

**Report to:** Community Protection Panel

**Date:** 23rd July 2007

**Subject:** Home Information Packs

**Report of:** Director of Environmental Services

**Contact officer:** Terry Gregson ext 2052

**Purpose/summary:** To inform members about the introduction of Home Information Packs and the role of Trading Standards in their enforcement.

**Alternative options considered and reason for selecting the one recommended:** None – report for information only

**Recommendation/decision:** This report does not involve a key decision

**Risks / Implications:**

Financial:	No implications contained within this report
Staffing:	None
Policy:	None
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Yes
Wards affected:	All
Special Interest Members – Which have been consulted	None

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **N/A**

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? **N/A**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

\* delete which applicable

**For Cabinet reports only :**

Categorisation of the report:	<b>x</b>		<b>x</b>
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

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**Tracking/Process:**

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
Ommunity Protection 23.7.07			

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer     Martin Kimber  
 Date                     4th July 2007

## 1. Background:

- 1.1 The Government have introduced Home Information Packs, with the intention of reducing the number of property sales which fall through. They felt that if more information was presented to the buyer up front, there would be less chance of something being discovered later in the negotiations which would cause the sale to fail. They would also speed up the whole process and make energy efficiency a factor in home buying and encourage investment in energy efficiency.
- 1.2 The packs were originally intended to have a structural survey of the property at its core, but heavy lobbying from trade and other organisations led to the removal of this requirement. One of the arguments put forward was that buyers would not trust surveys commissioned by the seller and would often spend additional money getting a separate survey done.
- 1.3 Sellers can include a structural survey or Home Condition Report voluntarily but only the following items are compulsory –
  - **HIP Index** which provides a checklist for sellers, buyers, estate agents and enforcement authorities.
  - **Energy Performance Certificate (EPC)** which indicates how energy efficient a home is on a scale of A-G with band A being the most efficient. In addition the certificate also indicates the impact the home has on the environment again on a scale from A to G.
  - **Sale Statement** to provide some basic information about the site, including the address of the property, whether it is Freehold or Leasehold, whether it is registered or unregistered and whether or not it is being sold with vacant possession.
  - **Standards Searches** including the local land charges register relating to the property, local authority planning decisions, and the provision of drainage and water services to the property.
  - **Evidence of Title** which prove that the seller owns the property.
  - **Leasehold Properties** also require a copy of the lease.
- 1.4 The Energy Performance Certificate (EPC) will be produced by trained energy assessors and the government estimates that 2500 assessors will be needed, (currently only about a third have been trained and accredited). This shortfall in assessors resulted in the implementation date being put back from 1<sup>st</sup> June to 1<sup>st</sup> August 2007 and only for four bedroom homes. The requirements for smaller properties will be phased in as assessors are accredited.
- 1.5 The cost of an HIP is estimated to range between £400 and £700 with the EPC element costing around £150. The EPC will currently be valid for 1 year, however this time scale is subject to consultation and may be extended. It will normally be the responsibility of the seller's Estate Agent to commission an HIP and up until the end of this year, a property can be marketed as long as the HIP has been commissioned, even though it may not have been completed. Evidence must however be available to prove that the HIP has been commissioned.
- 1.6 From 1<sup>st</sup> August, any Estate Agent marketing a home with an HIP will be required to belong to an approved redress scheme for HIP related complaints.

Trading Standards have the power to issue a £200 fixed penalty with 28 days to pay, if a house is marketed without an HIP, but initially advice on the legal requirements of the regulations will normally be the most appropriate course of action.

## **2. Proposals:**

- 2.1 When the Home Information Pack legislation comes into force on 1<sup>st</sup> August, Trading Standards will disseminate advice and information to all local Estate Agents, and the public, to ensure they are fully aware of the Regulations' requirements. Formal legal action will only be considered if an Estate Agent repeatedly breaches the regulations.

## **3. Conclusions:**

- 3.1 Although the Home Condition Report, which was initially intended to be the core of the HIP is no longer compulsory, when fully implemented these regulations will have a significant effect on the buying and selling of houses. Trading Standards anticipate a significant demand for advice and information about the regulations from Estate Agents and the general public over the coming months.

The Government's web site [www.homeinformationpacks.gov.uk](http://www.homeinformationpacks.gov.uk) contains up to date information on the implementation of Home Information Packs and the numbers of accredited assessors.

## **4. Recommendations**

- 4.1 Members are asked to note the report.