



HML Contractor Accreditation Scheme

We have set up the internal accreditation because we have a duty to ensure all of our contractors are vetted across many different areas, including Insurance Cover, Company Information, VAT Registration, Trade Memberships and H&S compliance. We have found that unfortunately very few schemes actually cover all of these areas (we find most, that our contractors are members of, focus purely on the H&S aspect). We have therefore introduced the internal scheme to ensure that all relevant checks are completed and we are abiding by our own obligations.

ARMA put this in place to ensure that the lessees are protected from rogue contractors as the liabilities of using contractors that do not have the correct insurances or follow H&S legislation are extensive, with the result being large fines/payouts or even criminal charges. Therefore to ensure we protect our clients from these liabilities we have set up the scheme so that the necessary checks can be made. VAT checks are also made as it has been known for contractors to charge for VAT on their invoices, even when not VAT registered and then also contractors are known to have a turnover which is above the threshold (currently £77,000) but not be registered. This can pose a risk to the clients because if caught by the government then they could charge back the VAT to the client on all works going back several years.

Unlike other similar schemes we understand that not all of our contractors carry out work at many properties across our portfolio and in fact only carry out work at 1 specific block and as a result we have created two separate schemes, the Block Specific scheme and the Full Accreditation Scheme. The Block Specific scheme requires less information from the contractor which therefore attracts a lower administration fee of £25 plus VAT, however it still covers the necessary checks including Insurance, H&S compliance and VAT verification (if VAT registered). The full scheme is more detailed and requires further company information including Certificate of Incorporation (if Ltd) or identification if a sole trader, copies of accounts showing turnover, as well as a general request for trade memberships (please note, depending on the service being provided by a Block Specific contractor we may still request confirmation of necessary qualifications, ie electrician, gas works). The administration fee to join the full scheme is £180 plus VAT. The administration fee is charged to the contractor purely to cover our costs in order to process the paperwork and set them up on the system.

The contractors are asked to renew their membership on an annual basis, at which point we request all documents which may have expired since they joined, this will include their insurance, trade memberships and their last set of accounts.

Whilst we understand that most of the contractors we are requested to use by clients are likely to have all the correct documents in place, some sole traders are just simply not aware of current legislation and the importance of Public Liability insurance. We also accept that some clients will not want their contractor to join the scheme and therefore we request the client to sign a disclaimer confirming that they understand that their chosen contractor has not been vetted by HML. We do at this point recommend that the client carry out their own checks in order to protect themselves.