

## Developing a Pooled Insurance Scheme for Social Housing Repairs: A Feasibility Study on Reducing Costs and Transitioning to Preventative Maintenance

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### Abstract

The social housing sector in the United Kingdom faces growing challenges from aging infrastructure, constrained budgets, and inefficient maintenance practices. Reactive maintenance models dominate, accounting for 65% of local authority repair budgets, with emergency repairs costing up to five times more than planned maintenance. Delayed repairs further exacerbate the situation, with tenant dissatisfaction exceeding 40% in some regions. This study endeavours to develop a pooled insurance scheme for social housing repairs and assess its feasibility in reducing repair costs and fostering a shift from reactive to preventative maintenance. Using a theoretical framework, this study combines secondary data analysis, a review of existing literature, and qualitative interviews with stakeholders, including housing officers, tenants, and insurance providers. The analysis focuses on the potential benefits of risk-sharing, operational efficiency, and the impact on tenant satisfaction. Quantitative data on repair costs and insurance models are evaluated to determine the scheme's financial viability and scalability. Results suggest that a pooled insurance scheme could reduce repair costs by 20%, equating to potential annual savings of £1.2 million per council. Tenant satisfaction could improve by 25%, driven by faster repair turnaround times (average reduction of 40%) and enhanced claims management transparency. A shift from reactive to preventative maintenance is anticipated, with preventative claims projected to increase by 30%. This study concludes that a pooled insurance model offers a viable and sustainable solution to the challenges of social housing maintenance. If implemented nationally, it could generate annual savings of £1 billion, reduce maintenance inefficiencies, and improve housing quality. Future research should address policy integration and explore opportunities for aligning the scheme with the UK's climate resilience and sustainability goals.

### Keywords

Costs, Pooled insurance, Preventative maintenance, Social housing.

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