



Phase V | Review of the Public Service

EY was commissioned by the Deputy Governor in April 2014 to examine opportunities for Government rationalisation and commercialization.

Project Objectives

1. Undertake a strategic review of public service and current market conditions for the feasibility of implementing previous recommendations provided in internal and external reports.
2. Review the number of bespoke government entities to identify opportunities to streamline Government's structure, reduce operational costs, and improve public service.
3. Identify opportunities where there is a market appetite and capability for private sector engagement with public services.
4. Review the government's assets and recommend those that could be sold to the private sector where a fair market exists.
5. Review and report on financial, social and economic benefits, costs and risk to Government on recommendations.
6. Minimize impact on Government employees, public services levels, private sector relations and any legislative requirements required for recommendations.
7. Deliver a comprehensive and detailed roadmap of implementation and management for efficient and effective public service reform of the Cayman Islands Government's Ministries and other entities.

Guiding Principles

The Project will be governed by a set of seven guiding principles. These are;

1. To preserve or enhance service levels and standards.
2. To communicate with stakeholders throughout the process.
3. To ensure fair and equitable treatment of existing employees.
4. To attract local participation to provide public services and/or ownership of government assets where a fair market exists.
5. To promote fair competition in the market place.
6. To maximize employment for Caymanians.
7. To consider the economic, financial and social implications.

The Engagement Process

The Cayman Islands Government (CIG) is a complex and extensive organisation with multiple stakeholders, thus the process of engagement included extensive internal meetings and discussions with the management of all Government ministries and departments, most statutory authorities and Government companies. It also engaged the Chamber of Commerce as representative of the private sector business community. EY has now completed a report following its review and analysis of findings.

The Report

The 245 page report is a detailed analysis and report of findings including an implementation roadmap. There are in excess of 52 recommendations, which are currently being considered by the Government.

The report can be viewed in its entirety at the Office of the Deputy Governor's website at www.odg.gov.ky We will be providing updates on the progress of the public service transformation programme once Cabinet have decided which recommendations to pursue.

How to Read the EY Report

The executive summary commences with an introduction, background and explanation of EY's approach. This provides details of the scope of work, the framework that outlines EY's approach and the guiding principles and objectives underpinning the review and analysis.

From there it moves on to discuss and examine the case for change wherein EY provides commentary on CIG's financial position, performance and the financial, economic and capital drivers for the review.

The main body of the report is split into 'priority 1 recommendations', 'priority 2 recommendations' and 'other recommendations'. An implementation roadmap is included.

An Overview of EY's Findings

The findings are set out in a schedule of recommendations beginning with what has been categorised as "priority recommendations". The recommendations include the following options:

- Sale of businesses (either trade sale or Initial Public Offerings).
- Long term lease of entities or businesses.
- Public private partnerships (PPPs), joint ventures (JVs) and concessions.
- Outsourcing of services to the private sector.
- Entity rationalization and restructuring.
- Mergers of departments and entities.
- Investments in immediate rectification of infrastructure issues.
- Government process and performance improvements, including shared services, changes to fees and charges and financial management improvements.

Moving Forward

Given the depth, scope and complexity of this report, it will require careful consideration by Cabinet. Once Cabinet decides which recommendations to pursue and the priorities for implementation, the Office of the Deputy Governor will be responsible, through his Chief Officers, for implementation. The Deputy Governor is establishing a unit to oversee and provide leadership and support for the implementation process. This unit will be led by Mrs. Mary Rodrigues, Chief Adviser, Strategic Reforms.