

*These notes refer to the Sovereign Grant Act 2011
(c.15) which received Royal Assent on 18 October 2011*

SOVEREIGN GRANT ACT 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Supplementary and general

Section 10: Repeal of certain financial provisions

86. This section repeals certain financial provisions in the Civil List Acts of 1952, 1972 and 1975.
87. The following provisions are repealed by this section.
- Section 4 of the Civil List Act 1952, which makes provision for Her Majesty's younger children.
 - Section 6 of the Civil List Act 1952, which makes provision for the widow of the Duke of Cornwall.
 - Section 2(8) of the Civil List Act 1972, which makes provision for certain widows of other members of the Royal Family.
 - Section 3 of the Civil List Act 1972, which makes provision for the official expenses of members of the Royal Family who are not otherwise provided for from the civil list.
 - Section 6 of the Civil List Act 1972, which makes provision for increasing the civil list, the payments to certain other members of the Royal Family and the total cost of honorific pensions.
 - The Civil List Act 1975, which makes provision for payments to supplement the civil list, payments to members of the Royal Family (including those not otherwise provided for) and honorific pensions and for those supplements to be paid out of money provided by Parliament.

Section 11: Maintenance of Royal Palaces and related land

88. This section removes the responsibility of the Secretary of State to maintain the Royal Palaces and related land that are in future maintained by Her Majesty out of the Sovereign Grant.
89. The following Royal Palaces are currently maintained by the Royal Household using grant-in-aid from the Department for Culture, Media and Sport's Estimate: 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; and Windsor Castle and buildings in the Home and Great Parks at Windsor. They are usually referred to as the "Occupied Royal Palaces". Her Majesty (through the Royal Household) is to maintain them out of the Sovereign Grant. For more information on the Occupied Royal Palaces, see the annual reports of Royal Public Finances mentioned in paragraph 13.

Section 12: Meaning of “the audited net relevant resources”, “the value of the Reserve Fund” and “the income account net surplus of the Crown Estate”

90. This section explains the meaning of certain terms used in the Act.
91. *Subsection (1)* explains that “audited net relevant resources” used is the amount of net relevant resources used as stated in the audited Royal Household accounts. The term “the value of the Reserve Fund” means the statement of the value of the Reserve Fund in the audited accounts of that Fund. The meaning of “the income account net surplus of the Crown Estate” is the amount of that surplus in the Crown Estate’s audited accounts (which is also the amount the Crown Estate pays into the Exchequer each year).
92. *Subsections (2) and (3)* provide that if the audit reports for the above accounts contain qualifications, however expressed, that might affect any of the amounts or values specified in *subsection (1)*, the Comptroller and Auditor General must specify amounts or values to be used instead for the calculations required by the Act.

Section 13: Other interpretative provisions etc

93. This section explains various terms used in the Act.
94. *Subsection (2)* provides that “The Comptroller” means the Comptroller and Auditor General.
95. *Subsection (3)* provides that “financial year” means a year beginning with 1 April.
96. *Subsection (4)* provides that “the financial year 2012-13” means the financial year beginning with 1 April 2012.
97. *Subsection (5)* provides that “the Keeper” means the Keeper of the Privy Purse.
98. *Subsection (6)* provides that “the Reserve Fund” means the Fund established under [section 3](#).
99. *Subsection (7)* defines “the Royal Trustees” as the body corporate established by section 10 of the Civil List Act 1952. The members of that body are the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse.
100. *Subsection (8)* provides that references to the support of the Sovereign’s official duties includes maintenance of royal palaces and related land.
101. *Subsection (9)* limits the meaning of the Royal Household in the Act to the Household’s activities in support of the Sovereign’s official duties.
102. *Subsection (10)* defines the use of resources as meaning their expenditure, consumption or reduction in value. That is the same as in section 27 of the Government Resources and Accounts Act 2000 which applies to the resource accounts of government departments.

Section 14: Minor and consequential amendments and repeals

103. This section introduces [Schedule 1](#) which contains minor and consequential amendments and repeals.

Section 15: Commencement, transitional provisions and savings

104. This section provides that the Act will come into force on 1 April 2012. It also introduces [Schedule 2](#) which provides for certain transitional arrangements and savings.

Section 16: Duration of Sovereign Grant provisions etc

105. The long-standing convention is for the civil list settlement of each sovereign (including the monarch’s surrender of the hereditary revenues) to last for 6 months after the end of

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his or her reign. This process allows time to prepare provision for the next sovereign. *Subsection (1)* repeats this traditional approach.

106. *Subsections (3) and (4)* provide an alternative approach. On the demise of the monarch, his or her successor will need continuing support arrangements. *Subsection (3)* therefore allows a new Sovereign to agree to extending the Sovereign Grant provisions, and so to continuing the payment of the hereditary revenues as directed in section 1 of the Civil List Act 1952, for the duration of his or her reign plus 6 months. The Sovereign signifies that agreement, with the advice of the Privy Council, by an Order in Council. The Order has no parliamentary procedure. It must be made within 6 months of the death of the previous sovereign. If no Order is made, the Sovereign Grant provisions will expire six months after the end of the previous monarch's reign.
107. *Subsection (4)* amends section 1(1) of the Civil List Act 1952 to create a link to [section 1](#). Since 1760, each successive monarch has agreed to exchange the hereditary revenues of the Crown at the start of their reign in return for financial support from the Consolidated Fund. The amendment links the surrender of the hereditary revenues with the duration of the Sovereign Grant.
108. *Subsection (5)* provides that the provisions for honorific pensions paid under section 5 of the Civil List Act 1837 have permanent effect.
109. *Subsection (6)* provides that pensions paid under the Civil List Act 1837 are to be charged on and paid out of the Consolidated Fund.

Schedule 1: Minor and Consequential Amendments and Repeals

110. This Schedule contains various tidying and consequential provisions, including a number of repeals.

Civil List Audit Act 1816

111. [Paragraph 1](#) repeals the Civil List Audit Act 1816. Under that Act the Treasury appointed an auditor for the civil list. Provision is made under [sections 2 and 4](#) of this Act for the public auditor, the Comptroller and Auditor General, to audit both Royal Household resources used for Her Majesty's official business and the Reserve Fund.

Civil List Act 1837

112. [Paragraphs 2 to 4](#) amend sections 5 and 6 of the Civil List Act 1837 to make permanent the current position that honorific pensions are no longer paid from the civil list.
113. [Paragraph 5](#) omits section 14 of that Act because it is spent.

Crown Lands Act 1936

114. [Paragraph 6](#) amends the Crown Lands Act 1936 to insert a reference to 'section 1 of the Sovereign Grant Act 2011' so that the powers in question remain contingent on the continued surrender of hereditary revenues by the Sovereign.

Civil List Act 1937

115. This Act is repealed by [paragraph 7](#) because none of its provisions are required any more.

Consolidated Fund (Civil List Provisions) Act 1951

116. This Act is repealed by [paragraph 8](#) because it has no effect.

Civil List Act 1952

117. The Civil List Act 1952 is amended to take account of provisions in this Act.

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118. *Paragraph 10* omits section 2 of the Act which is superseded by the abolition of the civil list and the new provisions in *section 9* of this Act.
119. *Paragraph 11* omits section 5 of the Act as that section ceased to have effect on the death of HRH the Princess Margaret.
120. *Paragraph 12* extends section 7 of the Act to allow for retirement allowances granted by a future monarch in respect of a person who has been a member of the Royal Household.
121. *Paragraph 13* updates the provisions for charging payments on the Consolidated Fund to remove civil list payments that are being ended.
122. *Paragraph 14* alters the constitution of the Royal Trustees in section 10 of the Civil List Act 1952 to recognise that the functions of the Royal Trustees are not limited to functions under that Act.
123. *Paragraph 15* omits section 11 of that Act as it is no longer needed.
124. *Paragraph 16* omits references to the civil list in section 12 of that Act because the civil list is being abolished.
125. *Paragraph 17* removes references to honorific pensions ending six months after the end of a reign. *Section 16(5)* in this Act provides that the provisions relating to honorific pensions, paid under sections 5 of the Civil List Act 1837, will have permanent effect.

Forestry Act 1967

126. *Paragraph 18* updates a reference to the Civil List Act 1952 in the Forestry Act 1967 to ensure that the compensation arrangements mentioned there remain contingent on the ending of the surrender of hereditary revenues by the Sovereign.

Family Law Reform Act 1969

127. *Paragraphs 19 to 21* amend the Family Law Reform Act 1969 to omit references to the Duke of Cornwall and other of Her Majesty's children. The meaning of the minority of a Duke of Cornwall is covered by *section 9* of this Act.

Civil List Act 1972

128. *Paragraphs 22 to 28* amend the Civil List Act 1972.
129. *Paragraph 23* omits section 1 of the Act in its entirety. The civil list is being replaced by the Sovereign Grant in *section 1* of this Act.
130. *Paragraph 24* omits provisions which are either superseded by provisions in this Act or are spent.
131. *Paragraph 25* omits the second sentence of section 4(1) of that Act which relates to civil list pensions. It removes a power to increase the additional annual cost of such pensions from the limit set out in section 5 of the Civil List Act 1837.
132. *Paragraph 26* omits section 5 of that Act. This Act replaces the civil list with a Sovereign Grant so the Royal Trustees will no longer need to report on the civil list arrangements.
133. *Paragraph 27* omits section 7 of that Act which is spent because no payments will be made under the Act.
134. *Paragraph 28* omits interpretational and transitional provisions that are no longer needed.

House of Commons Disqualification Act 1975

135. *Paragraph 29* removes the entry of the Auditor of the Civil List from the list of offices that are disqualified from membership of the House of Commons. That office is abolished by *paragraph 1* of this Schedule.

Northern Ireland Assembly Disqualification Act 1975

136. *Paragraph 30* removes the entry of the Auditor of the Civil List from the list of offices that are disqualified from membership of the Northern Ireland Assembly. That office is abolished by *paragraph 1* of this Schedule.

Employment Rights Act 1996

137. *Paragraph 31* substitutes ‘the Sovereign Grant’ for ‘the Queen’s Civil List’ in section 171(3) of that Act.

State Pension Credit Act 2002

138. *Paragraph 32* provides that pensions provided under section 5 of the Civil List Act 1837 or section 7 of the Civil List Act 1952 are included as retirement pension income for the purposes of the State Pension Credit Act 2002.

State Pension Credit Act (Northern Ireland) 2002

139. *Paragraph 33* provides that pensions provided under section 5 of the Civil List Act 1837 or section 7 of the Civil List Act 1952 are included as retirement pension income for the purposes of the State Pension Credit Act (Northern Ireland) 2002.

Schedule 2: Transitional provisions and savings

Application of certain accounting provisions

140. *Paragraph 1* applies the accounts provisions in *sections 2 and 4* from the financial year 2012-13 onwards, i.e. from the start of the Sovereign Grant.

Determination of Sovereign Grant for the financial year 2013-14

141. *Paragraph 2* provides transitional arrangements for the first year in which the formula for Sovereign Grant in *section 6* is to apply, which is 2013-14.

Payments under Civil List Acts

142. *Paragraph 3* makes transitional provisions for the civil list, which is paid by calendar year. The civil list is to continue for the first three months of 2012 until financial year 2012-13 begins on 1 April 2012. The saving here allows adjustments to be made to payments made in respect of those three months after the repeal of the civil list provisions.

Savings for audit of the Queen’s Civil List

143. *Paragraph 4* ensures that the audit powers for the civil list continue until all the audit duties for the civil list have been completed, including after the Civil List Audit Act 1816 has been repealed on 1 April 2012 by this Act.
144. *Paragraph 5* provides that the disqualifications under the House of Commons Disqualification Act 1975 and the Northern Ireland Assembly Disqualification Act 1975 remain in force until all the duties of the Auditor of the Civil List have been completed.

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Functions under section 1 of the Civil List Act 1972

145. *Paragraph 6* provides that sections 1(3) to (7) of the 1972 Act (which allow adjustments between the civil list and the civil list reserve) continue to have effect until any necessary adjustments have been completed.
146. *Paragraph 7* provides that any property held by the Royal Trustees will form part of the new Reserve Fund.

Savings for amendments made by virtue of section 6 of the Civil List Act 1972

147. *Paragraph 8* provides that amendments to section 5 of the Civil List Act 1837 and section 3 of the Civil List Act 1952 remain in force.