



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

**Request for Supplementary Funding via Section 11(5) of
the Public Management and Finance Act (2020 Revision)**

2023 December Meeting of Parliament

Mister Speaker, I wish to make a statement as to the circumstances and reasons why I, as Minister for Investment, Innovation and Social Development had to request increases in expenditure in the **2023 Budget, under Section 11(5) of the Public Management and Finance Act (2020 Revision)**.

Mister Speaker, the Needs Assessment Unit is the Government's primary vehicle to distribute financial assistance to eligible Caymanian households. Approximately two-thirds of its recipients are persons over 65 years of age, and persons with long term disabilities which prevent them from engaging in gainful employment. A smaller proportion of the recipients are unemployed and underemployed, and low-to-no income families with dependent children.

The financial support given by the NAU, via TP 41, pays for bills such as rental housing and utilities, food and clothing, education (pre-school) fees, medical travel and equipment. Included within the remit of the NAU is ex-gratia payments made to seafarers and veterans, or their surviving spouse.

TP 41 depleted at an accelerated rate for the following reasons:

- a. Increased cost of living during the budget period; and

- b. In addition, the following unanticipated demands from transfer of the tourism worker stipend from the Ministry of Border Control and Labour to NAU occurred in the latter part of 2022.

As such Mister Speaker, in April 2023, Cabinet approved a supplementary funding by way of section 11(5) of the Act to increase TP41 by \$5,250,000; though it was acknowledged that by August or September 2023, TP 41 would be exhausted and the Ministry would return to once again request supplementary funding so that TP 41 could be sustained.

In August 2023, Cabinet approved a supplementary funding for the Needs Assessment Unit by way of section 11(5) of the Act to increase TP 41 Financial Assistance by \$1,900,000 so that TP 41 could fund the immediate needs of the NAU.

In October 2023, Cabinet approved a supplementary funding for the Needs Assessment Unit by way of Section 11(5) of the Act to increase TP 41 Financial Assistance by \$3,250,000; and increase TP 47 Ex-Gratia Benefits to Seamen and Ex-Servicemen by \$390,000. The supplementary funding for NAU was required for them to continue delivering their services.

With support from Cabinet, the Ministry increased the Seafarers' and Veteran's Ex-Gratia Benefit and the amount for Long-Term Financial Assistance from \$950 per month to \$1250 per month based on the financial need of recipients and the fact that these amounts have not increased for several years yet cost of living increased. This increase was accounted for in the request to Cabinet in April 2023, but has led to a deficit in TP 47.

The supplementary funding was necessary and urgent to avoid disruption of essential services to at risk Caymanian clients of NAU and to taking account of cost of living increases.

Mister Speaker, the Ministry of Investment, Innovation and Social Development received an increased appropriation in the amounts of **CI\$5,250,000.00 in April, CI\$1,900,000.00 in August and CI\$3,250,000.00 in October to TP 41 Financial Assistance.** In addition, the Ministry of Investment, Innovation and Social Development received an increased appropriation in the amount of **CI\$390,000.00 to TP 47 Ex-Gratia Benefits to Seamen and Ex-Servicemen.**

Mister Speaker, the aforementioned transactions satisfy the definition of exceptional circumstances given that: the contributing economic factors were beyond the control of Cabinet, many of which could not have been reasonably anticipated at the time of enactment of the Appropriation Law for the 2022 financial year and the social impact in this case is not only significant but necessary.

Mister Speaker these transactions which were approved by Cabinet for the Ministry of Investment, Innovation and Social Development during the 2023 financial period – did not cause any non-compliance with the Principles of Responsible Financial Management.

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

