

NEWS CONFERENCE - PROJECT FUTURE

Statement by the Premier

Good morning. Thank you for joining us today as we provide the country and the press with this update on what used to be referred to as the EY report but that has developed into a series of projects under the “project Future” banner.

While the EY report made over 80 recommendations, it was clear that it only “provides indicative advice and analysis to support [the Government’s] consideration as to future action”. In other words, the report was not, as some would have it, some kind of blueprint for the Government to follow. Even its authors acknowledged that it was only ever an aid to Government thinking. Therefore, it has been right for us to take our time; to carry out the further analysis that EY themselves said was necessary; and to consider properly other potential reforms that were not contained in the EY report.

I am pleased to announce that we have now completed that work and the Programme Brief we are publishing here today makes public the full Project Future programme which was formally adopted by Cabinet last week.

Our programme is ambitious and far-reaching. For the first time, the Government is putting forward a comprehensive and coherent programme of reform, reaching right across the public sector.

As you will see from the Programme Brief, there are currently 51 projects making up the Project Future programme. Clearly, Government cannot tackle that agenda all at once. Hence the programme is presented in 5 phases to be implemented over the next 5 years.

Phase 1 covers the 17 projects we have already started. When last we spoke about Project Future in April, I talked about six projects that were in flight. In the six months or so since that last announcement we have continued to make progress with those projects:

- Work to develop the business cases for the creation of a new Office of the Ombudsman and a new Public Utilities Commission is nearing completion and, if approved, both will move swiftly through to implementation.
- Every parcel of surplus Government land has been reviewed and an initial portfolio for sale has been created. Cabinet has already given approval for the sale of the first of those pieces of land.
- The communications project has kick started with a Capability Review conducted by the UK's Government Communications Service earlier this year. The next step is the presentation of the Communications Capability Review and its recommendations to Cabinet.
- We are progressing work on the business case for the potential merger of primary schools on Cayman Brac, either on one of the existing sites or a completely new site on the Bluff. As you may be aware, Caucus has also asked that the possible movement of the secondary school to the new site be considered as part of the business case and that has inevitably made the analysis more complicated. We expect the business case to be delivered in the second quarter of 2016. In the meantime, the Ministry is carrying out works at the site that can stand alone but will be useful for school purposes should the OBC recommendation be to proceed with the construction of a school on the site.
- Last week, the Portfolio of the Civil Service and the Public Service Pensions Board launched employee consultations on the proposed changes to the Public Service Management Law and the Public Service Pensions Law to facilitate raising the normal retirement age from 60 to 65. The consultations will continue with stakeholders across the civil service through the month of November. Feedback received from these consultations will be considered and reflected in the draft Bills which will be submitted for approval by Cabinet and onward submission to the Legislative Assembly. The forecast implementation date for the new retirement age is April 2016.

In addition, 7 other projects related to EYs recommendations that were already underway have been brought within the Project Future framework. Again, there

has been significant progress over the last six months on what are some vitally important projects for the future of these Islands.

That includes progress on the major infrastructure projects mentioned in the EY report – the expansion of the airport; resolving the future of cruise berthing; and solving the problem of finding a sustainable solution for our waste management needs. I will not dwell on those because there have been major announcements on the progress on each of those over the last few weeks. However, I have made the point before that the progress on delivery that marks this Progressives-led Government out from its predecessors is, in my view, unprecedented in our history. We are a Government that gets things done.

Other projects now within the Project Future framework are:

- The work on promoting E-Government benefitted from the visit to these shores of a team from the E-Governance Academy of Estonia. Learning from their experience and others, the Director of E-Government is actively working to document the Government's strategy based on internationally-recognised principles. This will be immediately followed by the outline business case with a view to moving to a pilot of a single service, e-Government portal solution within the first half of 2016.
- Similarly, our work on improving Government procurement has made good progress. Work is being taken forward by the new Director of Procurement to modernise the legislative framework and devise an appropriate set of standards and tools to implement that framework successfully. He is also identifying areas where there is a savings potential from Government contracts.
- We have also continued the implementation of new ways of working, supported by a new IT system in customs and moved forward the implementation of private sector pensions reform which I will mention again in a short while.

A further 3 projects have started in the last few months:

I have said previously that this programme is not about wholesale redundancies among civil servants. However, it is clear that there will be impacts on individuals and I gave a commitment that we would manage that effectively. Hence one of the early projects commenced has been to develop a policy to safeguard staff impacted by organisational rearrangements – be that outsourcing to a new provider or simply restructuring within the civil service. We need to ensure both that civil servants are treated fairly and respectfully and that any transitions are smooth to ensure service continuity.

EY's report referred to changes in approach that could be made by the Tourism Attractions Board. In line with their report, the Board's administrative staff relocated to Pedro St James in July; a marketing process for the letting of the Pedro Café commenced last month and it is anticipated that the Café will be leased by January, 2016; and two new tours have been agreed with Royal Caribbean Cruises Limited.

Work has begun to pave the way for a new National Cultural Strategy, during development of which EY's recommendations in respect of the existing cultural offer and the organisational arrangements to support it will be considered. The Ministry plans to convene the steering committee for the project in early 2016 with a view to having a draft policy & plan out for public consultation late in the third quarter of 2016.

We can chalk off one recommendation as complete. The EY recommendation to move the London Office to the Portfolio of the Cabinet Secretary was implemented in July. Not the most fundamental of reforms, I agree, but indicative of our willingness to get on with things even as we finalised the full programme.

The projects comprising phases 2 and 3 will be determined when we see the business cases for the 9 projects being worked on. These are vitally important projects for the future of these Islands and our people. They include projects to further help tackling unemployment amongst Caymanians; the implementation of the education reforms we are currently under way; and a series of projects to

improve the efficiency and effectiveness of public services, including planning and building control.

We anticipate that at least some of those will be implemented before the 2017 election and those will constitute phase 2. The most pressing need we will address in phase 2 is the need to further tackle unemployment amongst Caymanians. The issue has been raised in the House and in the press in recent days.

The Government does not view unemployment as the fault of business. Nor do we believe that every work permit issued is a job taken away from a Caymanian. However, we do believe there is more business can do to provide opportunities for Caymanians. We also accept that is more Government can do. This project will refocus Government's efforts into activities that make a positive difference in supporting Caymanians into employment and it will provide a more effective framework for working with business to enable them to do more.

Our economy is large, successful and growing. In those circumstances, we should be able to say that any Caymanian who wants work should be able to find suitable employment in a reasonable period of time. Government and business need to work together to make that a reality. This project will get that done.

Those projects that cannot be completed within 18 months will be planned ready for implementation immediately following the election as phase 3.

I should say at this point that I am not taking the electorate for granted. However, Governments have often been criticised for its short-termism and it is right for this Progressives-led Government to take a long-term view and to put in place the delivery of the reforms this country needs. If we remain bound to electoral cycles we remain bound to short term action that will not tackle some of the fundamental issues we face. Our country needs more than that. Our country deserves better than that. And that is why this Progressives-led Government is setting out a clear plan of future action. We are happy for the electorate to judge us on whether they agree with our plans and we will be proud to lay our record of achievement before them in 18 months' time.

Projects have generally been allocated to phases 4 and 5 because they are complex and likely to take time to plan and implement or because the potential benefits are lower than those in earlier phases. They include the potential reform of health provision in these Islands; consideration of options for the future of the National Mail Service; and further efficiency and effectiveness projects right across public service.

In a dynamic, well-managed programme, both the content and the phasing will change. Projects currently in the programme will be excluded, for example if the business case does not justify taking them forward. Equally, new projects will be defined in response to changing circumstances. The programme as drafted is therefore only the starting point and not the final statement of the Government's ambition. We will keep the general public informed as changes are made as part of the on-going reporting we will do on the implementation of Project Future.

Taken together, this programme will implement, in full or in modified form, the overwhelming majority of EY's recommendations. That gives the lie to those who said that the EY report was simply destined to gather dust. I would like to repeat my thanks to EY for the stimulus they gave to Government's thinking.

As I said previously though, we have not just taken EY's recommendations on regardless. The booklet we are publishing today details 16 recommendations from EY that we will not be implementing. Generally, if something has been ruled out it has been for two reasons. We have excluded some things because they clearly conflict with our policy – for example recommendations to raise fees would clearly run counter to the commitment this Progressives-led Government has given the country to seek to cut rather than raise duties and fees.

Alternatively, we have excluded recommendations because the further analysis we have done indicates the benefits are insufficient to justify taking the ideas forward. This would apply, for example, to EY's recommendations in respect of the Cadet Corps and CIMA.

In some cases, we are taking forward particular projects very closely related to the issues raised by EY but we have made a decision to exclude the specific recommendation they made.

For example, EY's recommendation to abolish the National Pensions Board and move its responsibilities to CIMA misses the point. That is to tackle the substantive need for better, more effective regulation of private sector pensions. Hence we are taking that underlying need for pensions reform forward, not least with the draft National Pensions (Amendment) Bill, 2015 currently going through consultation and finalization.

As I have said before and will continue to confirm, this Progressives-led Government is a government that gets things done. The Programme Brief we are publishing today is not “just another report”. We are publishing this programme not to decorate the shelves in offices at the Government Administration Building but as a call to action.

I said at the start of this Statement that this Project Future programme is ambitious and far-reaching. Thus while it is a programme of reform of the public sector, it is not for the public sector. Rather, it is for the people of these Islands. This programme has the potential to transform public services for the benefit of our people. From improving the education of our young people to ensuring the commercial future of our mail service. From the support we offer to those who need social assistance to the efficiency and effectiveness of our public works. From helping more Caymanians into work to the everyday experience that customers have of front line public services. This programme leaves no stone unturned as we drive through much needed reform.

This Progressives-led Government is a government that does indeed get things done. Our programme is ambitious, yes. But we will get this done.