

2019.07.02

7 Deputy K.F. Morel of the Minister for Children and Housing regarding the performance of mydeposits Jersey: (OQ.172/2019)

Will the Minister provide an update on the performance of mydeposits Jersey and confirm whether, or not, the contract is likely to be renewed in 2020?

Senator S.Y. Mézec (The Minister for Children and Housing):

Since the mydeposits Jersey tenancy deposit scheme was set up in November 2015, 11,992 deposits have been protected in the scheme. The total value of deposits paid into the scheme is £15.1 million. The tenancy deposit scheme is performing well. Mydeposits Jersey achieves the performance indicators that were set out in its contract, including time taken to release deposit money when requested to by a landlord and a tenant and the time taken to deal with customer enquiries. Mydeposits also works closely with Citizens Advice to provide clients with face-to-face support with the scheme and is in regular contact with Environmental Health, to ensure landlords comply with the requirements of the scheme. A full review of the tenancy deposit scheme and tender will commence later this year. Procurement rules mean that a competitive tender must be carried out before November 2020, when the contract with mydeposits Jersey comes to an end and mydeposits Jersey will be able to tender to continue running the scheme, if that is what they wish to do.

3.7.1 Deputy K.F. Morel:

It is still somewhat mysterious as to why an Island full of financial services expertise is unable to be awarded the contract for holding deposits on behalf of tenants and landlords. Will the Minister assure the Assembly that, when it comes to the competitive tender next year, local companies will be invited to tender, or will be ensured to be on that list, because we are an Island full of financial services expertise?

Senator S.Y. Mézec:

I know that it is the case that when the deposit scheme was first introduced, it was envisaged that it would be some local agency that would provide that service and I know that there was work done to try to make that the case, but in the end there simply was not a viable option at that point. Now that we are coming to a point where we are 5 years later and with extra work that has been done in terms of tenancy protections since then, it is perfectly possible that there may well be other agencies locally that are well placed to be able to provide that service, so I would be surprised if there is not an option that is included in this. But, obviously, we will have to go through the rules that we have in place, to make sure that the best option is the one that is picked in the end.

3.7.2 Deputy G.P. Southern:

The Minister talked about going out to tender. Shock upon shock. Has he thought of bringing it in-house, so that we can operate the thing? If you cannot make a profit, a net profit, on £17 million worth of deposits, I do not know what is happening. Has he thought of bringing it back in-house?

Senator S.Y. Mézec:

The short answer is yes.

3.7.3 Deputy R.E. Huelin of St. Peter:

A more relevant question, not the value that is on deposit of £17 million, or £15.1 million I think he said, but what is the income generated on an annual basis by mydeposit.com and how many disputes do they settle per year, which is, I believe, supposed to be their real value?

Senator S.Y. Mézec:

In terms of getting an exact figure for profit, I would have to get back to the Deputy on that, but I understand that it is negligible. I understand that it is not much, simply because of the way things are at the moment. I am just trying to find the figures that we have for disputes. As luck would have it, of course, I cannot find them, but there have been disputes that have been raised and solved in that time, but I will get back to the Deputy as soon as possible with these figures. I apologise for not being able to find them immediately.

3.7.4 The Deputy of St. Peter:

May I help the Minister with some quick mental arithmetic? It is £21 per deposit, as you know, to lodge; we have 12,000 there, I think the average tenancy is probably about a year and a half, so I would suggest the income generated and this is not audited, is probably somewhere around £200,000 a year. Now, how long does it take to settle a dispute? I would suggest that £200,000 a year could probably bring in-house possibly 4 to 5 full-time employees to do that. That is a lot of disputes that they could settle. On top of that, we have £17 million on deposit, I believe in Barclays Bank in Canary Wharf, which is of no use to us whatsoever. That should be on deposit over here and being put to the markets effectively. in order to generate income this Island needs. So would you agree?

Senator S.Y. Mézec:

All of those are very good points and that is why, when this comes up for renewal, then there will be further options on the table to look at something. It is not guaranteed that mydeposits would carry on providing this scheme, but, of course, they are free to put forward an offer to continue it and of course we would have to consider it, because those are the rules.

3.7.5 Deputy G.J. Truscott:

When I was an Assistant Minister in Social Security in the last Government with the Minister, Deputy Pinel, with senior officers we did discuss bringing in-house into Social Security the mydeposits scheme and I was just wondering if that is a conversation that the Minister for Children and Housing could have with the Minister for Social Security. It would be a good thing to bring - as the Deputy of St. Peter made the point - everything in-house; we would employ local people, we will have the money in Jersey and disputes could be resolved, as well, equally.

Senator S.Y. Mézec:

Time has moved on since then and the synergies with the Social Security Department are probably not the best ones anymore when there is delegated responsibility to the Environmental Health Department for the Residential Tenancy Law and, of course, they are also going to be performing more functions as they are given more powers in the coming years. So, if you were to look at something in-house, there are probably more appropriate synergies with Environmental Health, as opposed to Social Security.

3.7.6 Deputy K.F. Morel:

Going back to towards the end of the contract, will the Minister assure the Assembly that consultation with users will be a part of any final appraisal of the way mydeposits has operated over

the past 5 years? Because, while I appreciate it is anecdotal, I have heard stories of people who have been let down by the service, despite what the Minister has said, so could you make that assurance?

Senator S.Y. Mézec:

I have also heard of examples where people have felt let down by the service, as well; but then I am also aware that mydeposits has, in many instances, reacted to those experiences and has changed what they have offered over the last few years, including providing better access to on-Island support, whether that is through Citizens Advice, or changes to their website, *et cetera*. So, I think they have been reactive in a good way when that feedback has been given back to them and getting constant feedback to mydeposits about the scheme is something they do already. There will be information that we will have to hand, we already have some, but we will get more in the coming period to understand better what the users' experience has been.

The Bailiff:

We would normally come to question 8, which Deputy Tadier was going to ask of the Minister for Social Security, but he is not here.

The Deputy of St. Ouen:

Therefore, regrettably, it would seem that Deputy Tadier has not taken the opportunity of your invitation that he return to the Assembly and now States Members and members of the public will not have the opportunity to learn the answer that the Minister for Social Security has prepared to the question he put in. I consider that the Deputy should be here as a matter of courtesy, but also he has a duty to attend and in his absence I must ask that he be marked *en défaut*.

The Bailiff:

The obligation, under the States of Jersey Law, is to take an oath of office, which includes this language: "You will attend the meetings of the States whenever you are called upon to do so." That is the reference I made earlier. But we all know that Members come and go from the Chamber from time to time during the course of a meeting and that the purpose of the roll call is to ensure that there is a record of those who turn up to meetings of the Assembly in accordance with the oath of office, which has been taken. There is nothing in Standing Orders which suggests that, having answered to the roll, you can then be declared *en défaut* at a later stage. I think, for myself, I would have some difficulty in taking that step now. The option for you to consider - it is entirely a matter for you and I am not suggesting it at all - would be a motion of censure under Standing Order 21(b), which you would have to take at a later stage, but it may be we all have reacted quickly sometimes in circumstances where we would, on reflection, not have reacted in quite that way and you may well feel that it is best done and dusted and left. At any rate, I do not think it is appropriate to mark Deputy Tadier *en défaut*.

The Deputy of St. Ouen:

Yes, Sir.