



# ***Sovereign Grant Bill***

**Bill No 213 2010-12**

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The *Sovereign Grant Bill* concerns the way in which the monarchy is funded. It seeks to replace the Civil List and other grants that support the Queen's official duties with a new Sovereign Grant, based on a percentage of the profits of the Crown Estate. The new grant is designed to deliver at first a broadly similar level of finance in cash terms to what is available at present. There are mechanisms for adjusting the level in future, and for using any significant surplus as a means to reduce the grant. The Sovereign Grant is intended to be a typical government grant that will lead to the royal finances being audited by the National Audit Office, and subjected to full parliamentary scrutiny.

The Bill had its first reading on 30 June 2011, and all of its remaining stages in the Commons are scheduled to take place on 14 July 2011. It is anticipated that it will have a full second reading in the Lords, but that the rest of its stages there will be formal.

The Bill extends to the whole of the United Kingdom.

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## Research Paper 11/57

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## Summary

The *Sovereign Grant Bill* is designed to create a new system for financing the official expenses of the monarchy. It will replace the existing arrangements, which include the Civil List and three grants-in-aid from government departments.

A new Sovereign Grant will replace and unify the four existing elements. It will start at £31m in 2012-13. Thereafter it will be based on either the previous year's grant, or 15% of the profits of the Crown Estate in the year before last, whichever is the greater. A Reserve Fund will be created, which will hold any surpluses of the Grant over expenditure. If this Reserve reaches more than 50% of the official expenditure of the Royal Household, it will be brought back down to 50% by means of a transfer to meet expenditure, with a matching reduction in the Grant.

The Royal Trustees (the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse) will review the value of the Sovereign Grant every seven years. They will assess whether 15% is the right proportion of the profits of the Crown Estate to be used in calculating the Grant. If they recommend an increase, the Treasury is obliged to introduce an order to do this, but the order will be subject to approval by vote of the House of Commons.

The Bill provides for the royal finances to be subject to regular audit and parliamentary scrutiny for the first time. Accounts for the Royal Household and the Reserve Fund must be presented to the National Audit Office, which reports on them to the Treasury. These reports will be laid before Parliament so that the Public Accounts Committee can discuss them, bringing the Royal Household into line with other government departments.

A new grant is to be created for the heir to the throne, if that person is not the Duke of Cornwall, and hence not in receipt of the proceeds of the Duchy. This would arise were the rules on succession to be changed, such that eldest daughters could become heirs ahead of their brothers.

The Sovereign Grant will be specific to each reign, but it can be extended by means of a prerogative Order for each new reign, rather than requiring new primary legislation as at present.

Notable features include:

- The new system merges four grants into one, with the intention of improving flexibility in the management of resources
- The initial sum for the Sovereign Grant will be £31 million
- The sum may increase, as it is based on a percentage of the profits of the Crown Estate, but this will be ploughed back into the Reserve, which will be triggered into use if it exceeds 50% of expenditure. The latter is subject to audit and to Treasury oversight
- There will be reviews of the calculation every seven years
- Royal finances will be subject to audit by the National Audit Office and to scrutiny by the Public Accounts Committee
- The new system is still specific to each reign: rolling it over will be simpler, but it will be done by royal prerogative with no parliamentary involvement

- The Queen, as currently, will continue to pay the expenses of most other members of the Royal Family from the Privy Purse, a form of private income which she uses for some official purposes
- A new grant will be created for the heir to the throne if that person is not the monarch's eldest son, and thus not the Duke of Cornwall, with the resources that the Duchy brings. This would be helpful were daughters to gain the right to succeed ahead of their brothers

All Commons stages of the Bill, past first reading, are to be held on the same day, 14 July 2011. The Lords has undertaken to agree to the Bill if the Commons does, because it is a financial bill, and will debate it only at second reading.

## 1 Introduction

Since 1990 the Civil List, the main grant through which the Queen's official expenses are met, has been reviewed every ten years. No new settlement was put in place ahead of the general election in 2010, and in his statement on the Spending Review in October 2010 the Chancellor, George Osborne, announced that the Civil List would be frozen for the next year, and then replaced with a new grant:

Her Majesty has graciously agreed to a one-year cash freeze in the civil list for next year. Going forward, she has also agreed that total royal household spending will fall by 14% in 2012-13, while grants to the household will be frozen in cash terms. In order to support the costs of the historic diamond jubilee, which the whole country is looking forward to celebrating, there will be a temporary additional facility of £1 million. After that, the royal household will receive a new sovereign support grant linked to a portion of the revenue of the Crown estate, so that my successors do not have to return to this issue as I often as I have had to.<sup>1</sup>

The Sovereign Grant Bill would replace the four grants currently provided to the Royal Household:

- The civil list – an annual grant to meet core official expenses to enable the Queen to carry out her role as Head of State and Head of the Commonwealth
- A grant-in-aid for Royal Travel (from the Department for Transport)
- A grant-in-aid for the maintenance of the Royal Palaces (from the Department for Culture, Media and Sport)
- A grant for expenditure on communication and information (from the Department for Culture, Media and Sport)

The Sovereign Grant will be equivalent either to 15% of the profits of the Crown Estate, or to the previous year's Grant, whichever is higher, except in two circumstances. These are if the Reserve Fund (an accumulation of unspent Grant money from previous years) equals more than half of expenditure, in which case it is used in place of some of the Grant; or if the profits of the Duchy of Cornwall are falling to the monarch because either there is no Duke of Cornwall or he is under 18 years of age.

The [Crown Estate](#) is a widespread set of [properties and interests](#), ranging from business parks and shopping centres, to parts of Regent Street and offices in other central London locations, a great deal of agricultural and forested land, and the Windsor Estate, to all naturally occurring gold and silver, half of the foreshore around the UK, and virtually all of the territorial seabed (out to 12 nautical miles from shore). It is managed on the Queen's behalf by the Crown Estate Commissioners.

In 2010-11 annual Civil List funding was £7.9 million; a further £5.6 million was drawn down from reserves. Net expenditure on the Queen's civil list was £13.7 million. Grants-in-aid totalled £18.4million (property £11.9 million; communications £0.5 million and travel £6.0 million). The total for these was £32.1 million. This is around £2½ million less than 15% of the 2010-11 Crown Estate revenue surplus.

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<sup>1</sup> HC Deb 20 October 2010 c952. See also [Spending Review 2010](#), Cm 7942, p74.

## 2 The current system

The current system of funding the monarchy has multiple strands. In addition to the Civil List, there are the grants-in-aid as mentioned above. There is also the Privy Purse, which is regarded as personal income for the Queen, but which is used to fund various aspects of official expenditure. The Queen's remaining personal income is a separate matter and is used to fund private expenditure.<sup>2</sup> It is not affected by the Bill.

### 2.1 Civil List

Before 1760 the expenses incurred by the Sovereign and Royal Household in fulfilling official duties were met from the income of the Crown Estate and from other hereditary revenues, supplemented increasingly by customs and excise duties and general taxation voted by Parliament. This was changed in 1760 on the accession of George III. Under the new arrangement, the King surrendered the income from the Crown Estate and other hereditary revenues to Parliament for the duration of his reign in return for the payment of a fixed annual Civil List. In this way the private income and private expenditure of the monarch was separated from the public funds available to fulfil official duties. This arrangement has been renewed at the start of each new reign since, most recently under the *Civil List Act 1952*.

In principle, little has changed, although over time certain expenses were transferred from the Civil List to be met from Government Departments' votes. More recently, this process has been reversed, with transfers back to the Civil List, designed to utilise reserves.

The Queen surrenders the income from the Crown Estate and other hereditary revenues, under the terms of the *Civil List Act 1952*, in return for:

- the provision of an annual Civil List to meet Her Majesty's immediate official expenses
- the provision of Parliamentary Annuities for other members of the Royal Family
- Government Departments meeting other expenditure incurred in support of the Monarchy directly from their annual votes

The annual amount of the Civil List was set for the Queen's reign in the *Civil List Act 1952*. However, as a result of high inflation, this was amended by the *Civil List Act 1972* to require the Royal Trustees (the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse) to review the adequacy of the amount of the Civil List periodically, and to report to the Treasury at least every ten years whether the amount of the Civil List remains adequate or should be increased.

In order to allow for inflation, the 1972 Act provides for the amount of the Civil List to be higher than expenditure in the early years of a ten year plan so that annual surpluses can be accumulated to cover deficits in later years, or for carry-forward into a subsequent ten year period. This built on a system in use under the 1952 Act, which included a supplementary provision that allowed the creation of surpluses to be used in a later period. Under the present arrangements, if there is a surplus carried forward, the Royal Trustees will take it into account when making their recommendation for the annual amount of the Civil List for the next ten years.

During the ten year period to 31 December 2000 annual Civil List expenditure reached £6.5 million, still short of the annual amount of £7.9 million set in 1990, and a reserve of £35 million was established. In view of this, and in order to draw down the reserve, the annual Civil List was left at £7.9 million for a further ten years and annual expenditure of

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<sup>2</sup> Further information on this is available in Standard Note [SN/SG/819](#).



approximately £2 million was transferred to the Civil List from the votes of Government Departments or from the Consolidated Fund.

The Queen has, since 1977, refunded the Parliamentary Annuities paid to three members of the Royal Family, and since 1993 this has extended to all other members except the late Queen Mother and the Duke of Edinburgh. She therefore meets the payments under Section 4 of the 1952 Act and Section 3 of the 1972 Act from the Privy Purse. This is done on a voluntary basis, but it has always been clear that it was intended to be permanent.<sup>3</sup>

## **2.2 Grants-in-aid**

Grants-in-aid are provided to the Royal Household annually by the Department for Culture, Media and Sport (DCMS) for Property Services and for Communications and Information, and by the Department for Transport (DfT) for Travel.

### ***Property Services***

The Property Services grant-in-aid is the annual funding provided by the DCMS to the Royal Household to meet the cost of property maintenance, and of certain utilities and related services at:

- Buckingham Palace
- St James's Palace, Clarence House and Marlborough House Mews
- The residential and office areas of Kensington Palace
- The Royal Mews and Royal Paddocks at Hampton Court
- Windsor Castle and buildings in the Home and Great Parks at Windsor

The properties are referred to as the "Occupied Royal Palaces" or the "Estate". The Occupied Royal Palaces are held by the Queen as Sovereign. The DCMS has overall responsibility for the maintenance of, and provision of services to, the Occupied Royal Palaces. With effect from 1 April 1991, however, management and operating responsibility was transferred to the Royal Household.

The Occupied Royal Palaces are used by the Sovereign in fulfilling the role and functions of Head of State. Approximately 1,000 people work at the Occupied Palaces including household staff, police and armed services personnel, Post Office staff and building and maintenance contractors. The Queen invites approximately 70,000 guests annually to the Palaces and there are approximately 1.5 million paying visitors. The net contribution from paying visitors goes towards the general maintenance of the Occupied Palaces, and the upkeep, conservation and presentation of the Royal Collection.

### ***Maintenance of Marlborough House***

Annual funding was introduced in 1999-00 to meet the cost of property maintenance at Marlborough House, which is occupied by the Commonwealth Secretariat and the Commonwealth Foundation. The maintenance was previously funded by the Department for Transport, Local Government and the Regions. As the Royal Household had a property services unit nearby, and as Marlborough House is held by The Queen as Sovereign, the Household agreed to take on responsibility for the maintenance of the building. The funding was accordingly transferred to the DCMS so that it could be incorporated into the Royal Household's existing grant-in-aid.

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<sup>3</sup> *Civil List Acts 1972 and 1975: Report of the Royal Trustees*, HC 464 1992-93, 11 February 1993, p5

The Royal Household is only responsible for major building work and the Custody Guards. Costs in respect of minor and grounds maintenance, specialist terms contracts, utilities and other sundry matters are recovered from the Commonwealth Secretariat.

The Household maintains Marlborough House in effect as the DCMS's contractor. The expenditure is not a cost of the monarchy.

### ***Communications and Information***

Royal Communications and Information is the annual funding provided by the DCMS for communication and information services in connection with official royal functions and engagements. It was absorbed into the grant-in-aid on 1 April 1999 having operated for a year as a separate grant-in-aid from the Central Office of Information (with operating responsibility assumed by the Household from 1 August 1998).

The Royal Household incurs expenditure developing and running an overall communications programme, including a press office, developing the Royal website, providing information officers to administer press arrangements at royal engagements and visits, and providing general and educational information to the public.

General press office costs and expenditure incurred in developing and running an overall communications programme are charged to the Civil List; other costs are charged to the Royal Communications and Information part of the grant-in-aid. The division between the two funding sources is historic.

During 1998-99 the cost of providing information officers to administer press arrangements at royal engagements and visits in Scotland, Wales and Northern Ireland was met by relevant Government Departments. From 1 April 1999 these services in Scotland have been paid from the grant-in-aid. More recently, since 2004-05, Buckingham Palace has increasingly taken direct responsibility for these services.

The Household has been devoting more resources to communications, including the appointment of a Communications Secretary in September 1998 to develop the overall strategy. In December 2002 the responsibilities of this role were absorbed by the Press Secretary. These additional resources have been provided from savings in other areas funded from the Civil List.

### ***Royal Travel***

The Royal Travel grant-in-aid is the annual funding provided by the DfT to meet the cost of official royal travel by air and rail. Official travel by car for the Queen is paid for from the Civil List and for the Duke of Edinburgh from his Parliamentary Annuity. Official travel by car for other members of the Royal Family is paid for from private sources.

Up to 31 March 1997 these official royal costs were met by the Ministry of Defence, the Department of Transport and the Foreign and Commonwealth Office. Responsibility for the expenditure was transferred to the Household with effect from 1 April 1997.

## **2.3 Privy Purse**

Income from the Duchy of Lancaster, which is subject to tax in the normal way, funds the Privy Purse. The Duchy is a landed estate of approximately 19,268 hectares held in trust for the Sovereign since 1399. The Sovereign is not entitled to the Duchy's capital, but the net revenues of the Duchy are the property of the Sovereign in right of her Duchy of Lancaster. Accounts for the Duchy of Lancaster are published and laid before Parliament annually.

The Chancellor of the Duchy of Lancaster, who is the equivalent of the chairman of the trustees, has in recent years normally been a Government minister, although this is not a requirement. Since 12 May 2010, the Chancellor of the Duchy of Lancaster has been Lord Strathclyde.

The Privy Purse is the Queen's private income, but it is used by Her Majesty to meet official expenditure, in particular reimbursing Parliamentary Annuities and meeting expenses of other Members of the Royal Family. The Privy Purse also pays for the upkeep of Balmoral, the Queen's estate in Scotland.

Table 1 sets out the payments to the Privy Purse from the Duchy of Lancaster from 1991 to 2010. The Privy Purse amounted to over £13 million in the year to 31 March 2010, over twice the level ten years earlier.

## **2.4 Head of State expenditure**

Head of State expenditure is the official expenditure relating to the Queen's duties as Head of State and Head of the Commonwealth, and excludes the costs of police and army security and of armed services ceremonial (figures are not available).

Table 2 details annual levels of Head of State expenditure since 1991-92. In the year ending 31 March 2011, expenditure was £39.8 million.

Head of State expenditure has generally fallen over the decade, with spending in 2010-11 approximately two-thirds of the 1991-92 level of £65.5 million.

### ***Civil List***

Table 3 details Civil List expenditure and funding between 1991 and 2010, and shows that expenditure increased to reach £13.5 million in 2010.

### ***Grants-in-aid***

#### ***Property Services***

Table 4 details property services grant-in-aid expenditure and funding since 1991-92.

Property maintenance accounts for the largest part of this expenditure – currently representing 60 per cent of net expenditures – although property maintenance has declined as a proportion of expenditure from around 80 per cent in 1992-93.

From 1 April 2001, the Royal Household has paid for the Court Post Office's postal and telegraph services. These services were funded with the aid of the transfer of some expenditure to the Civil List and a temporary increase in the grant-in-aid.

#### ***Maintenance of Marlborough House***

Table 5 shows grant-in-aid details for the maintenance of Marlborough House since this funding was introduced in 1999-2000.

#### ***Communications and Information***

Table 6 lists communications and information grant-in-aid expenditure since the introduction of this funding in 1997-98.

#### ***Royal Travel***

Table 7 provides details of Royal Travel grant-in-aid expenditure since the introduction of this funding in 1997-98.

### ***Government departments and the Crown Estate***

The sums arising from the Crown Estate, which have been surrendered to the Treasury since 1760, are shown in Table 10. This also gives the value of certain other hereditary revenues, mostly resulting from intestacy, which are also paid to the Consolidated Fund (that is, the Exchequer).

In the financial year 2010-11 the revenue surplus from the Crown Estate paid to the Treasury was over £230 million.

Table 8 sets out the expenditure met directly by various Government Departments and the Crown Estate since 1991-92. For the fiscal year 2010-11, Government Departments contributed £3.8 million to meet royal expenditures.

Generally, large decreases in the direct expenditure by Government Departments and the Crown Estate from 1991-92 reflect the introduction of the various grants-in-aid and the associated transfers of funding. A fall in expenditure on maintenance of the Palace of Holyroodhouse in 2003-04, for instance, arose from the exclusion of certain expenditure to achieve consistency with the property services grant-in-aid.

### ***Parliamentary Annuities***

Under the Civil List Acts the Royal Trustees are responsible for setting the fixed amounts for each ten year period for the Parliamentary Annuities paid to other members of the Royal Family, principally to meet costs incurred in carrying out a wide range of official engagements in the UK and overseas.

In 2000 the Royal Trustees recommended that the Parliamentary Annuities should not be increased from the 1990 level, other than the increase of £45,000 occurring on the occasion of the Earl of Wessex's marriage. These levels are detailed in Table 9.

Since 1993-94, the Queen has repaid all of these amounts to the Treasury, with the exception of the annuities for the late Queen Mother and the Duke of Edinburgh.

## **3 The Bill**

In the debate on the founding resolution on 30 June 2011, the Chancellor, George Osborne, pointed to "problems with the current system":

It is very inflexible. For example, money saved in travel cannot be used to undertake an urgent repair of a property. It is opaque, as the National Audit Office's access to official spending is limited and, although it has carried out value-for-money studies, it has no audit function. Critically for today's discussion, it was clear by April 2010 that the royal household's reserve, which had provided a key component of its annual income, was running out.<sup>4</sup>

He cast the Bill in terms of a solution to these problems:

We will introduce a new sovereign grant that provides appropriate resources for the Queen to do her job with dignity but balances that with fairness and accountability for the taxpayer. It is designed around three principles. First, it provides the monarchy with sustainable long-term financing free from annual political interference, by which I mean the budget can be set for the long term and automatically updated without an annual political argument. Secondly, it provides flexibility, so that the royal household can manage its funds efficiently to deliver best value for taxpayers. The third principle is

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<sup>4</sup> HC Deb 30 June 2011 cc1145-6

that, alongside more sustainable finances with greater flexibility, we will ensure greater accountability and transparency and establish proper checks and balances to prevent the sums provided from becoming too excessive.<sup>5</sup>

### 3.1 Procedure

Some elements of the procedure on bills relating to royal finance are unusual, although they follow in broad structure the approach taken for any bill authorising new expenditure.<sup>6</sup> In the past, the process has begun with a message from the Queen under her own signature, which is presented to the House in a formal manner. The message is accompanied by another to the House of Lords, asking it to concur in the provision which the Commons will make. Then a select committee has been convened to report on the matter, before a resolution has been introduced, upon which the relevant legislation can be founded.<sup>7</sup> The Chancellor made oblique reference, when moving the founding resolution in June 2011, to the reduction of this process in the present case;<sup>8</sup> the select committee has been dropped.

The following steps have occurred:

*29 June 2011*

A message from the Queen was presented to the Commons, inviting it to consider her financial support, and allowing it to make use of hereditary revenues to this end:

The Vice-Chamberlain of the Household acquainted the House that he had a Message from Her Majesty the Queen to this House, signed by Her Majesty's own hand.

*Her Majesty requests that consideration should be given by the House of Commons to the provision made by Parliament for the financial support of Her Majesty and other members of the Royal Household, and to allowing for the continuation of support in the reigns of Her successors.*

*Her Majesty desires that the hereditary revenues of the Crown, for any period for which support is provided to any of Her successors, should be at the disposal of the House of Commons.*

*In commending these matters to Her faithful Commons, Her Majesty relies on their attachment to Her person and family to adopt such measures as may be suitable for the occasion.<sup>9</sup>*

A message from the Queen was presented to the Lords, asking it to agree to the measures which the Commons would in due course propose, reflecting the financial privilege of the Commons:

Her Majesty, being desirous that the provision made by Parliament for the financial support of the Royal Household should be considered, asks the Lords Spiritual and Temporal to concur in the adoption of such measures as the House of Commons may propose as suitable.<sup>10</sup>

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<sup>5</sup> HC Deb 30 June 2011 c1146

<sup>6</sup> That is, a recommendation from the Crown, a resolution from the House, and a specific Act (in this case, the present Bill). For further detail, see *Erksine May's Treatise on the law, privileges, proceedings and usage of Parliament*, 24<sup>th</sup> ed, 2011, pp713-7.

<sup>7</sup> *Erksine May's Treatise on the law, privileges, proceedings and usage of Parliament*, 24<sup>th</sup> ed, 2011, pp753-4

<sup>8</sup> HC Deb 30 June 2011 c1152

<sup>9</sup> HC Deb 29 June 2011 c976

<sup>10</sup> HL Deb 29 June 2011 c1751

30 June 2011

The House of Lords agreed a motion to present a humble address agreeing to respect the financial privilege:

That an humble Address be presented to Her Majesty, to return to Her Majesty the thanks of this House for Her Majesty's most gracious Message, and to assure Her Majesty that this House, always desirous of availing itself of every opportunity to manifest its dutiful attachment to Her Majesty's Royal Person and Family, will cheerfully concur in all such Measures, as shall be necessary and proper for giving effect to the object of Her Majesty's Message.<sup>11</sup>

Lord Strathclyde explained the consequences of the humble address:

It indicates that this House will concur in the provision that the Commons proposes, as with previous such Bills. When the Commons sends us the expected Bill I expect that we will follow that precedent and give the Bill a full Second Reading, but then take its remaining stages formally.<sup>12</sup>

The Chancellor moved a resolution to provide a foundation for the Bill:

That—

- (1) new provision be made for, or in connection with, the financial support of the Sovereign and of the heir to the throne;
- (2) any sums payable in respect of provision so made should be payable out of money provided by Parliament;
- (3) provision be made enabling the continuation, in the reigns of Her Majesty's successors, of the payment of the hereditary revenues of the Crown as directed under section 1 of the Civil List Act 1952;
- (4) provision be made about allowances and pensions under the Civil List Acts of 1837 and 1952;
- (5) any sums payable in respect of such allowances and pensions by virtue of any provision so made should be charged on the Consolidated Fund;
- (6) it is expedient to amend the law relating to the financial support of members of the Royal Household.<sup>13</sup>

The Bill was read the first time under the long title, "a Bill to make provision for the honour and dignity of the Crown and the Royal Family; make provision about allowances and pensions under the Civil List Acts of 1837 and 1952; and for connected purposes."<sup>14</sup>

All remaining stages of the Bill in the Commons are scheduled for 14 July 2011. While the convention has been observed that two weekends are left between first and second reading, the remainder of the parliamentary scrutiny of the Bill has been compressed. The House of

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<sup>11</sup> HL Deb 30 June 2011 c1855

<sup>12</sup> HL Deb 30 June 2011 c1856

<sup>13</sup> HC Deb 30 June 2011 c1144; passed at c1178.

<sup>14</sup> HC Deb 30 June 2011 c1178

Lords Constitution Committee undertook an inquiry into fast-track legislation in 2008-09, and made a series of recommendations.<sup>15</sup> The Government of the day stated that

The Government firmly believes that all members of both Houses are entitled to a full explanation of why a piece of legislation is being proposed for fast tracking; and we would expect to be held account for its timetabling. Ministers remain prepared to justify the need for any expedition to the House, including covering those issues set out in the Committee's Report.<sup>16</sup>

In the case of the *Police (Detention and Bail) Bill 2010-12* the Government explained its reasons for fast-tracking the Bill in an oral statement and in the explanatory notes.<sup>17</sup>

### 3.2 Debate on founding resolution

Mr Osborne introduced the debate on 30 June 2011 with the following account of the reasons for the Bill:

the current civil list arrangements are no longer sustainable. They are inflexible, less than transparent and, critically, rely on a reserve of public funds that has steadily been run down and is about to become depleted.<sup>18</sup>

He described his solution as “a new sovereign grant that balances the public interest in our Queen being properly funded to carry out her official duties with the legitimate interest of the taxpayer in proper accountability and value for money.”<sup>19</sup> He placed emphasis on the value of the monarchy, both in terms of the public engagements carried out by the Queen and other members of the Royal Family, and in terms of its appeal to tourists and the income they generate. He then gave an account of how the Civil List has operated in recent decades, as discussed in Part 2 of this Paper above:

In 1990, the annual civil list amount was set at £7.9 million. Additional support was provided to the monarch in the form of two grants in aid, one for travel and one for maintenance of the royal palaces, but inflation in the 1990s was falling faster than forecast and much of the funding was not spent. Instead, it went into a reserve, which by 2001 had grown to more than £37 million. At the beginning of the last decade, it was decided that rather than set a new civil list, the royal household should run down that reserve to fund its official duties.

That means that over the past three years, the royal household has on average spent about £35 million a year. Let me set out how the spending breaks down for 2009-10, the most recent year for which there is out-turn data. There was £7.9 million from the civil list, £6.5 million from the reserve—that was, of course, public money that had been provided earlier—£3.9 million for travel, £400,000 for communications, and £15.4 million for royal palace maintenance. It should be made clear that over recent decades the royal household has done a huge amount to cut costs and improve the effectiveness of its spending. Indeed, total spending has come down from £45.8 million

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<sup>15</sup> Select Committee on the Constitution, *Fast-track Legislation: Constitutional Implications and Safeguards*, HL 116 2008-09, 7 July 2009

<sup>16</sup> Select Committee on the Constitution, *Government Response to Fast-track Legislation: constitutional implications and safeguards*, HL 11 2009-10, 7 December 2009, p8. See also SN/PC/5256, *Fast-track legislation*, 22 December 2009.

<sup>17</sup> HC Deb 30 June c1133, and *Explanatory Notes* to HL Bill 82 2010-12

<sup>18</sup> HC Deb 30 June 2011 c1144

<sup>19</sup> HC Deb 30 June 2011 c1144

in 1991 to an expected £35 million in 2010-11. That is a real-terms cut of more than 50% in 20 years.<sup>20</sup>

Mr Osborne pointed to the inflexibility of the present system, whereby the grants-in-aid are effectively ring-fenced from one another, and the lack of audit. He also noted that the reserve, on which the Civil List has relied since 2000, is running out.<sup>21</sup>

He stressed three main features that he wanted to put in place in the new system:

First, it provides the monarchy with sustainable long-term financing free from annual political interference, by which I mean the budget can be set for the long term and automatically uprated without an annual political argument. Secondly, it provides flexibility, so that the royal household can manage its funds efficiently to deliver best value for taxpayers. The third principle is that, alongside more sustainable finances with greater flexibility, we will ensure greater accountability and transparency and establish proper checks and balances to prevent the sums provided from becoming too excessive.<sup>22</sup>

The first aim, to provide long-term financing without a need to return to Parliament each year, which is already secured under the present arrangements, would be achieved by linking the grant to the profits of the Crown Estate. This would ensure that the grant increased automatically throughout a reign. It would also help to bring the funding into line with the performance of the economy. The Chancellor stated that “the new legislation should be a permanent arrangement that outlives the sovereign,” although he also acknowledged that it would have to be extended to cover each new monarch by means of an Order in Council.<sup>23</sup>

The second aim, flexibility, would be served by merging the various existing grants into one. This would allow efficiencies in one area to cover increased expenditure in another. At the same time, a reserve would still be in place, but this would be limited to “about 50% of the annual grant.”<sup>24</sup>

The third aim was “an incredibly important one: accountability to Parliament for the spending of public money, and value for money for the taxpayer.”<sup>25</sup> In the past the National Audit Office (NAO) and the Public Accounts Committee (PAC) have conducted value-for-money studies on specific aspects of royal expenditure, such as travel, but the Royal Household has not, in itself, been subject to audit. Mr Osborne stated that this will change under the Bill:

From now on, the NAO will have full access and become the statutory auditor of all the royal household’s official business and of the sovereign reserve. It will also be able to audit the assets used by the royal household in carrying out its official business. The National Audit Office will not become the financial auditor of the Queen’s private business, including the Duchies of Lancaster and Cornwall, which remain private funds.

To ensure accountability to Parliament, the sovereign grant accounts will be laid before the House. The Public Accounts Committee will also be able to conduct hearings on the royal finances, with the royal household itself providing evidence at such hearings.

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<sup>20</sup> HC Deb 30 June 2011 c1145

<sup>21</sup> HC Deb 30 June 2011 cc1145-6

<sup>22</sup> HC Deb 30 June 2011 c1146

<sup>23</sup> HC Deb 30 June 2011 cc1146-7

<sup>24</sup> HC Deb 30 June 2011 c1147

<sup>25</sup> HC Deb 30 June 2011 c1147



That is a big and historic extension of parliamentary scrutiny, and I should like to thank Her Majesty for opening up the books.<sup>26</sup>

For the Opposition, Shadow Chancellor Ed Balls supported the generality of Mr Osborne's comments:

I agree with the Chancellor about this. I know that not everyone in this House will agree with what I am going to say, but it is the view of Her Majesty's Loyal Opposition, as it is the view of the Government, that the monarchy continues, and must continue, to play a vital role in the affairs of our nation in the new century, but that to play this role and to command public support, the royal household must, as the Chancellor said, be financed in a proper, open and fair way, which means fair to the royal household and, as the Chancellor said, fair to the taxpayer too. There is a balance to be struck, as there has been for over 250 years since the 1760 settlement. It is the job of the Prime Minister, the Chancellor and the Government, with the royal household, to strike a fair and workable balance between the legitimate needs of the household and the interests of the taxpayer. It is the responsibility of Her Majesty's Opposition to scrutinise the actions of the Government to make sure that it is done in a fair and proper way, and it is the job of this Parliament to oversee these matters.<sup>27</sup>

However, he set out four areas on which he would seek clarity and reassurance at second reading:

the level of the sovereign grant; the costs of royal security, which, while not covered by the sovereign grant itself, are material to these matters; the mechanism for uprating the sovereign grant; and how Parliament scrutinises these new arrangements.<sup>28</sup>

While the grant was designed to maintain roughly the same level of spending as at present, Mr Balls questioned whether this would be appropriate, given variables such as the likely demand for greater activities on the part of the Duke and Duchess of Cambridge. He asked whether the level of royal security, which is not funded from the Civil List nor will be from the Sovereign Grant, is commensurate with the "high tide mark" in the Royal Family's public activities.

He also raised the question of the potential for an increase in the amount of money generated by the grant formula. The grant will be based on a percentage, 15% in the Bill, of the profits of the Crown Estate. As a result, the actual sum of the grant may vary. It is anticipated that the profits of the Crown Estate may rise substantially as a result of the growth in offshore wind-farms. If this were the case, Mr Balls said, "the House and the country will need an assurance that proper and responsive arrangements are to be put in place."<sup>29</sup>

Mr Osborne addressed this in his speech. He made the points that the reserve would be kept within the cap of about 50% of the grant, and that the Treasury has a responsibility to ensure that the grant is spent on official duties. He went on,

Those arrangements also deal with the potential situation, which some people predict, of an increase in Crown Estate profits from offshore wind activity. Currently, those revenues are running at about £2.5 million per year, but some forecast that they could increase substantially in the 2020s. The 15% formula will be reviewed before that may

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<sup>26</sup> HC Deb 30 June 2011 c1148

<sup>27</sup> HC Deb 30 June 2011 c1150

<sup>28</sup> HC Deb 30 June 2011 c1150

<sup>29</sup> HC Deb 30 June 2011 c1151

come about, and we will not allow revenues from offshore wind to lead to a disproportionate rise in revenues to the royal household.<sup>30</sup>

Mr Balls argued that if income rose and, rather than this being placed in the reserve, it was used in expenditure, there would not be an immediate and automatic review of the percentage used to calculate the grant:

If revenues are higher, then rather than waiting a full seven years for a review and risking upward pressure on spending or a repeat of the accumulation of reserves that we saw in the 1990s, is there not a case for a more automatic and immediate formula to return those excess revenues to the taxpayer?<sup>31</sup>

Finally, he welcomed the opportunity for the NAO and the PAC to audit and scrutinise the royal finances in the same way as they would any government department. However, he argued that,

there are important issues of detail in respect of how the proposals will work in practice. Will the reports be frequent and timely? Will all necessary information be disclosed to the PAC and Parliament? Who will give evidence to the Committee on those matters?<sup>32</sup>

Among other contributors to the debate, Margaret Hodge said that the audit provisions “are hugely significant for Parliament,” and that “this is undoubtedly an important change for the better, and as Chair of the Public Accounts Committee, charged with following the taxpayer’s pound, I warmly welcome it.”<sup>33</sup> Her predecessor as Chair of the PAC, Edward Leigh, also welcomed the new audit arrangements, and commended Mr Osborne for being “the first Chancellor of the Exchequer to have the guts to take this issue on and deal with it.” He went on, “for the first time since this modern settlement was made in 1760, Parliament will, through the Public Accounts Committee, be able to scrutinise all aspects of royal finances.”<sup>34</sup>

Most speakers gave a broad welcome to the proposals. However, Paul Flynn argued that a simpler approach would to cap the Civil List and link it to a mechanism such as increases in the basic state pension, the retail price index or the consumer price index.<sup>35</sup> Denis MacShane raised concerns over the total level of funding and also the extent of the Crown Estate.<sup>36</sup>

### 3.3 Clause analysis

**Clause 1** establishes the Sovereign Grant as a sum to be paid by the Treasury to the Queen for each financial year. This means, among other things, that the Treasury will be responsible for the grant, for seeing that it is used for the purposes for which it was intended, and for answering questions about it in Parliament.

Clause 1(2) states that the purpose of the Grant will be to support Her Majesty’s official duties. These are defined in Clause 13 as including the maintenance of Royal Palaces and related land.

Clause 1(3) sets the amount of the Grant in the first year, 2012-13, at £31 million. According to the Explanatory Notes, “this is equal to the level of civil list and grant support to the Royal

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<sup>30</sup> HC Deb 30 June 2011 c1148

<sup>31</sup> HC Deb 30 June 2011 c1151

<sup>32</sup> HC Deb 30 June 2011 c1153

<sup>33</sup> HC Deb 30 June 2011 c1155

<sup>34</sup> HC Deb 30 June 2011 c1158

<sup>35</sup> HC Deb 30 June 2011 c1163

<sup>36</sup> HC Deb 30 June 2011 cc1166-8

Household in 2010-11, plus a supplement of £1 million to meet the additional expenses of the Diamond Jubilee in 2012.”<sup>37</sup> As a result it represents a cash freeze, apart from the Jubilee supplement.

Clause 1(4) gives the Royal Trustees (the Prime Minister, the Chancellor and the Keeper of the Privy Purse) the responsibility of setting the amount of the Grant on an annual basis.

Clause 1(6) gives Parliament the right to vote on the Grant. It will be paid “out of money provided by Parliament,” which will be the Treasury Estimate.<sup>38</sup>

**Clause 2** is part of the effort in the Bill to “normalise” the royal finances. It extends to them typical government accounting procedures. The Clause covers the resource accounts of the Royal Household, which are the responsibility of the Keeper of the Privy Purse.<sup>39</sup> S/he must present the accounts to the Comptroller and Auditor General (in other words, the NAO) at the end of each financial year, and the accounts must include the net relevant resources used, plus anything else directed by the Treasury.<sup>40</sup> The net relevant resources are defined as the amount of resources used by the Household in support of the Queen’s official duties minus the amount of income received by the Household.<sup>41</sup> The income in this respect does not include the Grant itself.

Clause 2(4) covers the Treasury directions, which may include the information to be included, the presentation, the methods used in preparing the accounts, and any additional information to be submitted with them. This brings the accounts into line with other public expenditure, where the Treasury defines how the accounts should be prepared.

Clause 2(5) provides that the Comptroller must audit the accounts and report on them to the Treasury. Under Clause 2(8) s/he gains the power to review the economy, efficiency and effectiveness with which the Royal Household has used its resources in discharging its functions. This is by virtue of the Royal Household being defined in the relevant terms under [Section 6\(3\)\(c\)](#) of the *National Audit Act 1983*.

The Treasury lays the Comptroller’s report on the accounts of the Royal Household, with its statement of accounts, before Parliament, and passes copies to the Royal Trustees.<sup>42</sup> In this way the audited accounts are opened to parliamentary scrutiny by the PAC.

**Clause 3** sets up the Reserve Fund. This is created from any surplus of the Grant over expenditure. It is used to make up, in other years, any shortfall of the Grant against expenditure, to reduce the Grant if the Reserve is high, or to fund loans for capital expenditure.

Under Clause 3(3), any surplus of the Grant provided for a year over the net resources used for official expenditure that year must be paid into a Reserve Fund, administered by the Royal Trustees. The Reserve may be invested by the Trustees in any way they consider appropriate.<sup>43</sup> The Reserve will start by containing any sums left in the reserve account that currently applies under the Civil List.

Clause 3(4) indicates the main purpose of the Reserve: if the net resources used for official expenditure in a financial year exceed the Grant for that year, the Trustees must pay the

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<sup>37</sup> Bill 213-EN, p5

<sup>38</sup> Bill 213-EN, p6

<sup>39</sup> Clause 2(1)

<sup>40</sup> Clause 2(2) and (3)

<sup>41</sup> Clause 2(7)

<sup>42</sup> Clause 2(6)

<sup>43</sup> Clause 3(2)

difference from the Reserve to the Keeper of the Privy Purse. If the Reserve is not enough to pay the difference, then the whole Reserve will be paid.

In addition to the use of the Reserve to make up shortfalls in ongoing expenditure, it can also be used to fund capital expenditure. Under Clause 3(7) the Trustees may make loans from the Reserve for this purpose.

**Clause 4** provides for the accounts of the Reserve, and for the audit of them. This is broadly similar to the arrangements for the accounts of the Royal Household in Clause 2. The Royal Trustees take on the responsibility of preparing the accounts,<sup>44</sup> which include a statement of the value of the Reserve Fund at the end of the financial year, and anything else contained in Treasury directions.<sup>45</sup> These are passed to the Comptroller, who audits them, including an examination for economy, efficiency and effectiveness, and passes them, with his/her report, to the Treasury.<sup>46</sup>

Under Clause 4(6) the Treasury lays the Comptroller's report, and the accounts, before Parliament.

**Clause 5** requires the Trustees to prepare an annual report on the Sovereign Grant. This must state the amount of the Grant each year, and how it was calculated.<sup>47</sup> The report must be prepared as soon as possible after the Comptroller has reported on the accounts of the Royal Household, the accounts of the Reserve Fund, and the accounts of the Crown Estate Commissioners.<sup>48</sup> According to the Explanatory Notes, the purpose of this provision is to ensure that when the Royal Trustees make their report, they are drawing on audited and published information about the previous financial year.<sup>49</sup> It is therefore part of the transparency provisions which run through the Bill.

As with the accounts, the Trustees must pass their report on the Grant to the Treasury, which lays it before Parliament, again for purposes of transparency and scrutiny.

**Clause 6** provides the mechanism for calculating the Sovereign Grant. This is done by the Trustees, who must follow a series of five "steps".<sup>50</sup>

In Step 1 they take as a base year the financial year before last (ie, 2011-12 will be the base year for 2013-14). They calculate 15% of the surplus of the Crown Estate for that year, as stated in its accounts and certified by the Comptroller.<sup>51</sup>

In Step 2 they round this figure up to the nearest £100,000.

In Step 3 they take the greater of the amount determined under Step 2 and the Grant for the previous year.

Step 4 applies when the Reserve Fund at the end of the base year (two years ago) is more than 50% of the net resources used that year. If this is the case, the Trustees may reduce the Grant by an amount they consider appropriate, and make up the difference from the Reserve so that expenditure can be met under Clause 3(4). This entails that the total amount

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<sup>44</sup> Clause 4(1)

<sup>45</sup> Clause 4(4)

<sup>46</sup> Clause 4(2), (5) and (7). Note that the Comptroller's role in examining the economy etc of the Royal Trustees is only in respect of their responsibilities for the Reserve Fund, not any wider role. See Clause 4(7)(b).

<sup>47</sup> Clause 5(1)

<sup>48</sup> Clause 5(2)

<sup>49</sup> Bill 213-EN, p8

<sup>50</sup> The Steps are in Clause 6(1).

<sup>51</sup> See Clause 12(1) and (2) for the definition of the surplus.

of money available one year may be less than the amount in the previous year, since the target is expenditure (which might go down), not a constant level of Grant. Under Clause 6(4) the Trustees must reduce the Grant by an amount that leaves the Reserve at roughly 50% of the net resources used in the year in question (ie, the year ahead for which they are calculating a Grant).

Under Step 5 the amount of the Sovereign Grant is either the amount determined under Step 3 (15% of Crown Estate profits or last year's Grant, whichever is greater), or that amount reduced by the transfer from the Reserve under Step 4.

Does this formula guarantee that the monarch will always have enough money to cover official duties? In principle, no, since it is not based on expenditure. If there is little or no surplus over time, so the Reserve does not build up, increased expenditure could outstrip the previous year's Grant, 15% of the profits of the Crown Estate two years before, and the capacity of the Reserve to make up the difference. There is an assumption that the Reserve and/or the profits of the Crown Estate will build over time: this is based on experience over the last 20 years and on the anticipated performance of the Crown Estate.

There is no provision within the Bill to make supplementary payments in case of emergency;<sup>52</sup> instead, supplementary Estimates would be used. The need for this motivated the 1972 and 1975 Acts, and arguably played a part in the creation of the Civil List in the 18<sup>th</sup> century. The seven year reviews will provide a mechanism for adjusting the underlying sums if need be.

Note also that the calculation uses the profits of the Crown Estate as a means of arriving at a figure, not as a source of income. The Sovereign Grant is not hypothecated, and the proceeds of the Crown Estate will still be surrendered to the Treasury.

In 2009-10 15% of the Crown Estate revenue surplus was £31.6 million; in 2010-11 15% of the surplus was £34.6 million.

**Clause 7** provides for reviews of the Sovereign Grant. These will be carried out by the Royal Trustees every seven years, and they will allow the Trustees to recommend changes to the percentage of the Crown Estate that is used in the calculation.

Clause 7(5) specifies that the review periods are every seven years starting on 1 April 2012, so that the reviews will take place in 2019, 2026, 2033 and so on. At the end of each seven year period the Trustees must review the percentage used in Step 1 of the calculation,<sup>53</sup> producing a report that states whether the percentage is appropriate and, if not, giving an alternative figure. This report is passed to the Treasury, which lays it before Parliament.

**Clause 8** follows up the consequences of a report under Clause 7, if the report recommends a change to the percentage. The Treasury must change the percentage to the one recommended by the Trustees, and it does so by means of an order contained in a statutory instrument.<sup>54</sup> If the change is to increase the percentage, the instrument is subject to the affirmative procedure in the House of Commons (the Lords is not involved), otherwise it is subject to the negative procedure.<sup>55</sup>

This completes the main set of provisions on the Sovereign Grant itself.

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<sup>52</sup> This refers to supplementary payments that are separate from the Step 3 sums and the Reserve. Top-ups from the Reserve will of course be available, so long as the Reserve contains funds.

<sup>53</sup> Clause 7(1)

<sup>54</sup> Clause 8(2)

<sup>55</sup> Clause 8(3) and (4)

**Clause 9** deals with the income of the Duchy of Cornwall when the Duke of Cornwall is under 18 years of age, or when there is no Duke of Cornwall. Currently this situation is addressed in Section 2 of the *Civil List Act 1952*. The new arrangements are broadly the same, but include one significant innovation. According to the Explanatory Notes,

the net effect is broadly that an adult heir to the throne [...] receives the equivalent of the net income of the Duchy. If the heir is a minor, the equivalent of 10% of the Duchy's net income is received.<sup>56</sup>

If the Duke of Cornwall is under 18, the Sovereign Grant is reduced by 90% of the net surplus of the Duchy of Cornwall, and the difference is made up by placing the same amount of that surplus at the monarch's disposal.<sup>57</sup>

If, on the other hand, there is no Duke of Cornwall, and the Duchy is therefore vested in the monarch, meaning that s/he is entitled to its income, the Sovereign Grant is reduced, under Clause 9(2), by the whole sum of the net surplus of the Duchy.

Also under Clause 9(2) a new grant is to be paid to the heir to the throne, when that person is not the Duke of Cornwall. This is an important point. The Duchy of Cornwall is available only to the monarch's eldest son; it provides a source of income for that person, currently Prince Charles. If the heir to the throne is not the eldest son, and hence not the Duke of Cornwall, then that person does not have a comparable source of income. This would create a difficulty were the rule of male primogeniture to be changed, in order to allow the eldest child to succeed, regardless of gender. The Bill addresses this issue by creating the new grant to the heir, under Clause 9(2)(b).

This grant is paid by the Treasury out of money provided by Parliament (ie, the Treasury Estimate), and is thus subject to parliamentary scrutiny and approval. The grant represents an increase in expenditure: under the present arrangements the Civil List would be abated if the Queen enjoyed the revenues of the Duchy, but no grant would be paid to the heir. In future, the Sovereign Grant will be abated, but there will be a grant to the heir, and hence greater expenditure by the Treasury. The amount of the grant varies with the age of the recipient. If the heir is over 18, the grant is the same as the amount by which the Sovereign Grant is reduced. In other words, it is equivalent to the full net surplus of the Duchy (though it is not actually the same money, since that has gone to the monarch to offset the reduction in the Sovereign Grant). If the heir is under 18, the grant is 10% of the amount by which the Sovereign Grant is reduced.<sup>58</sup> In the latter case, the grant is paid to the Royal Trustees, who hold it in trust on terms set by the Treasury.<sup>59</sup>

When the income of the Duchy of Cornwall is used in any of these ways, so that the Sovereign Grant is reduced, the reduction is not taken into account for the calculation of the next year's Sovereign Grant (under Step 3), and it is also ignored for the purposes of Clause 3 on the Reserve Fund.<sup>60</sup> The Explanatory Notes state that this is because the total amount of money available to the monarch has not reduced; rather, the sources of it have changed.<sup>61</sup> Likewise, in accounting under Clause 2, the Duchy income, if used to offset a reduction in the Grant, is included in the income of the Royal Household.<sup>62</sup>

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<sup>56</sup> Bill 213-EN, p11

<sup>57</sup> Clause 9(1)

<sup>58</sup> Clause 9(3)

<sup>59</sup> Clause 9(4)

<sup>60</sup> Clause 9(5)

<sup>61</sup> Bill 213-EN, p11

<sup>62</sup> Clause 9(6)

Table 11 details the revenue from the Duchy of Cornwall since 1992, while Table 12 shows the income and expenditure of the Prince of Wales since 2002-03.

**Clause 10** repeals certain financial provisions of the Civil List Acts of 1952, 1972 and 1975, in particular the Parliamentary Annuities for various members of the Royal Family. For the 1952 Act, the repeals include the provisions covering the Queen's children other than Prince Charles, and any widow of the Duke of Cornwall. For the 1972 Act, the repeals include provisions covering certain other members of the Royal Family and other widows, as well as those allowing the Civil List and some other payments to be increased. Finally, the whole of the 1975 Act is repealed: this allowed annual supplementary payments to the Queen, which were abandoned in favour of the decennial reviews from 1990 on.<sup>63</sup>

As noted in Part 2 of this Paper above, the Queen has for some time repaid the Parliamentary Annuities of most other members of the Royal Family. This is done through payments from the Privy Purse. In a letter to the Chancellor in June 2011, Sir Alan Reid, the Keeper of the Privy Purse, confirmed the intention to continue this support once the Annuities are abolished:

On the understanding that the proposed Sovereign Grant Bill will ask Parliament to bring to an end the statutory entitlements to these payments, The Queen has confirmed that She intends to continue to make equivalent provision for those Members of the Royal Family from Her Privy Purse.<sup>64</sup>

**Clause 11** removes responsibility from the Secretary of State to maintain the Royal Palaces and related land. In future, these will be maintained by the Queen from the Sovereign Grant.

**Clauses 12 and 13** give interpretations of various terms used elsewhere in the Bill.

**Clause 14** covers minor and consequential amendments and repeals, which are set out in **Schedule 1**. These include the repeal of Section 1 of the *Civil List Act 1972*, thereby effectively repealing the Civil List itself.

**Clause 15** gives a commencement date of 1 April 2012, and gives effect to Schedule 2, which covers transitional provisions and savings.

**Clause 16** covers the duration of the Sovereign Grant. Under Clause 16(1) the Sovereign Grant provisions will cease to have effect six months after the end of a monarch's reign, unless extended by an Order in Council made under the royal prerogative. This Order may roll the arrangements over for another reign plus six months.<sup>65</sup> Under Clause 16(4), so long as the Sovereign Grant is in force, the hereditary revenues of the Crown Estate will be given to the Treasury.

This represents a change from the current system. Instead of new primary legislation at the start of each reign, which is necessary for the continuance of the Civil List, it will now be possible for an incoming monarch to continue the Sovereign Grant by making an Order in Council with no parliamentary procedure.

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<sup>63</sup> See *Civil List Acts 1972 and 1975: Report of the Royal Trustees*, HC 629 1989-90, p3.

<sup>64</sup> Letter from Sir Alan Reid, Keeper of the Privy Purse, to George Osborne MP, Chancellor of the Exchequer, 29 June 2011, [Dep 2011-1097](#)

<sup>65</sup> Clause 16(3)

## 4 Tables

**Table 1: Payments to Privy Purse from Duchy of Lancaster, 1992-2010**

<i>Year to 31 March: £000s</i>	1992 <sup>1</sup>	1993 <sup>1</sup>	1994 <sup>1</sup>	1995 <sup>2</sup>	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Payments to Privy Purse from Duchy of Lancaster	3,750	3,918	3,900	4,200	5,345	5,752	5,623	6,103	6,282	6,536	7,789	7,971	8,283	9,390	10,235	11,627	12,506	13,267	13,262

Notes: <sup>1</sup> Year ending September; <sup>2</sup> Six-month pro-rata basis

Source: *Duchy of Lancaster Report and Accounts*

**Table 2: Head of state expenditure met from public funds: 1992-2011**

<i>Year to 31st March: £000s</i>	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 <sup>2</sup>	2006	2007	2008	2009	2010	2011
The Queen's Civil List <sup>1</sup>	4,900	5,032	5,106	5,101	5,513	5,592	5,682	5,892	6,251	6,509	8,153	9,759	9,953	10,600	11,200	12,200	12,700	13,900	14,200	13,700
Grants-in-aid	23,936	23,159	19,805	20,541	20,440	19,609	33,734	29,043	24,079	21,208	21,101	21,394	21,645	19,400	20,300	20,600	22,000	22,600	19,700	18,400
Property Services	23,936	23,159	19,805	20,541	20,440	19,609	16,409	15,809	15,000	15,290	15,522	16,627	16,513	13,900	14,300	14,500	15,300	15,500	15,400	11,900
Communications and Information	-	-	-	-	-	-	-	470	514	550	643	526	388	500	500	500	500	600	400	500
Travel by Air and Rail	-	-	-	-	-	-	17,325	12,764	8,565	5,368	4,936	4,241	4,744	5,000	5,500	5,600	6,200	6,500	3,900	6,000
Expenditure met directly by Government Departments and the Crown	34,810	30,757	32,786	36,053	28,171	32,995	13,615	6,425	6,481	6,226	5,041	4,668	4,872	5,500	5,500	4,100	4,900	4,600	3,900	3,800
Parliamentary Annuities	1,881	1,881	1,222	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,000	359	359	359	359	359	359	359	359	359
<b>Total net expenditure</b>	<b>65,527</b>	<b>60,829</b>	<b>58,919</b>	<b>62,697</b>	<b>55,126</b>	<b>59,198</b>	<b>54,033</b>	<b>42,362</b>	<b>37,813</b>	<b>34,945</b>	<b>35,295</b>	<b>36,180</b>	<b>36,829</b>	<b>35,859</b>	<b>37,359</b>	<b>37,259</b>	<b>39,959</b>	<b>41,459</b>	<b>38,159</b>	<b>36,259</b>

Notes: <sup>1</sup> Figures are for calendar years; <sup>2</sup> Figures from 2005 are available only to the nearest £100,000.

Sources: *Royal Public Finances: Annual Reports 2003-04 to 2010-11*, Keeper of the Privy Purse;  
*Head of State expenditure met from public funds*, Keeper of the Privy Purse, various years;  
*Report of the Royal Trustees*, 4 July 2000, Table 6.1.



**Table 3 - Civil List expenditure: 1991-2010**

<i>Year to 31 December: £000s</i>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Salaries	3,382	3,557	3,674	3,709	3,877	3,998	4,056	4,239	4,388	4,608	6,057	6,817	7,120	7,600	8,300	8,800	9,100	9,900	10,300	10,200
Food and kitchens	218	190	204	193	242	264	264	291	306	294	330	387	432	400	400	400	500	500	500	400
Wines and beverages	37	82	38	27	44	32	60	55	57	107	45	27	6							
Garden parties	242	257	264	296	281	290	370	345	405	430	442	442	514	500	600	700	700	600	700	800
Carriage processions	126	105	90	92	98	111	105	101	122	111	82	111	69	-	100	100	-	100	100	200
Cars	83	41	50	44	36	22	28	38	47	42	38	41	45	100	100	100	100	100	100	100
Housekeeping	185	147	160	184	190	189	177	198	199	210	239	221	279	300	300	300	300	300	300	300
Stationery	115	127	146	114	150	124	144	134	137	131	147	165	152	200	100	100	100	200	300	200
Furnishings and equipment	140	175	128	180	199	130	84	114	133	57	116	142	209	200	200	200	300	400	300	200
Computers and information systems	164	217	177	148	271	297	147	82	69	28	34	182	122	100	100	200	200	400	200	200
Legal advice and other professional services	19	60	25	28	9	26	51	85	69	66	22	32	117	100	100	100	200	200	200	200
Personnel support	-	-	-	-	-	-	-	-	-	96	175	101	211	200	200	200	300	300	300	
Uniforms and protective clothing	67	68	75	97	79	77	72	79	82	68	84	85	82	100	100	100	100	200	100	100
Travel	34	45	48	49	43	42	40	41	45	49	53	64	63	100	100	100	100	100	100	100
Depreciation	-	-	-	-	-	-	-	-	-	113	109	196	184	300	300	300	300	300	400	
Golden Jubilee	-	-	-	-	-	-	-	-	-	-	-	441	:	-	-	-	-	-	-	-
Other	88	-38	27	1	122	91	162	173	247	164	249	343	348	400	300	500	400	300	300	
Interest receivable	-	-	-	-62	-90	-77	-77	-82	-53	-65	-69	-38	:	na	na	na	na	na	na	
<b>Total net expenditure</b>	<b>4,900</b>	<b>5,032</b>	<b>5,106</b>	<b>5,101</b>	<b>5,513</b>	<b>5,592</b>	<b>5,682</b>	<b>5,892</b>	<b>6,251</b>	<b>6,509</b>	<b>8,153</b>	<b>9,759</b>	<b>9,953</b>	<b>10,600</b>	<b>11,300</b>	<b>12,000</b>	<b>12,800</b>	<b>14,300</b>	<b>14,400</b>	<b>13,500</b>
<b>Annual Civil List</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>	<b>7,900</b>

Note: Figures from 2004 are available only to the nearest £100,000

Sources: *Royal Public Finances: Annual Reports* 2003-04 to 2010-11, Keeper of the Privy Purse;  
*Head of State expenditure met from public funds*, Keeper of the Privy Purse, various years;  
*Report of the Royal Trustees*, 4 July 2000.

**Table 4: Property Services Grant-in-aid expenditure: 1992-2011**

<i>Year to 31st March: £000s</i>	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property Maintenance	19,159	18,155	14,668	15,087	15,114	14,701	11,609	10,935	10,620	10,319	10,251	10,941	11,242	9,500	8,800	8,400	8,600	9,300	9,000	6,000
Projects and general maintenance	18,355	17,423	14,650	17,136	20,479	22,923	16,385	9,639	9,830	11,108	9,991	10,863	10,550	9,300	8,700	8,700	9,000	9,800	9,900	7,800
Less: visitor contribution	-	-	-751	-3,000	-6,529	-9,486	-5,905	-11	-453	-2,080	-850	-1,331	-772	-1,100	-1,400	-1,800	-1,800	-2,000	-2,300	-3,200
Supervision	804	732	769	951	1,164	1,264	1,129	1,307	1,243	1,291	1,110	1,409	1,464	1,300	1,500	1,500	1,400	1,500	1,400	1,400
Utilities, related services, etc	4,777	5,004	5,137	5,454	5,326	4,908	4,800	4,874	4,691	4,971	5,271	5,686	5,271	4,400	5,500	6,300	6,700	6,200	6,200	5,900
Utilities	2,147	1,836	1,795	1,778	1,597	1,508	1,410	1,467	1,438	1,415	1,672	1,728	1,945	2,000	2,100	2,400	2,200	2,300	2,300	2,200
Non-domestic rates	500	519	544	634	781	700	715	720	344	767	963	1,120	709	-200	800	700	800	900	900	900
Fire, health and safety services	602	417	604	746	846	869	947	965	981	936	964	990	1,063	1,100	1,200	1,300	1,300	1,300	1,200	1,200
Court Post Office	-	-	-	-	-	-	-	-	-	-	690	625	580	700	700	700	600	600	600	600
Porters and non-domestic cleaners	447	474	478	526	523	498	512	528	519	530	-	-	-	-	-	-	-	-	-	-
Furniture and equipment	262	251	114	247	426	388	488	518	518	470	459	558	512	500	500	600	600	600	700	600
Gardens	342	527	580	521	485	390	398	411	371	448	478	485	555	600	600	700	900	700	700	800
Central administration	324	395	338	355	399	370	302	288	382	407	381	376	468	400	400	500	300	400	500	500
Craftsmen	487	502	509	547	175	139	30	57	8	19	45	20	-	-	-	-	-	-	-	-
Other	-334	83	175	100	143	285	239	125	176	179	-6	2	22	-	-	500	1,000	600	600	400
Rent and other recoveries	-	-	-	-	-49	-239	-241	-205	-46	-200	-375	-218	-583	-700	-800	-1,100	-1,000	-1,200	-1,300	-1,300
<b>Total net expenditure</b>	<b>23,936</b>	<b>23,159</b>	<b>19,805</b>	<b>20,541</b>	<b>20,440</b>	<b>19,609</b>	<b>16,409</b>	<b>15,809</b>	<b>15,311</b>	<b>15,290</b>	<b>15,522</b>	<b>16,627</b>	<b>16,513</b>	<b>13,900</b>	<b>14,300</b>	<b>14,500</b>	<b>15,300</b>	<b>15,500</b>	<b>15,400</b>	<b>11,900</b>
<b>Grant-in-aid</b>	<b>23,936</b>	<b>23,159</b>	<b>19,805</b>	<b>20,541</b>	<b>20,440</b>	<b>19,609</b>	<b>16,409</b>	<b>15,809</b>	<b>15,125</b>	<b>15,000</b>	<b>15,500</b>	<b>15,400</b>	<b>15,300</b>	<b>15,200</b>	<b>15,100</b>	<b>15,200</b>	<b>15,700</b>	<b>16,100</b>	<b>15,000</b>	<b>14,600</b>

Note: Figures from 2005 are available only to the nearest £100,000.

Sources: *Royal Public Finances: Annual Reports 2003-04 to 2009-10*, Keeper of the Privy Purse;  
*The Grant-in-aid for Royal Travel by Air and Rail: Annual Reports*, Keeper of the Privy Purse, various years;

**Table 5: Maintenance of Marlborough House expenditure: 2000-2010**

<i>Year to 31st March: £000s</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property maintenance	295	359	229	369	61	100	200	100	200	100	100
Fees	66	29	13	19	6	na	na	na	na	na	na
Construction	223	325	215	343	55	na	na	na	na	na	na
Other	6	5	1	7	na	na	na	na	na	na	na
Security											
Custody Guards	187	189	193	221	222	300	300	300	300	300	400
Management fee	45	45	45	45	45	na	na	na	na	na	na
Commonwealth Secretariat											
General maintenance	87	101	145	115	187	200	200	200	200	200	300
Recovered from Commonwealth Secretariat	-87	-101	-145	-115	-187	-200	-200	-200	-200	-200	-300
<b>Total net expenditure</b>	<b>527</b>	<b>603</b>	<b>467</b>	<b>635</b>	<b>328</b>	<b>400</b>	<b>500</b>	<b>400</b>	<b>500</b>	<b>400</b>	<b>500</b>
<b>Grant-in-aid</b>	<b>468</b>	<b>576</b>	<b>587</b>	<b>587</b>	<b>587</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>

*Notes:* Figures from 2005 are available only to the nearest £100,000; na - not available in published accounts.

*Sources:* *Royal Public Finances: Annual Reports 2003-04 to 2009-10*, Keeper of the Privy Purse;

*The Grant-in-aid for the maintenance of the Occupied Royal Palaces in England and Royal Communications and Information, and for the Maintenance of Marlborough House: Annual Report*, Royal Household, various years

**Table 6: Communications and Information Grant-in-aid expenditure: 1998-2011**

<i>Year to 31st March: £000s</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Government News Network and Scottish Executive Information Directorate*	438	346	243	239	184	182	107	-	-	-	-	-	-	-
Royal visits	349	260	217	214	163	168	99	-	-	-	-	-	-	-
Press releases	11	12	12	10	12	14	8	-	-	-	-	-	-	-
Media summaries	26	6	6	5	9	-	-	-	-	-	-	-	-	-
Web Site	52	68	8	10	-	-	-	-	-	-	-	-	-	-
Royal visits	-	-	-	-	-	-	-	100	100	100	100	100	100	100
General communications	-	108	240	268	423	308	259	400	400	400	400	500	300	400
Press Office salaries	-	63	159	179	217	238	165	200	200	200	200	200	200	300
Web Site	-	-	-	-	137	48	55	100	100	100	100	300	100	100
Web Site monthly magazine	-	33	62	62	48	-	-	-	-	-	-	-	-	-
Other	-	12	19	27	21	22	39	100	100	100	100	-	-	-
Administration	-	16	31	43	36	36	22	-	-	-	-	-	-	-
Accountancy	-	11	11	7	7	8	8	-	-	-	-	-	-	-
Other	-	5	20	36	29	28	14	-	-	-	-	-	-	-
<b>Total net expenditure</b>	<b>438</b>	<b>470</b>	<b>514</b>	<b>550</b>	<b>643</b>	<b>526</b>	<b>388</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>600</b>	<b>400</b>	<b>500</b>
<b>Grant-in-aid</b>	<b>471</b>	<b>471</b>	<b>514</b>	<b>515</b>	<b>530</b>	<b>520</b>	<b>520</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

Notes: \* Prior to 2004-05 the Royal Household commissioned GNN/SExec to provide media facilities covering official visits by Members of the Royal Family; from 2004-05 Buckingham Palace Press Office took this over; Figures from 2005 are available only to the nearest £100,000.

Sources: *Royal Public Finances: Annual Reports 2003-04 to 2010-11*, Keeper of the Privy Purse;

*The Grant-in-aid for the maintenance of the Occupied Royal Palaces in England and Royal Communications and Information, and for the Maintenance of Marlborough House: Annual Report*, Royal Household, various years

**Table 7: Royal Travel Grant-in-aid expenditure: 1998-2011**

<i>Year to 31st March: £000s</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Air travel	15,912	11,716	7,496	4,450	3,903	2,996	3,623	4,000	4,600	4,500	4,800	5,300	3,900	4,600
Helicopters	83	1,268	1,768	1,887	1,961	2,064	2,277	2,100	2,200	2,200	2,200	2,300	2,100	2,400
Fixed wing (civil operators)	-	-	-	-	1,483	456	812	1,200	1,600	1,900	2,200	2,600	1,600	2,200
Fixed wing (32 Squadron)	14,441	9,013	4,204	1,793	459	476	534	700	800	400	400	400	200	-
Air services: other operators	1,388	1,435	1,524	770	-	-	-	-	-	-	-	-	-	-
Rail travel	1,190	811	756	620	703	903	782	700	600	700	900	800	1,000	900
Royal Train	1,154	779	730	596	675	872	751	-	-	700	900	800	1,000	900
Other	36	32	26	24	28	31	31	-	-	-	-	-	-	-
Administration and other	223	237	313	298	330	342	339	300	300	400	300	400	500	500
Sea travel (civil operators)	-	-	-	-	-	3	-	-	-	-	-	-	-	-
Administration	345	336	368	335	347	352	350	300	300	400	300	400	500	500
Interest	-122	-99	-55	-37	-17	-13	-11	-	-	-	-	-	-	-
Exceptional item - helicopter lease refund													-1,500	-
<b>Total net expenditure</b>	<b>17,325</b>	<b>12,764</b>	<b>8,565</b>	<b>5,368</b>	<b>4,936</b>	<b>4,241</b>	<b>4,744</b>	<b>5,000</b>	<b>5,500</b>	<b>5,600</b>	<b>6,200</b>	<b>6,500</b>	<b>3,900</b>	<b>6,000</b>
<b>Grant-in-aid</b>	<b>19,385</b>	<b>16,415</b>	<b>9,327</b>	<b>7,281</b>	<b>6,010</b>	<b>5,444</b>	<b>5,942</b>	<b>5,700</b>	<b>5,900</b>	<b>6,000</b>	<b>6,400</b>	<b>7,400</b>	<b>7,300</b>	<b>7,000</b>

*Note:* Figures from 2005 are available only to the nearest £100,000.

*Sources:* *Royal Public Finances: Annual Reports* 2003-04 to 2010-11, Keeper of the Privy Purse;  
*Head of State expenditure met from public funds*, Keeper of the Privy Purse, various years;  
*Report of the Royal Trustees*, 4 July 2000.

**Table 8: Expenditure met directly by Government Departments and the Crown Estate: 1992-2011**

<i>Year to 31st March: £000s</i>	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administration of honours	201	207	201	201	215	229	232	235	252	402	432	410	471	500	500	500	700	600	600	500
Equerries and orderlies	770	795	817	828	852	880	904	938	957	940	914	957	883	1,000	900	900	1,400	1,400	1,000	1,000
Maintainance of the Palace of Holyroodhouse	988	1023	1051	1190	1,184	1,147	1,080	1,221	1,239	1,438	2,147	2,253	1,727	1,900	1,900	1,300	1,100	1,200	1,100	1,100
State Visits to and by The Queen and liaison with the Diplomatic Corps	639	487	496	631	537	494	494	626	617	365	575	310	735	900	1,100	600	700	400	200	100
Ceremonial occasions	417	430	240	454	330	490	182	331	444	133	312	52	333	500	400	200	200	200	300	400
Maintainance of the Home Park at Windsor Castle	622	609	596	618	544	586	571	558	575	542	592	587	595	600	600	500	600	600	600	600
Notional pension contributions	736	762	780	824	870	901	920	970	1,033	1,072	45	43	44	100	100	100	na	na	na	na
Other	30,437	26,444	28,605	31,307	23,639	28,268	9,232	1,546	1,364	1,334	24	56	84	na	na	na	200	200	100	100
<b>Total net expenditure</b>	<b>34,810</b>	<b>30,757</b>	<b>32,786</b>	<b>36,053</b>	<b>28,171</b>	<b>32,995</b>	<b>13,615</b>	<b>6,425</b>	<b>6,481</b>	<b>6,226</b>	<b>5,041</b>	<b>4,668</b>	<b>4,872</b>	<b>5,500</b>	<b>5,500</b>	<b>4,100</b>	<b>4,900</b>	<b>4,600</b>	<b>3,900</b>	<b>3,800</b>

Notes: Figures from 2005 are available only to the nearest £100,000; na - not available in published accounts.

Sources: *Royal Public Finances: Annual Reports 2003-04 to 2009-10*, Keeper of the Privy Purse;  
*Head of State expenditure met from public funds*, Keeper of the Privy Purse, various years;  
*Report of the Royal Trustees*, 4 July 2000, 22 June 2010

**Table 9: Parliamentary Annuities: 1992-2010**

<i>Year to 31st March: £000s</i>	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
HM Queen Elizabeth The Queen Mother Refunded by The Queen	643	643	643	643	643	643	643	643	643	643	641	-	-	-	-	-	-	-	-
HRH The Prince Philip, Duke of Edinburgh Refunded by The Queen	359	359	359	359	359	359	359	359	359	359	359	359	359	359	359	359	359	359	359
HRH The Duke of York Refunded by The Queen	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249
HRH The Earl of Wessex Refunded by The Queen	96	96	96	96	96	96	96	120	141	141	141	141	141	141	141	141	141	141	141
HRH The Princess Royal Refunded by The Queen	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228	228
HRH The Princess Margaret, Countess of Snowdon Refunded by The Queen	219	219	219	219	219	219	219	219	219	219	219	-	-	-	-	-	-	-	-
HRH Princess Alice, Duchess of Gloucester Refunded by The Queen	87	87	87	87	87	87	87	87	87	87	87	87	80	-	-	-	-	-	-
Other Members of the Royal Family <sup>1</sup> Refunded by The Queen	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636	636
<b>Total not refunded by The Queen</b>	<b>1,881</b>	<b>1,881</b>	<b>1,222</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,000</b>	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>

*Note:* <sup>1</sup> Of the £636,000, £175,000 is provided by The Queen to The Duke and Duchess of Gloucester, £236,000 to The Duke and Duchess of Kent and £225,000 to Princess Alexandra.

*Sources:* *Royal Public Finances: Annual Reports 2003-04 to 2009-10*, Keeper of the Privy Purse;  
*Consolidated Fund Account, 2004-2005* p14  
*Report of the Royal Trustees*, 4 July 2000, Table 5

**Table 10: The Crown Estate and other hereditary revenues: net revenue surplus 1992-2011**

<i>Year to 31st March: £000s</i>	Crown Estate	Hereditary revenue
1992	71,000	9,469
1993	72,500	9,588
1994	78,928	2,863
1995	84,855	3,606
1996	94,583	18,933
1997	102,955	10,605
1998	113,209	12,443
1999	125,774	4,157
2000	132,885	19,452
2001	147,740	29,000
2002	163,339	19,001
2003	171,053	20,110
2004	176,930	na
2005	184,811	na
2006	190,817	na
2007	200,072	na
2008	213,400	na
2009	226,500	na
2010	210,700	na
2011	230,900	na

*Sources: The Crown Estate Accounts, various years  
 Consolidated Fund and National Loans Fund Accounts:  
 supplementary statements, various years to 2002-3*



**Table 11: Revenue from the Duchy of Cornwall 1992 to 2010-11**

£000s	Total net revenues	Paid to Consolidated Fund
1992	3,412	853
1993 <sup>1</sup>	4,083	275
1994	4,467	-
1995	4,899	-
1996-97 <sup>2</sup>	6,831	-
1997-98	5,995	-
1998-99	6,421	-
1999-00	6,932	-
2000-01	7,475	-
2001-02	7,827	-
2002-03	9,943	-
2003-04	11,913	-
2004-05	13,243	-
2005-06	14,067	-
2006-07	15,174	-
2007-08	16,273	-
2008-09	16,458	-
2009-10	17,161	-
2010-11	17,796	-

Notes: <sup>1</sup> From 6 April 1993, The Prince of Wales is voluntarily subject to income tax at a rate of 40 per cent on the net income from the Duchy. Before that date, 25 per cent of net income was voluntarily paid to the Consolidated Fund. <sup>2</sup> Fifteen month period ending 31 March 1997.

Source: Duchy of Cornwall Annual Report and Accounts

**Table 12 Income and expenditure for the Prince of Wales**

Year to 31 March: £000s	2002-3	2003-4	2004-5	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11
Total income and funding	13,045	16,061	15,962	16,140	17,628	18,727	19,491	18,825	19,758
Duchy of Cornwall	9,943	11,913	13,274	14,067	15,174	16,273	16,458	17,161	17,796
Grants-in-aid	2,798	3,856	2,381	1,584	2,026	1,951	2,212	1,132	1,608
Government Departments	304	292	307	489	428	503	821	532	354
Total expenditure	12,572	14,501	14,092	14,137	15,762	16,097	17,316	15,901	18,343
Official duties and charitable activities	5,627	5,947	5,937	6,587	7,260	7,997	9,480	9,059	9,444
Grants-in-aid	2,798	3,856	2,381	1,584	2,026	1,951	2,212	1,132	1,608
Overseas tours and military secondees	304	292	307	489	428	503	821	532	354
Tax and personal expenditure	3,843	4,406	5,467	5,477	6,048	5,646	4,803	5,178	6,937
Tax	..	..	3,263	3,296	3,434	3,429	3,093	3,484	4,398
Personal expenditure	..	..	2,204	2,181	2,614	2,217	1,710	1,694	2,539
Capital Expenditure (less depreciation, loan repayments and transfers to reserves)	802	1,442	1,739	1,867	1,671	2,436	2,018	2,695	1,184
<b>Surplus/deficit</b>	<b>-329</b>	<b>118</b>	<b>131</b>	<b>136</b>	<b>195</b>	<b>194</b>	<b>157</b>	<b>229</b>	<b>231</b>

Source: *The Prince of Wales and The Duchess of Cornwall Annual Review 2011* (& earlier editions)