Statement by
Deputy Premier and Honourable Minister for Investment, Innovation and Social Development

Request for funding for Social Development Programmes Transferred from TP 80 Via Section 11(5) of the Public Management and Finance Act (2020 Revision)

2023 December Meeting of Parliament

Mister Speaker, I wish to make a statement as to the circumstances and reasons why I, as Minister for Investment, Innovation and Social Development requested funding for Social Development Programmes transferred from **TP 80** (Support for Business Initiatives) **under Section 11(5) of the Public Management and Finance Act (2020 Revision).**

TP 80 (Support for Business Initiatives) was granted a $5,000,000 supplementary appropriation by Finance Committee under Section 12 of the Public Management and Finance Act (PMFA) in March 2022 for the purpose of funding a Business Stipend Programme for small and micro businesses in sub sectors of the tourism industry affected by the delayed return of sustainable tourism levels following border reopening and/or Government mandated Covid-19 suppression measures in the Cayman Islands.

The Business Stipend Programme was administered by the Cayman Islands Business Development Centre (CIBDC). The programme closed on 12 December 2022, at which point all outstanding eligible grants were distributed shortly thereafter. Following closure of the Programme, TP 80 was left with a balance of approximately **$1.2 million** for which CIBDC only

needed $100,000 to facilitate their departmental activities and functions for the rest of 2023. Accordingly, TP 80 had a surplus of $1.1 million.

Mister Speaker, the Department of Children and Family Services (DCFS) provides social work services to vulnerable persons in our community. The Children Act mandates the DCFS provide support to children in meeting basic needs, such as food, clothing, shelter, healthcare, therapeutic services not covered via CINICO, education, utilities, transportation and other relevant living expenses.

The budget allocation for children in state care was underfunded in 2022 and to compensate DCFS brought forward 2023 funding to offset a shortfall.

As such, the Ministry of Investment, Innovation and Social Development received a transfer of funding by way of section 11(5) of the Act in the amount of **CI$415,000 in August** from **TP 80 (Support for Business Initiatives)** to **TP 57 (Children and Family Services Support)**; to provide funding for children who are on Care Orders and to support clients to access early childhood education.

Mister Speaker, due to the heightened costs of construction materials as well as projects costing more than initially estimated because of unforeseen damage discovered post commencement of repair works, funding for the Ministry's Housing Repair Programme was depleted in an accelerated fashion. Supplementary funding was requested to enable the HRA Programme and the R3 Programme collectively to address an additional homes during the budget period.

As such, the Ministry of Investment, Innovation and Social Development received a transfer of funding by way of section 11(5) of the Act in the amount of **CI$550,000 in August** from **TP 80 (Support for Business Initiatives)** to **TP 60 (Housing Repairs)**;

Mister Speaker, CAYS has contracted a new manager and deputy manager who, with the support and direction of the CAYS Board, has created a new modern vision to enhance the services offered by CAYS and to implement this vision over the course of the next two to three years. As part of the initial stage of the new vision CAYS proposes to create a facility called the "Workshop" to provide training activities to residents in care.

CAYS plans to convert existing space at the Bonaventure Home in West Bay and can be renovated without causing disruption to existing services and provide an immediate outcome to maximise it existing facility for the benefit of the children in residential care. Additionally, CAYS aims to modernise the IT system and computer equipment at both its facilities. In order to effectively utilise resources, swifter interaction and communication in necessary across facilities. The current system is posing challenges for CAYS to be agile and efficient with service delivery.

As such, the Ministry of Investment, Innovation and Social Development received a transfer of funding by way of section 11(5) of the Act in the amount of **CI$100,000 in August** from **TP 80 (Support for Business Initiatives)** to **CAY 2 (Children and Youth Services)**;

Mister Speaker the aforementioned reallocations satisfy the definition of exceptional circumstances for the reasons I have outlined. These transactions which were approved by Cabinet for the Ministry of Investment, Innovation and Social Development during the 2023 financial period – did not cause any non-compliance with the Principles of Responsible Financial Management.

Thank you, Mister Speaker & May God continue to bless these Cayman Islands.