

Levy breakdown – PRA classes

Deposits

2022/23 update

2022/23 forecast fund balances	November's <i>Outlook</i> forecast (£m)	Latest levy update (£m)	Variance (£m)
Opening balance	6.7	13.6	6.9
Compensation	(12.7)	(12.0)	0.7
Recoveries	0.0	0.0	0.0
Management Expenses	(14.9)	(14.1)	0.8
Annual levy receipts	22.0	14.0	(8.0)
Total closing surplus/(deficit) Please note that the 'Annual levy receipts' excludes provider contributions.	1.2	1.5	0.3
Total levies The 'Total levies' includes provider contributions to other classes. Please note, the 'Total levies' is not the sum of each column. This row shows the November forecast in comparison to the latest levy update.	47.1	18.4	(28.7)

The deposits class has seen a decrease in the amounts firms will have to pay since our indicative levy forecast in November's *Outlook* and has decreased from £47m to £18m. The main reasons include:

- A £21m retail pool contribution will no longer be required by this class as we no longer expect the Life Distribution and Investment Intermediation (LDII) class to breach its annual levy limit and require additional funding from other classes; and
- Due to lower than expected compensation costs in 2021/22, plus £2m in recoveries, the opening balance for this class has increased by a further £7m which has been offset against the 2022/23 levy.

In line with trends seen in previous years, we expect a small number of credit union firm failures during 2022/23.