Statement on behalf of the Honourable Attorney General on the "Exceptional Circumstance" Transactions Incurred During the 2025 Financial Year for the Portfolio of Legal Affairs

Mister Speaker, pursuant to Section (11) 6 of the Public Management and Finance Act (2020 Revision), I wish to make a statement to Members of this Honourable House regarding an exceptional circumstance which was approved by the Cabinet for additional expenses incurred by the Portfolio of Legal Affairs in the 2025 financial year.

Mr. Speaker, the exceptional circumstance required making changes to the 2025 appropriations, which I will briefly explain.

Additional funding totalling CI$210,000 was required in 2025 to cover rental costs in excess of the budgeted amount due to the relocation of the Truman Bodden Law School (TBLS) as well as to cover the cost of living and certain salary adjustments of lawyers for our Law Reform team.

<u>Truman Bodden Law School</u>

By way of background, Mr. Speaker, the TBLS operated from the Tower Building up until Hurricane Ivan in 2004. It then relocated to leased premises on the 2nd and 3rd floor of the CIBC Building on Edward Street (since renamed Monaco Towers), where it remained until June 2024.

The lease with Monaco Towers was due to expire in June 2024. Given certain issues with the premises and the proposed renewal terms, the TBLS worked with the Lands and Survey Department to identify alternative accommodation. After conducting a property search, the 2nd floor of Artemis House was identified as a suitable option for consideration.

Artemis House was recommended for the relocation of the TBLS based on the more favourable rental costs, the ability to house all of the TBLS on a single floor and the fit-out (both for TBLS' current needs and future expansion).

On 13th February 2024, Cabinet approved the relocation of TBLS to Artemis House.

Additional funding of $150,000 was required to cover the shortfall between the budgeted amount for rent in 2025 and the increase in rent for Artemis House.

Law Reform Division

On 10th October 2024, the Government announced its support for a 5% Cost of Living Adjustment (COLA) for the Civil Service, which would take effect on 1st January 2025. The costs relating to the COLA and a salary adjustment for lawyers were not included in the 2025 budget and therefore additional funds are required to cover these costs.

In 2025, as part of a wider CIG initiative to modernize HR through the introduction of job families and professional standards, work was undertaken on the development of a comprehensive HR strategy to better recognise the value of the legal services delivered by the Portfolio (and Office of the Director of Public Prosecutions) and their strategic importance to CIG's Outcomes, and enhance the delivery of those services through improved recruitment, development and retention of high calibre employees (including Caymanians) at all levels of the profession.

Additional funding of $60,000 was required to cover the cost of living adjustment and salary adjustment of lawyers for our Law Reform team which was effective from January 2025.

Exceptional Circumstance

The need for the additional funding is an exceptional circumstance since the increase in rent could not reasonably have been anticipated during the 2024-2025 budget preparation. Further, if suitable alternative premises had not been identified, the operations of TBLS and the delivery of tertiary legal education could have been compromised by remaining in accommodation that was not fit for purpose.

Similarly, the need for the additional funding to cover the salary increases for our employees of the Law Reform team could not reasonably have been anticipated during the budget preparation

The following change was approved by Cabinet via Section 11(5):

a. Decrease 2025 appropriation:

   LGA 6 Financial Intelligence Services $(210,000)

b. Increase 2024 appropriation:

   LGA 3 Law Teaching and Publications by $150,000
   LGA 7 Review and Modernization of Acts by $60,000

Conclusion

Mr. Speaker, the above exceptional circumstance which was approved by the Cabinet for the Portfolio of Legal Affairs for the 2025 financial year, along with the overall effect on the Government's compliance with the Principles of Responsible Financial Management, can be found in the 2026 Supplementary bills.

Thank you, Mr. Speaker.