

15 January 2026

Peredur Owen Griffiths AS  
Chair of Finance Committee  
Welsh Parliament  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

Dear Chair,

I wrote to you in response to your letter of 11 December 2025 providing further information on the treatment of the rates refund recently received by the Commission. I am writing to provide a further update to you on the Second Supplementary Budget, specifically the accounting treatment for this cash rebate.

The Commission engaged with Welsh Government early in the process to confirm how the monies could be returned to the Welsh Consolidated Fund and had confirmation that the proposed approach was sound. This approach was outlined in my letter dated 8 December 2025, whereby the Commission would reduce the amount of cash drawn down so that the total quantum of cash received remained the same, but the method of receipt was part 'drawdown' and part 'refund'.

However, when Welsh Government has tried to apply the changes through the budget in practice, it has become clearer that, whilst it is a perfectly proper accounting treatment (hence the initial position), a transfer of cash between the Commission and the Welsh Consolidated Fund would not reflect the refund in a way which would make the money available to the wider public sector.

To that end, the numbers in the Second Supplementary Budget have been updated to reflect a reduction in both the cash and resource required for the year. This is so that the monies can properly be recognised.

For assurance, the Commission has not changed its position in terms of the amount being returned; this is a technical accounting adjustment, to be able to properly recognise the amount in budgetary terms, only.

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The changes are reflected in the Explanatory Memorandum that the Committee will consider in January.

If you need any further clarification, I will be happy to provide it.

Yours sincerely,

*Manon Antoniazzi*

**Manon Antoniazzi**

**Prif Weithredwr a Chlerc y Senedd / Chief Executive and Clerk of the Senedd**

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

