Cayman Islands Government

Statement to

The Parliament

By

Honourable Sabrina Turner, MP

Minister for Health & Wellness

6 December 2023

Supplementary Appropriation Changes for the 2023 financial year - Ministry of Health & Wellness

Mister Speaker, thank you for allowing me the opportunity to bring to the attention of this honourable Parliament the details of two appropriation changes which were approved by Cabinet for the Ministry of Health & Wellness *(the "Ministry")* in accordance with Section 11(5) of the Public Management and Finance Act (2020) during the 2023 Financial Year.

Mister Speaker, Cabinet approved supplementary funding under Section 11(5) of the Public Management and Finance Act (PMFA) in the amount of CI$1.7 million in September 2023. This funding was to ensure that adequate capital funding is available for the completion of the Poinciana Rehabilitation Centre in fiscal year 2023.

The Poinciana Rehabilitation Centre (formerly referred to as the Long-Term Residential Mental Health Facility) is being established

to provide residents of the Cayman Islands with serious and persistent mental illness, with holistic care in a safe and secured environment, with the prime objective of integration back into society. The construction of the 50,000(+) gross square feet building will form part of the continuum of mental health services within the Cayman Islands, which aims to empower people to achieve optimal well-being.

Mister Speaker, the project has faced increased costs due to several factors, resulting in the initial estimated cost at the Outline Business Case (OBC) stage being increased from CI$16.2 million to a current projected capital cost to completion of CI$21.5 million. The original cost plan at the OBC stage was based on the description of the property as being to standard residential specifications, whilst the final development has involved significant, specialized specifications of construction and fixtures and finishes, as well as being constructed to higher hurricane standards than would be expected for standard residential properties. The scope of the works has also been increased, with the floor areas of the cottages being increased

from 3,725 Square Feet to 3,948 Square Feet and the main building from 19,216 Square Feet to 19,410 Square Feet. Significant changes to the site works have also been made and, in particular, the change from basic perimeter fencing to an underground perimeter detection system. These items, as well as an escalation in building costs resulting from increased building activity in the Cayman Islands, combined with supply-chain issues and building material shortages due to the COVID-19 pandemic and other factors are the primary drivers of the change orders that have increased the overall Project costs.

Mister Speaker, there were also several other key changes to the Project from the OBC stage. The OBC proposed the initial construction of 7 cottages and the addition of 2 cottages when demand required them. However, post the completion of the OBC, it was decided to construct all 9 cottages in the initial phase to benefit from cost savings and to minimize disruptions to the health programmes once the facility had opened. This change was approved by Cabinet in August 2018.

The completion timeline of the Project has been affected by several factors, initially due to delays encountered with tender packages relating to the Enabling Works, the Main Building Works and the Cottage Clusters, and latterly due to disruptions resulting from COVID-19.

The various travel, shipping and manufacturing disruptions resulting from COVID-19 and the subsequent lockdowns and social distancing restrictions since March 2020, had a detrimental impact on the construction industry (severely impacting both material supplies and labour). This extended the construction period and the Project is currently awaiting final Building Control Unit inspections to be concluded so that the Facility can be handed over to the Ministry.

Mister Speaker, the additional funding allocated under Section 11(5) of the PMFA is the expected balance to complete the Facility and was re-allocated from savings under appropriation HES 1 – 'Policy Advice and Ministerial Services to the Minister of Health & Wellness', within the Ministry's 2023 budget allocations.

Mister Speaker, the Ministry also received approval under Section 11(5) of the PMFA in December 2023 of CI$100,000 to enable the Department of Environmental Health to carryout a second bulk waste campaign during December 2023 in line with the traditional cleanups our people are accustomed to. Several representations were made to the DEH regarding holding another cleanup campaign, which was approved from December 4th for two weeks.

An initial bulk waste campaign was carried out in May of this year ahead of the Hurricane Season in an effort to encourage residents to prepare their properties ahead of time, thereby reducing the amount of debris that could be generated by a severe weather system.

Mister Speaker, the additional funding allocated under Section 11(5) of the PMFA was re-allocated from savings under appropriation TP 73 – 'Other Health and Cultural related programmes', within the Ministry's 2023 budget allocations.

Thank you, Mister Speaker.