

Levy breakdown – PRA classes

Deposits

2021/22 update

2021/22 forecast fund balances	May's Outlook forecast (£m)	Latest levy update (£m)	Variance (£m)
Opening balance	2.4	6.7	4.3
Compensation	(10.3)	(10.3)	(0.0)
Recoveries	0.0	1.1	1.1
Management Expenses	(14.9)	(14.9)	0.0
Annual levy receipts	24.0	24.0	0.0
Total closing surplus/(deficit) Please note that the 'Annual levy receipts' excludes provider contributions.	1.3	6.7	5.4

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 May forecast in comparison to the latest levy update.	49.6	29.0	(20.6)
--	-------------	-------------	---------------

Approximately £29k has been paid in compensation to customers for the Cardenden & Kinglassie Credit Union Ltd failure that occurred earlier this year.

We have also paid out approximately £580k to customers for the Barrow & District Credit Union Ltd failure which occurred in September 2021. There have been fewer than expected credit union failures overall, however. This has resulted in a class surplus of £6.7m that will be carried over to the 2022/23 financial year.

This class was also expected to contribute to the [retail pool](#) as the Life Distribution and Investment Intermediation (LDII) and Investment Provision classes were previously expected to breach their annual levy limits. This contribution is no longer required and explains the circa £20m variance between the May 'total levies' figure and our latest forecast.

2022/23 forecast

Class	2021/22 latest levy update (£m)	2022/23 forecast (£m)	Variance (£m)
Deposits	29.0	47.1	18.1

The levy for the Deposits class is expected to increase by just over £18m, from £29m in 2021/22, to circa £47m in 2022/23. The main reason for this is the £21m contribution the class will be required to make to the retail pool. This is because the LDII class is forecast to breach its annual levy limit and require funding from other classes as part of retail pool.

In line with trends we have seen in previous years, we are also expecting a small number of credit union firm failures during 2022/23