



# PROJECT FUTURE

*Update  
Report*

NOVEMBER  
2016



CAYMAN ISLANDS  
GOVERNMENT



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**CAYMAN ISLANDS  
GOVERNMENT**

# FOREWORD



***The Premier, Hon. Alden McLaughlin, MBE, JP***

to see any significant activity within the first 18 months of the implementation of the programme.

Inevitably, in a programme of the scale and ambition of *Project Future*, the initial phase has largely been about the development of ideas rather than the delivery of change. I accept the necessity of that, but I said when I laid the first Update Report before the House in May 2016, that I hoped we would now see a picking up of pace. I am pleased to acknowledge that this is beginning to happen.

At Cabinet, we are seeing more and more reports coming through setting out proposals for change. In the last few weeks, for example, we have seen the publication of the business case for the proposed integrated waste management solution that will at last end this country's reliance on landfill. A Strategic Assessment focusing on options for improving prisoner transport, which will free up prison and police officers to deliver their core work, was also published, as well as a Strategic Assessment with proposals for how we can make the operations of Government's Public Works Department more efficient and effective.

In accordance with my commitment to openness and transparency in this programme, we have continued to publish those reports on each Ministry's website once they are approved. You can also find these reports and other updates on the *Project Future* website ([www.projectfuturecayman.com](http://www.projectfuturecayman.com)).

More importantly, perhaps, we are also seeing a drive to implement much needed changes from a range of projects. For example, the *Project Future* project focused on supporting the financial services industry (ABO12) has delivered a framework of support needed to ensure the competitiveness of our financial services industry, in advance of the Financial Action Task Force Assessment due next year. We are also making steady progress with the much-needed modernisation of Owen Roberts International Airport project. After decades of inaction, we have brought the project for the development of cruise berthing facilities to the point where we expect that the prequalifications for the project will be issued early next year.

This November 2016 report sets out in more detail the progress with each *Project Future* project, and with the programme as a whole. I believe that the work undertaken in this first year of implementation demonstrates clearly that this Government is committed to seeing through the ambitious agenda for change that it has established.

I am pleased to publish the November 2016 Update Report for *Project Future*, and to share the progress that has been made with the programme to date, at the end of its first year of implementation.

The Government published the first *Project Future* Update Report in May 2016, at the half-year mark for the programme. At that time we were able to highlight that, of over 50 projects in the five-year programme, two-thirds were already in progress. We noted that several had already reached significant landmarks, with the publication of the first batch of Strategic Assessments and Outline Business Cases. I am pleased to note that, as of November 2016, the number of projects being progressed has increased to around four-fifths of the 53 projects in the programme (or 44 projects). This means that there are only nine (9) projects for which we are not expecting

***“...we are seeing more and more reports coming through setting out proposals for change...we are also seeing a drive to implement much needed changes from a range of projects...I believe that the work undertaken in this first year of implementation demonstrates clearly that this Government is committed to seeing through the ambitious agenda for change that it has established.”***

# FOREWORD



***The Deputy Governor, Hon. Franz Manderson, JP***

The end of the first year of the *Project Future* programme marks a period of significant activity for the Civil Service, as we have worked to take forward *Project Future*, the most ambitious programme of public sector reform ever attempted in the Cayman Islands.

As Programme Sponsor I am pleased that we can demonstrate that we have made significant progress across a wide range of projects, at this important milestone in the life of the programme. As the statistics and the progress reports from our Ministries show, all but a handful of the 53 *Project Future* projects are in flight, and a small number of projects have been completed. I am grateful for the partnership and efforts this progress represents, from the elected Government, Chief Officers and their project teams, the *Project Future*

Steering Committee, the Strategic Reforms Implementation Unit (SRIU), and our Business Case Review Panel.

Why does *Project Future* matter? In the last Update Report I stated that we were “initiating and facilitating change that will create overall socio-economic benefits for the Cayman Islands and its people”. This is because each of the 53 projects selected by the Government presents an opportunity to provide solutions to important problems and to deliver benefits to our community and the people we serve. Take, for example, the recently approved Strategic Assessment on the CAYS Foundation, one of our smaller projects. This Foundation deals with children and young people who have been remanded or court-ordered into its care, so the work that this project is tackling will make things better for some of most vulnerable citizens.

I would also like to acknowledge the challenge these projects represent. Although we are currently progressing 44 individual projects, these projects do not represent the totality of the work that Ministries and Departments are taking forward, and only our very largest projects have dedicated professional, project managers. Therefore, a lot of balancing of priorities have been required. I would like to thank my Chief Officers and their project teams for taking on these new challenges, with the valued support of the SRIU.

In this first year of implementation, we have learned from and adopted international best practice standards in programme and project management. Therefore, as we report on projects moving forward, we are also acknowledging that Civil Servants are rising to the challenge of applying their training in the development of business cases, to present robust options for change. They are also developing skills in using formal project management methods. I look forward to continued improvements in these areas, as we continue to invest in training and support for our Civil Servants, to enable them to deliver better outcomes for our country and its people.

I also look forward to our next reporting milestone in March 2017. I am confident that we will have an encouraging story to tell of continued progress, and that we will be able to report that a significant number of projects have been completed and are delivering important benefits.

***“...each of the 53 projects selected by the Government presents an opportunity to provide solutions to important problems and to deliver benefits to our community and the people we serve.”***

# EXECUTIVE SUMMARY

This executive summary highlights the key messages from the four (4) main sections of this *Project Future* November 2016 Update Report.

## 1. INTRODUCTION

This Update Report marks the end of the first year of implementation for the *Project Future* programme. It provides information on the progress achieved by *Project Future* projects since the first Update Report, in May 2016, which was published around the half-year mark for the implementation of the programme.

## 2. PROJECT FUTURE IN CONTEXT: How *Project Future* Contributes to The Government's Agenda for Change

*Project Future* is not the totality of the Government's work, as other important projects are progressing outside of *Project Future*. However, *Project Future* has been part of the Government's response to the immediate economic pressures, while laying the foundation for economic prosperity to come. *Project Future* also includes a range of important initiatives that will further enhance social progress in the Cayman Islands. *Project Future* will also achieve a real shift in the way public services are delivered in the Cayman Islands and will modernise our culture and practice, as many of the projects underway aim to improve the efficiency and effectiveness of public services.

The 44 projects currently being progressed are either preparing for or already delivering much needed changes. Below are some of the projects highlighted in Section 2 of this report (visit [www.projectfuturecayman.com](http://www.projectfuturecayman.com) for more details on individual projects):

A. A project focusing on **extending support to the financial services industry (Project Reference: ABO12)** has moved through implementation to deliver:

1. A new Memorandum of Understanding between Government and Cayman Finance.
2. A new "Limited Liability Companies Law, 2016".
3. A range of bills for the modernisation of legislation required in advance of the upcoming assessment of the Cayman Islands by the Financial Action Task Force.

B. Two critical infrastructural projects, **the**

**development of cruise berthing facilities in George Town harbour (ABO04) and the modernisation of facilities at Owen Roberts International Airport (ABO05)**, have made important progress.

During this reporting period, engineers were appointed to reduce the environmental impact of the design of the cruise berthing facilities before the project goes out to bid. A request for proposals is scheduled to be issued in December 2016, to engage consultants to develop a financial model and tender documents for this project.

Meanwhile at the airport, work on Phase 1 of the redevelopment has been completed and work to complete the redevelopment has begun. Once complete in 2018, the airport will almost triple in size and will be able to offer a much enhanced service to its customers.

C. A Strategic Assessment looking at options to **improve the efficiency and effectiveness of the planning and building inspection service (PSI03)** has identified immediate improvements that are now being implemented. This includes the roll-out of an Online Planning System to include full electronic document management; improving processes and workflows; and better co-ordination between the planning department and other entities involved in development control. The result will be more efficient planning regulation and improvement in the quality, reliability and speed of the service for clients.

D. The **Ready2Work KY employment project (ABO03)** was launched in February 2016. As of November 18, 2016, it was supporting 111 active participants and had already secured jobs for 55 previously unemployed Caymanians.

E. A cross-Ministry team has recently completed a business case to **establish the NWDA as a clearing house for all local jobs (ABO03.02)**. This project will give job seekers better access to opportunities and help employers access suitably qualified and experienced labour. It will also provide better information to the Department of Immigration to help them in their decision-making in relation to the granting of work permits.

F. The project to **develop and implement a new sustainable waste strategy for the Cayman Islands (ABO11)** is the major environmental project being taken forward within the *Project Future* Programme. Some key milestones achieved during this reporting period include the publication for public

consultation of the Outline Business Case for the proposed solution, and the issuance of adverts for the pre-qualification of bidders as an important first step in the tendering process.

G. A project to **improve government procurement (CSTo3)** has already implemented practical changes such as introducing the use of “reverse auctions”, the first of which has resulted in costs savings of CI\$155,475 for the procurement of Information and Communications Technology (ICT) equipment and services. The project has also delivered a new Procurement Law, which lays the foundation for all public sector procurement in the Cayman Islands, and will increase transparency and provide a greater focus on value for money and improved opportunities for local suppliers to be successful.

H. The project to **deliver customs efficiencies (PSI15)** has delivered a new IT system, to achieve process efficiencies and service improvements, and introduced a paperless system for processing customs cargo declarations. This project is now substantially complete. A new organisational structure and staff changes have also been introduced by the Collector of Customs, which will optimise the delivery of benefit from these changes.

I. Delivery of our **E-Government Strategy (ABO15)** will position the Cayman Islands Government to be a leader in the digital realm. The project is already tackling improvements that will deliver better services for customers and greater efficiencies for the government.

development of Strategic Assessments and Outline Business Cases. Two additional Outline Business Cases were developed with the support of consultants.

- While there has been a lot of emphasis on researching and developing proposals for change, 20 of the projects being progressed (45%), have moved beyond these initial phases, and are either in planning, implementation or have been completed.
- Since May 2016, two (2) more projects have been completed and four (4) additional projects are now in the Project Execution Phase.

The summary status of the 44 projects currently being progressed is as follows:

- 9 projects (20%) are at the Conceptualisation Phase (i.e. Strategic Assessments are being finalised).
- 15 projects (34%) are at the Business Planning Phase (i.e. Outline Business Cases are being finalised).
- 2 projects (5%) are in the Initiation Phase (i.e. a Project Charter and other project initiation documentation is being finalised).
- 4 projects (9%) are in the Detailed Planning Phase (i.e. Project Management Plans are being finalised).
- 11 projects (25%) are in the Project Execution Phase (i.e. projects are being executed).
- 2 projects (5%) are in the Project Closing Phase (i.e. projects have been completed and a Close-out report is being finalised).
- 1 project (2%) has been completed and closed.

### 3. PROJECT FUTURE UPDATES: By the Numbers (As of November 2016)

At the end of the one-year mark for the *Project Future* programme (November 2016):

- 53 individual projects are being monitored.
- 44 of these projects (83%) are now being progressed within the first 18 months of the *Project Future* programme. (This means that Ministries are now taking forward 5 more projects than they were in May 2016, the half-year mark for the programme.)
- 12 Strategic Assessments and two (2) Outline Business Cases prepared by the Civil Servants have now been approved by Cabinet, as Ministries focused on identifying options for change through the

### 4. PROJECT FUTURE IN ACTION: Q&A with Civil Servants Working on Projects

The *Project Future* programme aims to build expertise and capability among Civil Servants to manage and deliver projects effectively and efficiently. To date, over 80 civil servants have been trained in business case writing and around 75 have participated in project management training.

Since the launch of the programme, civil servants have been actively applying these newly developed skills to take forward projects within the *Project Future* programme. Section 4 of the report shares some insights from Civil Servants working on five (5) *Project Future* projects.

# 1. INTRODUCTION

## Background

*Project Future* is a five-year programme of public sector reforms. The thinking behind the programme started with a report from EY in late 2014, which the Government considered through a structured review. The vast majority of EY's recommendations are being taken forward, often in a modified form, through *Project Future*. The Government also determined that they would not be progressing 16 of more than 80 recommendations, where they identified that they did not make a significant contribution to the outcomes the Government had committed to achieve.

For more information, please visit [www.projectfuturecayman.com](http://www.projectfuturecayman.com).

## Purpose of the Report

The *Project Future* programme was launched in November 2015 by the Honourable Premier and the Deputy Governor.

As of November, 2016, the *Project Future* programme consists of some 53 projects, 44 of which are currently "in flight" or being progressed. The remaining nine (9) projects are not expected to be progressed until after the first 18 months of operation of the Programme.

The Cayman Islands Government is committed to keeping the public informed of the progress being made by the Civil Service to implement *Project Future*. This is the second *Project Future* Update Report since the launch of the project, and it coincides with the end of the first year of implementation for the programme.

This report provides information on progress, drawn from reports from Chief Officers and other monitoring activities carried out by the Strategic Reforms Implementation Unit (SRIU), on behalf of Cabinet and the Deputy Governor of the Cayman Islands Government.

## Overview of the Report

This report is divided into four (4) main sections:

### 1. INTRODUCTION

This section provides some key background information, explains the purpose of the report, and provides an overview of its contents.

### 2. **PROJECT FUTURE IN CONTEXT: How *Project Future* Contributes to The Government's Agenda for Change**

This section sets the individual *Project Future* projects and achievements to date, within the context of the Cayman Islands Government's overall agenda for change, and discusses the benefits being delivered or planned.

### 3. **PROJECT FUTURE UPDATE: By the Numbers (As of November 2016)**

This section presents and discusses key project and programme level data, as at November 2016.

### 4. **PROJECT FUTURE IN ACTION: Q&A with Civil Servants Working on Projects**

This section features insights and experiences shared by Civil Servants involved in five (5) *Project Future* projects.

## 2. *PROJECT FUTURE* IN CONTEXT: How *Project Future* Contributes to the Government Agenda for Change

### 2.1 Promoting Strong, Sustainable Economic Growth

#### Context

Since the Government was formed following the 2013 election, restoring the economy to health was established as its overriding priority. It has supported key private sector investments, while also investing itself in public infrastructure projects. As a result, more jobs are being created in the private sector and Caymanian unemployment has fallen from a high of 10.5% in 2012 to a 10 year low of 5.6% in the Spring of 2016 .

*Project Future* is playing an important part in this success but it is by no means the whole story. Other key government initiatives to support growth and create jobs, outside of *Project Future*, include:

- Progress with plans for the revitalisation of George Town.
- Development of a Legal Practitioners' Bill in order to promote the qualification, training and development of Caymanians as attorneys.
- Working with Cayman Enterprise City to help ensure the growth of businesses within the Special Economic Zone to enable the diversification of the Caymanian economy.
- Supporting private sector investment in new developments such as the Kimpton Seafire Resort and Ironwood Village.
- The launch of the new National Apprenticeship Programme to complement individual apprenticeship schemes like those run in partnership with Health City and the School of Hospitality Studies.

#### **Project Future – Supporting our Pillar Industries**

While efforts to diversify the Caymanian economy are crucial for its future, the continued health of the current two pillar industries – financial services and tourism – is vital now and in the medium term. *Project Future* is making an important contribution.

The Ministry of Financial Services, on an ongoing basis, is engaged in the delivery of work designed to ensure the Cayman Islands maintains its position as one of the world's leading providers of institutionally focused, specialised financial services and a preferred destination for the structuring and domiciling of sophisticated financial services products.

A *Project Future* project to extend support to the financial services industry (ABO12) is making an important contribution to this work. The project has moved through to completion over the six month period covered by this report. There are three key deliverables from this project:

1. The development and signing of a Memorandum of Understanding (MoU) between Cayman Finance and the Cayman Islands Government. This was designed to strengthen the relationship between the private and public sectors in order to facilitate effective, collaborative work that will enhance, support and protect the Cayman Islands financial industry. This agreement was entered into in May 2016.
2. The development and delivery of the legislative framework for a new “vehicle” to maintain and improve the commercial viability of the Cayman Islands financial sector. This was delivered with the passage of the Limited Liabilities Companies Law in May 2016 and its subsequent enactment in June 2016. Two additional vehicles will be developed, outside the scope of this project, through the ongoing work of the Ministry.
3. The development and delivery of legislation to support the efforts being made by the Cayman Islands Government as it prepares for the assessment by the Financial Action Task Force. Through this project eleven (11) bills were brought to the Legislative Assembly in October 2016. In order to complete the modernisation of legislation required in advance of the assessment, other Bills are required and will be developed and delivered as part of the ongoing work of the Ministry.

*Project Future* includes the development of much-needed infrastructure necessary to enhance the Islands' tourism offer – the **development of cruise berthing facilities (ABO04)** in George Town harbour and the **modernisation of facilities at Owen Roberts International Airport (ABO05)**. As well as creating jobs in both the construction and operation of these facilities, the projects both bring other direct benefits to local people. The cruise berthing project will also bring the much needed enhancement of the cargo port while clearly Caymanian travellers will benefit from the airport redevelopment as much as tourists.

Both projects have made substantial progress in the last six months. In July, Dutch firm Royal Haskoning DHV was awarded the contract for the civil engineering design works, to look at what the proposal to move the piers for the proposed cruise berth into deeper waters, in order to reduce the environmental impact of the project, would entail and cost. This work is an important step in its own right and will help to inform discussions with the cruise lines and the UK Government over the appropriate financing model for the project. A request for proposal is scheduled to be issued in December 2016, to engage consultants to develop a financial model and tender documents for the cruise berthing project. It is anticipated that the prequalification for the project will be issued early next year.

Meanwhile at the airport, Phase I, the enabling works to build a new facility for a new baggage sorting and luggage screening room was completed in July 2016, and delivered within the agreed contract sum of \$3.78m. Work to complete the redevelopment started in September, 2016, with a revised completion date of December 2018. The new expanded ticketing hall and new Immigration and Customs Hall are scheduled to be completed by October 2017. Once complete, the airport will almost triple in size and will be able to offer a much enhanced service to its customers.

The *Project Future* Programme also includes two minor projects relating to tourism – consideration of options for the future of the Tourism Attractions Board and of the Turtle Farm. In relation to the project on the **future of the Tourism Attractions Board (PSI12)**, as reported in the May 2016 Update Report, the administrative offices for the Board were relocated from leased accommodation. This has reduced costs by \$25,200 per annum. A Marketing and Strategic plan has now been completed. The first phase, covering Pedro St James and the Botanic Park has been approved by the Board and implementation

has commenced. Phase II, which covers other entities, has been submitted and is awaiting Board approval. Two new tours have accounted for an increase in admissions of approximately 13%.

The **Turtle Farm project (PSI10)** is not intended to commence until the significant debt has been paid off, and no activity is expected on this project in the first 18 months of the implementation of the programme. The recent renaming of the attraction as Cayman Turtle Centre: Island Wildlife Encounter by its Board is, though, an indication of potential future direction.

## **Project Future – Creating Jobs and Opportunities for All**

At the launch of the *Project Future* Programme a year ago, the Premier placed a particular emphasis on a new project being brought forward to boost Caymanian employment:

*“The most pressing need we will address.....is the need to further tackle unemployment amongst Caymanians.*

*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 to 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.”*

Launched in February (within 3 months of the programme launch), the **Ready2Work KY pilot project (ABO03)** is a public-private partnership that supports employers as they make best efforts to hire Caymanians and supports Caymanians to access and maintain employment. As of November 18, 2016, the project was supporting 111 active participants and had already secured jobs for 55 previously unemployed Caymanians. This number is expected to rise as other participants complete their training and other development opportunities. As of the end of November, the project was significantly under budget and, based on spend to date and the number of active participants, project costs were around just \$953 per person. The last intake of participants for the pilot was in October. An evaluation of the Ready2Work KY pilot programme is now

underway, and is scheduled to be completed in January 2017, which will inform decision-making as to the future of the project.

In the longer term, *Project Future* will establish for the first time, a clearing house to give Caymanian job seekers better access to job opportunities and allow employers direct access to suitably qualified, interested and available labour. A business case has been completed and approved for the creation of a new portal which **will establish the NWDA as a clearinghouse (ABO03.02)** for all employment opportunities on the Islands. The Project Team is developing the Project Management Plans and documenting the detailed solution, which is expected to be in place by April 2017.

The evaluation of the Ready2Work KY will be used as the starting point for a project that looks across government **to improve the co-ordination of support available to job seekers (ABO3.03)**. Some initial work has also been completed with the NWDA to look at existing arrangements and to propose changes to service delivery. This important work will seek to ensure that government support can be targeted more effectively to address the significant barriers to employment affecting Caymanians identified in the June 2015 report of the Inter-ministerial Committee on Employment.

*Project Future* includes two projects that address the need to focus Government activity:

- In the private sector, many employers already go well beyond their statutory obligations in respect of giving opportunities for employment and advancement to Caymanians. In essence, the project to **incentivise positive business behaviours (ABO14)** seeks to reward businesses for compliance with laws and regulations (basic level), and increase rewards for good business practices such as scholarships for Caymanians (advanced levels). However, to ensure that businesses are not circumventing their obligations after receiving benefits, there needs to be a system that consistently monitors compliance and immediately reports instances of non-compliance so that businesses can be held accountable. To solve this problem, the E-Government Unit is working to establish an interoperable system (the X-Road) that will facilitate a cost effective mechanism for the transmission of data while providing greater assurance of data protection, data quality, business process automation, and compliance monitoring. In the interim, the Ministry has developed the proposed

high-level business processes that the X-Road will facilitate, from a systems point of view, as well as the administrative aspects. As such, with the technical and administrative frameworks worked out, this project is now in a pause stage awaiting the launch of the X-Road system.

- Cabinet has agreed that a project to **explore the best arrangements for the administration of work permits (ABO3.01)** is to be initiated once the immediate priority employment-related projects are complete.

Economic opportunity is not confined to paid employment and the Government is committed to support for entrepreneurship in our economy. It has reduced or waived fees for micro businesses and entrepreneurship – at a cost to the Government of \$1 million dollars annually. This has allowed new businesses to start up and others to become qualified to bid for Government contracts.

*Project Future* will build upon that by **improving government support to small businesses (ABO10)**. The first deliverable from the project was a new Memorandum of Understanding (MoU) between the Government, the Chamber of Commerce and the Cayman Islands Small Business Association (CISBA) which was signed in June 2016. It outlines various responsibilities for all three entities, including public consultations. An independent assessment of small and medium enterprises was conducted and the findings, which were received in October 2016, will guide the development of the next project deliverable, an action plan, to address areas of concern for small business owners. The Ministry expects the plan to be completed by March 2017.

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## **Project Future – Improving Education and Skills**

A key driver for the long term health of the Caymanian economy and the prospects for employment for local people is the availability of appropriately qualified and skilled people in the labour market. An important driver for that is to raise standards of educational attainment in our schools.

As part of the Government's response to that issue, the Programme contains a project that will consider the implementation of **alternative education governance models (ABO07)** for the government education system.

The new Education Bill, approved in October 2016, creates provision to allow for different forms of governing bodies for all schools. With the approval of the new education legislation it was agreed that a new Strategic Assessment would be developed to allow for a broader range of options to be considered. This work is underway and scheduled to be completed by March 2017.

A project considering the **merger of schools on the Brac (ABO08)** has been paused in order to allow the Ministry to focus on more immediate capital spending priorities including work at John Gray High School.

## **Project Future – More Effective Regulation**

Government has a role to play in the effective regulation of business activity. That role is not simply about ensuring compliance though that is important. It is also about ensuring a level playing field for effective competition; protecting consumers, particularly in circumstances where markets are limited; and enabling future economic development.

The project to **create a single utilities commission (PSI30)**, will establish the Utility Regulation and Competition Office (URCO), which will be an independent regulator with responsibility for the ICT, Energy, Water and the Fuels sectors. It will formalise the Government's initiatives to create transparency in the fuel market; provide the platform for fair competition and consumer protection across the whole utilities sector; and support the future development of vital infrastructure, notably high-speed broadband and renewable energy. New legislation to create the Utilities Regulation and Competition Office, as well as amendments to the Electricity Regulatory Authority, Information and Communications Technology Authority, and Dangerous Substances Laws, were finalised and approved in the Legislative Assembly (LA) in October 2016. The Bills relating to the water and fuels sectors are scheduled for tabling at the next Sitting of the LA. The Ministry is currently moving the project through to implementation and in parallel has finalised the outline business case for submission to Cabinet. The proposal demonstrates the achievement of savings in overhead and support costs. In the short term, no savings have been identified in direct staffing costs but that it is expected that savings will occur over time as synergies are identified in the new organisation

**Options for the future regulation of private sector**

**pensions (PSI19)** have also been considered under *Project Future*. The May Progress Update reported the successful passage of the National Pensions (Amendment) Law 2016 which, as well as increasing the retirement age, addressed a range of long-standing issues in the framework for pension administration in the Cayman Islands. The National Commencement Order for the Amendment Law is expected to be issued in December, 2016. In this reporting period, the Ministry has been preparing for the full implementation of the changes, and a series of communications to raise awareness is expected to begin on 9 December 2016.

In addition to the passage of the Amendment Law (2016), work has also been concurrent in regards to revising two key regulatory instruments for the Law - the National Pension (General) Regulations and the National Pensions (Pension Fund Investment) Regulations (1998 revision).

Amendments to the National Pension (General) Regulations are required to create the infrastructure to support the changes that have been made through the Amendment Law (2016). Drafting instructions for the General Regulations are expected to be finalised by December 2016. An update of the consultation draft of the Investment Regulations is expected in December 2016, following meetings with key stakeholders in September 2016. An actuarial review of the current Retirement Savings Schedule has also been completed, the first since the implementation of the law in 1998. The new schedule has been approved and will commence on January 2017.

A Strategic Assessment looking at **options to improve the efficiency and effectiveness of planning and building inspection (PSI03)** has been approved by Cabinet and the key recommendations agreed for immediate implementation, utilising the additional resources allocated to the service in the 2016-17 budget. These improvements include the roll-out of an Online Planning System to include full electronic document management; improving processes and workflows; and better co-ordination between the planning department and other entities involved in development control. The result will be more efficient planning regulation and improvement in the quality, reliability and speed of the service for clients. The Online Planning System is expected to be completed for March 2017. One of the first deliverables is the Builders Board registration tool, which is on target to be released on December 11, 2016. Once these changes have been implemented and their impact assessed, further consideration may be given to the potential for more transformational change in the way the service is delivered.

## 2.2 Achieving Social Progress

### Context

The wellbeing of society is founded upon economic strength, and if social progress is to be achieved then the benefits of economic growth need to be shared by all. The Government's position is that its policies have enabled the country to return to strong levels of economic growth and restored strength to its own fiscal position, and that it has used that strength to enact measures that will cut the cost of living and improve living standards for all but, in particular, that will benefit the poorest in society, such as:

- Duty on fuel used by Caribbean Utilities Company to produce electricity has been reduced under this Administration from a high of 75-cents per gallon to 25-cents per gallon. This cost Government some \$17 million dollars annually in revenue foregone but represents money that will be retained by families and businesses.
- Duty paid by licensed traders was reduced from 22 per cent to 20 per cent during the 2015-16 budget. This cost Government \$4 million dollars per annum in lost revenues but also reduced the import duty costs to businesses and allowed them the ability to provide better pricing to local customers.
- Strong government finances have enabled the Government to recommence payment of cost of living adjustments to civil servants; to make one off gratuity payments in each of the last two years in recognition of their contribution; and to take action where pay inequalities and unfairness have developed over time.
- The introduction of the national minimum wage. Set at \$6 per hour, this measure is directly benefitting 15% of the current workforce, or over 5,000 people, 25% of whom are Caymanians.

These measures have been complemented by more direct support for the vulnerable in society:

- Support for children and young people with disabilities or special educational needs in our schools has been increased.
- Cabinet has approved the business case for a new long term mental health facility to be built in Cayman which will allow patients to be admitted for treatment close to family and friends rather than being sent overseas for treatment at great expense.
- With the support of Her Excellency, The Governor, a

new Child Safeguarding Board has been established, better to co-ordinate efforts across all agencies in our Islands to protect children at risk of abuse or neglect.

### Project Future – Improving Healthcare

The programme brief expressed Government's belief that the Caymanian healthcare system is complex and expensive while service provision is not uniformly of a high quality. A project to **explore the potential to transform health provision (ABO09)** has therefore been included in the programme. The development of the case for change will depend upon the outcome of a planned performance audit by the Office of the Auditor General on the healthcare system.

In the meantime, a series of administrative reforms have been proposed through a number of *Project Future* projects. These are mainly targeted at reducing the cost of healthcare, as explained below:

- One factor impacting upon both the cost and, indirectly, the quality of healthcare has been the significant historical problems over the recovery of debts on services provided by the Health Services Authority (HSA). A project to **explore the potential to improve debt collection (PSI13)** has resulted in the HSA issuing an RfP in September 2016 to find a private sector partner who can undertake the collection of recoverable outstanding debts and offer advice on how to improve collection processes to prevent the buildup of future debts. It is expected that a contract will be awarded in the first quarter of 2017.
- A further project has been established to **explore options for improving the efficiency and effectiveness of dietary and linen services (PSI22)** at the HSA. A revised and updated Strategic Assessment, to establish whether there is a case for change and to identify options to meet the objectives for improvement, was submitted for review and is now being finalised for approval.
- The Government has also committed to tackle the need to **modernise the terms and conditions of civil servants (CST07)** so that they contribute to the cost of their healthcare. This can be achieved in a number of ways and a new committee involving

staff representatives has been formed to explore the available options. It is anticipated that an Outline Business Case will be completed by March 2017. The Government envisages the changes being agreed in time for them to be in place by 2018.

- A Strategic Assessment has been completed and approved as the first step in a project to **explore options for the future operation and funding of CINICO (ABO09.01)**. This project has now been paused to align the project with the related work on cost sharing with civil servants and the broader transformation of healthcare.

## **Project Future – Environmental Improvement**

The major environmental project being taken forward within the *Project Future* Programme is that to **develop and implement a new sustainable waste strategy for the Cayman Islands (ABO11)**. A key milestone achieved during this reporting period was the publication for public consultation of the Outline Business Case for the proposed solution which comprises clear plans for:

- New waste collection arrangements
- Enhanced waste reduction measures (home composting, bottle return, etc.)
- Increased reuse of bulky waste such as old furniture
- Much improved recycling facilities and potentially a materials recovery facility
- Composting of yard waste
- Energy recovery of the residual waste
- A small residual landfill requirement that can be met on the existing site in a new properly engineered facility

The report concludes that the solution which has been developed over the last two years in close consultation with the community “is considered to be deliverable, bankable and consistent with modern international standards for sustainable solid waste management”. The Outline Business Case was approved by Cabinet in September 2016, and the process to procure a tenderer to deliver the project has commenced. The prequalification of bidders is underway, and pre-qualified bidders will be invited to enter into further dialogue early in the new year.

The Programme includes one other minor environmental

project, to **explore options for the future of the native tree nursery (PSI129)**. This project is not a priority and its commencement has been scheduled for the latter part of the five year life of the Programme.

## **Project Future – Cultural Enrichment**

During this reporting period the Government has carried out the first ever large scale public consultation exercise which will underpin the development of the Cayman Islands’ first National Culture and Heritage Policy and Strategic Plan. Once the Policy and Plan have been finalised they will inform a project to **explore the benefits of the creation of a single cultural entity (PSI23)** as opposed to maintaining the National Museum, the Art Gallery and the Cultural Foundation as separate organisations. The project is not expected to be progressed further within the first 18 months of the programme.

## **Project Future – Reducing Crime**

Concerns about crime have been increasing in our society. Much of the responsibility for tackling crime lies with the Royal Cayman Islands Police Service (RCIPS) and, under the current Constitutional arrangements, policing is the responsibility of the Governor rather than the elected Government. However, the Government recognises that it has a role to play in supporting the police but also in tackling the conditions which cause individuals to turn to crime.

Much has already been said in this Update Report about things the Government is doing that will reduce the risk of crime in our society: projects that will give people jobs and boost living standards; projects that will support those with mental health needs who at risk both as potential perpetrators and victims; and the new proposals being explored to protect vulnerable children. One other important project is being taken forward under *Project Future* – a project to **improve the effectiveness of arrangements for developing and implementing drugs policy (PSI02)**. The Ministry is currently revising a Strategic Assessment for submission.

Drug usage is not the only significant risk factor in turning individuals towards crime. A project has been initiated to see what more Government can do to identify **approaches to early intervention to support young**

**people at risk of criminality (ABO13).** This project is complex in scope and involves a wide range of agencies, inside and outside of Government. A sub-committee of the Inter-Ministerial Committee on Youth Affairs (IMYCA) has been formed to take the project forward, and a survey document has been administered to over 100 stakeholders determined to be involved with the risk factors identified, as a first step, and data analysis has begun. The Ministry is working towards a deadline of the end of January 2017, to complete its report and provide a range of options for the way forward. However, the initial results of the data analysis indicate that more in depth consultations (with at least the larger stakeholders) will be required and the deadline may need to be extended.

The project to consider options for **improving the efficiency and effectiveness of prisoner transport (PSI18)** is also underway. Currently, transporting prisoners to and from court ties up the time of prison officers, that could be better utilised in activities such as prisoner training which have a major impact on reducing recidivism, or police officers, who could be alternatively employed actually tackling crime and spreading reassurance. A Strategic Assessment has been approved and a project team from the CI Prison Service has started conducting the research for an Outline Business Case, to identify the best means of implementing the necessary changes.

A similar project is underway looking at **options to reconfigure security services (PSI21.1).** It is anticipated that the project will identify a range of activities currently carried out by police officers that could instead be undertaken by civilians, freeing up police officers for redeployment for front line policing. Recent changes to the Criminal Proceeds Code Law have paved

the way to allow warrants to be served by civilians. Data is now being collected from the RCIPS to assist this work. This project was previously part of a larger project on security services being taken forward by the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure.

## **Project Future – Supporting the Most Vulnerable**

The need for fundamental reform of the Government's policy and practice on social assistance was highlighted in the Auditor General's performance report, "Government Programmes Supporting Those in Need", published in July 2015. In response, a project designed to take forward the **modernisation of social assistance programmes (ABO02)** has been included in the *Project Future* Programme. During this reporting period, as a result of a competitive tendering exercise, the Ministry anticipates making a contract award to a leading consultancy firm by the end of December, 2016, to prepare the necessary business case for the project.

A further project is looking at **options for the future of the Children and Youth Services Foundation (PSI06).** During this reporting period, Cabinet has approved the Strategic Assessment for the project. The report assessed the operations and interactions of the Foundation with other agencies, in delivering services to children and young people who have been remanded or court-ordered into its care, and narrowed down the range of options for improvement. A cross-ministerial group is taking forward the development of a business case to determine the appropriate way forward, and is working towards a March 2017 deadline for completion.

## **2.3 Improved Governance**

### **Context**

In May 2017, the Elections Office will administer the first general election in these Islands to be conducted on the basis of a 19 single-member electoral district with the One Person One Vote system. In the meantime, the Government has delivered a range of measures to improve the governance of these Islands including:

- The restoration of Government finances including meeting all the targets needed to bring the Government back into full compliance with the Public Management and Finance Law requirements.

- Maintaining firm control over expenditures and delivering strong revenues and surpluses, continuing to operate from cash rather than an overdraft and reducing the burden of debt.
- The restoration of confidence and trust in Government for both citizens and businesses.
- Openness and transparency, for example in Government's dealing with developers including the renegotiation of the NRA agreement with Dart.

*Project Future* is a programme of public service reform that will drive efficiency and improve effectiveness. It also

challenges existing ways of working within the civil service and at heart represents a cultural shift with implications well beyond the delivery of the programme itself.

## **Project Future – More Efficient and Effective Public Services**

As noted in the May 2016 Update Report, the small project to **move the London Office to the Cabinet Portfolio (CAB)** from the Home Affairs has been completed. The transfer, coupled with the appointment of a Chief Officer to lead the London Office, has achieved its objective of ensuring better alignment between the activities of the Office and the policy objectives of the Government.

The programme of **Customs efficiencies (PSI15)** has continued to move forward. While the focus of the project remains the achievement of process efficiencies and service improvements through the implementation of a new IT system (Total Integrated Revenue Processing System-TRIPS), the Collector of Customs has also implemented a new organisational structure for the Department, to facilitate the more efficient deployment of resources in order to improve the Department's overall performance. The project has also improved the quality of the statistical data provided to the Economics and Statistics Office, because the new system can now accommodate all of the tariff codes prescribed in the Customs Traffic Law (2015 Revision). Work towards Paperless Customs Cargo Declaration Processing continues, and the Department is working to complete an interface for supporting documents to be received electronically by Q2 of 2017.

The implementation of the project to **create an Office of the Ombudsman (PSI20)** is well underway. The new service will deliver efficiencies in the activities of the existing public sector regulators – Complaints Commissioner and Information Commissioner – and enable the delivery of the new police complaints function at no net cost. The project also aims to improve services for customers. In the reporting period, significant progress has been made to progress the necessary legislative changes, including the drafting of a new Ombudsman Bill and a Police Public Complaints Bill, and amendments to the Complaints Commissioner Law. Minor Amendments have been proposed to the Freedom of Information Law. Drafting instructions for amendments to the Public Service Management Law and the Public Finance Management Law have also been submitted. Job descriptions for the

new agency have been developed and submitted for evaluation. Recruitment for the Ombudsman, is now expected to take place after the new Ombudsman Bill has passed.

A Strategic Assessment of the **potential to improve the efficiency and effectiveness of the Public Works Department (PSI24)** has identified two viable options: either a programme of incremental improvements; or a more transformational approach based on restructuring the organisation and radically updating business processes to align with industry best practice. The latter option potentially includes strategic identification of opportunities for the private sector to take greater involvement in the delivery of public works. An outline business case is being prepared to identify the preferred option for implementation.

A project to **explore options for the future of the NRA and its operational activities (PSI11)** has also completed a Strategic Assessment, which has been approved by Cabinet. It has recommended that two options for change are evaluated through the business case process, which has now begun. The first option would see the implementation of a programme of identified internal business improvements. The alternative is a mixed sourcing strategy based on:

- Developing in-house capability and improving its efficiency and effectiveness.
- Utilising existing private sector capacity.
- Developing the market by encouraging new entrants including potentially a new staff mutual organisation.

A similar approach is being recommended under a project established to **explore the potential to commercialise the National Mail Service (PSI04)**. Following acceptance of the Strategic Assessment by Cabinet, a business case was proposed, to test the feasibility of options for incremental business growth identified, for example through the purchase and installation of IT and equipment to modernise the service, improve efficiency and productivity, reduce cost and improve the customer experience. This would include the following work streams:

- Automated Sorting; and
- Point of Sale (POS) System.

Other options would see the Service implement a number

of more strategic level improvements aimed at meeting the high level investment objectives, potentially in partnership with the private sector. This would include ideas such as:

- Development of e-commerce initiatives;
- The importing and selling of online goods as a business supplier in our own right;
- Exploration of untapped markets;
- Collaboration with the Private Sector on an international scale;
- Addressing of issues with current airline routes by way of better airline coverages; and
- Parcel Post Expansion.

As agreed with Cabinet, this project has been paused at this stage, to be revisited once the significant resourcing requirements can be accommodated within the service.

A comparable project to **explore the potential to commercialise the Stock Exchange (PSI16)** is not expected to be taken forward until 2018, as noted in the May 2016 Update report.

The Portfolio of Judicial Administration has commenced a project to **explore the potential to improve the efficiency and effectiveness of Tribunal administration (CSTo2.5)**. The new Chief Officer has accepted the case for change made in a Strategic Assessment and is working on a business case to establish the preferred future model. The work is necessarily complex not least in terms of the need to work with the stakeholders who make up more than 100 tribunals in existence in the jurisdiction.

The Strategic Assessment considering **options to improve the efficiency and effectiveness of Land Surveying Services (PSI 26)** was approved and published in June 2016 and identified potential options for change either by a programme of internal improvements to the existing service, or by outsourcing parts of the service to the private sector. These options for change have been tested through the business case process to see which best meets three key objectives identified for the project, namely:

- improvements in customer satisfaction;
- a reduction in the capital costs of producing survey jobs; and
- a reduction in the field survey operational costs.

The business case has now been completed and is scheduled for formal review in December 2016, before it is finalised for submission and approval.

As a result of the initial phase of work to develop Strategic Assessments, three projects have been stepped down from the Programme to allow the relevant departments to take forward the improvements they have identified immediately as “business as usual”:

1. A project to improve **the efficiency and effectiveness of light vehicle maintenance (PSIo1)** will achieve the ongoing implementation of improvements already underway alongside the development and delivery of further efficiencies identified by the review. Central to the current programme of improvements are:

- Extending the role of the private sector in vehicle maintenance through the roll out of the CIG Vehicle Standardisation, Procurement and Use Policy (2014). This policy made it compulsory for the purchase of new Government vehicles to include maintenance packages for a minimum of four years. This means that a private sector vendor will be responsible for the repair and maintenance of such new vehicles for this time, reducing the demand for the Department of Vehicle and Equipment Services (DVES) repair/maintenance services, and reducing overall operational costs.
- Reducing DVES operational costs for the maintenance of vehicles and equipment.
- Achieving efficiencies in terms of reduced customer delays and Government vehicle downtime.
- Increasing the use of the private sector in the light vehicle maintenance work previously undertaken by DVES.

A range of internal improvements were also identified in the Strategic Assessment. These include process efficiencies that would reduce cost, such as:

- Replacing older vehicles in the fleet (which require more maintenance/repair).
- Avoiding mixed vehicle manufacturers within the fleet (which require more/different parts and specialised maintenance).
- Utilising the private sector maintenance packages with newer vehicle purchases (meaning that private vendors would maintain and repair

such vehicles under warranty).

2. Similarly, a project considering **options to improve the efficiency and effectiveness of vehicle safety inspections (PSI27)** identified improvements that could be implemented immediately. Specifically, the following initiatives are to be enhanced:

- Refine and extend partnership arrangements with Private Garages to improve customer access to the service and address quality concerns.
- Work with RCIPS to address non-compliance with inspection requirements which will both boost the collection of outstanding revenue and help to improve road safety.
- Improve access, resources, facilities and training linked to the new site in the Eastern district.

The Assessment also identified a potential for investment in the future related to the need for a new road testing arena estimated to be a \$1.5m investment, and an emission control system which will require legislative amendments and further research. Should these be necessary, a new business case will be prepared at the time.

3. The third such project considered **options to improve the efficiency and effectiveness of driving tests (PSI28)**. This is a very small service and there are no viable options for significant change. However, the review did identify the potential for increasing customer access to the service and enhancing the cross-flexibility of staff to make service more resilient. These recommendations will be taken forward.

Work on a project looking at **options to reconfigure government security services (PSI21)** examines security services except those provided by uniformed Police Officers, in order to reduce cost and improve effectiveness. This project had been paused due to a reprioritisation of operations and staffing within the Facilities Management Unit. However, it has recently been restarted and options for the way forward are expected to be presented in a Strategic Assessment by March 2017.

## **Project Future – Modernising Government**

As part of *Project Future*, the Government's strategy for **implementing E-Government (ABO15)** will position

it to be a leader in the digital realm, potentially the first offshore financial centre to implement the gold standard in secure e-government services based on the Estonian Model. It will provide a mechanism to significantly reduce the reputational risk Cayman carries today due to the reliance on single-factor authentication for identify verification and online services for both the public and private sector. It will also create a foundation for more efficient provision of services from Government that will reduce the costs to provide services and improve customer experience with the ability to offer cross departmental services where customers can have a "one stop shop" experience.

An Outline Business Case has been approved by the E-Government Steering Committee and the Detailed Project Planning is almost complete.

The pilot project will develop enabling infrastructure that will be expanded to cover all government entities and new high-demand services (to be announced shortly). In parallel with the wider E-Government implementation, the E-Government team has been moving ahead with particular initiatives, including:

- a project to automate the process and to make available online Tax Exempt Certificates is nearing completion. These certificates generate about \$10 million dollars per year in revenue. The new process will also free up considerable staff time to focus on other areas.
- working with the Department of Commerce & Investment and Deloitte to conduct a business process review and reengineering exercise in preparation for digitising processes.
- working with the Department of Planning and Deloitte on an online system for the Department, which is currently under development.

Alongside the E-Government implementation, the Government has identified the need for a complete **IT transformation programme (CSTo4)**. With the appointment of the new Director for the Computer Services Department (CSD), work is progressing on the further development and implementation of recommendations in a report commissioned from Deloitte. A revamping of the organisational structure has been given immediate priority, with an initial focus on effective Governance and User-centric Service Delivery, alongside support for the E-Government initiative to identify Data Ownership, the removal of duplication and the

introduction of an interoperable system (the X-Road) which will allow multiple software programmes to seamlessly communicate with each other.

Recruitment of key posts including Business Relation Management, Cybersecurity and Service Management has commenced. The ITIL Framework, a set of practices for IT service management that focuses on aligning IT services with the needs of business, is being rolled out and will be completed by the fourth quarter of 2017. Embracing this new approach, CSD has already seen marked improvement in customer relations and productivity evidenced by a 75% drop in “morning after” calls to the Help Desk, the successful engagement of government departments who were receiving application and network support from service providers other than CSD, and increased collaboration between CSD and other government entities on projects.

As part of the longer-term, more strategic elements of this project, CIG will refocus efforts on providing world class in-house support for core Government business utilising the local market for key expertise under a multi-sourcing model. This work will be underpinned by the development of an Outline Business Case.

Work has continued to **improve Government’s communications activities (CSTo1)**. Following last year’s review of our communications by a group from the UK Government Communications Service, the Cabinet Office has continued to work on implementing the report’s recommendations, with a focus on improving internal communications. During the reporting period, two (2) secondments involving Heads of Internal Communications for the UK Cabinet Office and the FCO have been completed, provided at no cost to CIG by the UK Government, aimed at providing training, development and capacity building for the Civil Service. Through this arrangement, a more strategic approach to internal communications has been implemented and a new Government Hub as the primary channel for internal communications has been launched. Internal Communications Training has been delivered for GIS and other Civil Servants and recruitment is underway for two key Senior Internal Communications posts.

*Project Future* is delivering **improvements to Government procurement (CSTo3)**. The Ministry of Finance and Economic Development will lead the full implementation of a new Procurement Law, which was approved in the LA in October, 2016. This will lay the foundation for all future public sector procurement in the Cayman Islands; enable a strengthened process with

increased transparency; and provide a greater focus on value for money and improved opportunities for local suppliers to be successful. In advance of the Law, the Government has already implemented practical changes such as introducing the use of electronic “reverse auctions”, the first of which resulted in cost savings of CI\$155,475 for the procurement of ICT equipment and services. Another reverse auction is underway for the procurement of office supplies and goods, and is expected to deliver significant savings.

*Project Future* identified the need for the **creation of a new policy framework (ABOo1)** across Government. Further to the project being put on hold to allow further consideration of the scope and timing of the project and the subsequent decision to proceed, a document on scope and timing is being prepared for Cabinet’s consideration in the second week of January 2017.

Government needs to be more commercial in its approach in some areas. One example is the project to **rationalise property holdings to support investment (PSIo9)**. As part of its portfolio of properties, the Cayman Islands Government (CIG) owns non-operational property holdings that are surplus to current and future strategic needs. Civil Servants have been exploring options to optimise the revenue potential from divesting 56 such properties, identified by Cabinet as potentially available for disposal, to generate funds for other critical priorities. An Outline Business Case has been completed and is being prepared for submission to Cabinet.

A small project to **merge staff involved in internal audit and HR audit (CSTo2.6)** teams both to improve efficiency and better co-ordinate the work is being taken forward by the Portfolio of the Civil Service (PoCS). With the Director of Internal Audit post currently vacant, the PoCS took the opportunity to have both the Internal Audit Unit and Human Resource Audit Unit work under the Acting Director of Internal Audit since June 2016. A revised Outline Business Case to reflect amendments based on feedback from the Business Case Review Panel, will be submitted by early December. Consultation with the Ministry of Finance to amend the Public Management and Finance Law (PM&FL) to reflect the new reporting relationship of the Internal Audit Unit was held in November, and amendments to the PM&FL have been proposed. Job descriptions have been drafted for the proposed posts in the new structure.

The Programme includes a project to **explore the potential to improve the efficiency and effectiveness of support services through a shared**

**services model (CSTo2.1).** This project is not considered to be a high priority at this time and will be taken forward in the later stage of the five year *Project Future* Programme. A further project to **re-introduce interagency charging (CSTo2.3)** will be considered following the shared services review.

In the meantime, the project to **increase the level of oversight by the central finance function and explore potential solutions to the problem of qualified audit opinions (CSTo8)** is being successfully implemented. Following the establishment of the Financial Secretary as the leader for CIG's Finance Function and the introduction of monthly Chief Financial Officer (CFO) meetings in May 2016, a CFO Handbook has been completed, which will assist with the consistent application of accounting policies across the entire public sector. The revenue completeness methodology and framework has been fully established. This will be used to assess the completeness and accuracy of CIG revenue. The Attorney General's Office has provided legal guidance on the separation of the accounting for the Public Service Pensions Board and the Public Service Pension Plans. Amendments to the Pensions Law are currently being drafted. All public sector assets have been revalued, thus removing the audit qualification on the Government's Entire Public Sector financial statements. The draft Public Management & Finance (Amendment) (No.2) Bill, 2017, is currently being finalised for approval at the January 2017 meeting of the Legislative Assembly. Amendments that are included in the Bill includes holding the Chief Officer for finance accountable for compliance with the Law, reintroducing quarterly reporting to the Legislative Assembly for Core Government, and allowing the Government to make the additional and voluntary debt principal payments without causing an increase to the debt-service ratio.

A *Project Future* project focused on **improving performance management within the civil service (CSTo5)** has delivered training for managers, continued improvements to the Electronic Performance Management (EPM) system and support for tackling poor performance which, if left unchecked, can cause both reputational

damage and can stifle the morale and productivity of high performing staff. It has also sustained the dramatically improved rates of compliance with Performance Agreements and Performance Assessments across the Civil Service since the 2012-13 financial year.

September 2016 saw the full implementation of project to **raise the normal retirement age of civil servants (PSI31)** from age 60 to 65. The changes followed the recent passage of amendments to the Public Service Management Law (2013 Revision), the Public Service Pensions Law (2013 Revision) and the underlying Regulations in September 2016.

The key provisions of these amendments will be to:

- Allow employees to work up to age 65 by setting open-ended contracts to expire on an individual's 65th birthday rather than their 60th birthday;
- Maintain the ability of existing employees to retire as early as age 50 if they elect to do so; and
- Allow greater flexibility for both the employer and employee to benefit from succession planning.

In advance of the legislation there was face-to-face training of 400 employees. Post-implementation training of employees and advice to persons who are re-entering the pension plan are ongoing. Post-implementation monitoring will be conducted to determine the number of persons delaying retirement or returning to post-retirement employment.

Work to draft a new **policy to safeguard civil servants impacted by organisational rearrangements (CSTo6)** has identified the need for legislative changes to underpin any such policy. Drafting instructions were delivered in June 2016 and the first draft of the bill was received in October 2016. This draft bill will be reviewed internally by the Portfolio of the Civil Service and the Portfolio of Legal Affairs prior to being considered by Caucus. Once Caucus gives its approval, consultations will be held with the CICSA. The draft bill is expected to be reviewed by Caucus by January 2017, allowing the scheduled delivery of a final draft for formal consultation by March 2017.

Visit

[www.projectfuturecayman.com](http://www.projectfuturecayman.com)

to learn more about individual projects and review Strategic Assessments and Outline Business Cases.



Project Future in context cont.

# 3. PROJECT FUTURE UPDATE: By the Numbers

## Methodology

The *Project Future* implementation framework emphasises the use of business case tools and a formal project management methodology, to give projects the best chance for success.

Based on the UK Treasury's Five Case Model Methodology, the business case model and template provide a vehicle for taking sometimes complicated and detailed analysis and convincingly answering the following three questions:

- Where are we now?
- Where do we want to be?
- How are we going to get there?

*Project Future* projects are selected by Cabinet and assigned to the Deputy Governor and his Chief Officers to progress. Through a Strategic Assessment or an Outline Business Case, Ministries undertake research and analysis to provide Cabinet with information and a basis for making decisions on how best to tackle issues and deliver benefits identified for a project.

Cabinet has required some projects to prepare Strategic Assessments, as a first step. Strategic Assessments focus on establishing whether the project is worth doing (i.e. is there a case for change?) and, if so, on screening a long-list of options for change. The documents conclude by providing Cabinet with a small number of viable options that can be explored in more detail in an Outline Business Case. In an Outline Business Case, a Ministry evaluates the short-list of options to identify the one (1) recommended option to be taken forward for implementation.

The *Project Future* methodology also maps out the various stages through which a *Project Future* project progresses, from start to finish (i.e. the Project Lifecycle). There are six (6) key stages, as follows:

**Phase 1: Conceptualisation Phase** (a Strategic Assessment is a key deliverable of this phase).

**Phase 2: Business Planning Phase** (an Outline Business Cases is a key deliverable of this phase).

**Phase 3: Initiation Phase** (a Project Charter and other project initiation documentation are key deliverables of this phase).

**Phase 4: Detailed Planning Phase** (A Project Management Plan for all key areas in project

management is a key deliverable of this phase).

**Phase 5: Project Execution Phase** (In this phase the project is being implemented and regular progress reports are expected until the project is completed).

**Phase 6: Project Closing Phase** (A Close-Out report and information on how the project benefits will be monitored and tracked in the future, are key deliverables of this phase).

The *Project Future* methodology requires Ministries to publish the business case documents on their websites, once approved. They are also published centrally on [www.projectfuturecayman.com](http://www.projectfuturecayman.com).

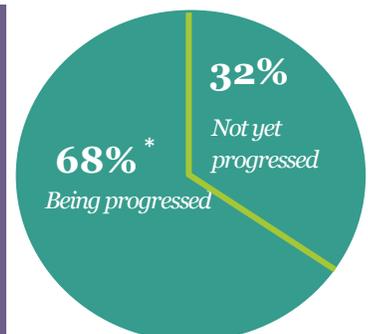
## Updates

**Graph 1 - Projects being monitored and progressed in May 2016 and November 2016.**

### May 2016

**57** *Project Future* Projects Being Monitored

- 39 projects (68%) being progressed
- 18 projects (32%) not yet progressed



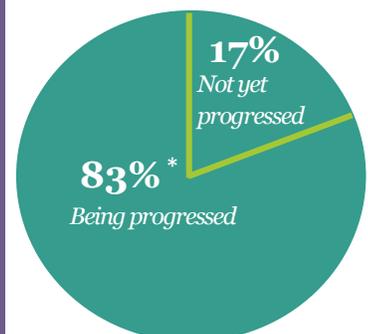
\*includes one completed and closed project.

### November 2016

**53** *Project Future* Projects Being Monitored

NOTE: Since May 2016, 3 Projects have been "Stepped Down", 4 projects have been combined to create 2 individual projects, and 1 new project has been added.

- 44 projects (83%) being progressed
- 9 projects (17%) not yet progressed



\*includes one completed and closed project and two additional completed projects.

Graph 1 compares the projects being monitored and progressed in May and November 2016.

As Graph 1 shows, as of November 2016, 53 individual *Project Future* projects are being monitored, four (4) less than reported in May 2016 Update Report. This change comes as a result of two sets of projects being combined since May 2016, in addition to one (1) new project being added and three (3) projects being “stepped down”.

Where projects have been stepped down, Strategic Assessments were completed and approved by Cabinet to be implemented as part of the “business as usual” operations within departments. They are therefore not being included in the totals for the projects being monitored or progressed. However, these projects are also expected to report on achievements/ benefits for the March 2017 milestone. These projects are:

- PSI 01- Explore Options for Improving the Efficiency and Effectiveness of Light Vehicle Maintenance.
- PSI27 -Explore Options to Improve the Efficiency and Effectiveness of Vehicle Safety Inspections.
- PSI28 - Explore Options to Improve the Efficiency and Effectiveness of Driving Tests

Graph 1 also shows that the number of projects being progressed has increased significantly between May and November 2016. In May 2016, 39 out of a total of 57 projects (68%) were being progressed, compared to 44 of the 53 projects (83%) in November, 2016. In terms of individual projects, this means that Ministries are now progressing 5 more projects than they were in May 2016.

Graph 1 further indicates that as of November, 2016, only a small number of projects are not expected to be progressed until after the first 18 months of operation of the Programme. These 9 (nine) projects are:

- EEGA - ABO03.01- Explore Best Arrangements for the Administration of Work Permits.
- DATT - PSI29-Explore Options for the Future of the Native Tree Nursery Outside of Government.
- DATT - PSI10- Explore Options for the Future of the Turtle Farm.
- FSC&E - PSI16- Explore the Potential to Commercialise the Stock Exchange.
- F&ED - CST02.1-Explore Potential to Improve the Efficiency and Effectiveness of Support Services through a Shared Services Model.
- F&ED - CST02.3- Reintroduce Interagency Charging.

- H&C - PSI23-Explore the Potential Benefits of the Creation of a Single Cultural Entity.

- H&C - ABO09-Explore Potential to Transform Health Provision.

- EEGA - ABO08-Merger of Schools in the Brac.

Since the launch of the programme in November, 2015, twelve (12) Strategic Assessments have been finalised and approved by Cabinet, as Ministries focused on identifying options for changes. In addition four (4) Outline Business Cases have been approved:

- two (2) Outline Business Cases prepared by Civil Servants (PSI20 - Creation of an Office of the Ombudsman and ABO03.02 - NWDA Clearinghouse);
- one (1) business case prepared by Civil Servants with the support of consultants (ABO15—Implementing E-Government); and
- one (1) business case prepared by consultants engaged by the Ministry of Health and Culture for the major project ABO11, which focuses on delivering and implementing a new sustainable waste strategy for the Cayman Islands.

Graph 2 below compares the number of *Project Future* projects being progressed, by Phase, in May and November 2016.

As Graph 2 indicates, the summary status of the 44 projects currently being progressed as of November, 2016 is as follows:

- 9 projects (20%) are at the Conceptualisation Phase (i.e. Strategic Assessments are being finalised).
- 15 projects (34%) are at the Business Planning Phase (i.e. Outline Business Cases are being finalised).
- 2 project (5%) is in the Initiation Phase (i.e. a Project Charter and other project initiation documentation is being finalised).
- 4 projects (9%) are in the Detailed Planning Phase (i.e. Project Management Plans are being finalised).
- 11 projects (25%) are in the Project Execution Phase (i.e. projects are being executed).
- 2 projects (5%) are in the Project Closing Phase (i.e. projects have been completed and a Close-out report is being finalised).
- 1 project (2%) has been completed and closed.

The graph also shows there has been movement forward for a number of projects since the May 2016 report, with

the majority of activity occurring within the Conceptualisation and Business Planning Phases. In these phases, Ministries are focusing on identifying options for change, through the development of Strategic Assessments and Outline Business Cases. However, while there has been a lot of emphasis on researching and developing proposals for change, the graph shows that, as of November 2016, 20 of the projects being progressed (45%) have moved beyond these initial phases, and are either in the planning, execution phases or have been completed.

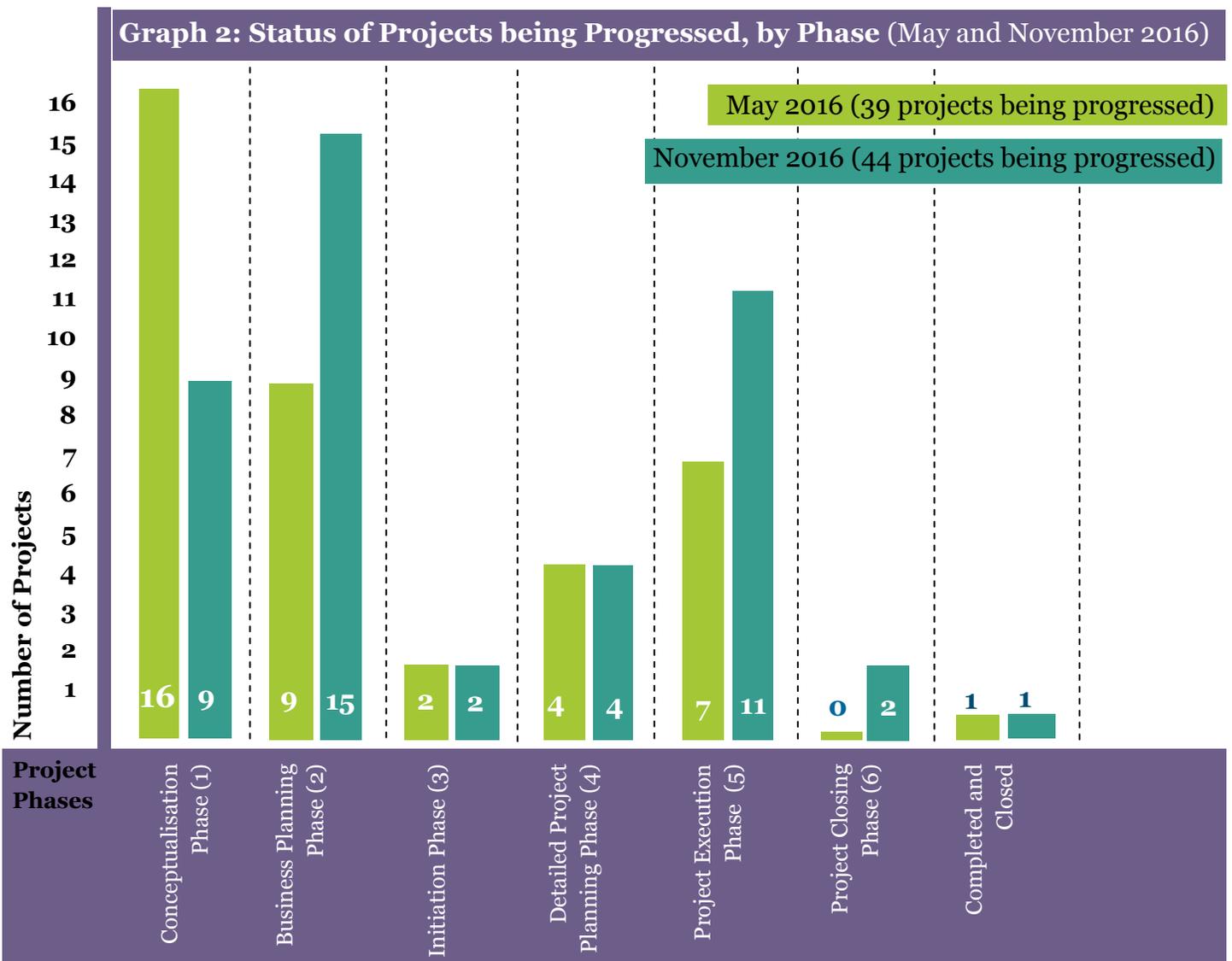
Graph 2 further indicates that an additional two (2) projects have progressed to completion, compared to the May 2016 figures. For these projects, some further work remains to complete the final, Close-Out phase. These projects are as follows:

- PoCS-PSI31 - Raise the Retirement Age for the Civil Service
- ABO12 - Explore Options for Extending Support to the Financial Services Industry.

It should be noted that in the May 2016 Update Report, one (1) small project was reported as completed and closed (CAB: Move London Office to Cabinet Portfolio). This number is unchanged for November, 2016.

By way of comparison, Graph 2 also shows that the number of projects in the Project Execution Phase (phase 5) has increased by four (4) since May 2016 for a total of 11 projects. (See Appendix I for a Project Status Report, by Ministry and Project Phase).

Graphs 1 - 13 below, provide an overview by phase and by Ministry/Portfolio in May and November 2016. For a list of projects by Project Code and Ministry please see Appendix I.

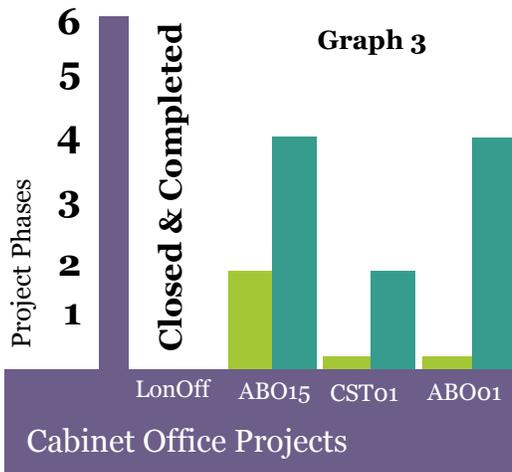


# Overview: *Project Future* by the Numbers

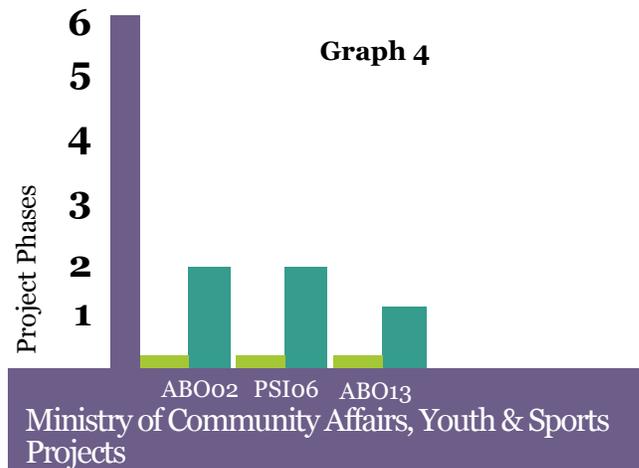
Overview of Projects by Phase and by Ministry/Portfolio, as at 30 November 2016

May 2016

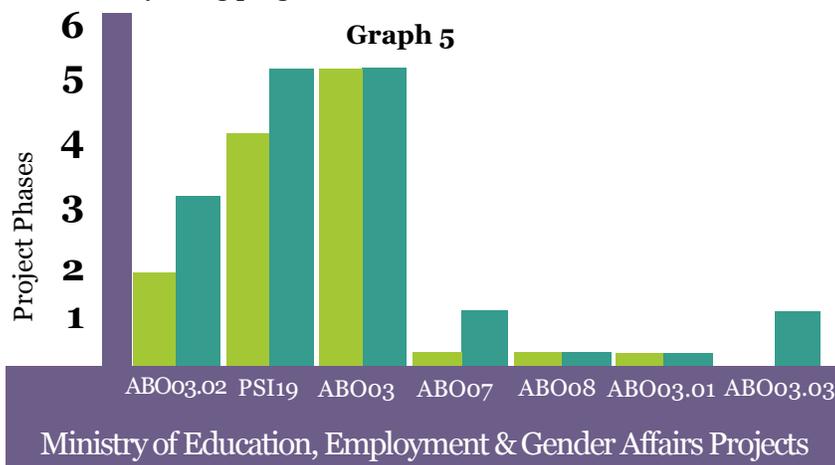
November 2016



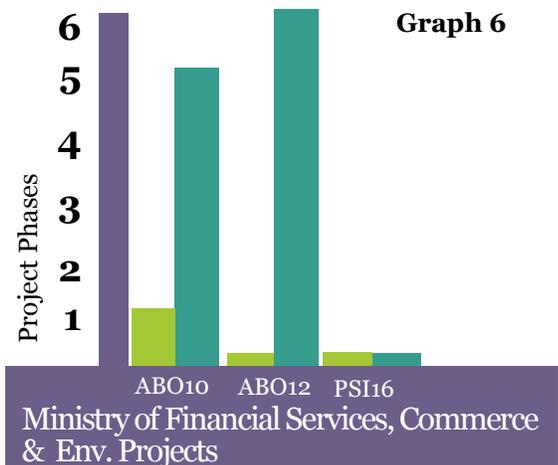
The Cabinet Office has four (4) projects, one (1) of which has been completed and closed, and three (3) are currently being progressed.



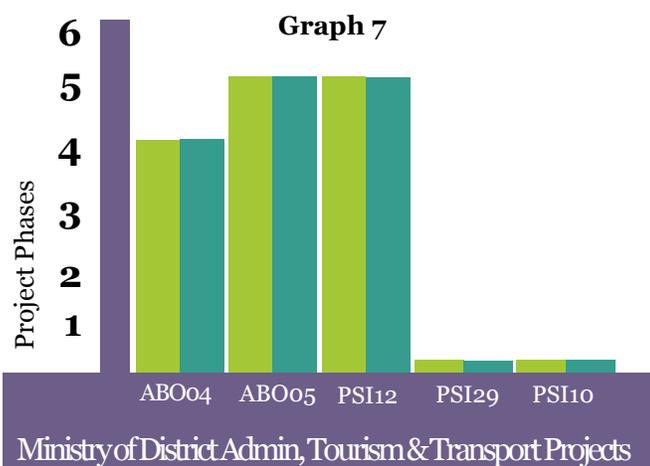
The Ministry of CAY&S has three (3) projects, all of which are being progressed.



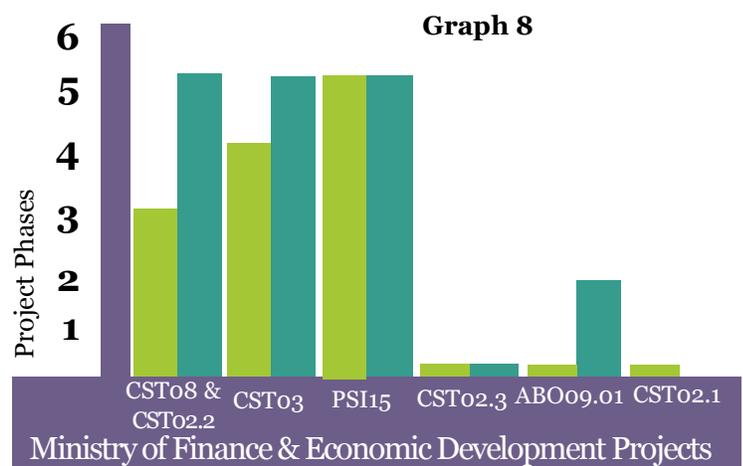
The Ministry of EE&GA has seven (7) projects, one (1) of which is new since May 2016. Five (5) are currently being progressed.



The Ministry of FSC&E has three (3) projects, two (2) of which are currently being progressed.



The Ministry of DAT&T has five (5) projects, three (3) of which are currently being progressed.

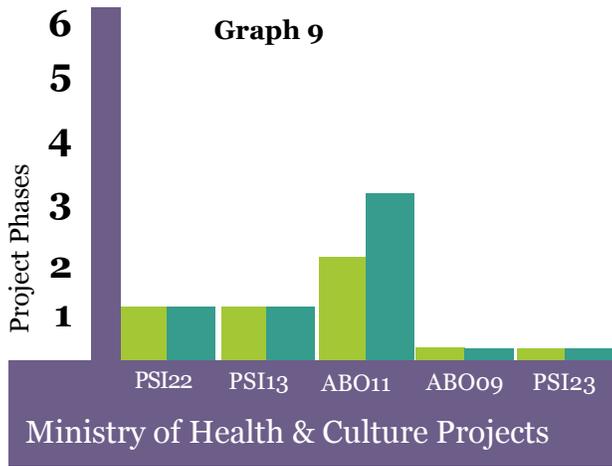


The Ministry of F&ED has six (6) projects, two (2) of which have been merged. Four (4) are currently being progressed.

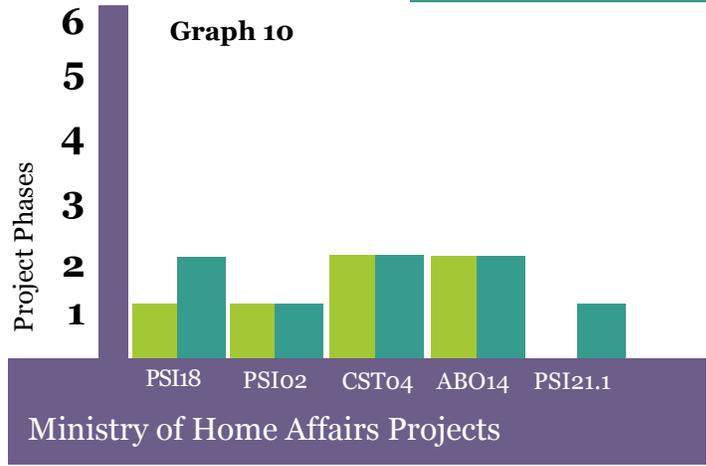
# Overview: Project Future by the Numbers

## Overview of Projects by Phase and by Ministry/Portfolio, as at 30 November 2016

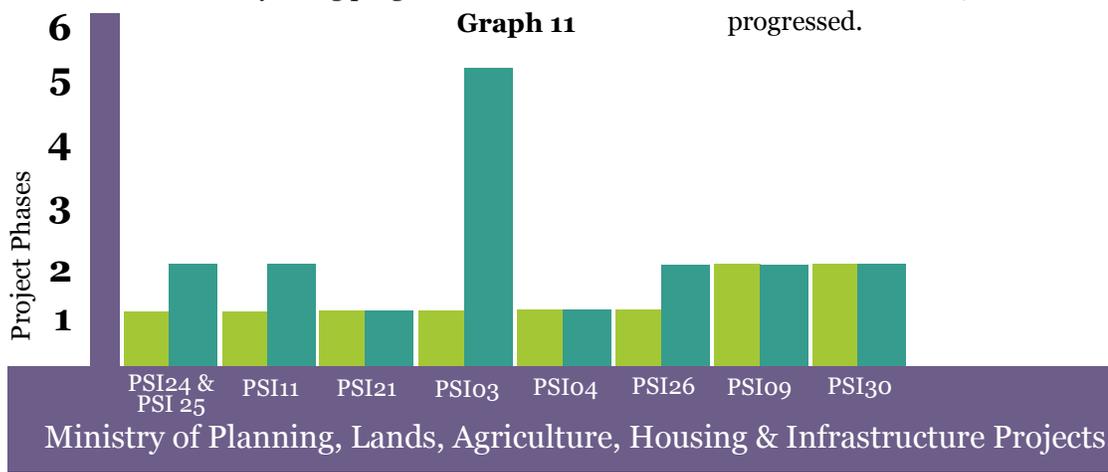
May 2016  
November 2016



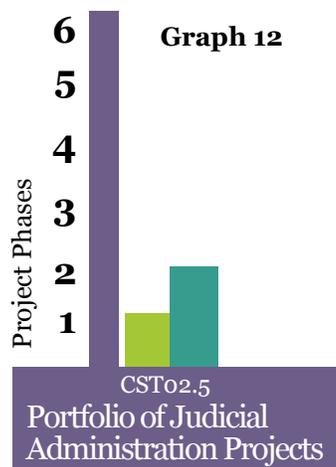
The Ministry of H&C has five (5) projects, three (3) of which are currently being progressed.



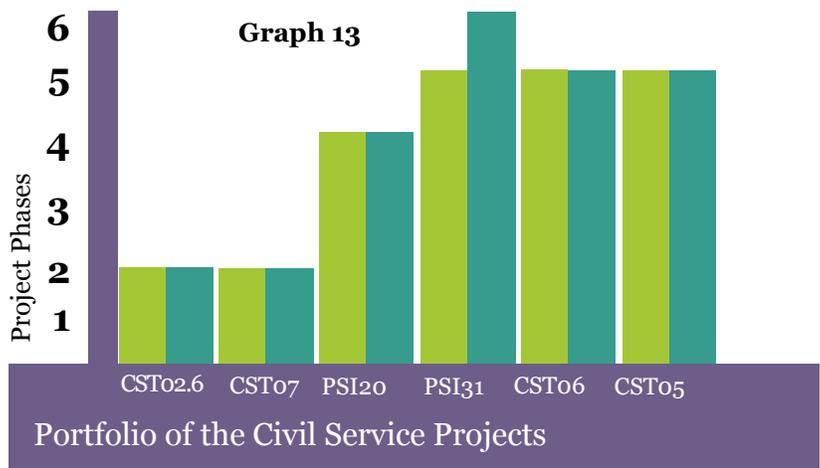
The Ministry of HA has five (5) projects, one (1) of which is new since May 2016. All are currently being progressed.



The Ministry of PLAH&I has eight (8) projects, two (2) have been merged and three(3) have been stepped down for immediate implementation. All eight (8) are currently being progressed.



The Portfolio of Judicial Administration has one (1) project, which is currently being progressed.



The Portfolio of Civil Service has six (6) projects, all of which are currently being progressed.

## 4. PROJECT FUTURE IN ACTION

*Project Future* aims to build expertise and capability among Civil Servants to manage and deliver projects effectively and efficiently. To date over 80 civil servants have been trained in business case writing and around 75 have participated in project management training.

Since the launch of the programme civil servants have been actively applying these newly developed skills to take forward projects within the *Project Future* programme. This section shares some insights from Civil Servants involved in four (4) *Project Future* projects.

### ***Ministry of Community Affairs, Youth and Sports explores options for the future of CAYS***



***Sophy Broad and Debbie Ann Whittaker, MCAYS***

Policy Officers Sophy Broad and Debbie Ann Whittaker recently completed a Strategic Assessment for the Project PSI-6: Explore Options for the Future of Children and Youth Services Foundation (CAYS). It has been approved by Cabinet, and they are now completing a more detailed analysis, which will be presented in an Outline Business Case.

#### **Q1: Why does this project matter?**

SB: The CAYS Foundation deals with children and youth who have been remanded or court-ordered into its care. These are our most vulnerable children and they are often voiceless, so we have an obligation to advocate on their behalf, invest in their future and provide the best services we can to support them.

DA: So many agencies touch these children's lives. We want to ensure that they are collaborating in ways that are effective, so that the children can have a high quality service once they come in contact with the system.

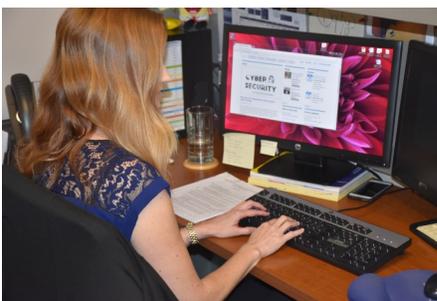
**Q2: You have successfully completed a Strategic Assessment and you are now working on an Outline Business Case. What was your experience like?**

DA: Having this project and approach sanctioned by Cabinet allowed us to do research-based work. There are often a lot of criticisms about how the Civil Service makes decisions. However, this approach gave us the opportunity to strategically review and consider all options and to compare their advantages and disadvantages.

SB: This process gave us time to think strategically about where we are and where we need to be. It would be good to see it established and grounded more widely across the civil service.

**Q3: Some people may question whether the Civil Service can be objective and ask the hard questions for these reports. Do you think you were able to do this?**

SB: Yes. It was important to not have an agenda but to focus on really understanding and accurately capturing what is happening now, as opposed to what we thought was happening. We had to have lots of discussions and ask lots of questions not only amongst ourselves but with stakeholders too. And even though we have worked in the system for years and thought we knew the system, we found there were things we didn't know and wouldn't have known if we hadn't undertaken this process.



**Q4: An exercise like this can create a lot of anxieties for the people in the agencies that are being reviewed. What was your experience?**

DA: They were very receptive. We went in with an open mind, seeking information and wanting to clarify and make sense of what was happening. And we worked really hard to prepare our stakeholders. We told them about the project in advance, so that when we contacted them, they were prepared. Sometimes we can be so critical and

negative that we take away from the good that is happening and we don't give credit for it. We tried to be balanced.

**Q5: What is the most important thing you will take away from this experience?**

SB: I take away that no person is an island. This Strategic Assessment is really the result of collaboration and, while we're listed at the Business Case Writers, we couldn't have done it without the expertise of those in our agencies and the support of the SRIU.

DA: For me this experience has reinforced the importance of carefully analyzing ideas and options in order to improve our decision-making processes.

## ***Ready2Work KY project tackles unemployment***



***Dr. Tasha Ebanks Garcia (fourth from right) along with members of the NWDA team delivering the Ready2Work KY programme, (l-r) Leni Tatum, Tania Ebanks, Paul Puckerin, and Dianne Conolly.***

The Ready2Work KY pilot project aims to support local employers as they seek to hire and retain Caymanian employees. It also provides support and services to unemployed Caymanians, to help them access and maintain employment. The pilot will close in January, 2017. Dr. Tasha Ebanks Garcia is leading a project team from the National Workforce Development Agency and the Needs Assessment Unit.

**Q1: Why does this project matter?**

A: This project matters because our people matter. This project matters because the effect of unemployment is far reaching. From crime levels, to student performance, to harmony in marriage, unemployment influences all areas

of our life and our community. This project matters because despite unemployment trends moving in the right direction some of our people still remain unemployed and they matter.

**Q2: This project was introduced in Feb 2016, within 3 months of the formal launch of the Project Future programme. How did it move forward so quickly?**

A: This was largely due to the fact that since 2013 the Cayman Islands Government has engaged in strategic efforts to address unemployment. While the planning phase for this project formally began in November 2016, the work that was needed to provide the foundation to deliver of this project had already taken place. This positioned the civil service to move this project forward rather quickly.

**Q3: So what specifically is this project delivering?**

This project is piloting a concept for addressing unemployment, drawing on research conducted by the Cayman Islands Government and through collaboration with key stakeholders. It provides for: an assessment of the skills, interest, abilities and any barrier to employment; soft and technical skills training; support with recruitment activities; guidance as job seekers transition into employment; group support and individual coaching; and support in accessing services needed to address any barriers to employment.

**Q4: This project has already delivered some tangible results. Tell us about these.**

A: Every week we are seeing successes as participants take steps on their journey to accessing long term employment. One key result is that as of December 8th, we had 108 active participants in the programme. And of those, 61 persons are employed - 30 persons are in long-term employment and another 31 are in short-term/probationary employment that has the real potential of transitioning into long-term employment. The other participants are engaging with activities and services provided by the programme to make themselves job ready.

**Q5: What can you tell us about how the project is impacting the people participating in the project?**

A: We have seen changes that are not so easily reported through hard data. We have seen the level of confidence increase among participants, improved skills in the area of communication, conflict resolution and the ability to work well with others and in a team environment. We have seen the level of self-awareness increase as participants take responsibility for their actions and begin to hold

themselves accountable for their performance and the choices they make.

**Q6: Are employers on board?**

A: Employers have told us that having the support of the Ready2Work KY Team as they seek to employ Caymanians has been helpful. Employers have shared that they can now focus on their business while the Ready2Work KY team provides the support needed to job seekers as they transition into employment.

**Q7: How much has the project cost so far?**

A: The good news is that the project is under budget! In 2015/16 \$14,248.56 was spent from a budget of 459,576.00. So far only \$91,614.54 has been spent from the 2016/17 budget of \$1,205,000.00. Should the decision be made to continue with R2W KY after the close of the pilot any savings will be put towards the continued delivery of the programme.

**Q8: So based on what you have learned through this project so far, what are some of the most effective things we can do help Caymanians who are unemployed find work?**

A: This project has emphasized the importance of drawing on data to inform the direction of travel. For this project we used data from the June 2015 IMCE Report to determine what elements we needed to include in this employment programme in order to design a programme that met the needs of both employers and job seekers.

After reviewing the June 2015 IMCE report we learnt that the most important thing that we can do to help Caymanians who are unemployed is to empower them with skills and support them to overcome any barriers.

We have also learnt that programmes like this must focus on creating long-term, sustainable change. By empowering Caymanians with the skills they need to access and maintain employment, we create a community where people can independently access employment, successfully transition from one job to the other, and navigate the labour market on their own.

**Q9: What is the most important thing you will take away from this experience?**

A: *Project Future* has challenged us in ways that we had never been challenged and has done so in a very public forum. Almost simultaneously we were moving forward with the delivery of projects, receiving the necessary training and changing systems and processes. While some note the amount of time that has lapsed since the release of the EY Report, the catalyst for *Project Future*, what people often fail to note is the work that has been

accomplished across the civil service as it prepared to take on this massive change agenda; work that has fundamentally changed the way we do business. From this experience I walk away very proud to be a Civil Servant.



***Ready2Work KY participants engaged in training, development and recruitment activities.***

***PWD takes strategic steps forward to improve***

Levi Allen is responsible for Organizational Development the Public Works Department. He worked with Director, Max Jones and other Senior managers to complete a Strategic Assessment which tackles options for improving the services provided by the Public Works Department (Project: PSI24). The document also incorporates a review of the services provided by the Recreation, Parks and Cemeteries Section of PWD (Project: PSI25). Now that the Strategic Assessment has been approved by Cabinet, the PWD team are working with key stakeholders on a more detailed analysis, which will be presented in an Outline Business Case.

**Q1: Why does this project matter?**



**Levi Allen, PWD**

A: We have a vision which sees PWD becoming the service provider of choice for Government agencies needing design, construction and maintenance Services of public buildings and facilities. To fully

achieve this vision we need to make significant changes in a number of areas. This project is about identifying how we can make these changes.

**Q2: In the Strategic Assessment, you discuss some of the specific outcomes you are hoping to achieve with this project. What are these?**

A: In our document we set out five key ones. They are:

1. To increase efficiency and productivity and reduce the cost to government of current PWD activities.
2. To increase customer satisfaction with the services provided by PWD.
3. To ensure effective procurement, contracting and contract management of any supplies, services or works carried out by the private sector and seek new opportunities for private sector involvement.
4. To maintain and if possible enhance national resilience and emergency management capability.
5. To enhance opportunities for technical and vocational training and to promote Caymanian employment

**Q3: Given these objectives, what would a successful project mean for the Civil Service? What would it mean for the general public?**

A: As PWD’s main clientele are actually other Civil Service entities, achieving the outcomes of this project would firstly mean improvements in the standards of design, construction and the quality of maintenance services in schools, government offices and public Facilities. There would also be a direct impact on the many men and women employed with the organization who would have received greater opportunities for professional and career growth through the training and development which is proposed. The public in general would, in addition to having access to improved facilities at sporting complexes, beaches and parks, also have the reassurance that public funds are being utilized in the most efficient and sustainable fashion possible.

**Q4: This Strategic Assessment combines two separate projects? Why was that done?**

A: Initially, a separate review was proposed for the Recreational Parks & Cemeteries Section (PSI25). However, a recent merger has resulted in a seamless integration of the unit in the department’s operational structure, so the former RPCU is now simply another section of the department with common support systems and a unified management structure. We therefore examined PSI 24 & 25 jointly, taking care to identify any unique challenges or opportunities facing each section. In so doing, all opportunities for economies of scale, synergy and efficiencies would be maximized.

**Q5: In your strategic assessment, you explore what will happen if no changes are made to the way things currently are done in PWD (the “Do Nothing” option). What were your most important findings?**

A: The stakeholder consultations to date indicate reasonable satisfaction from a majority of Public Works Department’s clients and that they are pleased with the level of interest and commitment shown by most employees. However, it has been established that there is need for greater quality assurance and there is still a perception of inefficiency carried over from previous years.

In order for the Department to maintain relevance, meet the needs of its clientele and inform and guide its priorities, PWD must find ways to re-invent itself while maintaining those things that have worked well.

**Q6: Tell us about the options you have recommended to be taken forward for further analysis. What difference could they make?**

A: Having conducted a high-level strategic review, there is clearly scope for improved efficiencies. The option for restructuring and creating opportunities for greater efficiency and private sector involvement appears to be the most viable course of action. Low hanging fruits clearly lie in the reengineering of our material supply chain and further enhancing the skillsets of our technical and professional staff.

There will also be need for the streamlining of the section’s management structure to ensure the department is flexible enough to respond to client demands. This would entail placing greater emphasis on Facilities Management, management of minor works projects, both as discrete units and ensuring even more robust second tier management of the maintenance function exists. Government must retain capacity on several fronts and this project will facilitate several of them, namely:

- The capacity for available skilled manpower to respond in emergencies such as natural disasters as well as provide a response to man-made hazards.
- The capacity to facilitate training and development of youth interested in careers in construction enabled through the Departments Internship and apprenticeship programmes.
- The ability to respond to project initiatives with short lead time. Enhanced capacity to provide technical advice and assistance to agencies on the Maintenance of governments building assets.
- To develop a Customer Service policy/charter. This would include a mechanism for constant client feedback for creating opportunities to delight clients and exceed their basic expectations
- To efficiently manage additional outsourced packages of work

**Q7: In completing the Strategic Assessment, you used the business case methodology introduced to the Civil Service for *Project Future* projects. What was your experience like, overall, in using this methodology?**

A: The prescribed methodology was intuitive, and as such was not difficult to follow. The SRIU team was very flexible and open to proposals on ways to tailor make the methodology to suit some of the nuances of particular projects.

**Q8: How did it help you with your project?**

A: It allowed for consistency in developing material under the project by several persons at one time, in that collaborative work could be done without unnecessary overlap or need to realign work done by sub committees because each individual could work to an unified set of guidelines.

**Q9: What were the main challenges? How did you overcome them?**

A: The main challenge has been balancing the competing priorities of normal workloads with the deliverables of the PF Schedule. Though the targets are achievable, the significance and long-term impact of a project such as this necessitates robust research, broad consultation and careful thought.

The strategies we have employed are to allocate specific project time and schedule deliverables with as much lead time as possible while incorporating built-in redundancies.

**Q10: What is the most important thing you will take away from this experience?**

A: A more finely developed competence in complex project delivery, and a feeling of realistic hope having seen CIG’s ability to break away from “thinking in silos” and delivering initiatives with distinct “whole of government” benefits.



***Ian Tibbetts,  
Director E-  
Government***

## ***Innovating through E- Government***

As the Director for E-Government, Ian Tibbetts is directing the E-Government Project: ABO15. He is an experienced program and project manager, with extensive private sector experience, in the field of communications.

**Q1: Why does your project matter?**

This is especially important because the E-Government Initiative was a high priority of the Elected Government - appearing in their manifesto and there is tremendous buy in to deliver tangible results to end users.

It delivers things persons interacting with the Cayman Islands Government have said they want to see in terms of new services and how they access them.

Cayman is a leading offshore financial center in the physical realm and this project will position it to be a leader in the digital realm, potentially the first offshore financial center to implement the gold standard in secure e-government services based on the Estonian Model. We are aware that competing jurisdictions and other Caribbean islands are exploring the possibility of implementing the same solution.

It will provide a mechanism to significantly reduce the reputational risk Cayman carries today due to the reliance on single-factor authentication for identity verification for online services for both public and private sector.

It creates a foundation for more efficient provision of services from Government that will reduce the cost to provide services for Government and improve the customer experience with the ability to offer cross departmental services where customers can have a “one



*E-Government Project Team finalises work plan.*

stop shop” experience.

**Q2: What does your project set out to deliver?**

It seeks to create a convenient portal for customers to securely access all government online services which will save time for customers.

It will provide an electronic ID card that will be available to residents and other persons who want to access government services that require the identity of the user to be reliably known. The eID card will allow strong authentication of the user and in the future can be extended for use within the private sector e.g. banks, utilities and insurance companies if private sector entities are interested.

It will also provide a mechanism for the different government computer systems to securely and confidentially exchange information in a manner that the event can be proven for legal standing and that the user can see if a government entity has accessed their personal data. This mechanism is called an interoperability system.

In addition, it will introduce new services that transcend government departments without requiring the customer to visit or interact with each department individually.

It will also offer online payment for more services.

**Q3: What benefits can the general public expect?**

One location online to access government services instead of different sites for each department’s services.

New services available online which will eliminate or

reduce travel time and give them the flexibility to access or request government services 24x7.

The ability to complete services with a single interaction both online and face to face which otherwise would normally require in-person visits to multiple government entities.

The confidence to know that no individual purporting to be someone else can gain access to government services online by using their password.

Reduce and eventually get rid of the plethora of usernames and passwords for accessing different government services online

The ability to see who has accessed their personal data.

**Q4: What benefits can the Civil Service as an organization expect?**

The ability to provide a one-stop shop experience to customers and faster completion of requests with interoperability between systems will result in happier customers which makes for increased job satisfaction.

The interoperability of systems will reduce the laborious and tedious work allowing our people to focus more on serving customers and capitalizing on new opportunities

The Civil Service will be able to pride itself in having the most advanced e-government offerings in the region

**Q5: What are the key areas of progress you have made to date?**

We are going through the relevant procurement processes

to source expert advice and assistance with the implementation of the elements of the project based on the Estonian Model. We have identified at least one economical source with extensive expertise and experience in assisting governments with this.

We have identified new services to be made available online that are in high demand and currently require considerable completion time for customers. The business process owners are engaged, excited and pushing forward with us.

The internal resources to complete most tasks have been identified and are being mobilized to do what can be done.

**Q6: From your experience, how can using a formal project management methodology benefit projects undertaken in the civil service? What are the challenges?**

The use of an appropriate formal project management methodology significantly increases the likelihood of on time and on budget delivery of projects and program objectives. This is particularly true for complex projects and programs of projects such as the E-Government Project where the scope and scale would make it overwhelming without a structured approach.

The challenge with following a formal project management methodology is maintaining the integrity of the structured approach while not getting so caught up in the methodology that you lose site of the project objective. Basically it should always be recognized that a formal project management approach is effectively a tool to be used and its use is not the end in of itself. Like most tools you need to pick the right one for the job and use it appropriately.

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## ***Project shines a spotlight on procurement***

Craig Milley is the first Director of Procurement for the Civil Service. His *Project Future* project on “Improving Government Procurement” has engaged him in establishing the Government’s first Central Procurement Office and working with the Procurement Law Committee on new legislation.

**Q1: Why does this project matter?**

CM: Procurement is important to the Cayman Islands as a whole; it is even mentioned in the Constitution. In the 16/17 budget (18 months), the government, including

SAGC’s will procure \$346 million of supplies and consumables. That’s approximately 30% of Government’s total recurrent expenditure. If we want to get value for money we need to have trained persons to do the procurement and a robust legal framework to support the function.



***Craig Milley , Director of Procurement***

**Q2: How is procurement done at the moment?**

CM: Although there are some procurement regulations in the Public Management and Finance Law, there is no overarching framework for Government procurement. Back in 2011, the Office of the Auditor General issued two reports that were highly critical of the management of procurement.

**Q3: So this project aims to address these areas of weakness?**

CM: Yes. We are working to address issues with existing public procurement government governance and practice. We want to bring a more professional approach to procurement, train public servants. We also want to achieve better value for money and bring down the costs of running the government.

**Q4: This project was already in progress when the Project Future programme was launched in November 2015. How did it start?**

CM: In January 2013, a Procurement Sub-Committee report recommended the creation of a central procurement office, improvements in procurement processes, enhanced oversight of processes and leveraging of shared contracts”.

**Q5: So your appointment as Director came as a result of that work?**

CM: Yes, I was appointed in January 2015. The EY report had been published just a few months earlier, so as I moved forward, I was aware of the recommendations included in the report around improving procurement. These were largely accepted by Cabinet for the *Project Future* programme.

**Q6: It's been a year since your project transitioned onto the *Project Future* programme. What progress has been made?**

CM: The passage of the new Procurement Law in October 2016 was a key milestone for the project. We have also trained over 160 public servants on the new law since June 2016 and this is ongoing. We have rolled out new templates for digitalized bid documents, new software that allows us to do electronic bid receipts, and online evaluations.

**Q7: Will local suppliers benefit from this new procurement regime?**

CM: Local companies will be given preference in the procurement process, as long as value for money is maintained. We need to take into account the socio/economic factors to encourage local suppliers. This may involve simplifying tender documents, not placing unreasonable demands in the specification or considering splitting projects into smaller ones so that the local market can respond.

**Q8: One of the key deliverables for your project was the introduction of an Electronic Reverse Auction Pilot, to identify and pursue savings. What exactly is this?**

CM: A reverse auction is a type of auction in which the roles of the buyer and seller are reversed. In an ordinary auction buyers compete to obtain goods or services by offering increasingly higher prices. In a reverse auction, the seller competes to obtain business from the buyer and prices will typically decrease, as seller underbid each other.

**Q9: You've actually introduced the reverse auction concept already. How did it go?**

CM: The first reverse auctions have resulted in costs savings of CI\$ 155,475 for the procurement of ICT equipment. In December, we will conduct a reverse auction for the first Government-wide contract for office

supplies and paper products. We are expecting some significant savings, working with the local supplier community (this auction is limited to on-island suppliers).

**Q10: What else is on your agenda as your project continues?**

CM: Getting the new Procurement Law was important. This marks the beginning of the next important phase, which is the implementation of the Law. This involves the development of new Regulations, and the establishment of new bodies such as the Public Procurement Committee, the Public Sector Investment Committee, and entity procurement committees within individual Ministries. We are also working on developing a new public reporting facility for contract opportunities and awards, to build a repository for all of the tools and templates for public servants. We will be developing a procurement Code of Conduct, to regulate the behavior of both suppliers and public servants involved in the procurement process, to deal with issues such as conflicts of interest.

**Q11: It seems that training for public servants will need to continue as an ongoing priority.**

CM: Training for public servants will continue to be one of our main areas of focus, on the new law, new methods, new technology. It really is a paradigm shift.

**Q12: How have these changes been received so far?**

CM: I've been blown away by the level of readiness to change. I haven't experienced a lot of resistance. Everyone wants to do better. Now it is more about having the capacity to respond to demand.

**Q12: How have you used the *Project Future* project management methodology in your project?**

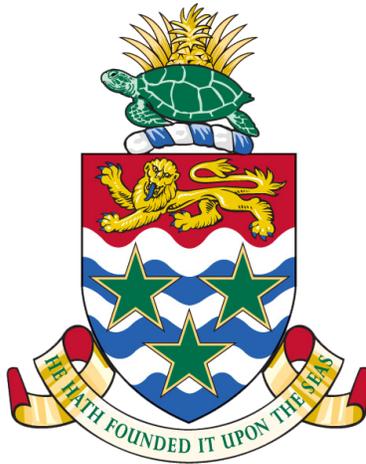
CM: It has meant that there is a focus on planning, documentation, critical thought and a disciplined approach to change and improvement. Now that we are in the Execution phase. I am constantly going back to my Work Breakdown Structure, and I use this as a touchstone for where we have come from and what still needs to be done.

**Q13: What is the most important things you will take away from this experience?**

We are in a transition period- not where we ultimately want to be, but we are making significant progress. There is a lot of work remaining that needs to be done in a careful thoughtful way. And in a way that is sustainable.

# Appendix I - List of Projects by Project Code

ABO01 - Creation of a Policy Framework (Cabinet Office)	CST09 - Improving Customer Service (PoCS)
ABO02 - Modernisation of Social Assistance Programmes (CAYS)	PSI01 - Exploring Ways to Improve Efficiency and Effectiveness of Light Vehicle Maintenance (PLAHI)
ABO03 - Effective Work Programmes - Ready2Work (EEGA)	PSI02 - Improving the Effectiveness of Arrangements for Developing and Implementing Drugs Policy (HA)
ABO03.01 - Explore Best Arrangements for the Administration of Work Permits (EEGA)	PSI03 - Improving the Efficiency and Effectiveness of Planning and Building Inspection (PLAHI)
ABO03.02 - NWDA Clearinghouse (EEGA)	PSI04 - Explore the Potential to Commercialise the National Mail Service (PLAHI)
ABO04 - Development of Cruise Berthing Facilities (DATT)	PSI06 - Options for the Future of the Children and Youth Services Foundation (CAYS)
ABO05 - Modernising Facilities at Owen Roberts International Airport (DATT)	PSI09 - Rationalisation of Property Holdings to Support Investment (PLAHI)
ABO07 - Transform Education Governance and Drive an Improvement in Standards (EEGA)	PSI10 - Options for the Future of the Turtle Farm (DATT)
ABO08 - Merger of Schools in the Brac (EEGA)	PSI11 - Options for the Future of the NRA and its Operational Activities (PLAHI)
ABO09 - Explore Potential to Transform Health Provision (HC)	PSI12 - Options for the Future of the Tourism Attractions Board (DATT)
ABO09.01 - Options for the Future Operation and Funding of CINICO (FED)	PSI13 - Explore Potential to Improve Debt Collection (HC)
ABO10 - Improve Government Support to New Businesses (FSCE)	PSI15 - Customs Efficiencies (FED)
ABO11 - Develop and Implement a New Sustainable Waste Strategy for the Cayman Islands (HC)	PSI16 - Explore the Potential to Commercialise the Stock Exchange (FSCE)
ABO12 - Extending Support to the Financial Services Industry (FSCE)	PSI18 - Options for Improving the Efficiency and Effectiveness of Prisoner Transport (HA)
ABO13 - Explore Approaches to Early Intervention to Support Young People at Risk of Criminality (CAYS)	PSI19 - Options for the Future Regulation of Private Sector Pensions (EEGA)
ABO14 - Explore a Comprehensive approach to Incentivising Positive Business Behaviours (HA)	PSI20 - Creation of an Office of the Ombudsman (PoCS)
ABO15 - Implementing E-Government (Cabinet Office)	PSI21 - Options to reconfigure Government Security Services to Reduce Cost & Improve Effectiveness (PLAHI)
CAB - Move London Office to Cabinet Portfolio (Cabinet Office)	PSI22 - Explore Options to Improve the Efficiency and Effectiveness of Government Catering Services (HC)
CST01 - Improving Government Communication Activities (Cabinet Office)	PSI23 - Explore Benefits of the Creation of a Single Cultural Entity (HC)
CST02.1 - Explore Potential to improve the efficiency and effectiveness of Support Services through a Shared Services Model (FED/PoCS)	PSI24 - Options to Improve the Efficiency and Effectiveness of Public Works' Operations (PLAHI)
CST02.2 - Increase the Level of Oversight by the Central Finance Function (FED)	PSI25 - Options to Improve the Efficiency and Effectiveness of Parks, Recreation & Cemeteries (PLAHI)
CST02.3 - Re-introduce Interagency Charging (F&ED)	PSI26 - Options to Improve the Efficiency and Effectiveness of Land Surveying Services (PLAHI)
CST02.5 - Explore Potential to Improve the Efficiency and Effectiveness of Tribunal Administration (Judicial)	PSI27 - Options to Improve the Efficiency and Effectiveness of Vehicle Safety Inspections (PLAHI)
CST02.6 - Merger of Internal Audit and HR Audit (PoCS)	PSI28 - Options to Improve the Efficiency and Effectiveness of Driving Tests (PLAHI)
CST03 - Improving Government Procurement (FED)	PSI29 - Options for the Future of the Native Tree Nursery (DATT)
CST04 - IT Transformation - Programme (HA)	PSI30 - Creation of a Single Utilities Commission (PLAHI)
CST05 - Improving performance management within the civil service (PoCS)	PSI31 - Raise the Retirement Age for Civil Servants (PoCS)
CST06 - Policy to Safeguard Civil Servants Impacted by Organisational Re-Arrangements (PoCS)	
CST07 - Modernising Terms and Conditions of Civil Servants (PoCS)	
CST08 - Explore Potential Solutions to Problem of Qualified Audit Opinions (FED)	



# CAYMAN ISLANDS GOVERNMENT

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