

Design and implementation of tenancy deposit protection schemes in the UK

Date: 2005 – 2007

Client: Department of Communities and Local Government (DCLG)
(erstwhile Office of the Deputy Prime Minister, UK)

Country / Region: United Kingdom

The Housing Act 2004 contains provisions to ensure the protection of tenancy deposits for the majority of private sector tenancies in England and Wales. These are intended to remove the risk of misappropriation of tenants' deposits by landlords and letting agents as well as set up an alternate dispute resolution system to the courts. To fulfil these provisions, DCLG has awarded concession contracts to three private sector operators for one custodial and two insurance-based tenancy deposit schemes.

CEPA worked closely with DCLG on the design and implementation of these schemes and assisting in the procurement process for the selection of private sector operators. We played an active role in designing a competitive tender process, developing bid documents, evaluating bids, negotiating with potential suppliers, and selecting the scheme providers. CEPA also developed a financial model to evaluate the viability of different financial structures and advised on the optimal financial/ commercial structure for the proposed schemes. Our involvement on this large project has spanned for nearly two years, and we also seconded a full time staff member to the Department for project management in the latter phase of the procurement process. Since the award of contracts in November 2006, we also supported the Authority in the scheme implementation and setting in place contract governance arrangements.

Links:

- [Department of Communities and Local Government \(DCLG\)](#)