

Liberata Recovers £175,000 of Housing Benefit Overpayments for Peterborough City Council

Background

Peterborough City Council faced a significant challenge with a backlog of Housing Benefit overpayments. These debts had accumulated over several years and included individuals who had moved within the Borough and outside of Peterborough. As a result, the Council was struggling to recover these funds and there was a danger of the debt being written off.



The Solution:

Peterborough City Council engaged Liberata, a service provider specialising in debt recovery and financial services to:

- Identify and locate individuals with unpaid Housing Benefit overpayments.
- Recover as much of the outstanding debt as possible.
- Set up manageable payment plans for debtors, facilitating compliance and reducing financial strain.

Liberata reviewed 1,551 cases of Housing Benefit overpayment, representing a total debt balance of £1.1 million. Importantly, Liberata's systematic approach involved propensity to pay analysis; tailored communication strategies and flexible payment solutions to maximise results and ensure that individual indebtedness did not increase.

Results:

The initiative delivered remarkable results, surpassing initial expectations:

- **Debt Recovery:** Liberata successfully traced 1,100 correct addresses, enabling effective communication with the majority of the debtors.
- **Immediate Payments:** 120 individuals paid their debts in full.
- **Payment Plans:** 180 payment arrangements were established.
- **Financial Impact:** £175,000 projected collections (twice the original estimate).

Conclusion:

The partnership between Peterborough City Council and Liberata stands as a testament to the power of data-driven strategies in public sector debt recovery. By exceeding the expected recovery yield, the initiative not only improved the Council's financial health but also demonstrated the potential for similar approaches to be taken for other debt types and adoption by other councils facing similar challenges. This case study highlights the importance of innovative solutions and effective collaboration in achieving significant financial recoveries within the public sector".



"The service from Liberata was extremely effective and we were surprised by how they managed to engage with citizens in an empathetic manner and recover a significantly higher than expected percentage of the overpayments."

EMMA RIDING, SERVICE DIRECTOR – FINANCIAL MANAGEMENT & DEPUTY 151 OFFICER,
PETERBOROUGH CITY COUNCIL.



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