bank (SBSA)	-	-	933	1 750	1 498	1 872	1 230	1 461	1 523	1 053			11 320
CPD (SA Reserve Bank)	7 937	13 898	11 796	13 863	16 374	15 927	18 237	18 082	15 988	19 022			151 124
<b>Total</b>	<b>10 214</b>	<b>15 515</b>	<b>13 239</b>	<b>15 613</b>	<b>17 976</b>	<b>17 799</b>	<b>19 467</b>	<b>19 543</b>	<b>17 511</b>	<b>20 075</b>	-	-	<b>166 952</b>

It is important to note that in public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions. When compared to the same period in the previous year as indicated in the table above interest revenue grows from R166.9 million in 2013/14 to R251.8 million for 2014/15. Interest earned in the CPD account alone grew from R151.1 million to R224.7 million.

#### 5. Provincial overall expenditure as at 31 January 2015

The overall provincial spending as at 31 January 2015 amounts to R41.3 billion or 78.2 percent of the total adjusted budget of R52.8 billion. Previous year spending was at R37.7 billion or 76.0 percent of the adjusted budget of R49.7 billion. The Province has projected an under spending of R556.1 million or 1.1 percent mainly by the department of Transport (R84.0 million or 4.7 percent, CoGHSTA (R559.5 million or 24.0 percent, Safety and Security (R0.696 million or 0.9 percent) and Sport, Arts and Culture (R10.4 million or 3.2 percent), Provincial Treasury (R9.2 million or 2.5 percent) and Economic Development (R7.4 million or 0.6 percent. On the other hand the departments of Education projected to overspend by R105.1 million or 0.4 percent while the rest of other departments have projected to break-even.

**Table 5: Provincial overall expenditure as at 31 January 2015**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2015	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
<b>R thousand</b>										
Education	24 965 895	372 539	25 338 434	25 338 434	25 443 567	20 689 816	81.7%	-105 133	-	-0.4%
Health	14 371 045	245 043	14 616 088	14 616 088	14 616 088	11 720 215	80.2%	-	-	0.0%
Social Development	1 468 887	7 551	1 476 438	1 476 438	1 476 438	1 130 612	76.6%	-	-	0.0%
Public Works, Roads and Infrastructure	928 600	2 146 687	3 075 287	3 075 287	3 075 287	2 171 711	70.6%	-	-	0.0%
Agriculture	1 602 228	2 900	1 605 128	1 605 128	1 605 128	1 217 110	75.8%	-	-	0.0%
Transport	3 524 895	-1 732 037	1 792 858	1 792 858	1 708 858	1 330 346	74.2%	-	84 000	4.7%
Co-Operative Governance Human Settlements	2 158 033	176 983	2 335 016	2 335 016	1 775 516	1 052 675	45.1%	-	559 600	24.0%
Sport, Art And Culture	302 358	21 664	324 022	324 022	313 579	222 927	68.8%	-	10 443	3.2%
Safety, Security And Liaison	84 402	-3 903	80 496	80 496	79 800	61 900	76.9%	-	696	0.9%
Office Of The Premier	335 616	12 855	348 471	348 471	348 471	278 479	79.9%	-	-	0.0%
Legislature	248 515	28 796	277 311	277 311	277 311	236 660	85.3%	-	-	0.0%
Provincial Treasury	357 797	6 418	364 215	364 215	354 958	273 316	75.0%	-	9 257	2.5%
Economic Development Environment And Tourism	1 111 277	38 500	1 149 777	1 149 777	1 142 385	880 556	76.6%	-	7 392	0.6%
<b>Total</b>	<b>51 459 548</b>	<b>1 323 993</b>	<b>52 783 541</b>	<b>52 783 541</b>	<b>52 217 386</b>	<b>41 266 323</b>	<b>78.2%</b>	<b>-105 133</b>	<b>671 288</b>	<b>1.1%</b>
<b>Economic classification</b>							<b>Net</b>	<b>566 155</b>		
<b>Current payments</b>	<b>43 748 737</b>	<b>579 423</b>	<b>44 328 160</b>	<b>44 328 160</b>	<b>44 256 519</b>	<b>35 241 988</b>	<b>79.5%</b>	<b>-</b>	<b>71 640</b>	<b>0.2%</b>
Compensation of employees	36 116 633	295 231	36 411 864	36 411 864	36 385 089	29 857 025	82.0%	-	26 774	0.1%
Goods and services	7 631 699	284 114	7 915 813	7 915 813	7 870 947	5 384 524	68.0%	-	44 866	0.6%
Interest and rent on land	405	78	483	483	483	439	90.9%	-	-	0.0%
<b>Transfers and subsidies</b>	<b>5 482 755</b>	<b>703 841</b>	<b>6 186 596</b>	<b>6 186 596</b>	<b>5 659 672</b>	<b>4 390 375</b>	<b>71.0%</b>	<b>-</b>	<b>526 924</b>	<b>8.5%</b>
<b>Payments for capital assets</b>	<b>2 228 057</b>	<b>40 193</b>	<b>2 268 250</b>	<b>2 268 250</b>	<b>2 293 439</b>	<b>1 626 739</b>	<b>71.7%</b>	<b>-25 189</b>	<b>-</b>	<b>-1.1%</b>
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>536</b>	<b>536</b>	<b>7 756</b>	<b>7 220</b>	<b>1347.0%</b>	<b>-7 220</b>	<b>-</b>	<b>-1347.0%</b>
of which: NPNC	13 114 859	988 569	14 103 428	14 103 428	13 538 858	9 782 558	69.4%	-	564 570	4.0%
<b>Total</b>	<b>51 459 548</b>	<b>1 323 457</b>	<b>52 783 541</b>	<b>52 783 541</b>	<b>52 217 386</b>	<b>41 266 322</b>	<b>78.2%</b>	<b>-32 409</b>	<b>598 564</b>	<b>1.1%</b>
							<b>Net</b>	<b>566 155</b>		

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

The highest expenditure in terms of departments is recorded in Legislature at 85.3 percent and Education at 81.7 percent. The lowest spending department is CoGHSTA at 45.1 percent. Most of the expenditure was incurred under Compensation of Employees (CoE) which is at 82.0 percent. In terms of the straight line projection the spending should have been at 83.0 percent.



## 5.1. Spending per Economic Classification

**Table: 5.1.1. Compensation of Employees budget and expenditure**

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2015	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
Education	20 405 986	147 020	20 553 006	20 553 006	20 587 638	16 952 150	82.5%	-34 632	-	-0.2%
Health	10 234 791	162 704	10 397 495	10 397 495	10 397 494	8 521 524	82.0%	-	-	0.0%
Social Development	752 604	6 151	758 755	758 755	758 755	621 837	82.0%	-	-	0.0%
Public Works , Roads and Infrastructure	615 799	306 652	922 451	922 451	922 451	745 701	80.8%	-	-	0.0%
Agriculture	1 015 758	-	1 015 758	1 015 758	1 015 758	798 394	78.6%	-	-	0.0%
Transport	1 078 064	-335 652	742 412	742 412	693 412	572 507	77.1%	-	49 000	6.6%
Co-Operative Governance Human Settlements	763 429	8 995	772 424	772 424	772 424	641 309	83.0%	-	-	0.0%
Sport, Art And Culture	135 129	-630	134 499	134 499	134 266	104 147	77.4%	-	233	0.2%
Safety, Security And Liason	60 032	-11 621	48 411	48 411	47 715	42 685	88.2%	-	696	1.4%
Office of the Premier	226 299	14 711	241 010	241 010	241 010	197 138	81.8%	-	-	0.0%
Legislature	147 674	-1 099	146 575	146 575	145 810	118 904	81.1%	-	765	0.5%
Treasury	229 247	-2 000	227 247	227 247	223 926	184 661	81.3%	-	3 321	1.5%
Economic Development	451 821	-	451 821	451 821	444 430	356 068	78.8%	-	7 391	1.6%
<b>Total</b>	<b>36 116 633</b>	<b>295 231</b>	<b>36 411 864</b>	<b>36 411 864</b>	<b>36 385 089</b>	<b>29 857 025</b>	<b>82.0%</b>	<b>-34 632</b>	<b>61 406</b>	<b>0.1%</b>
								<b>Net</b>	<b>26 774</b>	

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

The overall CoE spending is at R29.8 billion or 82.0 percent. The provincial spending pattern is slightly below the straight projection of 83.0 percent due to delays in filling of critical funded positions mainly in the Department of Transport, Provincial Treasury and Economic Development while in other departments is due to non-payment of performance bonuses. The province projects to underspend by R26.8 million or 0.1 percent.

Even though the Department of Safety, Security and Liaison seem to be overspending its allocated budget at 88.2 percent and still projects to under-spend by 1.4 percent, the expenditure includes those of the MEC's office which will be transferred at year-end to the Department of Social Development. The Department of Education projects to overspend its budget by R34.6 million or 0.2 percent due to the cost of living adjustment. The Provincial Treasury has engaged the department not to incur unauthorized expenditure at year-end.

**Table: 5.1.2. Goods and Services**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2015	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
<b>R thousand</b>										
Education	2 177 001	13 980	2 190 981	2 190 981	2 185 920	1 492 848	68.1%	-	5 061	0.2%
Health	3 134 796	212 970	3 347 766	3 347 766	3 347 766	2 266 914	67.7%	-	-	0.0%
Social Development	204 613	19 933	224 546	224 546	224 546	183 323	81.6%	-	-	0.0%
Public Works, Roads and Infrastructure	206 410	542 554	748 964	748 964	748 964	424 763	56.7%	-	-	0.0%
Agriculture	354 008	-23 570	330 438	330 438	327 176	242 830	73.5%	-	3 282	1.0%
Transport	779 135	-485 304	293 831	293 831	258 831	201 025	68.4%	-	35 000	11.9%
Co-Operative Governance Human Settlements And Tradit	161 335	1 145	160 190	160 190	160 176	124 400	77.7%	-	14	0.0%
Sport,Art,And Culture	136 089	-1 812	137 901	137 901	138 012	107 521	78.0%	-111	-	-0.1%
Safety,Security And Liason	23 116	6 126	29 242	29 242	29 242	18 108	61.9%	-	-	0.0%
Office of the Premier	98 605	-5 330	93 275	93 275	93 275	70 428	75.5%	-	-	0.0%
Legislature	36 155	6 700	42 855	42 855	47 718	36 750	85.8%	-4 863	-	-11.3%
Treasury	122 525	4 316	126 841	126 841	120 527	84 395	66.5%	-	6 314	5.0%
Economic Development	197 911	-8 928	188 983	188 983	188 794	131 219	69.4%	-	189	0.1%
<b>Total</b>	<b>7 631 699</b>	<b>284 114</b>	<b>7 915 813</b>	<b>7 915 813</b>	<b>7 870 947</b>	<b>5 384 524</b>	<b>68.0%</b>	<b>-4 974</b>	<b>49 840</b>	<b>0.6%</b>
								<b>Net</b>	<b>44 866</b>	

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

The overall spending on Goods and Services is at R5.4 billion or 68.0 percent of the total adjusted budget of R7.9 billion. The province projects to underspend by R44.8 million or 0.6 percent.

The following departments projected to overspend:-

- Sport, Arts and Culture – R0.111 million or 0.1 percent.
- Legislature – R4.9 million or 11.5 percent due to payment of travelling and subsistence by management during the development conference held in December 2014.

The following departments project to underspend by R49.8 million, Education ( R5.1 million or 0.2 percent) , Agriculture ( R3.3 million or 1.0 percent), Transport ( R35.0 million or 11.9 percent), Provincial Treasury ( R6.3 million or 5.0 percent and LEDET ( R0.189 million or 0.1 percent).

### 5.1.3. Transfers and subsidies

The province spent R4.4 billion or 71.0 percent of the total adjusted budget of R6.2 billion on Transfers and subsidies. The province is projecting to underspend by R526.9 million or 8.5 percent.

**Table: 5.1.3 Transfers and subsidies**



	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2015	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
<b>R thousand</b>										
Education	1 269 011	14 198	1 283 210	1 283 210	1 311 479	1 217 872	94.9%	-28 269	-	-2.2%
Health	477 704	81 218	538 922	538 922	538 922	539 583	100.1%	-	-	0.0%
Social Development	446 724	-1 052	445 672	445 672	445 672	299 214	67.1%	-	-	0.0%
Public Works , Roads and Infrastructure	47 050	1 015 473	1 062 523	1 062 523	1 062 523	917 605	86.4%	-	-	0.0%
Agriculture	159 894	1 833	161 727	161 727	164 989	123 467	76.3%	-3 262	-	-2.0%
Transport	1 324 582	-628 890	695 692	695 692	695 692	526 209	75.6%	-	-	0.0%
Co-Operative Governance Human Settlements	1 230 802	167 704	1 398 506	1 398 506	839 006	285 242	20.4%	-	559 500	40.0%
Sport, Art And Culture	5 995	5 586	11 581	11 581	11 703	5 345	46.2%	-122	-	-1.1%
Safety, Security And Liason	-	284	284	284	284	29	10.2%	-	-	0.0%
Office of the Premier	6 969	4 878	11 847	11 847	11 847	8 900	75.1%	-	-	0.0%
Legislature	60 556	18 445	79 001	79 001	79 358	78 781	99.7%	-357	-	-0.5%
Treasury	3 000	1 757	4 757	4 757	5 135	3 124	65.7%	-378	-	-7.9%
Economic Development	450 468	42 406	492 874	492 874	493 062	385 004	78.1%	-188	-	0.0%
<b>Total</b>	<b>5 482 755</b>	<b>703 841</b>	<b>6 186 596</b>	<b>6 186 596</b>	<b>5 659 672</b>	<b>4 390 375</b>	<b>71.0%</b>	<b>-32 576</b>	<b>559 500</b>	<b>8.5%</b>
								<b>Net</b>	<b>526 924</b>	

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

The highest percentage spending departments are Education, Health and Legislature at 94.9 percent, 100.1 percent and 99.7 percent respectively. The province is projecting to underspend its budget by R526.9 million or 8.5 percent mainly in CoGHSTA due to challenges in finalization of appointment of contracted under the Human Settlement grant. National Treasury has subsequently issued a gazette which will allow the province to reduce this allocation.

The following departments project to overspend mainly due to payments of leave gratuities to retiring officials; Agriculture R3.3 million or 2.0 percent, Sport, Arts and Culture R0.122 million or 1.1 percent, Treasury R 0.378 million or 7.9 percent on payments of leave, and LEDET at R0.188 million. The Legislature projection of R0.357 million or 0.5 percent is mainly on transfers to political parties while Education projects to overspending by R28.3 million or 2.2 percent in order to pay EPWP Social sector beneficiaries and to purchase workshop materials,

**Table: 5.1.4. Payment for Capital Assets**

	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2015	Actual spending as % of Adjusted budget	(Over)	Under	% (Over)/ under of Adjusted budget
<b>R thousand</b>										
Education	1 113 897	197 340	1 311 237	1 311 237	1 351 310	1 019 726	77.8%	-40 073	-	-3.1%
Health	523 755	-191 849	331 906	331 906	331 906	392 193	118.2%	-	-	0.0%
Social Development	64 946	-17 481	47 465	47 465	47 465	28 238	55.3%	-	-	0.0%
Public Works , Roads and Infrastructure	59 341	282 008	341 349	341 349	341 349	83 642	24.5%	-	-	0.0%
Agriculture	72 568	24 637	97 205	97 205	97 205	52 419	53.9%	-	-	0.0%
Transport	343 114	-282 491	60 623	60 623	60 623	30 605	50.5%	-	-	0.0%
Co-Operative Governance Human Settlements And	2 467	1 429	3 896	3 896	3 910	1 724	44.3%	-14	-	-0.4%
Sport, Art And Culture	25 145	14 896	40 041	40 041	29 598	5 914	14.8%	-	10 443	26.1%
Safety, Security And Liason	1 254	1 069	2 323	2 323	2 323	1 078	46.4%	-	-	0.0%
Office of the Premier	3 743	-1 404	2 339	2 339	2 339	2 013	86.1%	-	-	0.0%
Legislature	4 130	4 750	8 880	8 880	4 425	2 225	25.1%	-	4 455	50.2%
Treasury	3 025	2 345	5 370	5 370	5 370	1 136	21.2%	-	-	0.0%
Economic Development	10 672	4 944	15 616	15 616	15 616	7 826	50.1%	-	-	0.0%
<b>Total</b>	<b>2 228 057</b>	<b>40 193</b>	<b>2 268 250</b>	<b>2 268 250</b>	<b>2 293 439</b>	<b>1 626 739</b>	<b>71.7%</b>	<b>-40 087</b>	<b>14 898</b>	<b>-1.1%</b>
								<b>Net</b>	<b>-25 189</b>	

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

The overall provincial expenditure on Payment for Capital Assets is at R1.6 billion or 71.7 percent of the total adjusted budget of R2.2 billion. The highest percentage spending department is Health at R392.2 million or 118.2 percent and Office of the Premier at R2.0 million or 86.1 percent of the budget of R2.3 million. The percentage spending on the following department is very low, Sport, Arts and Culture at 14.8 percent, Public Works Roads and Infrastructure at 24.5 percent.

The department of Education is projecting to overspend by R40.1 million or 3.1 percent due to reprioritization of water and sanitation projects at schools and storm damaged schools while the department of Sport, Arts and Culture is projecting to underspend by R10.4 million or 26.1 percent due to delays in the implementation of Library projects and Legislature by R4.4 million or 50.2 percent which is reprioritized to cover projected overspending on goods and services.

## 5.2. Equitable share spending

	Adjusted budget	Actual spending as at 31 January 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	22 746 588	18 520 871	81.4%	4 285 589	22 806 460	(59 872)
Health	12 689 625	10 193 014	80.3%	2 496 611	12 689 625	-
Social Development	1 473 666	1 128 646	76.6%	345 020	1 473 666	-
Sport, Arts & Culture	167 450	133 751	79.9%	33 699	167 450	-
Safety & Security	80 496	61 900	76.9%	17 900	79 800	696
Premier	348 471	278 479	79.9%	69 992	348 471	-
Local Govt & Housing	947 769	777 070	82.0%	170 699	947 769	-
Legislature	277 311	236 660	85.3%	40 651	277 311	-
Public Works , Roads and Infrastructure	1 899 174	1 328 271	69.9%	570 903	1 899 174	-
Provincial Treasury	364 215	273 316	75.0%	81 642	354 958	9 257
Agriculture	1 307 975	1 020 550	78.0%	287 425	1 307 975	-
Transport	1 501 006	1 101 911	73.4%	315 095	1 417 006	84 000
Econ Dev	1 147 675	878 953	76.6%	261 330	1 140 283	7 392
<b>Total</b>	<b>44 951 421</b>	<b>35 933 392</b>	<b>79.9%</b>	<b>8 976 556</b>	<b>44 909 948</b>	<b>41 473</b>

Provincial equitable share spending is at R35.9 billion or 79.9 percent of the total adjusted budget of R44.9 billion. The highest percentage spending departments on equitable share are Legislature at 85.3 percent, CoGHSTA at 82.0 percent and Education at 81.4 percent.

The lowest spending departments are Public Works, Roads and Infrastructure at R1.3 billion or 69.9 percent of the total budget of R1.9 billion and Transport at R1.1 billion or 73.4 percent of budget of R1.5 billion.

The departments of Education is projecting an over expenditure of R59.8 million, while the departments Safety, Security and Liason, Treasury, Transport and LEDET are projecting to underspend by R0.696, R9.2 million, R84 million and R7.4 million respectively.

**Table: 5.3 a. Conditional Grants (CG) Spending Performance**



	Adjusted budget	Actual spending as at 31 January 2015	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	2 591 846	2 168 945	83.7%	468 162	2 637 107	(45 261)
Health	1 926 463	1 527 201	79.3%	399 262	1 926 463	-
Social Development	2 772	1 966	70.9%	806	2 772	-
Sport, Arts & Culture	156 572	89 176	57.0%	56 953	146 129	10 443
CoGHSTA	1 387 247	275 605	19.9%	552 142	827 747	559 500
Public Works , Roads and Infrastructure	1 176 113	843 440	71.7%	332 673	1 176 113	-
Agriculture	297 153	196 560	66.1%	100 593	297 153	-
Transport	291 852	228 435	78.3%	63 417	291 852	-
Econ Dev	2 102	1 603	76.3%	499	2 102	-
<b>Total</b>	<b>7 832 120</b>	<b>5 332 931</b>	<b>68.1%</b>	<b>1 974 507</b>	<b>7 307 438</b>	<b>- 524 682</b>

The table above portrays an update on provincial CG spending. The CGs' overall expenditure is very low at R5.3 billion or 68.1 percent of the total adjusted budget of R7.8 billion. The highest spending departments on CGs are Education at R2.2 billion or 83.7 percent of the total adjusted budget of R2.6 billion. On the other hand, CoGHSTA is the lowest spending department on CGs at R275.6 million or 19.9 percent, followed by Sport at R89.2 million or 57.0 percent. Beneath is the breakdown of expenditure by department per conditional grant.

**Table: 5.3 b. Limpopo Conditional Grant spending as at 31 January 2015**

	Adjusted appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
<b>Agriculture</b>	<b>297 153</b>	<b>196 560</b>	<b>66.1%</b>
Comprehensive Agricultural Support Programme Grant	225 873	147 064	65.1%
Ilima/Letsema Projects Grant	46 062	33 644	73.0%
EPWP Incentive allocation	15 040	9 512	63.2%
Land Care Programme Grant	10 178	6 340	62.3%
<b>Sport, Arts and Culture</b>	<b>156 572</b>	<b>89 176</b>	<b>57.0%</b>
Mass Sport and Recreation Programme	59 446	51 211	86.1%
EPWP Incentive allocation	2 102	1 680	79.9%
Community Library Services Grant	95 024	36 285	38.2%
<b>Education</b>	<b>2 591 846</b>	<b>2 168 945</b>	<b>83.7%</b>
HIV and Aids (Life Skills Education) Grant	31 085	2 358	7.6%
Further Education and Training Colleges Grant	404 504	341 157	84.3%
National School Nutrition Programme Grant	991 153	767 788	77.5%
Infrastructure Grant	1 103 048	1 031 770	93.5%
Infrastructure Grant (Flood damage)	20 277	-	0.0%
Dinaledi School grant	11 340	423	3.7%
Social sector EPWP grant	13 280	15 743	118.5%
EPWP Incentive allocation	2 000	-1	-0.1%
Technical Secondary Schools Recapitalisation Grant	15 159	9 707	64.0%
<b>Health</b>	<b>1 926 463</b>	<b>1 527 201</b>	<b>79.3%</b>
Comprehensive HIV and Aids Grant	998 502	769 569	77.1%
Infrastructure Grant	-	-	0.0%
Health Professions Training and Development Grant	116 206	106 800	91.9%
EPWP Incentive grant	2 089	1 929	92.3%
EPWP( social sector)	2 580	2 586	100.2%
Health insurance grant	7 700	5 278	68.5%
Hospital Revitalisation Grant	468 672	359 730	76.8%
National Tertiary Services Grant	330 714	281 309	85.1%
<b>Co-operate Governance , Human Settlements and Traditional Affairs</b>	<b>1 387 247</b>	<b>275 605</b>	<b>19.9%</b>
Housing Disaster Management	-	-	0.0%
Disaster : Flood Damage	-	-	0.0%
Integrated Housing & Human Settlements Development Grant	1 349 600	273 725	20.3%
Human Settlement Development (flood repair)	35 503	1 880	5.3%
Earmarked additions for the FF mining towns	-	-	0.0%
Thabazimbi	-	-	0.0%
Greater Tubatse	-	-	0.0%
Elias Motsoaledi	-	-	0.0%
Lephalale	-	-	0.0%
Fetakgomo	-	-	0.0%
Housing Disaster Management	-	-	0.0%
EPWP Incentive allocation	2 144	-	0.0%
<b>Public Works , Roads and Infrastructure</b>	<b>1 176 113</b>	<b>843 440</b>	<b>71.7%</b>
Devolution of Property Rate Funds Grant	-	-	0.0%
Prov. Roads Maintenance grant	1 169 361	839 368	71.8%
EPWP incentive grant	6 752	4 072	60.3%
<b>Economic Development</b>	<b>2 102</b>	<b>1 603</b>	<b>76.3%</b>
EPWP Incentive grant	2102	1 603	76.3%
<b>Social Develoment</b>	<b>2 772</b>	<b>1 966</b>	<b>70.9%</b>
EPWP Incentive grant	2 772	1 966	70.9%
<b>Transport</b>	<b>291 852</b>	<b>228 435</b>	<b>78.3%</b>
Transport Disaster Management	-	-	0.0%
Infrastructure Grant	-	-	0.0%
EPWP Incentive grant	-	-	0.0%
Public Transport Operations Grant	291 852	228 435	78.3%
<b>Total</b>	<b>7 832 120</b>	<b>5 332 931</b>	<b>68.1%</b>



### 5.3.1. Agriculture

The department has spent R196.6 million or 66.1 percent of the total budget of R297.1 million. The expenditure is very low due to slow deliveries and failure by IDT to get contractors to finalize the projects.

- **Letsema** – spent R33.6 million or 73.0 percent. The underspending is due to lack of capacity by suppliers. Contract for the supply of fuel, oil and lubricant has expired. Several suppliers requested cessations after being issued with purchase orders.
- **Land care** – spent R9.5 million or 63.2 percent. The under spending is due to delay in recruitment of workers which took time than it was expected.
- **CASP** – spent R147.1 million or 65.1 percent. Late completion of plans as a result of poor planning is manifesting into poor expenditure performance. The department has put measures to deal with poor planning. Service providers lack of financial capacity and knowledge of expected outcome per project.

### 5.3.2. Sport, Arts and Culture.

The department recorded and overall CGs' expenditure of R89.2 million or 57.0 percent.

- **Community Library Services** - spent R36.3 million or 38.2 percent. Slow moving building infrastructure for the two (2) rolled over 2013/14 new libraries, i.e. Nzhelele and Phokoane budgeted at **R12.8 million** There were disputes between the contractors and the implementing agents over site drawings which contributed to the slow progress on both sites. In addition to the proper building design plans, the Phokoane contractor also abandoned the site due to disagreements on the contract price and bill of quantities. The latter resulted in the Contractor refusing to sign the payment certificates that contributed to under spending for the period under review. An estimated amount of R2 million is projected to be underspent on the two projects as retentions after the practical completion.
- **Mass Sport** - spent R51.2 million or 86.1 percent. The underspending is due to non filling of funded vacant positions (5 posts).
- **EPWP** spent R1.7 million or 79.9 percent. Delays in the procurement of suitable service provider for the thatching of roofs and painting Schoemansdal and Dzata museums through the EPWP grant.

### 5.3.3. Education

Overall spending by the department is at R2.2 billion or 83.7 percent of the total budget of R2.6 billion. The spending by the department is in accordance with straight line projections.

**HIV and Aids** – spent R2.3 million or 7.6 percent. The order for the purchase of First Aid kits to the value of R8.8 million has been issued to the service provider and delivery is being awaited. Printing of Learner Activity books and Educator manuals to the value of R3.2 million through Government printers is being processed. Submitted requisitions for purchase of 12 laptops and digital cameras for Provincial and District staff and for



purchase of SABC, Limpopo Combo Airtime for Peer Education broadcast. HIV, STI and TB Awareness Advocacy Campaigns and Teacher trainings.

- **Further Education and Training** – spent R341.2 million or 84.3 percent. Spending is mostly on accruals which are mainly caused by the funding model. The spending is in line with straight line projection. Projected to overspend by R5.0 million or 1.0 percent
- **National School Nutrition Programme** – spent R767.8 million or 77.5 percent. Discussions are being held by the sector department into decentralization of funding for the grant to schools. The delay by service providers in submitting the invoices contributed to the low expenditure.
- **Infrastructure grant** – spent R1.0 billion or 93.5 percent. Implementing Agents are contracted. Designs for planned projects have been concluded. Contractors are on site for 80 percent of the projects and construction activities are in progress. 80 percent of projects committed in 2013/14 are under construction and therefore expenditure rate will be higher than the projections because of actual progress achieved on site and claimed for on a monthly basis.
- **Infrastructure grant (flood damaged)** – spending is incorporated under the Infrastructure grant reported and will be split through processing of journals.
- **Dinaledi School** – spent R0.423 or 3.7 percent of the total budget of R11.3 million. Procurement process for Life sciences kits and Mathematics, and Data projectors is ongoing. Invoices of the Mathematics Olympiad will be captured in March.
- **EPWP (Social sector)** – spent R15.7 million or 118.5 percent. Payment of monthly stipend to identified beneficiaries. 375 ECD practitioners, 355 NSNP school based monitors and 22 administrative assistants. The wrong posting is been investigated and shall be corrected via journal
- **EPWP (Incentive allocation)** – no spending
- **Technical Secondary School** – spend R9.7 million or 64.0 percent. Submitted specifications for the procurement of machinery, equipment and tools and laptops for the Technical Secondary Schools.

#### 5.3.4. Health

The overall spending on CG is R1.5 billion or 79.3 percent of the total budget of R1.9 billion. The highest percentage spending grant is HPTD grant at 91.9 percent, and EPWP incentive R2.6 million or 100.2 percent

- **HIV and Aids** – spent R769.6 million or 77.1 percent. Late appointment of Data Capturers resulted in a saving on the budget. Non appointment of Health Professional (ART multidisciplinary teams). R42,8 million to be shifted to Goods & Services to cater for general medicines and laboratory services.



- **HPTD** – spend R106.8 million or 91.9 percent. The high expenditure is due to once off payment of bursaries. The department will monitor the expenditure to be within the allocated budget.
- **EPWP (Incentive grant)** spent R1.9 million or 92.3 percent. The third tranche was paid in the third quarter.
- **Hospital Revitalization grant** – spent R359.7 million or 76.8 percent. Delays in terms of projects under construction. This is caused by amongst others, non performing service providers and issues of non-payment to contractors which has since been resolved. Delays in finalization of retention projects caused by consultants delaying to submit their final accounts.
- **National Tertiary Services** – spent R281.3 million or 85.1 percent. The delay in tendering process for the purchase of new cardiothoracic unit. The new Cardiothoracic Unit additional Goods & Services Budget Pressure (Semi- Functional since 2014/2015). Delay in Tender process for Machinery & Equipment. R15 million of Machinery & Equipment currently in Bid Process.

### 5.3.5. Transport

Overall spending is at R228.4 million or 78.3 percent of the total adjusted budget of R291.8 million under the Public Transport Operation grant.

### 5.3.6. Public Works, Roads and Infrastructure

The department CGs recorded spending of R843.4 million or 71.7 percent of the adjusted budget of R1.2 billion. The department received an additional funding of R1.2 billion for Roads infrastructure. The spending will improve during February and March due to the upgrading of access to the Parliamentary Village.

### 5.3.7. Social Development

Spending by the department is at R1.9 million or 70.9 percent. Non-compliance by the NPO's and constrains to complete payments reconciliation. Funds will also be transferred to address the sector audit queries.

### 5.3.8. CoGHSTA

The department spent R275.6 million or 19.9 percent of the total budget of R1.4 billion. The department project to underspend its CG by an amount of R559.5 million. The underspending is due to late appointment of contractors for 2014/15 financial year has been finalized, 20 contractors have been appointed, eight of which are already on site and the delay in the procurement processes. The underspending will be corrected through the second adjustment budget.

## 6. Provincial Own Receipts per vote

**Table 6.1: Own Provincial Revenue receipts as at 31 January 2015**

Departments (Votes)	Main appropriation	Adjusted Estimates	Projections to January 2015	Projections as % of budget	Actual to January 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	previous yr Budget 2013/14	Previous yr Actual to January 2014	Actual collection as % of the budget
Office of the Premier	658	720	596	82.8%	582	80.9%	113	695	-14	654	1 223	187.0%
Provincial Legislature	249	144	128	88.9%	173	120.1%	20	193	45	257	154	59.9%
Education	50 704	52 164	41 773	80.1%	32 430	62.2%	10 391	42 821	-9 343	44 612	32 749	73.4%
Agriculture	8 497	8 497	5 001	58.9%	4 989	58.7%	3 446	8 435	-12	9 316	4 632	49.7%
Provincial Treasury	143 731	214 576	161 549	75.3%	249 529	116.3%	53 062	302 591	87 980	137 090	153 868	112.2%
Economic Development	84 825	139 377	122 289	87.7%	110 858	79.5%	30 333	141 191	-11 431	77 506	81 640	105.3%
Health	135 572	140 850	105 776	75.1%	106 455	75.6%	34 395	140 850	679	120 708	68 204	56.5%
Transport	402 208	402 208	313 193	77.9%	324 714	80.7%	77 494	402 208	11 521	356 456	274 330	77.0%
Public Works	35 698	420 356	414 577	98.6%	373 999	89.0%	5 777	379 776	-40 578	28 797	21 909	76.1%
Safety & Security	77	170	119	70.0%	116	68.5%	54	170	-3	82	68	82.9%
Co-operative governance	2 925	2 925	2 362	80.8%	2 767	94.6%	404	3 171	405	2 500	696	27.8%
Social Development	2 637	5 182	3 901	75.3%	5 017	96.8%	343	5 360	1 116	2 511	2 279	90.8%
Sport, Arts & Culture	921	1 948	1 891	97.1%	1 558	80.0%	54	1 611	-333	910	854	93.8%
<b>Total provincial receipts</b>	<b>868 702</b>	<b>1 389 117</b>	<b>1 173 155</b>	<b>84.5%</b>	<b>1 213 186</b>	<b>87.3%</b>	<b>215 885</b>	<b>1 429 072</b>	<b>40 031</b>	<b>781 399</b>	<b>642 606</b>	<b>82.2%</b>

Provincial original own revenue target for 2014/15 financial year is R868.7 million and it has been revised to R1.389 billion. To date, an amount of R1.2 billion or 87.3 percent has been collected against set projections of R1.1 billion or 84.5 percent. In overall, there is an over collection of R40.0 million or 2.9 percent which is influenced mainly by Provincial Treasury on interest earned from bank balances. Provincial Treasury has already collected 16.3 percent above the revised target of the year. Overall collection is above that of the previous corresponding period of 85.9 percent. The overall projected outcome of the Province indicates an over collection of R40.0 million or 2.9 percent by 31<sup>st</sup> March 2015.

**The following six votes collected above their set monthly projections:**

### 6.1.1 Provincial Legislature (Target R0.144 million)

Provincial Legislature collected an amount of R0.173 or 120.1 percent compared to projections of R0.128 million or 88.9 percent. Over collection is influenced by sale of tender documents that collected 182 percent more than the annual target. Collection is 60.2 percent more than that of the previous corresponding period of 59.9 percent.

### 6.1.2 Provincial Treasury (Target R214.6 million)

An amount of R249.5 million or 116.3 percent has been collected against set projections of R161.5 million or 75.3 percent. Over collection of 41.0 percent is due to interest earned on favourable bank balances. Collection is 4.1 percent more than that of the previous corresponding period of R153.9 million or 112.2 percent.



### **6.1.3 Health (Target R140.9 million)**

An amount of R106.5 million or 75.6 percent has been collected as compared to projections of R105.8 million or 75.1 percent. The slight over collection is mainly due to improved collection of commission on insurance, residential rentals from health professionals, and recovery of previous year debts from shared services. Collection is 19.1 percent more than that of the previous corresponding period of 56.5 percent.

### **6.1.4 Transport (Target R402.2 Million)**

Department of Transport has collected R324.7 million or 80.7 percent against set projections of R313.2 million or 77.9 percent. The over collection of 2.8 percent is influenced by the revenue amounting to R37.5 million paid by Road Agency Limpopo for current and previous years. However, the department is not performing well on motor vehicle licenses and traffic fines due to revenue owed by municipalities and R6.1 million of un-captured receipts. In the previous corresponding period, collection was below at R274.3 million or 77.0 percent.

### **6.1.5 Co-operative Governance (Target R2.9 million)**

As at 31 January 2015, the department collected R2.8 million or 94.6 percent against set projections of R2.4 million or 80.8 percent. An over collection of 13.8 percent is mainly on financial transactions – surrender of R0.324 million by Elias Motsoaledi Municipality that was not spent in 2005/06 financial year for Peoples Housing Project. Collection is 66.8 percent more than that of the previous corresponding period of 27.8 percent.

### **6.1.6 Social Development (Target R5.2 million)**

Collection as at 31 January 2015 is R5.0 million or 96.8 percent against set projections of R3.9 million or 75.3 percent. More collection is due to auction sales that collected more than expected and improved recovery of previous year's debts. Collection is 6.0 percent more than that of the previous corresponding period of 90.8 percent.

**The following seven votes collected below their projections;**

### **6.1.7 Education (Target R52.2 Million)**

The department collected R32.4 million or 62.2 percent against set projections of R41.8 million or 80.1 percent. The under collection is mainly on financial transactions which collected 49 percent instead of 82 percent and is attributed to delays in closure of college accounts.

### **6.1.8 Agriculture (Target R8.5 million)**

Collection as at 31 January 2015 is R4.9 million or 58.7 percent against set projections of R5.0 million or 58.9 percent. Less collection is mainly on boarding fees and sale of capital assets that is anticipated to collect more during the remaining months. Collection is above that of the previous year of R 4.6 million or 49.7 percent.

### **6.1.9 Economic Development (Target R139.4 million)**

Collection as at 31 January 2015 is R110.9 million or 79.5 percent compared to the projected amount of R122.3 million or 87.7 percent. The under collection of R11.4 million is mainly attributed to non-transfer of gambling levies and own revenue by Limpopo Gambling Board for December and January. Collection is 25.8 percent less than that of the previous corresponding period of 105.3 percent.

### **6.1.10 Public Works, Roads & Infrastructure (Target R420.4 million)**

As at 31 January 2015 the department collected R374.0 million or 89.0 percent against set projections of R414.6 million or 98.6 percent. Collection is below projections by R40.6 million mainly due to non-transfer of own revenue and accumulated surpluses from RAL by the department of Transport as well as poor collection of rental dwelling due to defaulting tenants and partial implementation of the R900.00 rental fee. Collection is 6.1 percent less than that of the previous corresponding period of 82.9 percent.

### **6.1.11 Office of the premier (Target R0.720 million)**

The Office has collected R0.582 million or 80.9 percent against set projections of R0.596 million or 82.8 percent. The under collection is mainly in commission on insurance and parking fees. Collection is 106.1 percent less than that of the previous corresponding period of 184.7 percent.

### **6.1.12 Safety, Security and Liaison (Target R0.170 million)**

Collection is R0.116 million or 68.5 percent against set projections of R0.119 million or 70.0 percent. The under collection is mainly attributed to recovery of staff debts. Collection is more than that of the previous corresponding period by 14.4 percent.

### **6.1.13 Sport, Arts and Culture (Target R1.9 million)**

Collection as at 31 January 2015 is R1.6 million or 80.0 percent against set projections of R1.9 million or 97.1 percent. Under collection is due to entrance fee that collected R0.198 million versus the projections of R0.560 million from Mapungubwe Arts Festival held during December 2014. Department of Sport Arts and Culture is investigating causes of under collection and report will be submitted to Provincial Treasury. Collection is 3.8 percent less than that of the previous corresponding period of 93.8 percent.



## 6.2. Provincial Own revenue per economic classification

**Table: 6.2: Provincial Own revenue per economic classification as at 31 January 2015**

Items (Revenue Sources)	Main appropriation	Adjusted Estimates	Projections to January 2015	Projections as % of budget	Actual to January 2015	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	previous yr Budget 2013/14	Previous yr Actual to January 2014	Actual collection as % of the budget
Tax receipts	373 159	371 960	301 089	80.9%	<b>283 057</b>	<b>76.1%</b>	101 422	384 479	-18 032	325 264	254 425	78.2%
Sales of goods and services other than capital assets	258 144	266 100	205 656	77.3%	<b>182 378</b>	<b>68.5%</b>	63 677	246 055	-23 278	226 211	157 579	69.7%
Transfers received from:	-	-	-		<b>984</b>		(379)	605	984		128	
Fines, penalties and forfeits	50 089	52 901	36 261	68.5%	<b>38 309</b>	<b>72.4%</b>	7 798	46 107	2 048	47 748	30 685	64.3%
Interest, dividend and rent on land	142 741	218 090	164 384	75.4%	<b>251 239</b>	<b>115.2%</b>	54 439	305 678	86 855	135 429	153 636	113.4%
Sales of capital assets	13 046	19 397	13 351	68.8%	<b>12 333</b>	<b>63.6%</b>	8 335	20 668	-1 018	15 502	14 744	95.1%
Revenue financial assets	31 523	460 669	452 414	98.2%	<b>444 886</b>	<b>96.6%</b>	(19 407)	425 479	-7 528	31 245	31 409	100.5%
<b>Total departmental receipts</b>	<b>868 702</b>	<b>1 389 117</b>	<b>1 173 155</b>	<b>84.5%</b>	<b>1 213 186</b>	<b>87.3%</b>	<b>215 885</b>	<b>1 429 072</b>	<b>40 031</b>	<b>781 399</b>	<b>642 606</b>	<b>82.2%</b>

### 6.2.1 Tax receipts (Target R372.0 million)

An amount of R283.1 million or 76.1 percent has been collected from Tax receipts to date, as compared to set projections of R301.1 million or 80.9 percent. Under collection of R18.0 million or 4.8 percent is attributed to the department of Roads and Transport and the department of Economic Development due to un-captured motor vehicle licence fees and non-transfer of gaming taxes for two months by LGB respectively.

### 6.2.2 Sale of goods & services non capital assets (Target R266.1 million)

As at 31 January 2014 collection is R182.4 million or 68.5 percent against set projections of R205.7 million or 77.3 percent. The under collection of R23.3 million is mainly influenced by poor collection of rental dwelling by the department of Public Works due to defaulting tenants and partial implementation of the R900.00 rental fee and patient fees because of slow recovery of Road Accident Fund and medical aid debts.

### 6.2.3 Fines, penalties and forfeits (Target R52.9 million)

Fines, penalties and forfeits collected R38.3 million or 72.4 percent against set projections of R36.3 million or 68.5 percent. There is more collection of penalties on cases of transgression of National Environment Management Act (NEMA) by the department of Economic Development & Tourism to the value of R3.7 million against a set target of R4.0 million.

### 6.2.4 Interest, dividend and rent on land (Target R218.1 million)

Collection as at 31 January 2014 is R251.2 million or 115.2 percent against set projections of R164.4 million or 75.4 percent. Over collection of R86.8 million is influenced by more interest earned on favourable bank balances recorded by Provincial Treasury.

## 6.2.5 Sale of capital assets (Target R19.4 million)

The item collected R12.3 million or 63.6 percent against a projection of R13.4 million or 68.8 percent. The 5.5 percent under collection is influenced by the department of Transport due to rescheduled auctions (Budget of R7.9 million and a projection of R5.5 million).

## 6.2.6 Financial transactions in assets and liabilities (Target R460.7 million)

Collection as at 31 January 2014 amounts to R444.9 million or 96.6 percent against set projections of R452.4 million or 98.2 percent.

## 7. Infrastructure Management

The table below shows the Provincial Budget and Expenditure Comparisons over three Financial Years (2012/13, 2013/14 and 2014/15) as at 31 January 2015.

Department	Budget (R'000)				Expenditure (R'000)			% Expenditure			
	2012/13	2013/14	2014/15 EPRE	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15 EPRE	2014/15
<b>Education</b>	<b>966 194</b>	<b>1 160 062</b>	<b>1 098 625</b>	<b>1 298 625</b>	<b>370 913</b>	<b>824 979</b>	<b>1 029 790</b>	<b>39%</b>	<b>72%</b>	<b>94%</b>	<b>79%</b>
Current	94 180	225 077	23 694	259 725	24 569	37 777	37 437	26%	17%	158%	14%
Capital	862 014	924 985	1 074 931	1 038 900	346 344	787 202	992 353	40%	85%	92%	96%
<b>Agriculture</b>	<b>183 187</b>	<b>187 558</b>	<b>226 244</b>	<b>162 019</b>	<b>42 543</b>	<b>89 682</b>	<b>88 267</b>	<b>23%</b>	<b>48%</b>	<b>39%</b>	<b>54%</b>
Current	6 680	4 856	5 375	5 812	188	-	1 111	3%	0%	21%	19%
Capital	176 507	182 702	220 869	156 207	42 355	89 682	87 156	24%	49%	39%	56%
<b>Health</b>	<b>1 249 673</b>	<b>641 095</b>	<b>593 747</b>	<b>575 626</b>	<b>937 718</b>	<b>271 107</b>	<b>426 169</b>	<b>75%</b>	<b>42%</b>	<b>72%</b>	<b>74%</b>
Current	171 144	179 184	126 305	106 954	65 503	97 560	66 439	38%	54%	53%	62%
Capital	1 078 529	461 911	467 442	468 672	872 215	173 547	359 730	81%	38%	77%	77%
<b>Roads and Transport</b>	<b>2 347 769</b>	<b>2 425 521</b>	<b>1 769 577</b>	<b>2 073 312</b>	<b>1 317 273</b>	<b>1 016 830</b>	<b>1 235 578</b>	<b>56%</b>	<b>42%</b>	<b>70%</b>	<b>60%</b>
Current	1 066 826	1 339 152	884 856	1 199 256	488 505	810 937	714 434	46%	61%	81%	60%
Capital	1 280 943	1 086 369	884 721	874 056	828 768	205 893	521 144	65%	19%	59%	60%
<b>Social Development</b>	<b>70 266</b>	<b>95 639</b>	<b>59 912</b>	<b>30 000</b>	<b>70 221</b>	<b>41 582</b>	<b>13 721</b>	<b>100%</b>	<b>43%</b>	<b>23%</b>	<b>46%</b>
Current	-	-	5 921	-	-	-	-	-	-	-	-
Capital	70 266	95 639	53 991	30 000	70 221	41 582	13 721	100%	43%	25%	46%
<b>Sports, Arts and Culture</b>	<b>50 434</b>	<b>30 283</b>	<b>26 000</b>	<b>42 356</b>	<b>21 353</b>	<b>6 347</b>	<b>6 742</b>	<b>42%</b>	<b>21%</b>	<b>26%</b>	<b>16%</b>
Current	8 550	4 695	3 000	5 342	-	861	868	0%	18%	29%	16%
Capital	41 884	25 588	23 000	37 014	21 353	5 486	5 874	51%	21%	26%	16%
<b>CoGHSTA</b>	<b>1 638 167</b>	<b>1 333 000</b>	<b>1 219 115</b>	<b>1 387 247</b>	<b>893 721</b>	<b>222 011</b>	<b>275 605</b>	<b>55%</b>	<b>17%</b>	<b>23%</b>	<b>20%</b>
Current	-	-	-	-	-	-	-	-	-	-	-
Capital	1 638 167	1 333 000	1 219 115	1 387 247	893 721	222 011	275 605	55%	17%	23%	20%
<b>LEDET</b>		<b>53 102</b>	<b>63 273</b>	<b>92 473</b>		<b>9 274</b>	<b>54 252</b>		<b>17%</b>	<b>86%</b>	<b>59%</b>
Current	-	13 596	16 600	45 808	-	2 699	21 700	-	20%	131%	47%
Capital	-	39 506	46 673	46 665	-	6 575	32 552	-	17%	70%	70%
<b>Public Works</b>	<b>55 245</b>	<b>53 765</b>	<b>59 439</b>	<b>48 939</b>	<b>9 855</b>	<b>19 513</b>	<b>18 497</b>	<b>18%</b>	<b>36%</b>	<b>31%</b>	<b>38%</b>
Current	4 850	6 613	17 926	7 847	1 340	2 940	3 256	28%	44%	18%	41%
Capital	50 395	47 152	41 513	41 092	8 515	16 573	15 241	17%	35%	37%	37%
<b>TOTAL</b>	<b>6 550 935</b>	<b>5 970 025</b>	<b>5 115 932</b>	<b>5 710 597</b>	<b>3 663 597</b>	<b>2 501 325</b>	<b>3 148 621</b>	<b>56%</b>	<b>42%</b>	<b>62%</b>	<b>55%</b>
Subtotal (Current)	1 352 230	1 773 173	1 083 677	1 630 744	580 105	952 774	845 245	43%	54%	78%	52%
Subtotal (Capital)	5 198 705	4 196 852	4 032 255	4 079 853	3 083 492	1 548 551	2 303 376	59%	37%	57%	56%

## Infrastructure Expenditure comparison as at 31 January year-on-year

The overall Provincial Infrastructure budgets are reducing year on year and expenditure deteriorated in the 2013/14 financial year. As at 31 January 2015, the Provincial Infrastructure expenditure stood at R 3.1 billion, this represents an increase of R 148.1 million from the previous month. The total expenditure represents 55 percent of the Provincial infrastructure budget as at 31 January 2015. The expenditure as at 31 December 2014 stood at 54 percent or R 3 billion.



All the infrastructure departments had submitted their IRM data files at the compilation of this report. All departments recorded expenditure for the month of January 2015, except for Social Development; Sport, Arts and Culture. The budget captured in the IRM for the following departments were the adjusted budget: Sport, Arts and Culture; CoGHSTA; Roads and Transport; Social Development; Health, Education, Agriculture, Public Works and LEDET.

The expenditure was supposed to be in the region of about R 4.8 billion, which represents 83 percent of the total budget in terms of the norm. The province is 28 percent or R951.7 million below the straight line norm.

According to the provincial projections taken from the 2014 Planning/April IRMs, the expenditure was supposed to be in the region of about R 4.4 billion, which represents 77 percent. The province is 22 percent or R 1.3 billion below its own projected expenditure.

The Provincial Infrastructure budget for the current financial year is as follows:

Main appropriation: R 5.1 billion (against the R 5.7 billion contained in the January 2015 IRMs). This represents a growth of R 594.6 million or 12 percent following the tabling of the adjusted budget.

The table below shows the Projected Infrastructure Over/Under Expenditure over three Financial Years ((2012/13, 2013/14 and 2014/15) as at 31 January.

Department	Budget (R'000)			Actual Expenditure (R'000)			Projected Expenditure for remainder of FY (R'000)			(Over)/Under Expenditure		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
<b>Education</b>	<b>956 194</b>	<b>1 150 062</b>	<b>1 298 625</b>	<b>370 913</b>	<b>824 979</b>	<b>1 029 790</b>	<b>140 147</b>	<b>325 083</b>	<b>268 835</b>	<b>445 134</b>	-	-
Current	94 180	225 077	259 725	24 569	37 777	37 437	14 938	16 482	41 189	54 673	170 818	181 099
Capital	862 014	924 985	1 038 900	346 344	787 202	992 353	125 209	308 601	227 646	390 461	-170 818	-181 099
<b>Agriculture</b>	<b>183 187</b>	<b>187 558</b>	<b>162 019</b>	<b>42 543</b>	<b>89 682</b>	<b>88 267</b>	<b>116 219</b>	<b>97 876</b>	<b>73 752</b>	<b>24 425</b>	-	-
Current	6 680	4 856	5 812	188	-	1 111	588	4 856	4 701	5 904	-	-
Capital	176 507	182 702	156 207	42 355	89 682	87 156	115 631	93 020	69 051	18 521	-	-
<b>Health</b>	<b>1 249 673</b>	<b>641 095</b>	<b>575 626</b>	<b>937 718</b>	<b>271 107</b>	<b>426 169</b>	<b>312 862</b>	<b>299 109</b>	<b>461 326</b>	<b>-907</b>	<b>70 879</b>	<b>-311 869</b>
Current	171 144	179 184	106 954	65 503	97 560	66 439	105 641	81 624	40 515	-	-	-
Capital	1 078 529	461 911	468 672	872 215	173 547	359 730	207 221	217 485	420 811	-907	70 879	-311 869
<b>Roads and Transport</b>	<b>2 347 769</b>	<b>2 425 521</b>	<b>2 073 312</b>	<b>1 317 273</b>	<b>1 016 830</b>	<b>1 235 578</b>	<b>1 100 690</b>	<b>1 179 285</b>	<b>837 734</b>	<b>-70 194</b>	<b>229 406</b>	-
Current	1 066 826	1 339 152	1 199 256	488 505	810 937	714 434	356 234	428 888	457 133	222 087	99 327	27 689
Capital	1 280 943	1 086 369	874 056	828 768	205 893	521 144	744 456	750 397	380 601	-292 281	130 079	-27 689
<b>Social Development</b>	<b>70 266</b>	<b>95 639</b>	<b>30 000</b>	<b>70 221</b>	<b>41 582</b>	<b>13 721</b>	<b>45</b>	<b>24 000</b>	<b>16 279</b>	-	<b>30 057</b>	-
Current	-	-	-	-	-	-	-	-	-	-	-	-
Capital	70 266	95 639	30 000	70 221	41 582	13 721	45	24 000	16 279	-	30 057	-
<b>Sport, Arts and Culture</b>	<b>50 434</b>	<b>30 283</b>	<b>42 356</b>	<b>21 353</b>	<b>6 347</b>	<b>6 742</b>	<b>29 081</b>	<b>7 191</b>	<b>2 038</b>	-	<b>16 745</b>	<b>33 576</b>
Current	8 550	4 695	5 342	-	861	868	8 550	1 083	372	-	2 751	4 102
Capital	41 884	25 588	37 014	21 353	5 486	5 874	20 531	6 108	1 666	-	13 994	29 474
<b>CoGHSTA</b>	<b>1 638 167</b>	<b>1 333 000</b>	<b>1 387 247</b>	<b>893 721</b>	<b>222 011</b>	<b>275 605</b>	<b>744 446</b>	<b>462 267</b>	<b>552 142</b>	-	<b>648 722</b>	<b>559 500</b>
Current	-	-	-	-	-	-	-	-	-	-	-	-
Capital	1 638 167	1 333 000	1 387 247	893 721	222 011	275 605	744 446	462 267	552 142	-	648 722	559 500
<b>LEDET</b>	-	<b>53 102</b>	<b>92 473</b>	-	<b>9 274</b>	<b>54 252</b>	-	<b>8 792</b>	<b>38 288</b>	-	<b>35 036</b>	<b>-67</b>
Current	-	13 596	45 808	-	2 699	21 700	-	5 063	24 108	-	5 834	-
Capital	-	39 506	46 665	-	6 575	32 552	-	3 729	14 180	-	29 202	-67
<b>Public Works</b>	<b>55 245</b>	<b>53 765</b>	<b>48 939</b>	<b>9 855</b>	<b>19 513</b>	<b>18 497</b>	<b>45 390</b>	<b>34 252</b>	<b>30 442</b>	-	-	-
Current	4 850	6 613	7 847	1 340	2 940	3 256	3 510	3 673	4 591	-	-	-
Capital	50 395	47 152	41 092	8 515	16 573	15 241	41 880	30 579	25 851	-	-	-
<b>GRAND TOTAL</b>	<b>6 550 935</b>	<b>5 970 025</b>	<b>5 710 597</b>	<b>3 663 597</b>	<b>2 501 325</b>	<b>3 148 621</b>	<b>2 488 880</b>	<b>2 437 855</b>	<b>2 280 836</b>	<b>398 458</b>	<b>1 030 845</b>	<b>281 140</b>
Subtotal (Current)	1 352 230	1 773 173	1 630 744	580 105	952 774	845 245	489 461	541 669	572 609	282 664	278 730	212 890
Subtotal (Capital)	5 198 705	4 196 852	4 079 853	3 083 492	1 548 551	2 303 376	1 999 419	1 896 186	1 708 227	115 794	752 115	68 250



## Infrastructure Under-Over Expenditure comparison as at 31 January year-on-year

The province projects to underspend its infrastructure budget by an amount of R281.1 million with the departments of Health and Economic Development, Environment and Tourism, projecting to overspend by R311.9 million and R67 thousand, respectively as at 31 January. The province projected to overspend by an amount of R170.6 million as at 31 December 2014. The Departments of Sport, Arts and Culture and CoGHSTA project to underspend their infrastructure budget by R33.6 million and R559.5 million as at 31 January 2015.

The Department of Sport, Arts and Culture recorded zero expenditure during the month of September 2014, R94 thousand for the month of October 2014, R2.2 million for the month of November 2014 and R1.6 million during the month of December 2014. There was no expenditure recorded for the month of January 2015.

The department which recorded significant expenditure growth is CoGHSTA during the month of January 2015 at 14 percent from the previous month. The other departments grew by between zero percent and 9 percent.

The expenditure for the Department of Education as at 31 January 2015 was at 79 percent of the budget, this is 4 percent below the norm, followed by Health at 74 percent, which is 9 percent below the norm. In December 2014, the department of Education was at 89 percent; the decline is due to the adjusted budget which was only captured in January 2015.

The Department of Roads and Transport moved from 57 percent from the previous month to 60 percent, a growth of only 3 percent or an expenditure of only R46 million recorded for the month of January 2015.

The Department of Social Development increased from 48 percent from the previous month 46 percent due to corrections made to the expenditure.

All the other departments project to break even.

**Table 3: Limpopo Infrastructure Conditional Grants Expenditure as at 31 January 2015**

Department	Number of Projects	Budget (R'000)	Provincial Actual Payments (R'000)	Actual Payments as a % of Budget
<b>Agriculture</b>	<b>174</b>	<b>94 155</b>	<b>48 891</b>	<b>52%</b>
Comprehensive Agricultural Support Programme Grant	174	94 155	48 891	52%
<b>Sport, Arts and Culture</b>	<b>63</b>	<b>42 356</b>	<b>6 742</b>	<b>16%</b>
Community Library Service Grant	63	42 356	6 742	16%
<b>Education</b>	<b>1 953</b>	<b>1 298 625</b>	<b>1 029 790</b>	<b>79%</b>
Education Infrastructure Grant	1 936	1 276 421	1 008 911	79%
School Infrastructure Backlogs Grant	1	79	-	-
Technical Secondary Schools Recapitalisation Grant	16	22 125	20 879	94%
<b>Health</b>	<b>142</b>	<b>222 906</b>	<b>277 209</b>	<b>124%</b>
Health Facility Revitalisation Grant	7	27 742	-	0%
Health Facility Revitalisation Grant - HIG Component	63	70 176	166 892	238%
Health Facility Revitalisation Grant - HRG Component	57	106 418	108 084	102%
Health Facility Revitalisation Grant - NCSG Component	15	18 570	2 233	12%
<b>CoGHSTA</b>		<b>1 387 247</b>	<b>275 605</b>	<b>20%</b>
Integrated Housing & Human Settlements Development Grant		1 387 247	275 605	20%
<b>Roads and Transport</b>	<b>174</b>	<b>1 505 623</b>	<b>823 333</b>	<b>55%</b>
Provincial Roads Maintenance Grant	174	1 505 623	823 333	55%
<b>Total</b>	<b>2 506</b>	<b>4 550 912</b>	<b>2 461 570</b>	<b>54%</b>

Source: IRM January 2015 (Except for CoGHSTA from January 2015 IYM)



## Conditional Grants Infrastructure Expenditure as at 31 January 2015

The overall performance on the grant spending was at 54 percent as at 31 January 2015, an increase of 3 percent from 31 December 2014. This is 29 percent below the norm, which points to poor spending.

The record does not augur well for the province. As these are grants, it is not good for the province given that the failure to spend may result in the withholding and even withdrawal of funds thereby making it difficult for the province to deliver services.

The changes that have been proposed in terms of grant funding are onerous and the province needs to start demonstrating that it does have the capacity to deliver on infrastructure.

The Departments of Roads and Transport and Sport, Arts and Culture had their budget adjusted upwards; it is the same departments which had their budgets adjusted downwards following the tabling of the second adjusted budget in the previous financial year. The province is concerned that the Department of Sport, Arts and Culture projects to underspend its budget, which is wholly funded by a conditional grant by an amount of R33.6 million, which indicates an underspending by 79 percent, almost its entire infrastructure budget.

It is of concern as a lesson was learnt in the previous financial year that the failure to spend on conditional grants does have consequences, which is bad for the province. This is a matter of emphasis.

### 8. Conclusion

The overall provincial spending as at 31 January 2015 amounts to R41.3 billion or 78.2 percent of the total adjusted budget of R52.8 billion. Of the R41.3 billion total expenditure, R35.9 billion is on equitable share and R5.3 billion on Conditional grant. There is a noticeable improvement on overall spending by 2.2 percent as compared to the same period during the previous year of which the overall expenditure was at 37.7 billion or 76 percent.

The Provincial Treasury has engaged the Department of Education which projected to overspend its allocated budget by R105.1 million and the department has made an undertaking not to overspend on equitable share allocation and further indicated that it is engaging the National Department of Higher Education and Training to fund its shortfall on FET colleges including recovery of previous year R11 million.

  
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Pratt GC CA (SA)  
HOD: Provincial Treasury

  
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Date