

*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

OVERVIEW OF THE ACT'S STRUCTURE AND SUMMARY

19. The Act has 17 sections and 2 schedules. The sections fall under two headings: “The Sovereign Grant” and “Supplementary and General”.

The Sovereign Grant

20. *Sections 1 to 8* set out the arrangements for a Sovereign Grant to be paid by the Treasury. It is to be determined as a percentage of the income account net surplus of the Crown Estate. A new Reserve Fund is being set up to cater for under-spends or over-spends in Sovereign Grant in any year. The sections provide how the grant is to be set by the Royal Trustees and how it is to be accounted for. The accounts of the grant and the Reserve Fund are subject to audit by the Comptroller and Auditor General. There are to be regular reviews by the Royal Trustees of whether the percentage of the Crown Estate remains appropriate. If not, the Treasury must lay an Order before the House of Commons to implement an increase or decrease in that percentage.
21. *Section 9* provides for a reduction in the Sovereign Grant when the income of the Duchy of Cornwall is vested in the Sovereign. This occurs when there is no Duke of Cornwall. There is a new duty to provide a grant based on the amount of Duchy income to heirs to the throne who are not Dukes of Cornwall so that all heirs are entitled to similar financial support. The Sovereign Grant is also reduced where the Duke of Cornwall is under 18 - the Act provides in these circumstances for a share of Duchy income to be at the disposal of Her Majesty.

Supplementary and general

22. *Sections 10 to 15* contain supplementary and general provisions relating to the repeal of the civil list and the creation of a single grant to support the Sovereign, the abolition of certain grants to certain other members of the Royal Household, the meaning of certain terms used in the Act and the commencement arrangements. The first Sovereign Grant is payable for financial year 2012-13.
23. *Section 16* provides that the Sovereign Grant will cease six months after the monarch's death (as the civil list does) unless an Order in Council is made within six months of a new reign.
24. *Schedule 1* contains minor and consequential amendments and repeals. *Schedule 2* contains transitional provisions and savings.