

Expense Type	Expense Description	Budget-setting Rationale
What kinds of service we provide.	What kinds of things the services we provide cover (may vary depending on the scheme or building).	Our approach to setting the estimated cost for the service.
Management Fees Payable	If we manage the building or estate your home is in, our standard management fee covers the costs of us carrying out the obligations as set out in your tenancy. It covers a number of items from administration of service charges, management of block and estates, consultation, carrying out inspections, dealing with enquires received and other day to day services. This is not a complete list but gives you an idea of the kind of things a management fee covers.	For 2026-27 NHG will apply management fees calculated on the basis of how many different services we provide to your scheme or building.
External Managing Agent Costs - Leaseholder Sundry Recharges	This covers services to your scheme or building that are being managed by a third party managing agent. NHG incurs these costs from the managing agent and passes them on to residents, where recoverable. If you would like to see a breakdown of these costs, please contact your housing officer or property management officer.	We set External Managing Agent costs in line with the budgets we receive from the managing agent delivering services to all or part of the scheme.
Water boosted supply pumps servicing and planned maintenance	This covers the regular maintenance of pumps within the building to help prevent failures.	Maintenance of communal pumps is managed centrally via contracts owned by the Assets team. Costs are seeing average increases this year of 6%.
Agency Staff Cost	This is the cost of recruiting temporary staff such as caretakers, porters, wardens, cleaners and cooks - employed on site to provide services to residents - when permanent staff on are a long-term absence from work.	The estimated cost of agency staff cover has increased this year by 4%.
Communal Car Park Maintenance	This charge is for cost associated with the upkeep of the car park area.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Communal Paladin Bins	This is a charge collected and set aside for the eventual replacement of the communal bins at the end of its natural life cycle. This can sometimes include emptying of the bins that is outside of the council collections, or the cleaning or maintenance or the bins themselves.	Budgeted costs for the maintenance and/or replacement of communal paladin bins have increased on average by 6.95% in consideration of the last 3 years of actual expenditure for this service.
Communal Playground Equipment Service and Repair	This cover the maintenance and repairs to playground equip to ensure compliance with health and safety regulations.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Communal/Office tele communication	This charge is for the cost of calls and telephone line rental in any on-site office spaces.	Costs relating to onsite offices have fallen this year on average by 1.75%.
Graffiti Removal	Removal of unwanted graffiti from a variety of surfaces and buildings.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Lift Servicing and Planned Maintenance	We are obliged to carry our regular inspection of our passenger lifts to ensure they are in safe working order in accordance with health and safety regulations. Maintenance (both preventative and reactive) may also be required.	Lift-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 6%. This may vary by scheme. Recoverable reactive maintenance provision is included.
Onsite Staffing Costs	This is the cost of staff such as caretakers, porters, wardens, cleaners and cooks - employed on site to provide services to residents.	The estimated cost of on-site staffing costs has increased this year by 4%.
Cyclical Fund Contribution	This is the payment that you are making for this year into the pot of money set aside for large expenditure. It builds up year on year and will pay towards any planned cyclical or major works. This includes items such as roof works, structural works, replacement of lifts and windows, and any associated scaffolding costs required.	Reserve funds have been calculated in reference to the costs we estimate will be incurred for major works related to a scheme over the next 30 years (known as a Capital Expenditure or CapEx plan). We subtract from that estimated cost any current balance in the scheme reserve fund. The resulting total is then divided by 30. This is then set as the contribution budget for the year. The idea is that therefore over a 30-year period, contributions made will cover the cost of all capital expenditure.
MVHR Maintenance Contract	MVHR (Mechanical Ventilation with Heat Recovery) is a ventilation system that provides fresh filtered air into a building whilst retaining most of the energy that has already been used in heating the building. The system needs annual maintenance and sometimes repair.	MVHR-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 45%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Cold Water System Maintenance Contract	This covers the regular maintenance of water hygiene systems to prevent failures.	Maintenance of communal pumps is managed centrally via contracts owned by the Assets team. Costs are seeing average increases this year of 6%.
Communal Emergency Lighting Maintenance	This lighting is triggered if the main power supply is cut and normal illumination fails. Maintenance of emergency lighting systems ensures we are meeting health and safety regulations.	Lighting-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 42%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Fire Risk Assessment	Our buildings are subject to periodic assessments for fire risk, which is a statutory requirement.	Fire-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 17%. This will vary by scheme. Recoverable reactive maintenance provision is included.

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Fire Servicing and Maintenance	This relates to the servicing and maintenance of fire alarms, fire extinguishers, smoke/heat detectors.	Fire-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 27%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Lightning Protection Maintenance Contract	This covers the regular maintenance of lightning protection equipment to ensure the safety features are functioning correctly to prevent failures.	Lightning protection-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 10%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Mansafe Systems Maintenance Contract	This covers the regular maintenance of mansafe equipment to ensure the safety features are functioning correctly to prevent failures.	Mansafe system-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 59%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Passenger Lifts Maintenance Contract	We are obliged to carry our regular inspection of our passenger lifts to ensure they are in safe working order in accordance with health and safety regulations. Maintenance (both preventative and reactive) may also be required.	Lift-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 6%. This may vary by scheme. Recoverable reactive maintenance provision is included.
Site Security Maintenance Contract	This covers the cost of a security staff or equipment present on an estate.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Water Hygiene Maintenance	This covers the regular maintenance of water hygiene systems to prevent failures.	Water-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 29%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Examination Fee	The examination fee is the cost of accountancy firm Menzies examining the end of year service charge accounts. This examination will check whether areas of expenditure were supported by receipts, and whether the accounts have been managed to a good standard.	When budgeting for audit fees we set a fixed scheme level cost and then add a per-unit cost. This means that larger schemes which take more resource to audit are charged a higher cost than smaller schemes (although shared between more people). Estimates for 2026-27 have been set using £206.49 as the scheme base rate and £4.23 as the unit-level rate, which is a 4% overall increase on 2025-26.
Bulk Refuse Disposal	Contractor costs for removing rubbish and bulk refuse left in bin storage areas and around estates.	Reactive bulky waste removal has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Catering	Covers the cost of providing meals to residents in our supported housing/sheltered schemes.	Meals and catering equipment maintenance costs increased by 3.5% in line with our Savills contract.
Cleaning	This is the cost of providing cleaning services to your block or estate. This may include sweeping, vacuuming, and washing down of internal communal areas. It may also include cleaning of the bin rooms as well as washing down of the communal bins.	Estate services are managed by contracts owned by the Estate Services team. This year estate services estimated costs have risen in line with contracts by an average of 3.57%
Communal Plant Maintenance	This covers the regular maintenance of plant machinery to help prevent failures.	Maintenance of communal plant machinery is managed centrally via contracts owned by the Heat Network team. Costs are relatively stable with average increases this year of 1.82%.
Communal Pump Maintenance	This covers the regular maintenance of pumps within the building to help prevent failures.	Maintenance of communal pumps is managed centrally via contracts owned by the Assets team. Costs are seeing average increases this year of 6%.
Door Entry Maintenance	This covers the cost of periodic maintenance / servicing of the entry phone system(s) at your block or scheme.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Day to Day Repairs	Costs for completing day to day repairs in communal areas.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Electricity	This covers the cost of any electricity consumed within the internal/external common areas such as communal sockets, automatic opening vents/windows, supply for electronic gates, etc.	Estimates this year have increased taking into account usage, meter reads, and estimated increases in supply costs. On average increases in electricity budgets are 4.18%.
Equipment Purchase and Repair	For the purchase of new communal equipment or repairs to equipment where necessary.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Estate Maintenance	This covers the cost of day-to-day maintenance and repairs to the external grounds of your scheme or building.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
External Managing Agent Costs - All Tenures	This covers services to your scheme or building that are being managed by a third party managing agent. NHG incurs these costs from the managing agent and passes them on to residents, where recoverable. If you would like to see a breakdown of these costs, please contact your housing officer or property management officer.	We set External Managing Agent costs in line with the budgets we receive from the managing agent delivering services to all or part of the scheme.

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Fire Safety Maintenance	This relates to the servicing and maintenance of fire alarms, fire extinguishers, smoke/heat detectors.	Fire-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 17%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Gardening	Where there is a shared garden or lawned areas, we provide a service to maintain these areas. We use a contractor, and their responsibilities can include cutting the grass, trimming hedges and bushes, clearing leaves, weeding and removing litter.	Estate services are managed by contracts owned by the Estate Services team. This year estate services estimated costs have risen in line with contracts by an average of 3.57%
Gas & Heating	Covers gas supply to communal areas.	Estimates this year have increased taking into account usage, meter reads, and estimated increases in supply costs. On average increases in gas budgets are 22%.
Gate Maintenance	This is the cost for any works required to maintain the gates at the property.	Gate maintenance is managed centrally by Assets by budgets are set only on the basis of provisions for reactive repairs, based on prior spend. This year overall budgets have reduced due to fewer repairs in the preceding years.
Insurance	All properties owned by NHG are insured under a Block Building Insurance Policy to achieve the best possible value for money. Your individual insurance cost is calculated from your own property's rebuild value. This does not cover the contents of your property, and you should take out your own insurance.	Insurance is still a very costly area, and budgets have increased again this year by 15%. These have been calculated via a unit-level premium.
Laundry & Linen	Costs related to maintenance of communal laundry facilities for maintenance visits & replacement parts	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Lift Maintenance	We are obliged to carry our regular inspection of our passenger lifts to ensure they are in safe working order in accordance with health and safety regulations. Maintenance (both preventative and reactive) may also be required.	Lift-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average decrease in costs by 6%. This may vary by scheme. Recoverable reactive maintenance provision is included.
Lightning Protection	This covers the regular maintenance of lightning protection equipment to ensure the safety features are functioning correctly to prevent failures.	Lightning protection-related maintenance is managed via contracts owned by Assets. This year data provided by them is show an average increase in costs by 10%. This will vary by scheme. Recoverable reactive maintenance provision is included.
Pest Control	This is the cost of carrying out pest control to your block or estate.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Security	This covers the cost of a security staff or equipment present on an estate.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
CCTV Maintenance	This covers the regular maintenance of camera equipment to help ensure they function correctly and to prevent failures.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Solar Panels Maintenance	This covers the regular maintenance of solar panels on the building to help ensure continued effective working and to prevent failures.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Stock Condition Survey	A stock condition survey is a visual inspection of your home. Our surveyors collect information on the age and condition of the building, the data will help us to plan for repairs and future investment programmes.	This year budget has been included for Stock Condition Maintenance, which has been contracted out as part of NHG's rolling 5-year stock condition survey programme. Stock surveys costs range this year from £60-£360 per block depending on the size of the block.
Tree Works	This is to pay for the cost of tree surveying and surgery carried out to any trees on our land at your scheme/estate.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Communal TV Aerial / Licence	This charge is for the maintenance of any communal digital TV system or aerial provided for use in your block.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Warden Alarm	Covers maintenance, servicing & unplanned repairs to the warden call/emergency pull cord system, cost for the telephone line connecting the warden call system to a 3rd party provider responsible for answering emergency calls.	Reactive maintenance has been budgeted by reviewing the last 3 years of actual expenditure, averaging this out, and then uplifting this average spend figure by 4%.
Water	Communal water supply for blocks/estates to provide water for our cleaners to undertake their duties.	Estimates this year have increased taking into account usage, meter reads, and estimated increases in supply costs. On average increases in water budgets are 4%.
Water Hygiene Risk Assessment	Contract cost from our suppliers IWS who carry out legionella testing on all of the taps in the building & periodic cleaning of any water tanks on site.	Water hygiene risk assessment are managed via centralised contract. This year costs on average are reducing by 19.35%.
Window Cleaning	This charge is to pay for the cleaning of the communal windows only.	Estate services are managed by contracts owned by the Estate Services team. This year estate services estimated costs have risen in line with contracts by an average of 3.57%

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Sinking Fund Contribution	This is the payment that you are making for this year into the pot of money set aside for large expenditure. It builds up year on year and will pay towards any planned cyclical or major works. This includes items such as roof works, structural works, replacement of lifts and windows, and any associated scaffolding costs required.	Reserve funds have been calculated in reference to the costs we estimate will be incurred for major works related to a scheme over the next 30 years (known as a Capital Expenditure or CapEx plan). We subtract from that estimated cost any current balance in the scheme reserve fund. The resulting total is then divided by 30. This is then set as the contribution budget for the year. The idea is that therefore over a 30-year period, contributions made will cover the cost of all capital expenditure.
Community Contribution	This covers contributions to a fund to be used only for community events and activities relating to the scheme.	We have increased this internal cost this year by 4% for the small number of schemes where this is included.
Building Safety	This covers the costs to ensure we comply with the Building Safety Act, which came into force in October 2023 and applies to all residential building over 7 storeys (or 18 metres) tall. The charged has been factored in as a Building Safety Reserve Fund contribution to spread the costs over time as costs will fluctuate across different accounting years.	Building safety costs have increased in line with expected increase of costs by 23.76%. This budget line calculated a contribution to be made by leaseholders every year to contribute to a building safety fund, managed similarly to a reserve fund and drawn off in a similar way as costs relating to building safety are incurred.
Communal Electrical Testing & Servicing	This covers the annual PAT testing of communal electrical appliances such as lamps, laundry equipment, televisions, etc., and/or any cost incurred in obtaining an EICR (Electrical Installation Condition Report), a formal assessment of a property's electrical systems to ensure they are safe and meet current regulations.	This cost is based on contract costs and is split per block.
External Managing Agent Costs - Leaseholders Only	This covers services to your scheme or building that are being managed by a third party managing agent. NHG incurs these costs from the managing agent and passes them on to residents, where recoverable. If you would like to see a breakdown of these costs, please contact your housing officer or property management officer. This budget line covers any costs being billed to NHG by external managing agents that are rechargeable to leaseholders only.	We set External Managing Agent costs in line with the budgets we receive from the managing agent delivering services to all or part of the scheme.