

19-21 Broad Street | St Helier
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Connétable M. K. Jackson
Chairman Environment, Housing and Infrastructure Scrutiny Panel
By Email

6th August 2020

Dear Chairman,

Thank you for letter of 24th July regarding the appointment of Tenancy Deposits (Jersey) Ltd. – trading as mydeposits Jersey – as the scheme administrator for the tenancy deposit scheme. I have included a number of documents relating to the procurement process for the Panel's consideration.

By way of background, a competitive tender process began in February 2020 to appoint a scheme administrator for the tenancy deposit scheme. Several companies expressed interest in operating the scheme. Tenancy Deposits (Jersey) Ltd. was the only company to submit a bid.

No local companies submitted bids but, based on the experience of the 2014 tender process, we anticipated that the number of bids would be low due to the specialised nature of the service and the considerable outlay required to establish a scheme on a viable basis.

However, Tenancy Deposits (Jersey) Ltd. was subject to the same evaluation process to make sure that it has submitted an appropriate bid. Based on the evaluation feedback, the good performance of the mydeposits Jersey scheme since it commenced in 2015, and the strength of the company's working relationship with stakeholders such as Environmental Health and Citizens Advice Jersey, I agreed to the appointment in April 2020.

Regrettably, progress was delayed as a result of Covid-19 and Government officers being directed to other operational areas, but the contract with Tenancy Deposits (Jersey) Ltd. is in process and will be agreed in due course prior to the appointment taking effect at the end of October 2020.

By way of context, the process to appoint a scheme administrator for the tenancy deposit scheme commenced in February 2020. The timetable below sets out the process:

Activity	Date / Time
Open Expression of Interest / ITT	Monday 3 rd February 2020
Tender close date & time	Friday 6 th March 2020
Tender evaluation process	W/c 9 th March 2020
Supplier presentations / interviews	W/c 23 rd March 2020
Evaluation process complete	W/c 30 th March 2020
Preferred supplier notified	W/c 6 th April 2020
Contract documentation finalised	Negotiation in April 2020 with a view to finalisation by June 2020 or earlier
Supplier implementation period	To be agreed subject to project plan provided as part of the ITT
Contract start date	1 st November 2020

Contract end date	As set out in section 2.1 - a period of 5 years after the contract start date (up to 2025) with the final 2 years subject on satisfactory performance.
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It was my hope that the £21 protection fee could have been reduced or removed as interest rates had risen since 2015. However, the economic impact of Covid-19 means that it is no longer viable to reduce the fee at this point, though we will keep it actively under review.

I believe that having a tenancy deposit scheme in place is more important than ever owing to the economic impact of Covid-19 and the likelihood for disputes to arise over unpaid rents or charges. The tenancy deposit scheme provides reassurance to landlords and tenants that deductions from deposits will be dealt with fairly and transparently.

It is my ambition to bring the tenancy deposit scheme 'in-house' in the years ahead. However, our current focus is the introduction of a landlord license scheme. Once a landlord license scheme has been established, it would be a good opportunity to explore whether the tenancy deposit scheme could be linked and operated within Government.

However, I would highlight that there are substantial complexities in operating a tenancy deposit scheme, including the technical systems required to provide a service, the provision of an alternative dispute resolution service, and the requirement for associated customer service facilities. It is therefore advantageous to use an external provider with substantial knowledge and expertise in this area, which is reflected in my decision to continue with the mydeposits Jersey tenancy deposit scheme.

I would be pleased to discuss these matters with you further as I am immensely supportive of the tenancy deposit scheme. I would be happy to discuss these matters with the Panel in more detail.

Yours sincerely

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