

Service Charge Glossary

This glossary has been created to support customers in understanding the charges on their service charge statement and colleagues in addressing customer enquiries about service charges.

Not all the services listed apply to every building. Charges only apply to a property if they appear on a service charge statement with a value in the £ column.

WCHG pays all of the costs to provide these services and then recharges these costs to customers who receive the services.

Automatic doors in your block	The maintenance and repair of automatically opening doors in your building, which could include the main entrance or other internal doors.
Biomass Communal Boiler System - Overview	Some buildings use a communal boiler that burns wood pellets, known as Biomass, to produce hot water. If Biomass is unavailable, the boiler can switch to gas, ensuring a continuous hot water supply. This hot water heats your radiators and provides household hot water, which you pay for via the LANTEN energy payment meter. The equipment in your home, resembling a traditional boiler, is part of the LANTEN system and measures your hot water usage. This means you don't pay separate gas or electricity bills for heating or hot water, nor for boiler maintenance.
Biomass Income	Using a biomass boiler is considered a sustainable form of heat generation. To promote this, the government introduced the Renewable Heat Incentive (RHI), which pays WCHG based on the heat produced using wood pellets. If the boiler runs on gas, we do not receive this income. We refund this income to you as 'Biomass Income' to offset fuel costs, and this is shown as a negative value on your statement.
Biomass Maintenance	Leaseholders and shared owners benefit from the communal boiler and share the maintenance costs. For example, if the total cost is £13,500 and there are 135 homes, each home pays £100.

Communal Heating	<p>The communal boiler also heats shared areas, like radiators in communal rooms and corridors, and the building's fabric. This reduces individual heating costs as the building stays warmer.</p> <p>We calculate communal heating costs by deducting LANTEN payments and government incentives from the biomass and gas costs. This cost is divided among the homes and charged via service charges.</p> <p>We use our buying power to secure the best fuel prices, which have tripled since 2020. We will review the LANTEN meter price by February 2025, likely increasing it in line with fuel costs. We will engage with customers throughout this process.</p>
Building Insurance	<p>The buildings element of all properties owned in full or in part by WCHG, including leasehold properties, are insured by WCHG. This ensures that all properties which could be affected by an incident, such as a fire, are fully covered and would be repaired as necessary.</p> <p>Where buildings insurance is payable by the occupant this is specified in the terms of the lease or tenancy agreement.</p> <p>It is important to note that customers should take out insurance for the contents of their homes e.g. furniture, clothing, laptops, mobile phones etc. as these are NOT covered by the building insurance.</p> <p>An insurance excess of £250 is applicable to leaseholders/shareowners in the event of a claim</p> <p>We currently calculate the insurance on a unit apportionment basis, whereby the overall premium for buildings, across the whole WCHG portfolio, is divided by the total number of properties insured. This premium takes into account the buying power when insuring c.14,000 properties and the excess of £5,000 borne by WCHG in the event of a claim on any WCHG owned properties.</p> <p>This method will change for charges from April 2025 as the Financial Conduct Authority (FCA) have issued new regulations which mean that insurers have to calculate premiums based on the value of the property. This means that WCHG will be advised by our insurers of the cost of insurance for individual properties in the future and will recharge this cost.</p>

	<p>The cost of insurance has significantly increased in recent years and continues to rise. With fewer companies offering insurance in various markets, getting competitive prices has become more challenging, even with our buying power. To ensure value for money, we regularly consult insurance comparison sites.</p>
CCTV Closed Circuit Television	Maintenance and repair of CCTV systems within the block or immediate area but not the cost of monitoring of the system.
Communal Cleaning Supplies	This is the cost for supplies that are to a specific site and a specific cleaning job.
Communal Cleaning	Cleaning of any communal areas such as internal corridors, stairwells, common rooms and in the communal parts within your scheme or block. This may be carried out by a cleaning contractor or our own staff. In general, the cleaning service covers regular cleaning of communal areas such as stairwells, as well as one-off cleaning tasks such as deep-cleans or carpet cleaning, and any cleaning materials used. Where there are more extensive communal areas such as a communal lounge, this cleaning service will include the regular cleaning of these areas and incorporate regular checks to ensure Health, Safety and Fire regulations are adhered to.
Communal Grounds Maintenance	Maintaining the communal gardens and grounds, including materials and equipment. The level of gardening and grounds maintenance required will depend on need, but generally it will include grass cutting, pruning bushes and shrubs, weeding flower beds and, where necessary, occasional re-planting or landscaping. There are a specified number of visits to carry out this work and customers are only charged when a visit takes place.
Communal Grounds Maintenance – Road Surface	Maintaining the surface of communal roads used by residents, including car parks and parking spaces. This covers dealing with potholes, clearing drains, and keeping the area clean and tidy.
Communal Heating	See Biomass Boiler for Communal Heating in buildings equipped with this type of communal boiler.
Communal Repairs	Repairs and maintenance of communal areas covering things like light bulbs, light fittings, floor coverings, handrails etc.

Communal TV & PRS Licence	This covers TVs in communal areas and music played in these spaces, such as local radio stations. We must pay for a Performing Rights Society (PRS) licence, which funds the fees artists receive each time their songs are played.
Communal TV Aerial	The building has a communal TV aerial and inbuilt wiring providing each home with an aerial plug for their use. Both the aerial and wiring are subject to inspection and repair.
Communal Water use	Water may be used in the internal communal areas of a building, for cleaning or in communal use toilets etc where such facilities are provided.
Communal WiFi – Village 135	This covers the cost of providing a Wi-Fi system throughout the building in the communal areas ONLY.
Compliance Checks & Testing	This charge covers any inspections or servicing required for parts of the building, such as electrical safety checks, as instructed by good practice or Health and Safety legislation.
Door Entry System	This covers the servicing and repair of powered or electronic door entry systems. These systems, installed in some of our blocks for added security and access control, typically include main entrance doors with an electronic fob key system, fob reader, keypad, microphone, and speaker, allowing residents to speak to visitors and unlock the door remotely.
Electric Gates	The servicing and repair of any powered gates which allow residents access to the building and associated grounds or car parking.
Electrical Testing (PAT testing)	Often referred to as PAT testing (Portable Appliance Testing) this is the examination of electrical appliances to ensure they are safe to be used. For example, any electrical goods will be tested.
Emergency Lighting	This ensures lighting is provided to aid any evacuation of the building and supports safe access between the main door and individual homes should mains power not be available.

Estate Costs	<p>Maintenance of the wider communal land around your home, but not in the immediate vicinity, is owned and maintained by WCHG. This can be confusing, as people often believe all 'public' land is maintained by the council. However, the council is only responsible for the roadside verge and trees on that verge. Any 'public' land beyond the verge and path, such as open playing fields and woodland on the estate, is the responsibility of WCHG.</p> <p>Until this year, we have not charged for maintaining these areas for everyone's benefit. However, evidence suggests that neglecting these areas would significantly impact the community. We understand that no one welcomes new costs, but due to rising expenses, we can no longer absorb these costs and must pass them on.</p> <p>We calculate the cost per property by dividing the total cost by the number of properties we manage. This means every property pays this cost, either through rent or service charges, depending on the lease.</p>
External Service Charge	<p>This is the charge we have to pay to a third-party Managing Agents (not related to WCHG) where we are not the Head Landlord of the Building or the Estate.</p> <p>In these cases, the Head Landlord sets the service charge, WCHG pays it and then passes the charge on.</p>
Fire Alarm	<p>The servicing, repair and maintenance of the fire alarm system equipment within the block or scheme, but not the electricity that may be required to run it.</p>
Fire Risk Assessment	<p>We conduct regular fire risk assessments to ensure the block is safe and has adequate fire safety measures and escape routes. By law, we must carry out these assessments as follows:</p> <p>Highrise: annually Supported living: annually Medium rise (3 to 5 storeys): every two years Low rise: every four years</p> <p>We charge for this in the year the work takes place.</p>

Fire Safety	This covers the servicing, repair, and maintenance of fire safety equipment within the block or scheme, excluding fire alarm systems and electricity costs. The equipment varies by layout and includes dry riser pipe systems, fire extinguishers, sprinkler systems, and smoke vents. Repairs identified in risk assessments are also included.
Guest Room Income	In some properties there are rooms available for rent by residents to accommodate visitors e.g. family at Christmas who could otherwise not stay. The income is collected by WCHG and then deducted from the cost incurred. This is shown separately in the interests of transparency. It is shown on the statement of charges as a minus number as it reduces the cost charged.
Heating System Maintenance & Repair	This is covered in Communal Heating
Hygiene Unit Rental & Servicing	This covers the cost of providing and servicing the sanitary bins in communal area toilets. This is a specialised service provided by a specialist contractor.
Intensive Housing Management	This cost only applies to sheltered/supported housing schemes which benefit from additional services specific to that scheme.
Laundry Equipment Maintenance & Repair	The costs of providing, maintaining and repairing equipment provided in the communal use laundry room in multi occupancy buildings.
Laundry Income	When customers use the provided machines, they pay for their use. WCHG collects this income and deducts it from the incurred costs. For transparency, this is shown separately on the statement of charges as a negative number, reducing the overall costs.
Lift Maintenance & Repair	The servicing and maintenance of lifts provided in a block or scheme. It may include the costs of emergency alarms and telephone lines, but not the electricity required to run the lift. We employ specialist contractors to maintain, repair and service the lift and to certify that they are serviceable and safe to use.
Lightning Protection	This covers the inspection and maintenance of any lightning protection system (lightning conductor) on a scheme. It's

	usually needed for taller buildings and is inspected periodically to ensure adequate protection from lightning strikes.
Payphones – rental, maintenance & repair	This covers the costs of providing a payphone facility, which are being phased out.
Pest Control	The prevention, removal or treatment to control and eradicate infestations of pests, such as rats, mice, wasp nests or cockroaches. The devices used will not generally be visible or accessible to customers due to the nature of their use and potentially poisonous contents.
Renewals & Replacements	Renewals and replacements of various elements of the building as required, for example a lift may have a life span of 25 years.
Rental (Commercial) Additional Income	When communal space is leased to a business, such as a café or hairdresser at Village 135, the business pays rent to cover the costs and provide an income that is attributed to that building. This income is credited to customers who pay for communal facilities. It is shown as a negative number on the statement of charges, reducing their costs.
Scooter Room Maintenance	This relates to the maintenance and repair of the designated room within Village 135 where residents can park and charge their mobility scooters. This facility is available to all residents and their visitors should they require it.
Service Staffing Costs – On site Team	This covers the cost of on-site staff or staff specifically employed to look after a building, including salary and related costs. Where staffing covers 24/7 365, around five individuals have to be employed to provide one person on each shift. This does not include staff from WCHG who visit for specific tasks like repairs, which are charged separately.
Smoke Vent -Servicing	Charges for this facility are included under Fire Safety because it's a key part of the system.
Ventilation system – Maintenance & Repair	In multi-occupancy buildings where windows can't be opened, extractor fans in kitchens and central forced air ventilation systems in bathrooms help circulate and refresh air to prevent dampness. These systems are often discreet and work in the background. This covers their maintenance and repair.
Waste Removal	This covers hire and collection of domestic waste where large communal bins are provided. It doesn't include the emptying

	of wheelie bins, which is usually undertaken by your local council.
Water Hygiene Testing	Water systems in large buildings are subject to maintenance and testing to ensure they are safe and free from bacteria such as legionella.
Window Cleaning	In some buildings, specialist window cleaners are needed to clean the external windows. These are the costs associated with this service.
Management Charge % based	<p>WCHG arranges the service, negotiates the price, ensures the service is carried out, processes payments, and handles any issues.</p> <p>To do this, they employ staff, and the management fee contributes to the cost of these staff, the systems used, and the supporting infrastructure.</p> <p>The management charge is usually a percentage of the total cost incurred and is specified in the lease or tenancy agreement.</p>
Fixed Management Charge	<p>WCHG arranges the service, negotiates the price, ensures the service is carried out, processes payments, and handles any issues.</p> <p>To do this, they employ staff, and the management fee contributes to the cost of these staff, the systems used, and the supporting infrastructure.</p> <p>The fixed management charge is specified in the lease or tenancy agreement.</p>
Prior Year Deficit - Charged	Each year, we estimate the costs to provide services to your home from April 1st to March 31st. After the year ends, we compare our estimates to the actual costs. Estimating is hard because we don't know future prices or usage. If actual costs are higher than our estimate (a deficit), customers need to pay the difference. We inform customers of any deficit in September, with payment due as per the lease.
Prior Year Surplus - Refunded	When we find that we've charged more than the actual cost, we call this a surplus. Customers will be refunded any surplus as a credit to their account. Each September, we inform customers about the surplus.

Sinking Fund Contribution	<p>There are different types of sinking funds, as specified in the lease agreement.</p> <p>A common sinking fund is like a savings pot that leaseholders pay into each year. This money is used for big expenses related to the building, like painting the outside every 5 years or replacing the roof every 70 years. The money is held in a separate bank account and interest earned adds to the value of the fund.</p> <p>Sinking fund contributions can increase over time to match rising costs, ensuring there's enough money for major works and reducing extra payments when the work is done.</p> <p>If a leaseholder sells their property, they can get advice from their solicitor about the sinking fund. Usually, the fund stays with the property and transfers to the new owner.</p> <p>At Village 135, there's a different sinking fund with no monthly or annual charges. Instead, a fee is charged when a customer sells their flat, as specified in the lease.</p>
Sinking Fund Management Fee % based	<p>WCHG handles the sinking funds, aiming to secure the best interest rates. All interest earned goes into the fund and belongs to the leaseholders.</p> <p>WCHG incur costs for administrative tasks and investment advice, so they charge a fee to cover these expenses. This fee is detailed in the lease and can be a percentage of the sinking fund contribution or a fixed amount.</p> <p>For major works, like a new roof, they charge a separate management fee to cover the project management costs, which are different from the costs of managing the fund.</p>
Sinking Fund Fixed Management Fee	<p>See above</p> <p>The fixed fee is a fixed £ value e.g. £50</p>