



Sovereign Grant Act 2011

2011 CHAPTER 15

The Sovereign Grant

6 Determination of the amount of Sovereign Grant

- (1) The amount of the Sovereign Grant for a financial year (“the relevant financial year”) is to be determined by the Royal Trustees as follows—

Step 1

Calculate 15% of the income account net surplus of the Crown Estate (see section 12) for the base year.

“The base year” means the financial year that begins two years before the beginning of the relevant financial year.

Step 2

Round the amount calculated under Step 1 up to the nearest £100,000.

Step 3

Find the greater of—

- (a) the amount determined under Step 2, and
- (b) the amount of the Sovereign Grant for the financial year that immediately precedes the relevant financial year.

That amount is “the Step 3 amount”.

Step 4

If the adjusted value of the Reserve Fund at the end of the base year (see subsection (2)) exceeds 50% of the audited net relevant resources used for that year, the Royal Trustees may reduce the Step 3 amount by such amount as they consider appropriate (but see subsection (4)).

Step 5

The amount of the Sovereign Grant for the relevant financial year is—

- (a) the Step 3 amount, or
- (b) if Step 4 applies, the Step 3 amount as reduced by the reduction (if any) made under Step 4.

Status: This is the original version (as it was originally enacted).

- (2) The “adjusted value” of the Reserve Fund at the end of a financial year is the value of the Reserve Fund at the end of that year (see section 12)—
 - (a) increased by the amount of relevant payments made to the Fund, and
 - (b) reduced by the amount of relevant payments made from the Fund.
- (3) In subsection (2) “relevant payment”, in relation to a financial year, means a payment under section 3(3), (4) or (5) that—
 - (a) is made after the end of that year but in respect of that year, and
 - (b) is not reflected in the statement of accounts of the Reserve Fund for that year.
- (4) The Royal Trustees must, in exercising their power under Step 4, act in a way they expect will result in the adjusted value of the Reserve Fund at the end of the relevant financial year being about 50% of the audited net relevant resources used for that year.