

From the Office of the Minister



Department of

**Enterprise, Trade
and Investment**

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Our Ref: DETI COR 1218/2015

Patsy McGlone
ETI Committee Chair
Room 375
Northern Ireland Assembly
BELFAST
BT4 3XX

9th
October 2015

Dear Patsy,

**HOUSING BILL AMENDMENT OF THE ESTATE AGENTS ACT 1979 GIVING
SECRETARY OF STATE FOR BUSINESS, INNOVATION AND SKILLS POWER TO
APPOINT A LEAD ENFORCEMENT AUTHORITY**

I wish to make the Committee aware that I have received correspondence from the Secretary of State for Business, Innovation and Skills, The Rt. Hon. Sajid Javid MP, on the subject of amending the Estate Agents Act 1979 to give him powers to appoint a 'lead authority' for certain functions under the Act.

The 1979 Act includes certain enforcement responsibilities exercised by Trading Standards Departments in GB and by DETI's Trading Standards Service in Northern Ireland. The Act's other enforcement responsibilities were originally undertaken by the Office of Fair Trading. In 2014, the OFT's responsibilities under the 1979 Act were transferred to a 'lead authority' namely Powys County Council under an Order made under the Public Bodies Act 2011*. These responsibilities include the powers to issue warnings against estate agents and ultimately the power to ban "unfit" persons from carrying on estate agent work. In addition the Council's duties under the 1979 Act allow it to approve or withdraw approval for estate agent redress schemes.

Powys Council's appointment as the lead enforcement authority involved a tender process for a 3 year contract. However the powers of the PBA do not enable any further transfer to another authority. This means that unless the Estate Agents Act 1979 is amended, Powys Council will continue as lead enforcement authority after their contract expires in 2017. This could result in Powys Council continuing as the lead enforcement authority even though it is no longer best placed to undertake this function. At worst it could also mean that unfit and dishonest estate agents could continue to operate.

The proposed provisions to amend the 1979 Act included in the UK Housing Bill are necessary to enable the Secretary of State for Business, Innovation and Skills to appoint a new lead enforcement authority as necessary by means of a tender process. The enforcement authority could be any Trading Standards Department in GB or DETI

(through the Trading Standards Service). The inclusion of DETI in the proposals will allow DETI's Trading Standards Service to be placed on an equal footing as their equivalents in the rest of the UK.

I have replied to the BIS Minister agreement in principle to seek a legislative consent motion for the provisions in the Housing Bill that will amend the 1979 Act to extend to Northern Ireland.

(*The Order under the PBA that transferred the OFT's functions under the 1979 Act was the subject of an Assembly Consent Motion on 3 March 2014).

A handwritten signature in blue ink that reads "Jonathan F. Bell". The signature is written in a cursive style with a horizontal line underneath the name.

JONATHAN BELL MLA
Minister of Enterprise, Trade and Investment