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LIMPOPO PROVINCIAL REVENUE AND EXPENDITURE REPORT AS AT 31 JANUARY
2016

1. Purpose

To submit to the National Treasury a report on Limpopo Provincial Revenue and Expenditure as at 31 January 2016.

2. Background

The Limpopo Provincial Treasury hereby submit the provincial revenue and expenditure report as at 31 January 2016 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 January 2016 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 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 of the Provincial Treasury Instruction Notes 03 of 2012, 09 of 2012 and 04 of 2013.

4. Cash Management

Schedule of payments runs were 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, 22nd 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 15th 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 table below provides cash flow projections, actual expenditure and transfers to departments during January 2016.

Table 1: Cash Flow Management Performance as at 31 January 2016

Departments	Opening Bank Balances at 01-Apr-15 R 000	Cash Allocation 31-Jan-16 R 000	Actual Expenditure 31-Jan-16 R 000	Transfers To Departments 31-Jan-16 R 000	Variance		%	
					Cash allocation Vs Actual Expenditure	Actual Expenditure Vs Funds Transferred		
Education	508 149	21 565 841	20 397 852	20 464 721	1 167 989	5.4%	-66 869	-0.3%
Health	58 649	13 162 821	13 087 538	13 329 462	75 283	0.6%	-241 924	-1.8%
Social Development	30 358	1 250 429	1 241 718	1 268 940	8 711	0.7%	-27 222	-2.2%
Public Works	377 346	2 540 210	2 240 365	2 230 395	299 845	11.8%	9 970	0.4%
Agriculture	53 379	1 412 384	1 247 804	1 248 171	164 580	11.7%	-367	0.0%
Roads & Transport	176 941	1 463 876	1 388 376	1 419 590	75 500	5.2%	-31 214	-2.2%
CoGSTA	117 569	2 043 535	1 681 749	1 747 916	361 786	17.7%	-66 167	-3.9%
Sport, Arts & Culture	30 487	324 506	285 736	295 109	38 770	11.9%	-9 373	-3.3%
Safety & Security and Liaison	7 795	74 133	65 593	62 425	8 540	11.5%	3 168	4.8%
Office of the Premier	9 171	287 045	274 604	274 267	12 441	4.3%	337	0.1%
Provincial Legislature	4 321	257 072	255 577	258 153	1 495	0.6%	-2 576	-1.0%
Provincial Treasury	45 419	310 265	284 297	248 603	25 968	8.4%	35 694	12.6%
Economic Development, Environmental & Tourism	60 275	971 950	957 917	955 275	14 033	1.4%	2 642	0.3%
Total	1 479 859	45 664 067	43 409 126	43 803 025	2 254 941	4.9%	-393 899	-0.9%
Summary Per Fund								
Equitable Share	39 384 193	37 884 425	39 207 367	39 207 367	1 499 768	3.8%	-1 322 942	-3.5%
Conditional Grant	6 279 874	5 524 701	4 595 658	4 595 658	755 173	12.0%	929 043	16.8%
Total		45 664 067	43 409 126	43 803 025	2 254 941	4.9%	-393 899	-0.9%

When comparing actual expenditure to the cash flow projections or cash allocations, departments under-spent the cash allocations by R2.255 billion or 4.9 percent. Transfers to departments were R393.9 million or 0.9 percent more than actual expenditure. More funds were transferred than was required due to insufficient funds in some departments to surrender the 2014/15 unspent funds.

4.2 Interest Performance
Table 2: Interest Earned as at 31 January 2016

		INTEREST EARNED : 2014/15 FINANCIAL YEAR												
		R'000												
		2015/16												
		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Total
Institution	Commercial Bank (SBSA)	5 541	2 258	2 334	1 357	1 564	1 142	1 286	1 775	1 225	1 794	-	-	20 276
	CPD (SA Reserve Bank)	14 442	22 676	21 254	20 934	22 475	25 060	25 339	23 448	25 375	25 374	-	-	226 377
	Total	19 983	24 934	23 588	22 291	24 039	26 202	26 625	25 223	26 600	27 168	-	-	246 653
Institution		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
Institution	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
	Total	17 537	24 201	21 671	27 539	28 435	28 681	28 390	24 800	25 574	25 010	-	-	251 838

When compared to the same period in the previous year, interest revenue decreased from R251.8 million in 2014/15 to R246.6 million in 2015/16. Interest earned in the CPD account alone increased from R224.6 million to R226.3 million. In the public sector, a favorable balance translates into inefficient and ineffective planning and service delivery, while an overdraft is only allowed in exceptional conditions.

5. Provincial Expenditure

Table 3: Provincial overall expenditure as at 31 January 2016

		R thousand												
		Main	Adjustments	Adjusted	Available	Projected	Actual	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over)	Under	% (Over/under of Total Available)	Total Available	
Economic classification	Education	25 284 705	-	25 284 705	25 284 705	25 048 500	20 397 852	20 397 852	80.7%	-	-	236 205	0.9%	
	Health	14 754 135	647 659	15 401 794	15 401 794	15 608 862	13 087 538	13 087 538	85.0%	-205 068	-	-	-1.3%	
	Social Development	1 537 757	71 127	1 608 884	1 608 884	1 608 884	1 241 718	1 241 718	77.2%	-	-	67 151	2.4%	
	Public Works, Roads And Infrastructure	2 749 756	7 180	2 756 936	2 756 936	2 689 785	2 240 365	2 240 365	81.3%	-	-	-	0.0%	
	Agriculture	1 697 131	-46 530	1 650 601	1 650 601	1 650 601	1 247 804	1 247 804	75.6%	-	-	-	0.0%	
	Transport	1 838 898	-100 373	1 738 525	1 738 525	1 747 902	1 388 376	1 388 376	79.9%	-9 377	-	-	-0.5%	
	Co-Operative Governance Human Settlements	2 269 327	420 287	2 689 614	2 689 614	2 657 928	1 681 749	1 681 749	62.5%	-	-	31 686	1.2%	
	Sport, Arts And Culture	345 324	51 338	396 662	396 662	363 004	285 736	285 736	72.0%	-	-	33 658	8.5%	
	Safety, Security And Liaison	90 354	-1 617	88 737	88 737	86 492	65 593	65 593	73.9%	-	-	2 245	2.5%	
	Office Of The Premier	352 150	-1 544	350 606	350 606	350 606	274 604	274 604	78.3%	-	-	-	0.0%	
	Provincial Legislature	262 688	45 147	307 835	307 835	307 835	255 577	255 577	83.0%	-	-	-	0.0%	
	Provincial Treasury	385 180	-10 852	374 328	374 328	355 707	284 297	284 297	75.9%	-	-	18 621	5.0%	
	Economic Development, Environment And Tourism	1 160 813	-629	1 160 184	1 160 184	1 155 168	957 917	957 917	82.6%	-	-	5 016	0.4%	
	Total	52 728 218	1 081 193	53 809 411	53 809 411	53 629 274	43 409 126	43 409 126	80.7%	-214 445	394 582	0.3%		
	Current payments	Compensation of employees	45 384 184	-37 862	45 351 814	45 351 814	45 047 791	37 182 175	37 182 175	82.0%	-	304 023	0.7%	
		Compensation of employees	38 426 999	-246 458	38 180 541	38 180 540	37 801 689	31 284 870	31 284 870	81.9%	-	378 851	1.0%	
		Goods and services	6 956 769	208 510	7 165 279	7 165 279	7 245 600	5 896 805	5 896 805	82.3%	-74 828	-	-	-1.0%
Interest and rent on land		416	86	502	502	502	500	500	99.6%	-	-	-	0.0%	
Transfers and subsidies		5 626 940	855 369	6 482 309	6 479 269	6 582 302	4 809 143	4 809 143	74.2%	-103 033	-	-	-1.6%	
Payments for capital assets		1 717 094	261 291	1 978 385	1 975 933	1 996 408	1 494 505	1 494 505	75.5%	-20 475	-	-	-1.0%	
Payments for financial assets		-	2 395	2 395	2 395	2 773	-76 697	-76 697	-202.4%	-378	-	-	-15.8%	
of which: NPNC		12 584 125	1 066 360	13 650 485	13 652 938	13 831 177	10 629 751	10 629 751	77.9%	-178 239	-	-	-1.3%	
Total		52 728 218	1 081 193	53 809 411	53 809 411	53 629 274	43 409 126	43 409 126	80.7%	-123 886	304 023	0.3%		
* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)														
		Net												
		Net												

The synopsis of provincial expenditure as at 31 January 2016 is presented hereunder:

- Compensation of Employees (CoE) spent R31.3 billion or 81.9 percent representing R378.8 million or 1.0 percent projected under-spending mainly due to delays in appointments of funded vacant posts and resignations.
- Goods and Services spent R5.9 billion or 82.3 percent with projected overspending of R74.8 million or 1.0 percent of the adjusted budget mainly in the department of Health.
- Transfers and subsidies recorded an expenditure of R4.8 billion or 74.2 percent and projected to overspend by R103.0 million or 1.6 percent due to payments of leave gratuities for unplanned resignations.
- Payment for Capital Assets spent R1.5 billion or 75.5 percent representing a projected overspending of R20.5 million or 1.0 percent mainly in the department of Education.

In overall, the Province is projecting to overspend by R180.1 million. The departments of Health and Transport are projecting to overspend by R205.1 million or 1.3 percent and R9.4 million or 0.5 percent respectively. However, the above projected overspending is reduced by the anticipated under-spending mainly from the department of Education by R236.2 million or 0.9 percent, Public Works, Roads and Infrastructure by R67.1 million or 2.4 percent, COGHSTA by R31.7 million or 1.2 percent, Sport, Arts and Culture by R33.7 million or 8.5 percent, Safety, Security and Liaison by R2.2 million or 2.5 percent, Provincial Treasury by R18.6 million or 5.0 percent and Economic Development by R5.0 million or 0.4 percent.

5.1. Spending per Economic Classification

5.1.1. Compensation of Employees

The overall provincial CoE spending is at R31.3 billion or 81.9 percent. The highest spending departments are Transport at R648.9 million or 84.3 percent, Health at R9.4 billion 83.0 percent and Social Development at R690.4 million or 82.7 percent.

Table 4: Compensation of Employees as at 31 January 2016

	R thousands	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over) (Under)	% (Over)/ under of Total Available
Education	21 515 773	-461 260	21 054 513	21 054 513	20 693 181	17 170 333	81.6%	-	371 332	1.8%
Health	11 166 905	187 314	11 354 219	11 354 219	11 354 219	9 424 565	83.0%	-90 547	-	-0.8%
Social Development	764 629	70 050	834 679	834 679	834 679	690 430	82.7%	-	-	0.0%
Public Works, Roads and Infrastructure	969 610	-5 264	964 346	964 346	964 346	769 572	79.8%	-	40 930	4.2%
Agriculture	1 076 175	-49 253	1 026 922	1 026 922	1 026 922	835 867	81.4%	-	-	0.0%
Transport	748 761	20 581	769 342	769 342	769 342	648 934	84.3%	-9 377	-	-1.2%
Co-Operative Governance Human Settlements	809 026	37 075	846 101	846 101	846 101	680 765	80.5%	-	31 686	3.7%
Sport, Art And Culture	149 422	2 212	151 634	151 634	147 858	119 158	78.6%	-	3 776	2.5%
Safety, Security And Liaison	63 146	-1 615	61 531	61 531	59 286	47 242	76.8%	-	2 245	3.6%
Office of the Premier	256 909	-11 644	245 265	245 265	245 265	199 728	81.4%	-	-	0.0%
Legislature	150 651	6 159	156 810	156 810	152 651	125 720	80.2%	-	4 159	2.7%
Treasury	278 127	-24 900	253 227	253 227	237 897	197 699	78.1%	-	15 330	6.1%
Economic Development	477 865	-15 914	461 951	461 951	452 634	374 857	81.1%	-	9 317	2.0%
Total	38 426 999	-246 459	38 180 540	38 180 540	37 801 689	31 284 870	81.9%	-99 924	478 775	1.0%

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

Net

378 851

* Available funds refers to adjusted budget including any post adjustment (Virements and shifts)									
Available funds	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation
1 908 225	1 908 225	1 908 225	1 908 225	1 908 225	1 908 225	1 908 225	1 908 225	1 908 225	1 908 225
Education	1 897 022	2 644 906	2 563 341	3 101 247	3 105 247	3 187 827	2 749 488	88.7%	76.8%
Health	2 844 906	2 844 906	2 844 906	2 844 906	2 844 906	2 844 906	2 844 906	88.7%	88.7%
Social Development	202 888	202 888	202 888	202 888	202 888	202 888	202 888	80.5%	80.5%
Public Works, Roads and Infrastructure	668 450	668 450	668 450	668 450	668 450	668 450	668 450	80.7%	80.7%
Agriculture	378 834	378 834	378 834	378 834	378 834	378 834	378 834	80.7%	80.7%
Transport	218 001	218 001	218 001	218 001	218 001	218 001	218 001	86.9%	86.9%
Co-Operative Governance Human Settlements And Trade	163 537	163 537	163 537	163 537	163 537	163 537	163 537	78.3%	78.3%
Sport, Arts and Culture	144 940	144 940	144 940	144 940	144 940	144 940	144 940	78.4%	78.4%
Safety, Security And Liaison	26 284	26 284	26 284	26 284	26 284	26 284	26 284	67.7%	67.7%
Office of the Premier	82 787	82 787	82 787	82 787	82 787	82 787	82 787	71.7%	71.7%
Legislature	41 527	41 527	41 527	41 527	41 527	41 527	41 527	75.5%	75.5%
Treasury	94 073	94 073	94 073	94 073	94 073	94 073	94 073	72.0%	72.0%
Economic Development	193 520	193 520	193 520	193 520	193 520	193 520	193 520	62.8%	62.8%
Total	6 956 769	6 956 769	6 956 769	6 956 769	6 956 769	6 956 769	6 956 769	82.3%	82.3%
	208 510	208 510	208 510	208 510	208 510	208 510	208 510		
	7 165 279	7 165 279	7 165 279	7 165 279	7 165 279	7 165 279	7 165 279		
	7 170 772	7 170 772	7 170 772	7 170 772	7 170 772	7 170 772	7 170 772		
	7 245 600	7 245 600	7 245 600	7 245 600	7 245 600	7 245 600	7 245 600		
	5 896 805	5 896 805	5 896 805	5 896 805	5 896 805	5 896 805	5 896 805		
	14 989	14 989	14 989	14 989	14 989	14 989	14 989		
	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%		

Table 5: Goods and Services as at 31 January 2016

5.1.2. Goods and Services

- Provincial Treasury – R15.3 million or 6.1 percent under-spending due to delay in filling of funded vacant posts,
- Public Works, Roads and Infrastructure – R40.9 million or 4.2 percent due to high vacancy rate, prolonged process of filling the vacant posts and employees exiting the system through death, transfers and retirements,
- CoGSTA – R31.7 million or 3.7 percent due to delay in filling of vacant funded posts.
- Safety, Security and Liaison - R2.2 million or 3.6 percent under-spending due to late filling of vacant funded posts,
- Legislature – R4.1 million or 2.7 percent due to the delay in the implementation of the annual increase of the MPLs and the delay in filling of vacant funded positions,
- Sport, Arts and Culture – R3.7 million or 2.5 percent due to delay in filling of 26 Library Conditional grant vacant funded posts and slow progress in evaluation of Mass Participation vacant funded positions,
- Economic Development – R9.3 million or 2.0 percent under-spending due to late appointments and payment of outstanding performance bonuses and pay progression for SMS, and
- Education – R371.3 million or 1.8 percent due to late filling of promotional posts in schools and attrition posts for support staff.

In contrast, the following departments have projected an under-spending:-

- Transport by R9.4 million or 1.2 percent due to overtime, the anticipated overspending will be addressed by reducing overtime work by traffic personnel.
 - Health by R90.5 million or 0.8 percent due to appointment on advertised critical posts, the intake of health professionals and adjustment of housing allowance.
- The following departments are projecting to overspend their CoE allocations:

The overall spending on Goods and Services is at R5.9 billion or 82.3 percent of the total allocated budget of R7.1 billion. The province projects to overspend by R74.8 million or 1.0 percent. This overspending is as a result of the following factors:

- Legislature – R3.6 million or 6.5 percent due to Subsidies and Travel allowances for constituency work and unplanned visits by NCOP,
- Health – R82.6 million or 2.7 percent due to shortfall on the budget for key accounts and non-negotiable items,
- Economic Development – R3.6 million or 1.9 percent due to payment of accruals.

Despite the projected overall overspending on Goods and Services, the following departments project to underspend their budgets: Sport, Arts and Culture by R12.3 million or 7.1 percent, Provincial Treasury by R2.3 million or 2.1 percent and CoGHSTA by R0.420 million or 0.3 percent.

5.1.3. Transfers and subsidies

The province spent R4.8 billion or 74.2 percent of the total budget of R6.5 billion on Transfers and subsidies. The highest percentage spending departments are, Legislature at R83.6 million or 100.1 percent, Health at R537.4 or 104.6 percent, Safety, Security and Liaison at R349.0 million or 97.2 percent, and Education at R1 037.3 million or 73.8 percent.

Table 6: Transfers and subsidies as at 31 January 2016

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds	Projected outcome	Actual spending as at 31 Jan 2016	Actual spending as % of Total Available	(Over) Under	% (Over)/Under of Total Available	
Education	1 085 121	321 418	1 406 539	1 406 539	1 462 117	1 037 341	73.8%	-55 578	-4.0%	
Health	509 798	7 639	517 437	513 889	545 830	537 428	103.9%	-31 941	-6.2%	
Social Development	496 709	-250	496 459	496 459	496 459	347 410	70.0%	-	0.0%	
Public works, Roads and Infrastructure	753 510	141 605	895 115	895 115	909 761	863 658	96.5%	-14 648	-1.6%	
Agriculture	168 468	1 021	169 489	169 997	169 997	103 954	61.3%	-	0.0%	
Transport	752 395	-30 910	721 485	721 485	721 485	531 660	73.7%	-	0.0%	
Co-Operative Governance Human Settlements	1 295 909	380 862	1 676 771	1 676 771	1 677 191	871 076	51.9%	-420	0.0%	
Sport, Art And Culture	8 562	2 629	11 191	11 191	9 721	7 630	68.2%	1 470	13.1%	
Safety, Security And Liaison	574	-215	359	359	359	349	97.2%	-	0.0%	
Office of the Premier	10 229	-3 258	6 971	6 971	6 971	4 905	70.4%	-	0.0%	
Legislature	58 522	25 000	83 522	83 522	84 070	83 646	100.1%	-548	-0.7%	
Treasury	6 479	-	6 479	6 479	5 879	5 651	87.2%	600	9.3%	
Economic Development	480 664	9 828	490 492	490 492	492 462	414 435	84.5%	-1 970	-0.4%	
Total	5 626 940	855 369	6 482 309	6 479 269	6 582 302	4 809 143	74.2%	-105 103	-1.6%	
								Net	-103 033	

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

In overall, the province is projecting to overspend by R103.0 million or 1.6 percent due to reasons outlined below.

- Education – R55.6 million or 4.0 percent due to unanticipated resignations and payment of leave gratuity,
- Health – R31.9 million or 6.2 percent due to households payments of bursaries, leave gratuity and payments to NPIs,
- Public Works, Roads and Infrastructure – R14.6 million or 1.6 percent due to payments of leave gratuity and municipal rates and taxes,

In contrast, the following departments are projecting to underspend due to various reasons:

- Sport, Arts and Culture at R16,1 million or 26.2 percent due to delays in the commencement of three new libraries as a result of the appointed contractors turning down the offer after awarding,
- Public Works, Roads and Infrastructure by R41.1 million or 11.1 percent due to delays in implementation of roads projects,
- Economic Development by R1.3 million or 8.2 percent due to delays in implementation of market stalls, and
- Provincial Treasury by R0, 569 million or 6.9 percent due to delays in the implementation of LOGIS and late appointment of service providers to install security-scanning machines.

Department of Education is projecting an overspending of R 79.5 million or 8.7 percent due to commitments for infrastructure projects.

The highest percentage spending departments are Education at R804.1 million or 87.8 percent on CG infrastructure, Health spent R376.0 million or 87.8 percent on payments of accruals in Health Facility Revitalization grant and payment of certified work by the DBSA.

R thousand	Main Appropriation	Adjustments	Adjusted Appropriation	Available funds*	Projected outcome	Actual spending as at 31 Jan 2016	Net		-% (Over)/ under Available of Total
							Actual spending as % of Total Available	-% (Over)/ under Available	
Education	786 789	128 639	915 428	915 428	994 977	804 172	87.8%	-79 549	-8.7%
Health	232 527	198 364	428 891	428 439	428 439	376 057	87.7%	-	0.0%
Social Development	73 531	-29 270	44 261	44 261	44 261	16 021	36.2%	-	0.0%
Public Works, Roads and Infrastructure	358 188	11 052	369 239	369 238	328 134	180 350	48.8%	-	11.1%
Agriculture	73 654	-693	72 961	70 961	70 961	42 383	58.1%	-	0.0%
Transport	119 741	-77 864	41 877	41 877	41 877	28 960	69.2%	-	0.0%
Co-Operative Governance Human Settlements And Trade	855	3 817	4 672	4 672	4 672	2 934	62.8%	-	0.0%
Sport/Art And Culture	42 400	19 135	61 535	61 535	45 428	23 846	38.8%	-	26.2%
Safety, Security And Liaison	350	330	680	680	680	296	43.5%	-	0.0%
Office of the Premier	2 225	500	2 725	2 725	2 725	1 370	50.3%	-	0.0%
Legislature	11 988	-	11 988	11 988	11 988	4 303	35.9%	-	0.0%
Treasury	6 500	1 770	8 270	8 270	7 701	4 265	51.5%	-	6.9%
Economic Development	8 348	7 511	15 859	15 859	14 565	9 558	60.3%	-	8.2%
Total	1 717 094	261 291	1 978 385	1 978 933	1 996 408	1 494 505	75.5%	-79 549	-1.0%
								-20 475	

Table 7: Payment for Capital Assets as at 31 January 2016

The overall provincial expenditure on Payment for Capital Assets is at R1.5 billion or 75.6 percent of the total budget of R2.0 billion.

5.1.4. Payment for Capital Assets

- Economic Development – R1.9 million or 0.4 percent due to payment of leave gratuity.
- Legislature- R0.548 million or 0.7 percent due to payment of Political parties staff performance bonuses which were not budgeted for, and
- CoGHSTA – R0.420 million due to payments of leave gratuity.

5.2. Equitable share spending

Table 8: Equitable share spending as at 31 January 2016

Departments	Budget	Actual as at January 2016	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	23 376 679	18 827 451	80.5%	4 460 037	23 091 197	285 482
Health	13 473 559	11 420 373	84.8%	2 258 255	13 678 627	(205 068)
Social Development	1 605 694	1 239 143	77.2%	366 551	1 605 694	-
Public Works , Roads and Infrastructure	1 755 054	1 355 474	77.2%	332 429	1 687 903	67 151
Agriculture	1 320 411	1 063 947	80.6%	256 464	1 320 411	-
Transport	1 440 227	1 164 706	80.9%	284 898	1 449 604	(9 377)
CoGHSTA	1 095 725	816 919	74.6%	247 120	1 064 039	31 686
Sport, Arts & Culture	197 306	162 476	82.3%	1 172	163 648	33 658
Safety & Security	88 737	65 593	73.9%	20 899	86 492	2 245
Office of the Premier	348 528	273 033	78.3%	75 495	348 528	-
Legislature	307 835	255 577	83.0%	52 258	307 835	-
Treasury	374 328	284 297	75.9%	71 410	355 707	18 621
Economic Development	1 157 702	955 436	82.5%	197 250	1 152 686	5 016
Total	46 541 785	37 884 425	81.4%	8 624 238	46 312 371	229 414

Provincial equitable share spending is at R37.8 billion or 81.4 percent of the total adjusted budget of R46.5 billion.

The highest percentage spending departments are Health at R11.4 billion or 85.0 percent, Legislature at R255.6 million or 83.0 percent and Economic Development at R955.4 million or 82.5 percent. However, the lowest spending departments are Safety, Security and Liaison at R65.6 million or 73.9 percent, CoGHSTA at R816.9 billion or 74.6 percent and Provincial Treasury at R284.3 million or 75.9 percent.

Provincial Departments project to underspend by R229.4 million. The projected underspending is mainly in the departments of Education by R285.5 million and Sport, Arts and Culture by R33.6 million.

5.3. Conditional grants

Table 9: Conditional Grants spending per department as at 31 January 2016

Departments	Adjusted Appropriation	Actual as at January 2016	Actual spending as % of budget	Projected remainder of year	Estimated total expenditure	Variance
Education	1 908 026	1 570 401	82.3%	386 902	1 957 303	(49 277)
Health	1 928 235	1 667 165	86.5%	261 069	1 928 235	-
Social Development	3 190	2 575	80.7%	615	3 190	-
Public Works , Roads and Infrastructure	1 001 882	884 891	88.3%	116 991	1 001 882	-
Agriculture	330 190	183 857	55.7%	146 333	330 190	-
Transport	298 298	223 670	75.0%	74 628	298 298	-
CoGHSTA	1 593 889	864 830	54.3%	729 059	1 593 889	-
Sport, Arts & Culture	199 356	123 260	61.8%	76 096	199 356	-
Safety & Security	2 078	1 571	75.6%	507	2 078	-
Economic Development	2 482	2 481	100.0%	1	2 482	-
Total	7 267 626	5 524 701	76.0%	1 792 201	7 316 903	(49 277)

The table above portrays an update on provincial Conditional Grant (CG) spending as at end of January 2016. The CGs' overall expenditure is at R5.5 billion or 76.0 percent of the total budget of R7.3 billion. The highest spending departments are Economic Development at R2.481 million or 100.0 percent, Education at R1.6 billion or 82.3 percent and Health at R1.7 billion or 86.5 percent. The

Table 10: Limpopo Conditional Grant spending per grant as at 31 January 2016

R thousand		Adjusted Appropriation	Provincial Actual Payments	Actual Payments as a % of main budget
Agriculture				
Comprehensive Agricultural Support Programme Grant	330 190	183 857	55.7%	
Land and Care Programme Grant	10 001	6 919	69.2%	
EPWP Incentive allocation	5 285	4 583	86.7%	
Illima/Letsema Projects Grant	50 337	32 000	63.6%	
Comprehensive HIV and Aids Grant	1 084 339	941 584	86.8%	
Health Professions Training and Development Grant	118 855	97 131	81.7%	
EPWP Social Sector	20 650	16 030	77.6%	
EPWP Incentive grant	2 000	597	29.9%	
Health insurance grant	7 673	3 829	49.9%	
Provincial Disaster Grant	6 921	-	0.0%	
Hospital Revitalisation Grant	357 334	362 012	101.3%	
National Tertiary Services Grant	330 462	245 982	74.4%	
Co-operative Governance, Human Settlements and Traditional Affairs				
Disaster : Flood Damage	34 332	34 182	99.6%	
Integrated Housing & Human Settlements Development Grant	1 557 557	830 064	53.3%	
EPWP Incentive allocation	2 000	584	29.2%	
Public Works				
Infrastructure Grant	994 762	878 913	88.4%	
EPWP Incentive grant	7 120	5 978	84.0%	
Economic Development				
EPWP Incentive grant	2 482	2 481	100.0%	
Social Development				
EPWP Incentive grant	3 190	2 575	80.7%	
EPWP Incentive grant	3 190	2 575	80.7%	
Safety, Security and Liaison				
EPWP Incentive grant	2 078	1 571	75.6%	
Transport				
Public Transport Operations Grant	298 298	223 670	75.0%	
Total				
	7 267 625	5 524 701	76.0%	

The department has spent R183.8 million or 55.7 percent of the total budget of R330.2 million. The breakdown expenditure is as follows:

- CASP spent R140.3 million or 53.1 percent of the total budget of R264.6 million. Slow spending is due to delayed finalization of plans and procurement processes. However, poor spending on Fetsa-Tlala was due to the drought.

- **Letsema** spent R32.0 million or 63.6 percent of the total budget of R50.3 million. The under-spending is due to late delivery of production inputs and late submission of invoices by service providers. Drought has slowed down procurement, as well as the expiry of contract for seeds and seedlings.
- **Land Care** spent R6.9 million or 69.2 percent of the total budget of R10.0 million due to late start in implementing Ga-Kgatla Project. The slow spending on farming supplies is as a result of delays in delivery of fencing materials.
- **EPWP** spent R4.6 million or 86.7 percent of the total allocated budget of R5.3 million which is in accordance with the business plan projections.

5.3.2. Sport, Arts and Culture.

The department recorded an overall CGS' expenditure of R123.3 million or 61.8 percent.

- **Community Library Services** spent R67.9 million or 50.8 percent of the total budget of R133.9 million. Slow spending is due to late filling of 26 vacant funded library grant positions which were subsequently filled during the second quarter. The savings realised has been re-prioritised to alleviate budget pressures in Goods and services for the same programme.
- **Mass Sport** spent R53.5 million or 84.3 percent of the budget of R63.4 million. Slow spending is due to the resignation of sport coordinators and delay in filling of Managers position for Competitive sport and Limpopo Sport Academy. Late receipt of invoices for security services and electricity for community libraries.
- **EPWP** spent R1.7 million or 88.0 percent of R2.0 million. Spending is aligned to plans.

5.3.3. Education

Overall spending by the department is at R1.6 billion or 82.3 percent of the total budget of R1.9 billion.

- **HIV and AIDS** spent R17.7 million or 68.7 percent of the total budget of R25.9 million. Low spending is due to delay in finalisation of procurement of side bedscreens and LTSM. World Aids Day has been commemorated on the 03rd December 2015. Purchase orders are issued on FINEST not committed on BAS due to BAS slowness.
- **National School Nutrition Programme** spent R770.2 million or 74.7 percent of R1.0 billion. The grant provides feeding to learners. Low spending is due to delays in filling vacant posts which is underway and also that payment is made after service has been rendered which is again delayed by late submission and verification of invoices.
- **Infrastructure grant** spent R694.2 million or 94.4 percent in line with approved business plans.
- **Flood damaged Infrastructure allocation** spent R66.6 million or 96.0 percent of the total budget of R69.3 million due to backlogs from the previous years.
- **Math, Science and Technology** is very low at R11.8 million or 28.8 percent of the total budget of R40.9 million. An amount of R 8.0 million has been committed through a

- R 8.0 million has been transferred to schools for the procurement of workshop tools and equipment. Furthermore, the tender for Maths and Science kits has been finalized and service providers have been informed and purchase orders have been captured on FINEST.
- **EPWP (Social sector)** spent R7.9 million or 255.3 percent. The grant is overspending due to incorrect postings.
 - **EPWP (Incentive allocation)** spending is at R1.9 million or 88.9 percent. The program has identified 102 beneficiaries who are paid monthly stipends.

5.3.4. Health

The overall spending on CG is R1.7 billion or 86.5 percent of the total budget of R1.9 billion.

- **HIV and Aids** spent R941.6 million or 86.8 percent of the total budget of R1.0 billion. General Medicine and Laboratory Services journals for R150 million have been processed.
- **HPTD** spent R97.1 million or 81.7 percent of the total budget of R118.8 million. This is as a result of workload that constrains the outreach activities. Rotation of registrars outside Mankweng and Pietersburg Hospital in disciplines that are not in the said Hospitals e.g. Paediatric Registrars that is in Steve Biko rotating in Paediatric Cardiology. Awaiting delivery of surgical consumables to the value of R0.536 million. The under-spending is due to delay in delivery of anaesthetic machine to the amount of R460.1 million and other medical equipment to the value of R2.5 million.
- **EPWP (Social sector)** spent R16.0 million or 77.6 percent. Spending is in line with the approved business plan. Final tranche transfer to be made in February 2016.
- **EPWP (Incentive grant)** spent R0.597 million or 29.9 percent of the total budget of R2.0 million. The under spending is due to late submission of the annual plan to department of Public Works which impacted on timely appointment of contract workers.
- **Hospital Revitalization grant** spent R362.0 million or 101.3 percent of the allocated budget of R357.3 million. Expenditure amounting to R170 million incurred under Equitable Share has been journalised to the Grant and thus led to overspending. The journal was for DBSA programme for maintenance and repairs, refurbishment, rehabilitation, replacement of some machinery and equipment.
- **National Tertiary Services** spent R245.9 million or 74.4 percent of the total budget of R330.5 million. The under spending is due to delay in delivery of CT SIM to the value of R7.5 million, Crip intensive unit, 3 theater tables, Video endoscope and other medical equipment to the value of R11.7 million.

5.3.5. COGHSTA

In overall, the department spent R864.8 million or 54.3 percent of the total budget of R1.6 billion. Low spending is mainly due to shortage of resources and development areas as well beneficiaries which took time to finalise and enroll as a result of late appointment of 2015/16 contractors.

5.3.6. Public Works, Roads and Infrastructure

The department's overall expenditure is at R884.9 million or 88.3 percent of the total allocated budget of R1.0 billion.

- Infrastructure grant spent R878.9 million or 88.4 percent of the budget of R994.8 million. Road Agency Limpopo (RAL) projects are still in the early construction stages and newly transferred are at the procurement stages.
- EPWP incentive grant performed well at R5.9 million or 84.0 percent of the total budget of R7.1 million.

5.3.7. LEDET

The department spent 100.0 percent of the total allocated budget of R 2.5 million of its EPWP incentive allocation.

5.3.8. Transport

The department spent R223.7 million or 75.0 percent of the budget of R298.3 million on PTOG. The spending is in line with the terms of the contract.

5.3.9. Safety, Security and Liaison

The department spent R1.6 million or 75.6 percent of the EPWP Incentive allocation of R2.1 million. The delay in spending was due to late submission of claims by beneficiaries.

5.3.10. Social Development

The department has spent R2.6 million or 80.7 percent of the EPWP Social sector budget of R3.2 million.

6. Provincial Own Revenue

Table 11: Provincial own revenue collection per vote as at 31 January 2016

Departments (Votes)	Main	Adjusted	Projections to January 2016	Projections as % of budget	Actual to January 2016	collection as % of the budget	Actual remainder of the year	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Actual to January 2015 as % of the budget
Office of the Premier	662	1 272	1 149	90,3%	1 118	87,9%	114	1232	1 232	-31	720	58,2%
Provincial Legislature	156	291	252	86,6%	264	90,7%	39	303	303	12	144	120,1%
Education	50 291	50 291	40 856	81,2%	38 440	76,4%	11 851	50 291	50 291	-2 416	52 164	62,2%
Agriculture	7 108	7 835	6 798	86,8%	9 905	126,4%	1 309	11 214	11 214	3 107	8 497	58,7%
Provincial Treasury	151 781	236 815	224 552	94,8%	243 993	103,0%	12 423	256 416	256 416	19 441	214 576	116,3%
Economic Development	131 737	146 376	119 663	81,8%	102 677	70,1%	35 608	138 285	138 285	-16 986	139 377	79,5%
Health	150 131	160 131	120 281	75,1%	113 996	71,2%	46 861	160 857	160 857	-6 285	140 850	75,6%
Transport	423 666	423 666	330 355	78,0%	331 534	78,3%	92 212	423 746	423 746	1 179	402 208	80,7%
Public Works	54 599	164 833	160 058	97,1%	150 915	91,6%	13 918	164 833	164 833	-9 143	420 356	89,0%
Safety & Security	84	270	219	81,1%	220	81,5%	51	271	271	1	170	68,2%
Co-operative Governance	2 663	5 602	4 799	85,7%	5 471	97,7%	693	6 164	6 164	672	2 925	94,6%
Social Development	2 867	3 105	2 603	83,8%	2 150	69,3%	1 301	3 451	3 451	-453	5 182	96,8%
Sport, Arts & Culture	962	1 134	1 075	94,8%	1 469	129,5%	52	1 521	1 521	394	1 948	80,0%
Total provincial receipts	976 707	1 201 621	1 012 660	84,3%	1 002 154	83,4%	216 432	1 218 586	1 218 586	-10 506	1 389 117	87,3%

The 2015/16 Provincial own revenue main appropriation was R976,7 million and was adjusted to R1,201 billion. As at 31 January 2016 provincial own revenue collection is R1,002 billion or 83,4 percent, less than a projection of R1,012 billion or 84,3 percent. The overall under collection of R10,5 million is primarily contributed by Economic Development, Environment and Tourism and Public Works, Roads & Infrastructure due to non-accounting of gaming levies and own revenue from Limpopo Gambling Board (LGB), Limpopo Tourism Agency (LTA) and Road Agency Limpopo (RAL) as well as less collection on property rentals. The collection is less than that of the previous corresponding period of R1,213 billion or 87,3 percent.

6.1. Eight (8) Departments collected above their set monthly projections.

6.1.1. Office of the Premier (Original Target of R0,662 million adjusted to R1,2 million)
The office collected R1,1 million or 87,9 percent as compared to projections of R1,1 million or 90,3 percent. The collection is in line with the set projections.

6.1.2. Legislature (Original Target of R0,156 million adjusted to R0,291 million)

Actual collection as at 31 January 2016 is R0,264 million or 90,7 percent as compared to projections of R0,252 million or 86,6 percent. The over collection is due to recovery of the previous years' debts.

6.1.3. Agriculture (Original Target of R7.1 million adjusted to R7.8 million)
The Department collected R9.9 million or 126.4 percent as compared to projections of R6.8 million or 86.8 percent. Over collection of R3.1 million is due to more proceeds received on sale of capital assets (biological and machinery), the recovery of previous years' debts as well as an increased collection from sale of cattle grazing as a result of the persisting drought in the Province. The department has already collected above the adjusted estimates by 26.4 percent.

6.1.4. Provincial Treasury (Original Target of R151.7 million adjusted to R236.8 million)
The Department collected R243.9 million or 103.0 percent as compared to projections of R224.5 million or 94.8 percent. Over-collection of R19.4 million is due to interests from favourable bank balances. The department has already collected above the adjusted estimates.

6.1.5. Transport (Target R423.6 million)
The Department collected R331.5 million or 78.3 percent against set projections of R330.3 million or 78.0 percent. The department has collected in line with the projections, but however, receipts to the value of R8.6 million remain un-captured as a result of poor response of BAS and the department has arranged extra working hours for officials to clear the backlog. The department has also planned to conduct an auction for capital assets during the 4th quarter with an anticipated collection of R8.3 million.

6.1.6. Safety, Security & Liaison (Original Target of R0.084 million adjusted to R0.270 million)

6.1.7. Co-operative Governance (Original Target of R2.7 million adjusted to R5.6 million)
The Department collected R0.220 million or 81.5 percent compared to projections of R0.219 million or 81.1 percent. The department has collected in line with the set projections.

6.1.8. Sports, Arts & Culture (Original Target of R0.962 million adjusted to R1.1 million)
The Department collected R1.4 million or 129.5 percent against set projections of R1.0 million or 94.8 percent. The over-collection is mainly due to entrance fees gained from the hosting of Mapungubwe Arts Festival. The department has already collected above the adjusted budget.

adjusted budget of R1.444 million (126.0 percent).

Collection as at 31 January 2016 is R5.4 million or 97.7 percent as compared to set projection of R4.8 million or 85.7 percent. The over collection is mainly due to sale of tender documents and an improved recovery of debts, which have already collected R1.828 million against the

6.2. Five (5) Departments have collected below their set projections

6.2.1. Education (Original Target of R50.3 million)

The Department collected R38.4 million or 76.4 percent as compared to projections of R40.8 million or 81.2 percent. Under collection of R2.4 million is mainly caused by poor recovery of debts from the previous financial year. Revenue from former colleges' accounts is still outstanding due to the slow progress of finalising the process.

6.2.2. Economic Development, Environment & Tourism (Original Target of R131.7 million adjusted to R146.3 million)

The Department has collected R102.6 million or 70.1 percent against projections of R119.6 million or 81.8 percent. Under collection of R16.9 million is mainly due to late transfer of gaming levies and own revenue for January 2016 by the Limpopo Gambling Board and Limpopo Tourism Agency.

6.2.3. Health (Original Target of R150.1 million adjusted to R160.1 million)

The Department has collected R113.9 million or 71.2 percent as compared to the projected amount of R120.2 million or 75.1 percent. Under collection of R6.2 million is mainly due to poor performance on patients' fees. The department has, however, over collected on the recovery of debts, which collected R18.6 million against a projection of R11.0 million through the services of RAF debt collectors.

6.2.4. Public Works, Roads and Infrastructure (Original Target of R54.6 million adjusted to R164.8 million)

The Department collected R150.9 million or 91.6 percent as compared to projections of R160.0 million or 97.1 percent. The under collection of R9.1 million is due to poor collection of property rental and non-transfer of own revenue from Road Agency Limpopo.

6.2.5. Social Development (Original Target of R2.9 million adjusted to R3.1 million)

The Department collected R2.1 million or 69.3 percent against projections of R2.6 million or 83.8 percent. The under collection is mainly due to poor recovery of previous financial year debts and sale of capital assets. The department had projected to conduct an auction for capital assets during the month which did not materialize. The auction will be conducted before the end of the fourth quarter.

Collection as at 31 January 2016 is R247.7 million or 102.8 percent against set projections of R228.1 million or 94.6 percent. Over collection of R19.6 million is due to interests earned from favourable bank balances by Provincial Treasury.

(R241.0 million)

6.3.4. Interest, dividend and rent on land (Original Target of R153.8 million adjusted to

Fines, penalties and forfeits collected R45.9 million or 85.7 percent against projections of R43.8 million or 81.9 percent. Over collection of R2.0 million is due to improved collection by the department of Transport on impound fees.

(million)

6.3.3. Fines, penalties and forfeits (Original Target of R52.6 million adjusted to R53.5

As at 31 January 2016 collection is R196.3 million or 65.4 percent against projections of R234.3 million or 78.1 percent. Under collection of R37.9 million is mainly because of poor collection of rentals by Public Works, non-accounting of own revenue from public entities by LEDET and Public Works as well as poor collection of patients fees by Health.

adjusted to R300.0 million)

6.3.2. Sale of goods & services non capital assets (Original Target of R298.1 million

An amount of R326.5 million or 81.4 percent has been collected against projections of R320.5 million or 80.0 percent. Over collection of R5.9 million is mainly due to improved collection on motor vehicle license registration and renewals by the Department of Transport.

6.3.1. Tax receipts (Original Target of R400.9 million)

Items (Revenue Sources)	Main	Adjusted	Projections to January 2016	Projections as % of budget	Actual to January 2016	Actual collection as % of the budget	Projected remainder of the year	Estimated total revenue	Over / Under Collection	Previous yr Budget 2014/15	Actual to January 2015	Actual collection as % of the budget
Tax receipts	400 885	400 885	320 512	80.0%	326 504	81.4%	80 147	406 651	5 992	371 960	283 057	76.1%
Sales of goods and services other than capital assets	298 163	300 082	234 324	78.1%	196 397	65.4%	94 168	290 565	-37 927	266 100	182 379	68.5%
Transfers received from:	-	-	-	-	-	-	-	-	-	-	984	-
Fines, penalties and forfeits	52 605	53 567	43 897	81.9%	45 915	85.7%	6 757	52 672	2 018	52 901	38 309	72.4%
Interest, dividend and rent on land	153 803	241 075	228 129	94.6%	247 778	102.8%	13 250	261 028	19 649	218 090	251 239	115.2%
Sales of capital assets	16 683	19 024	12 077	63.5%	9 441	49.6%	9 071	18 512	-2 636	19 397	12 333	63.6%
Revenue financial assets	54 568	186 988	173 721	92.9%	176 119	94.2%	13 039	189 158	2 398	460 669	444 886	96.6%
Total departmental receipts	976 707	1 201 621	1 012 660	84.3%	1 002 154	83.4%	216 432	1 218 586	-10 506	1 389 117	1 213 187	87.3%

Summary of Provincial Own Receipt by Economic Classification

Table 12: Own revenue per economic classification

31 January 2016.

The table below reflects provincial own revenue collection per economic classification as at

6.3. Own revenue per economic classification

6.3.5. Sale of capital assets (Original Target of R16.7 million adjusted to R19.0 million)

As at 31 January 2016 there is collection of R9.4 million or 49.6 percent against projections of R12.0 million or 63.5 percent. The under collection of R2.6 million is primarily due to misclassification of revenue collected from an auction of assets by LEDET as well as postponement of auction by Social Development which is planned before the end of the financial year. A journal will be passed by LEDET to correct the misclassification

6.3.6. Financial transactions in assets and liabilities (Original Target of R54.6 million adjusted to R186.9 million)

The item collected R176.1 million or 94.2 percent against projections of R173.7 million or 92.9 percent. The over collection of R2.3 million is influenced by the Departments of Agriculture and Health on the recovery of previous years' debts.

7. Provincial Infrastructure Performance

The table below shows the Provincial Infrastructure Budget and Expenditure Comparisons over three Financial Years (2013/14, 2014/15 and 2015/16) as at 31 January.

Table 13: Infrastructure expenditure comparison

Department	Budget (R'000)			Expenditure (R'000)			TOTAL
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	
Education	1 150 062	1 298 625	955 128	824 979	1 029 790	846 251	19%
Agriculture	187 558	162 019	167 943	89 682	88 267	94 334	3%
LEDET	53 102	92 473	68 465	9 274	54 252	42 607	2%
Health	641 095	575 626	625 926	271 107	426 169	530 921	33%
Public Works, Roads & Infrastructure	53 765	48 939	1 825 353	19 513	18 497	1 384 224	33%
Transport	2 425 521	2 073 312	9 882	1 016 830	1 235 578	4 937	41%
COGHSTA	1 333 000	1 387 247	1 593 889	222 011	275 605	864 923	22%
Social Development	95 639	30 000	34 866	41 582	13 721	15 965	9%
Sport, Arts & Culture	30 283	42 356	56 651	6 347	6 742	17 483	9%
TOTAL	5 970 025	5 710 597	5 338 103	2 501 325	3 148 621	3 801 645	22%
Percentage							
Education	19%	23%	18%	33%	33%	33%	22%
Agriculture	3%	3%	3%	4%	3%	2%	2%
LEDET	1%	2%	1%	0%	2%	1%	1%
Health	11%	10%	12%	11%	14%	14%	14%
Public Works, Roads & Infrastructure	1%	1%	34%	1%	1%	36%	36%
Transport	41%	36%	0%	41%	39%	0%	0%
COGHSTA	22%	24%	30%	9%	9%	23%	23%
Social Development	2%	1%	1%	2%	0%	0%	0%
Sport, Arts & Culture	1%	1%	1%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%

*The Roads component used to be part in Transport

As at 31 January 2016, the Provincial Infrastructure expenditure stood at R3,801 billion. The total expenditure represents 71.2 percent of the Adjusted Provincial infrastructure budget. The total expenditure for the month of January 2016 is R450.4 million, representing 8.0 percent of the total adjusted provincial infrastructure budget and a move of 8.2 percent from the previous month (December 2015). The expenditure was supposed to be in the region of about R4.5 billion representing 83.0 percent of the total budget in terms of the norm. The province is seven percent or R646 million below the straight line norm.

All the departments had submitted their expenditure reports at the time of the compilation of the report, except for Public Works, Roads and Infrastructure, mainly the Public Works component. The expenditure for the Public Works component once factored will not show significant growth.

The Department of Social Development revised the expenditure downwards from December 2015 by an amount of R4.0 million, bringing the total expenditure as at January 2016 to R15.9 million (or 46.0 percent) from R20.0 million (or 59.0 percent) in December 2015.

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 for the current financial year (2015/16) compared to the two previous years (2013/14 and 2014/15) had improved significantly, though still below the straight line norm as at 31 January. The Provincial Infrastructure Expenditure as at 31 January is recorded as follows:

- 42 percent - 2013/14
- 55 percent - 2014/15
- 71 percent - 2015/16

All departments have recorded low expenditure as at 31 January 2016, except for Health, which had stood at eighty five percent, Public Works, Roads and Infrastructure, at 76.0 percent and Education at 89.0 percent, which is above the norm by 2.0 percent, below the norm by 7.0 percent and above the norm by 6.0 percent, respectively.

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 31 January 2016 amounts to R43.4 billion or 80.7 percent of the total adjusted budget of R53.809 billion. Of the R43.4 billion total expenditure, R37.9 billion is on equitable share and R5.5 billion on Conditional grant. Provincial projects to under-spend allocated budget by R180.1 million however the department of Health is projecting to over-spend its allocated budget by R205.1 million.

- Provincial Treasury is working closely with the department to avoid incurring unauthorized expenditure at year-end.
- As at 31 January 2016 provincial own revenue collection is R1.0 billion or 83.4 percent less than projection by R10.5 million or 0.9 percent. Departments are encourage to fast-track processing of uncaptured receipts which is the main contributing factor to under-collection.
- Provincial Infrastructure expenditure spending is at R3.8 billion. The total expenditure represents 71.2 percent of the adjusted provincial infrastructure budget.

Regards,

Gavin Pratt CA (SA)
HOD: Provincial Treasury

Date

22/2/2016