

ROYAL EXPENSES

COUNTING THE COST OF THE MONARCHY



2017 ROYAL FINANCES REPORT

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Republic is a membership-based pressure group campaigning for the abolition of the monarchy and its replacement with a directly elected Head of State.

We represent all Britain's republicans, bringing the case for a republic to a wider audience while scrutinising the actions of the Royal Household. We are strictly non-party political and have the support of over 55,000 republicans.

We are a democratic organisation, led by our members and underpinned by a set of core principles. We are an inclusive movement, with members and supporters from across the political spectrum and from a diverse range of backgrounds.

Published by Republic
June 2017

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To all of our members and supporters
Thank You

Counting the cost of the monarchy

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INTRODUCTION

For many years now, the Royal Household has tried to claim that the monarchy is good value for money. Each year they produce an official report, setting out what they've spent of taxpayers' money. Every year the report is couched in spin and misses significant costs such as security, money spent by local councils and lost revenue from the Duchy's

The coverage of royal costs is also led astray by wild claims about the money the monarchy is supposed to bring back into the country through tourism and trade. The reality is that the cost to the taxpayer runs into the hundreds of millions every year, while the tourism and trade revenue is a figment of the spin doctor's imagination.

This report is an attempt to determine a more accurate estimate of the annual cost of the monarchy, so that journalists, politicians and the public can better judge if the royals are value for money, or abusing their positions.

“ per head royals are the most expensive public officials, costing around £19.1m a year each

Our research suggests that the British Head of State is incredibly expensive, at around £345m a year. That's public money we could be spending on teachers, police or health services. This report shows that per head royals are the most expensive public officials, costing around £19.1m a year each.

The research presented here makes the case for a radical overhaul of royal funding more compelling than ever (see the Royal Finances Reform Charter, p53). More than that, this report illustrates the fundamental problem of having an unaccountable public institution that has the power, secrecy and influence to wilfully abuse its position.

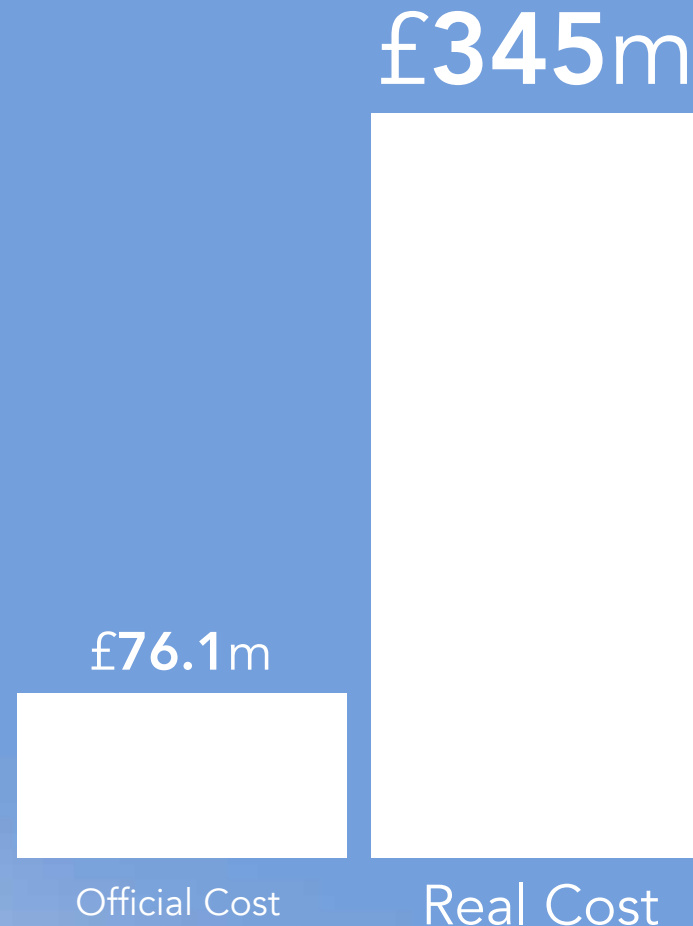


Royal Expenses

Because the royals can spend money at will and without the likelihood of being directly challenged they continue to abuse the system – we ask in this report if this abuse amounts to corruption. It is certainly the complete lack of real accountability that leads to these huge costs – and which underlines the need for an end to the monarchy.

Republic of course wants more than royal reform; our aim remains the abolition of the monarchy. So this report also briefly outlines the opportunity cost and the political cost of sustaining a hereditary, ineffective Head of State.

It should be noted that secrecy and obfuscation mean there are real challenges in putting together a report like this. Republic's figures represent a best estimate from available sources. This report is really about setting a challenge, first to the media, to do more to scrutinise and expose the real cost of the royals more thoroughly. Secondly to the government and the Palace: to come clean and spell out the costs in detail and in full. Then we can all see the true cost of the monarchy.



KEY FINDINGS


The estimated total annual cost of the monarchy is **£345m**, around a third of a billion pounds.

This means each 'working royal' costs the taxpayer around **£19.1m** a year on average.

The total annual cost of the monarchy is more than NHS England spends on the **Cancer Drugs Fund**.

For **£345m** the government could employ **15,000 new teachers**, **15,500 new nurses or fire fighters** or **17,000 new police officers**.

Current funding arrangements are unsustainable and **must be radically reformed**.



Estimated annual cost is a **third of a billion pounds**

THE BREAKDOWN COUNTING THE COST

	Cost £m	
Sovereign Grant	76.1	a
Annuity for Duke of Edinburgh	0.4	a
State buildings used by royal family	30.0	b
Duchy of Cornwall profits/gains – lost	25.8	c
Duchy of Lancaster profits/gains – lost	68.7	d
Royal Collection net surplus – lost	2.6	e
Cost to local councils	22.2	f
Royal Household Pension Scheme	2.3	g
Security	106.0	h
Costs met by Government Departments and the Crown Estate	3.8	i
Cost of Lord Lieutenants	2.2	j
Bona vacantia proceeds – Duchy of Cornwall	0.1	c
Bona vacantia proceeds – Duchy of Lancaster	5.0	d
Civil list pensions	0.1	k
Total	£345.3	

Notes

a	Sovereign Grant Act 2011: guidance. www.gov.uk/government/publications/sovereign-grant-act-2011-guidance/sovereign-grant-act-2011-guidance
b	Republic estimated based on media reports on property values and published ratios for rental yields.
c	2016 Annual Report of Duchy of Cornwall
d	2016 Annual Report of Duchy of Lancaster
e	Net incoming resources after pension movement per 2016 accounts of Royal Collection Trust. The figure shown includes an element for inflation.
f	Republic research in April - June 2014 based on FOI requests to local councils. The figure shown includes an element for inflation.
g	Data from www.openspending.org/ukgov-finances-cra/pog/P41%20S130208/entries#pog:P41%20S130208 . The figure shown includes an element for inflation.
h	Cost of security is an estimate based on figures reported in the media, including The Daily Mail, May 29, 2011 and The Mirror, July 11 2010. The figure shown includes an element for inflation.
i	Research Paper 11/57, House of Commons (2011 figures)
j	Freedom of Information responses from local councils. The figure shown includes an element for inflation.
k	Email from Treasury 9 January 2014 (Republic research). The figure shown includes an element for inflation.



Over **£100m** spent on security
for the extended royal family

HOW IS THE MONARCHY FUNDED?

The monarchy is not funded like other public bodies, which are set an annual budget based on what they need to spend.

Until 2013, the Royal Household – that's the Queen and the other working royals – were funded by a civil list payment and a number of separate grants covering travel, property maintenance, communications and other expenses.

All these costs have now been rolled into one single annual payment called the Sovereign Grant. This has been set at 15% of surplus revenue up to 25% from 2017 from the Crown Estate – a publicly owned property portfolio – resulting in a payment of £42.8m for 2016/2017, expected to rise to £76.1m this year.

“ the real cost of the monarchy is likely to be around eight times the official figure

The Sovereign Grant is just one part of the total cost of the monarchy. Our research has identified a series of hidden costs – a combination of direct expenditure, lost income and lost opportunities to raise revenue – that are omitted from official reports.

They are either kept secret (such as the cost of security) or recorded in the accounts of individual trusts, local councils and government departments – or simply ignored.

When these are included, the real cost of the monarchy is likely to be around eight times the official figure.



Oversight and accountability

In theory, the introduction of the Sovereign Grant brought increased scrutiny of the royal finances. The national audit office (NAO) and the Public Accounts Committee (PAC) are now responsible for ensuring the grant is spent wisely.

However, while the PAC was highly critical of royal spending in its first report on the grant, there is no sign that the government intends to enact its recommendations.¹ On the contrary, chancellor George Osborne accused the PAC of "meanness."²

In any case, the NAO and PAC only oversee the spending of the Sovereign Grant – not the many millions of pounds in hidden costs.

It's a win-win deal for the Palace.

When the government introduced the Sovereign Grant they included a clause that says royal funding can't go down below the level of the previous year. So funding will increase whenever the profits of the Crown Estate go up, but if the profits of the Crown Estate go down royal funding remains unchanged.

However, with a huge expansion of off-shore windfarms being built on Crown Estate-owned seabed, those profits are likely to continue to rise year on year.

This unique and bizarre deal makes current royal funding unsustainable in the long term.

Funding will increase
whenever the profits of the
Crown Estate go up, but
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Estate go down royal funding
remains unchanged



THE FULL COSTS EXPLAINED

Republic's estimated annual cost of the monarchy consists of state expenditure on the institution of monarchy and state revenue used to fund the private expenditure of senior royals. At £345.3m the figure is a broad estimate of annual cost, not a calculation of the cost of the monarchy during 2016/17.

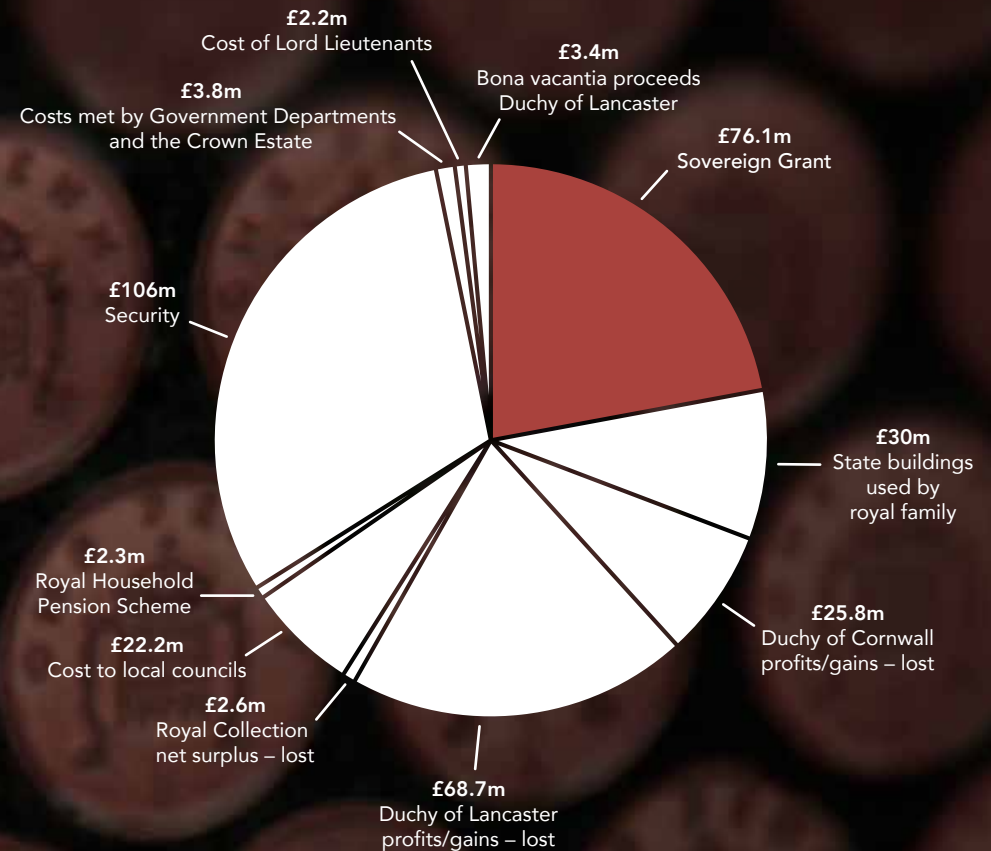
In addition to the Sovereign Grant, which is the only item referred to by the royal household's own finance report, there is a separate grant of around £400,000 for the Duke of Edinburgh. Why the Queen's husband needs an additional sum of money separate from the main grant has never been adequately explained.

Some of the costs we include are based on some assumptions and estimates that are not easy to verify. For instance we know a number of royals occupy apartments in palaces for little or no rent and we have calculated the lost revenue these palaces may otherwise bring in if the royals (or someone else) paid full rent. Of course in a republic these apartments may instead bring in revenue through tourism rather than rent.

“ whenever a royal goes to a local museum or visits a school the local authority [is] left with significant costs

The inclusion of the Duchy costs is dealt with on page 29.

Whenever a royal goes to a local museum or visits a school the local authority and other public bodies are left with significant costs to pay. The figure we have included in this report for local authority costs is based on a broad and conservative estimate using data gathered through freedom of information requests to a variety of local councils.



The official figure is just one part of the total cost

Royal Expenses

Various press reports have cited sources who say the total cost for royal security is around £100m. The government refuses to reveal this cost, claiming somewhat implausibly that to do so would represent a risk to security. However it is a believable figure when we consider the dozen or so royals who receive round-the-clock protection. Senior royals have multiple residences which will further increase security costs. It should be noted that the taxpayer has no particular duty to protect every royal, many famous and well-connected people fund their own security arrangements.

Bona Vacantia means 'ownerless property,' the term is often used to refer to the estates of those who die intestate and without identifiable relatives and who lived within one of the two Duchies. In these cases the assets of the deceased go to the Duchies rather than to the Treasury.

We have included a portion of the legal costs to reflect the excessive efforts of the palace and government in trying to maintain royal secrecy. The government's battle to stop the Guardian newspaper from accessing Charles's letters to ministers makes up a significant proportion of this cost.



£369m MORE FOR PALACE REPAIRS

In late 2016 the government announced plans to spend £369m over ten years to repair Buckingham Palace. This is being done by increasing the Sovereign Grant, from now on pegged at 25% of Crown Estate revenue instead of 15%. This amounts to an increase of 145% since 2012, from £31m to £76.1m.

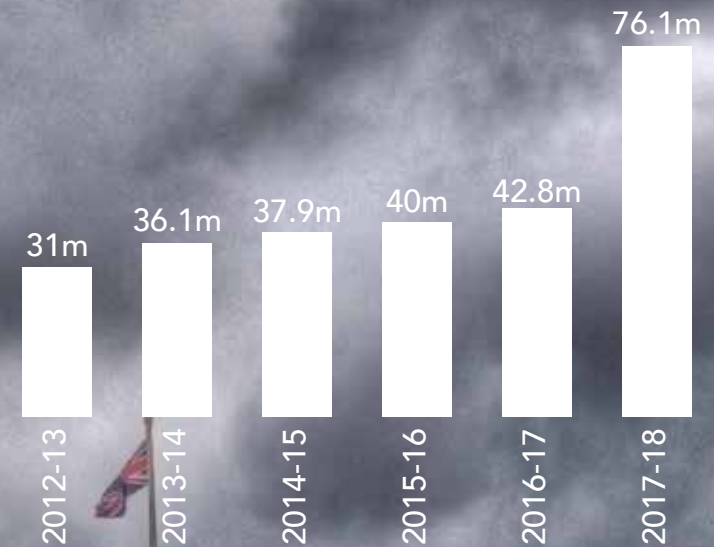
The palace belongs to the taxpayer, if it needs repairing we need to pay for it. But for years our MPs have been telling the royals to let tourists in all year round, to raise the funds needed to maintain the buildings. The royals always refused.

For decades the taxpayer has been giving millions of pounds a year to the royals, in part to maintain the buildings they use. Yet after 65 years in charge of the monarchy it is clear the Queen has failed to properly manage these national monuments.

The obvious question is, why have the royals let the palace get into this state? Why haven't they raised revenue through opening up all year round? If the royals can't look after the buildings and raise their own revenue to fund maintenance it's time to give them up.

This repair bill adds millions a year to the annual cost of the monarchy. As taxpayers we now need the government to take over the management of the buildings and ask the royals to move out. We can then turn them into world-class heritage sites, galleries and museums that will generate enough revenue to cover the repairs and future costs.

145% increase in 6 years



WHAT WOULD £345m BUY?

Relative to overall government spending, £345.3m can seem small. But it is equivalent to significant items of public expenditure, such as:

15,000 newly qualified teachers³

15,500 newly qualified nurses⁴

15,500 newly qualified fire fighters⁵

17,000 police officers on commencing service⁶

Against a background of deep cuts to public services, it is reasonable to ask why the royal household has been protected from even the most modest of efficiency savings. Can the government really justify these huge costs if even a single public sector employee is losing their job?

Monarchy equivalent to the NHS Cancer Drugs Fund

Taxpayers spend about the same on the monarchy as NHS England spend on the Cancer Drugs Fund, at £340m. The fund was established by the government to pay for drug treatments not currently approved by NICE or available on the NHS.⁷

Food standards and flood defences at risk

The government is currently cutting more than £300m from the budget of the Department of Environment, Food and Rural affairs, affecting flood protection and responses to crises such as the horse-meat scandal.⁸



**15,500 fire fighters or
1 Head of State?**

NO INCOME FROM TOURISM

Over 80% of Britons believe that the royal family provides “a significant amount of revenue for Britain through tourism”⁹ but there is little evidence for it.

Chester Zoo, Stonehenge and the Roman Baths are all more successful tourist attractions than Windsor Castle, the only occupied royal residence to attract visitors in large numbers. If it was included in the Association of Leading Visitor Attractions (ALVA) list of top attractions it would come in at number 23.¹⁰

VisitBritain’s £500m figure

The claim that the monarchy is good for tourism seemed to receive official endorsement when VisitBritain, the UK’s national tourism agency, published a report claiming the royal family generated £500m of inbound tourism spending every year.

But the research was deeply flawed. To get the figure, VisitBritain took previous research which found that 28% of visitors were attracted by Britain’s culture and heritage, then estimated that a quarter of Britain’s heritage attractions had “ties” with the British monarchy.

£500m is simply a quarter of the estimated total spend by visitors attracted by Britain’s culture and heritage.

VisitBritain now admits that the figure says nothing about what might happen if we transferred to a republic. In 2011 Republic met with senior VisitBritain officials and put it to them that there is no evidence that, if Britain abolished the monarchy, tourism would go down. They agreed.

Even if we accept the VisitBritain figure, it equates to just 0.03% of GDP. The margin of error when calculating GDP is 0.7%.

Windsor castle attracts
fewer tourists than
Chester Zoo



Buckingham Palace – a lost tourism opportunity

Buckingham Palace is open for around two months a year, charging visitors £23 or more to view a limited number of rooms and a small portion of the royal art collection. By contrast the Tower of London is open all year round. The Tower of London funds itself through ticket sales and events. Buckingham Palace relies on the taxpayer to foot the bill for repairs and upkeep.

“ *excuses amounted to the fact that the Palace is the working HQ for the Head of State*

In 2009 the House of Commons Public Accounts Committee investigated the Palace's finances. MPs on the committee repeatedly pressed Palace officials on why Buckingham Palace wasn't open twelve months of the year. The excuses amounted to the fact that the Palace is the working HQ for the Head of State, a point shot-down by MPs who pointed out that Britain's parliament, the White House and the Vatican are working government buildings that accept tourists all year.

Given Buckingham Palace houses one of the most extensive and impressive art collections in the world it would make a world-class tourist attraction – if the royals moved out and the Palace opened up as a gallery and museum.

Buckingham Palace
would make a world
class tourist attraction
if the royals moved out



IS THE COST OFFSET BY CROWN ESTATE REVENUE?

The Crown Estate is a land and property portfolio, managed on behalf of the Government, whose surplus revenue is paid annually to the Treasury.

It is sometimes claimed that the Queen “surrenders” Crown Estate revenue to the nation, subsidising the monarchy through a personal financial sacrifice. In fact, as the Crown Estate itself puts it, “The property we manage is owned by the Crown but is not the private property of the monarch.” They stress on their website that “The Crown Estate [...] is not the private property of the monarch – it cannot be sold by the monarch, nor do revenues from it belong to the monarch.”¹¹

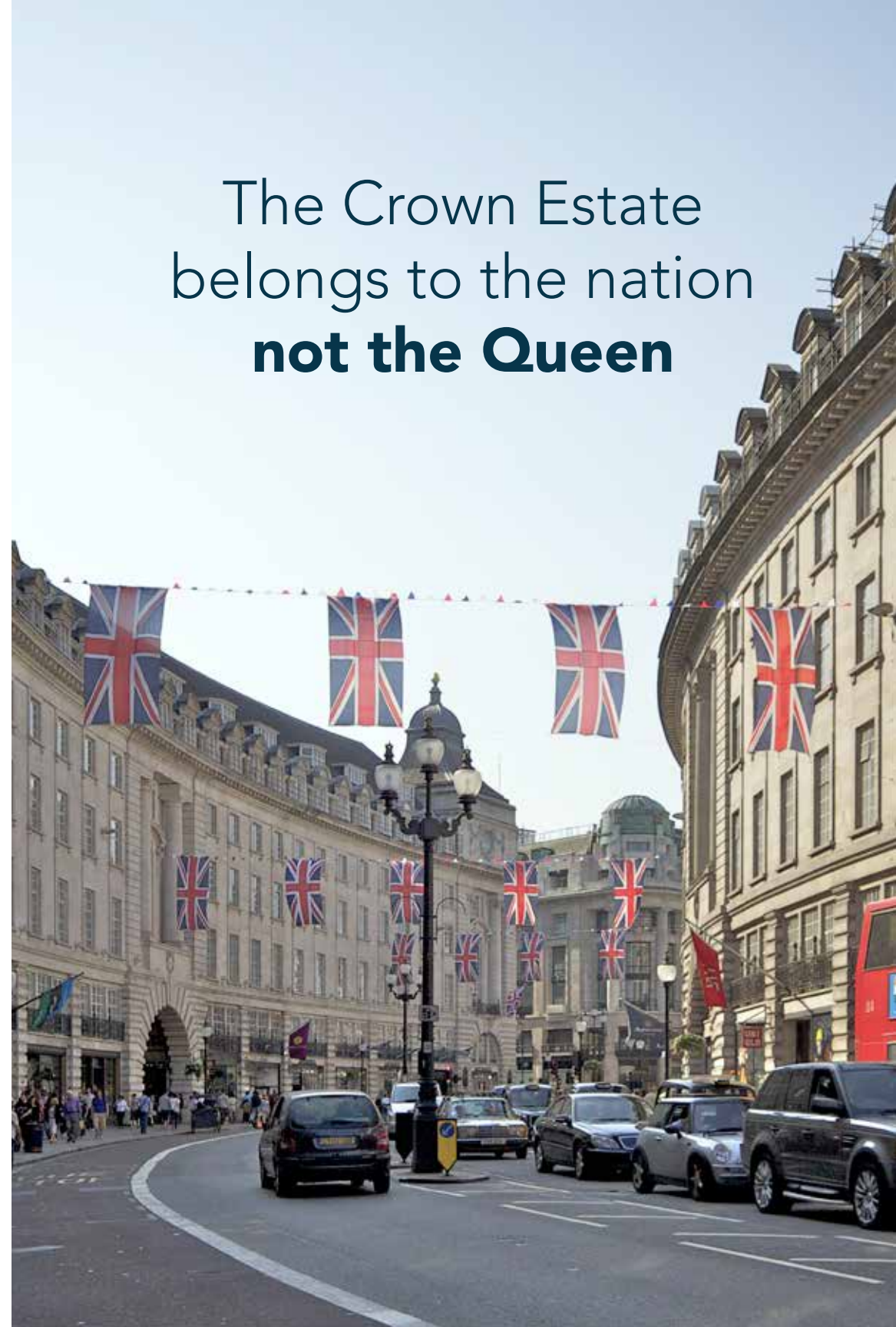
It's also worth noting that the Office of National Statistics classifies the Crown Estate as a public sector body and not as a privately owned business.

“ there is no natural or legitimate link between Crown Estate income and royal funding

The source of the confusion comes from the fact that a small part of the existing Crown Estate portfolio was the property of the monarch before the end of the 18th century, when the king had responsibility for the expenses of civil government.

But this changed once the state (the Crown) and the person of the monarch became separate during the reign of George III. Since then the Crown Estate has been the “hereditary possessions of the Sovereign”, not the personal possessions of the individual acting as Sovereign.

The Crown Estate
belongs to the nation
not the Queen

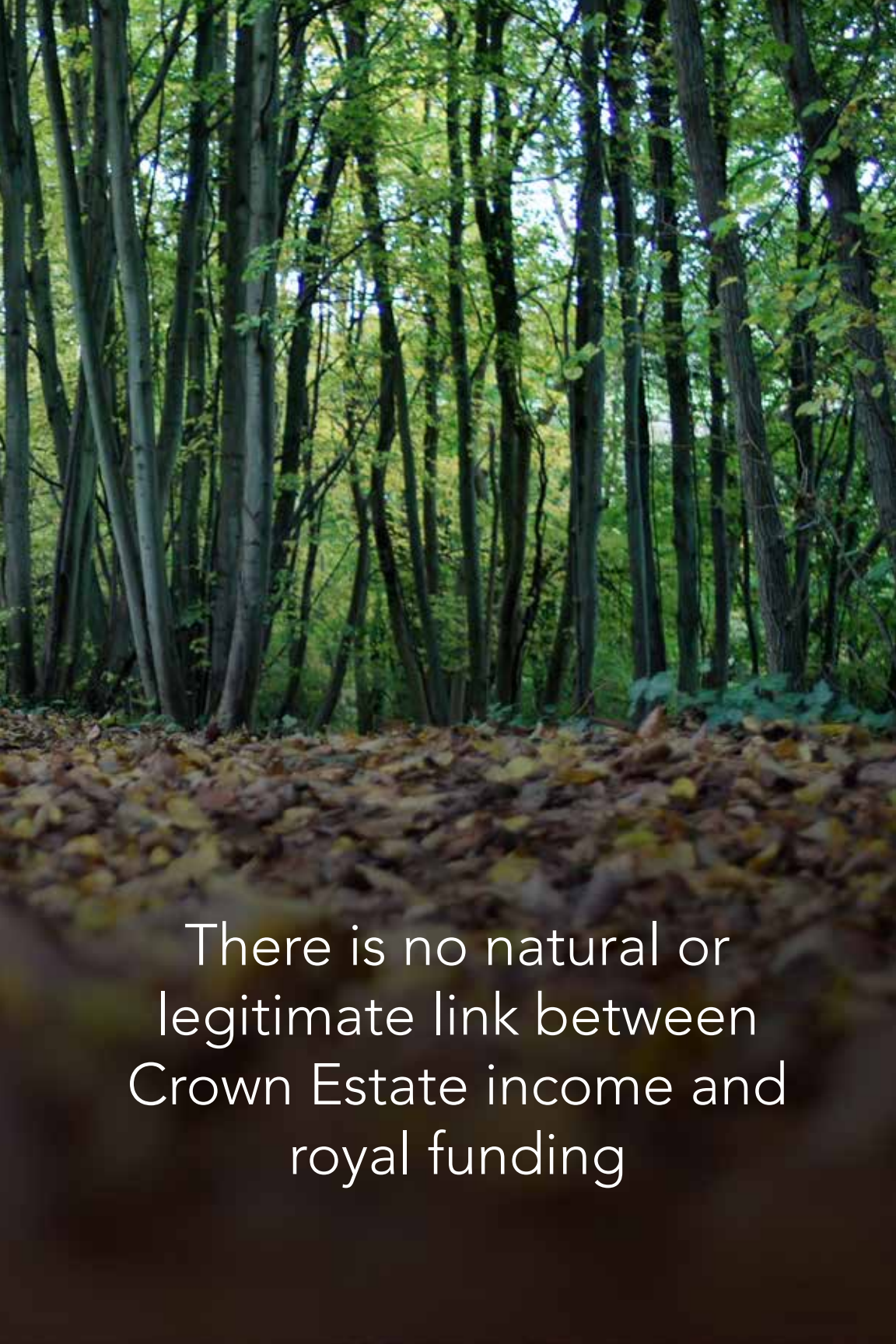


Royal Expenses

The confusion has been compounded with the introduction of the Sovereign Grant, which pegs royal funding to Crown Estate income. It should be clear that the monarchy is not funded by the profits of the Crown Estate and there is no natural or legitimate link between Crown Estate income and royal funding. The link was created by the government to provide a mechanism for increasing royal income in a way that saves politicians having to get involved in the issue every year.

This point was highlighted in a House of Commons research paper, which said: "the... calculation [of the Sovereign Grant] uses the profits of the Crown Estate as a means of arriving at a figure, not as a source of income."¹²

If the monarchy were to disappear tomorrow the Crown Estate would continue to do what it has always done for nearly one thousand years: provide income for the administration of this country.



There is no natural or legitimate link between Crown Estate income and royal funding

WHY WE INCLUDE THE DUCHIES

The Duchy of Lancaster and Duchy of Cornwall are Crown Bodies which own substantial portfolios of land, property and assets – including key urban developments, historic buildings, and farmland in many parts of England and Wales – held in trust for the Sovereign and the heir to the throne respectively.

The multi-million pound surplus revenue from the Duchies is paid each year to the Queen and Prince Charles.

Lost revenue and capital gains from the Duchies is included in Republic's total estimated cost of the monarchy because the Duchies are not, and never have been, the personal property of the Windsor family.

“ in a republic, there would be no monarch or heir to the throne so the surplus would be paid to the Treasury to the benefit of all taxpayers

Neither the monarch nor the heir to the throne are entitled to the Duchies' capital or capital profits and are only eligible to receive their surplus while occupying a constitutional role.

The Duchies provide an income to the monarch and the heir to the throne. In a republic, there would be no monarch or heir to the throne so the surplus would be paid to the Treasury to the benefit of all taxpayers. Most likely they would be incorporated into the Crown Estate.

Some supporters of the monarchy have tried to argue that the Duchies are the personal property of the Queen and Prince Charles – this simply is not the case. When Edward VIII abdicated he was allowed to keep his private property but not the Duchies owned in an official capacity.

A scenic view of a rocky coastline with turquoise water and a lighthouse in the distance. The image shows a rugged, rocky coastline with a prominent rock formation in the foreground. The water is a vibrant turquoise color, and the sky is a clear blue. In the distance, a lighthouse is visible on a small island. The overall scene is bright and sunny, with a clear blue sky and a few wispy clouds.

The duchies are not the personal property of the Windsor family

Royal Expenses

The Duchies are both described as Crown Bodies in a Memorandum of Understanding on Royal Taxation published by the UK Government in March 2013 which was also signed by representatives of the Queen and Prince Charles.¹³ The Memorandum also states that the Duchies enjoyed Crown exemption from taxation.

The Queen and Prince Charles are happy to allow the Duchies to be classed as part of the state when it means they can claim state immunity to avoid paying tax, though not when it comes to public accountability. In 2011, the Duchy of Cornwall lost a legal case in which it had argued it was “an entirely private operation.” The Tribunal ruled that the Duchy of Cornwall was in fact a public authority.¹⁴

Duchy and tax

In 2013, thanks to lobbying and campaigning by Republic, the Duchy of Cornwall's avoidance of Corporation Tax was investigated by the Commons Public Accounts Committee, and widely reported in the press. Margaret Hodge, chair of the committee, concluded that “The Duchy enjoys an exemption from paying tax even though it engages in a range of commercial activities. This tax exemption may give it an unfair advantage over its competitors who do pay corporation and capital gains tax.”¹⁵

The Duchy has always refused to pay Corporation Tax despite having no valid grounds for doing so. At various times it has claimed that the Duchy is not a separate legal entity to Charles, which is untrue, or that the Duchy isn't a company and therefore doesn't need to pay tax.

The Duchy has been shown in a legal tribunal to be a separate legal entity, one that enters into its own contracts and conducts its own business separately from Charles. And it isn't just registered companies that pay Corporation Tax, so that argument doesn't work either. Yet despite the investigation and the media spotlight the Duchy continues to simply refuse to pay – and the government lets them get away with it.

Landlord and corporation

The Duchy is a corporation that isn't incorporated, a company that isn't registered, it trades like any other business yet refuses to pay tax and enjoys unique legal privileges.

On a trip to the Scilly Isles, Republic spoke to a number of residents about how they were treated by the Duchy, their landlord. What was particularly shocking is how so many local tenants of the Duchy are scared to speak out. They fear losing homes and livelihoods if they go on record criticising the way the Duchy behaves.

The Duchy of Cornwall continues to limit tenants' rights, demand more money from residents and local communities and resist serious scrutiny. Meanwhile around £20m flows from the Duchy into Charles's pockets.

The Duchy invests little back into local communities, while demanding bedroom taxes, taxes on using the airport and ferry and huge increases to land rents. We've heard stories of harassment and threats by the Duchy, leaving local residents fearful of speaking out.

The Duchy isn't some quaint left-over from feudal times. It is a hard headed and ruthless business run for the profit of Prince Charles.



IS THIS CORRUPTION?

If corruption is the abuse of public office for personal gain, then can we really say the monarchy isn't corrupt?

The royal family occupies public office, formal positions that are part of Britain's constitution and which are publicly funded. Their positions are created by Acts of parliament and funded by the taxpayer – whether they are first or tenth in line to the throne.

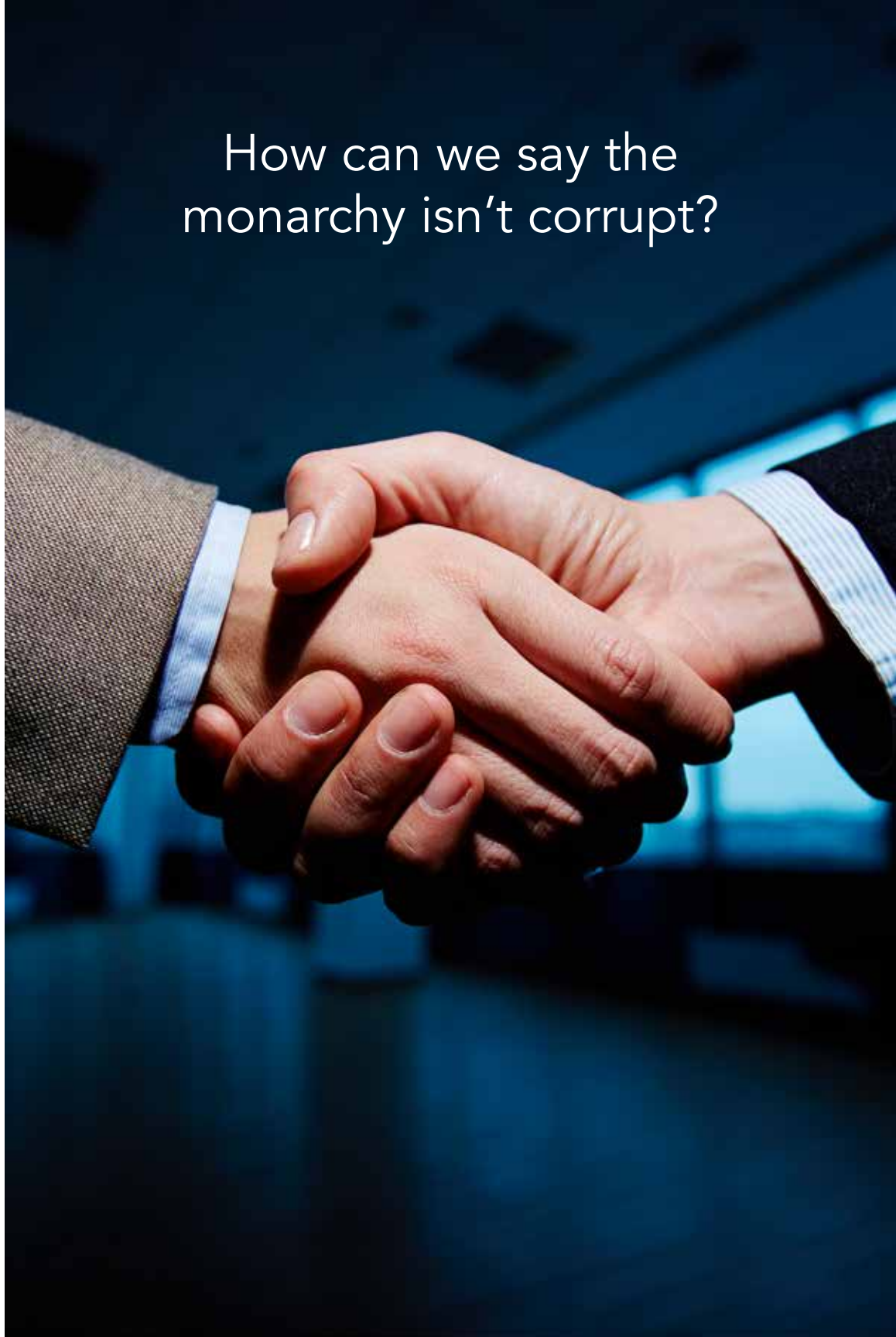
There is plenty of evidence that the royals deliberately and routinely abuse their positions for personal gain. They spend taxpayers' money like it's going out of fashion, on private travel, palatial homes, round-the-clock security and personal staff. Their misuse of public funds is a bigger scandal than the £345m annual bill set out in this report.

“ the royals use their exceptional secrecy to lobby government ministers, whether pushing their own agenda or protecting their own interests

The royals use their exceptional secrecy to lobby government ministers, whether pushing their own agenda or protecting their own interests. We know that Prince Charles, Prince William and others write to ministers and have regular meetings with them, no doubt with other government officials too.

We know that the royals successfully lobbied to increase secrecy by changing the Freedom of Information Act and to improve their funding through the Sovereign Grant. Republic's Royal Secrets report shows how big a problem it is, having untouchable royals lobbying ministers in complete secrecy.

The Queen and Prince Charles pay tax voluntarily, but we have no idea how much tax the Queen pays. We do know that secret deals



How can we say the monarchy isn't corrupt?

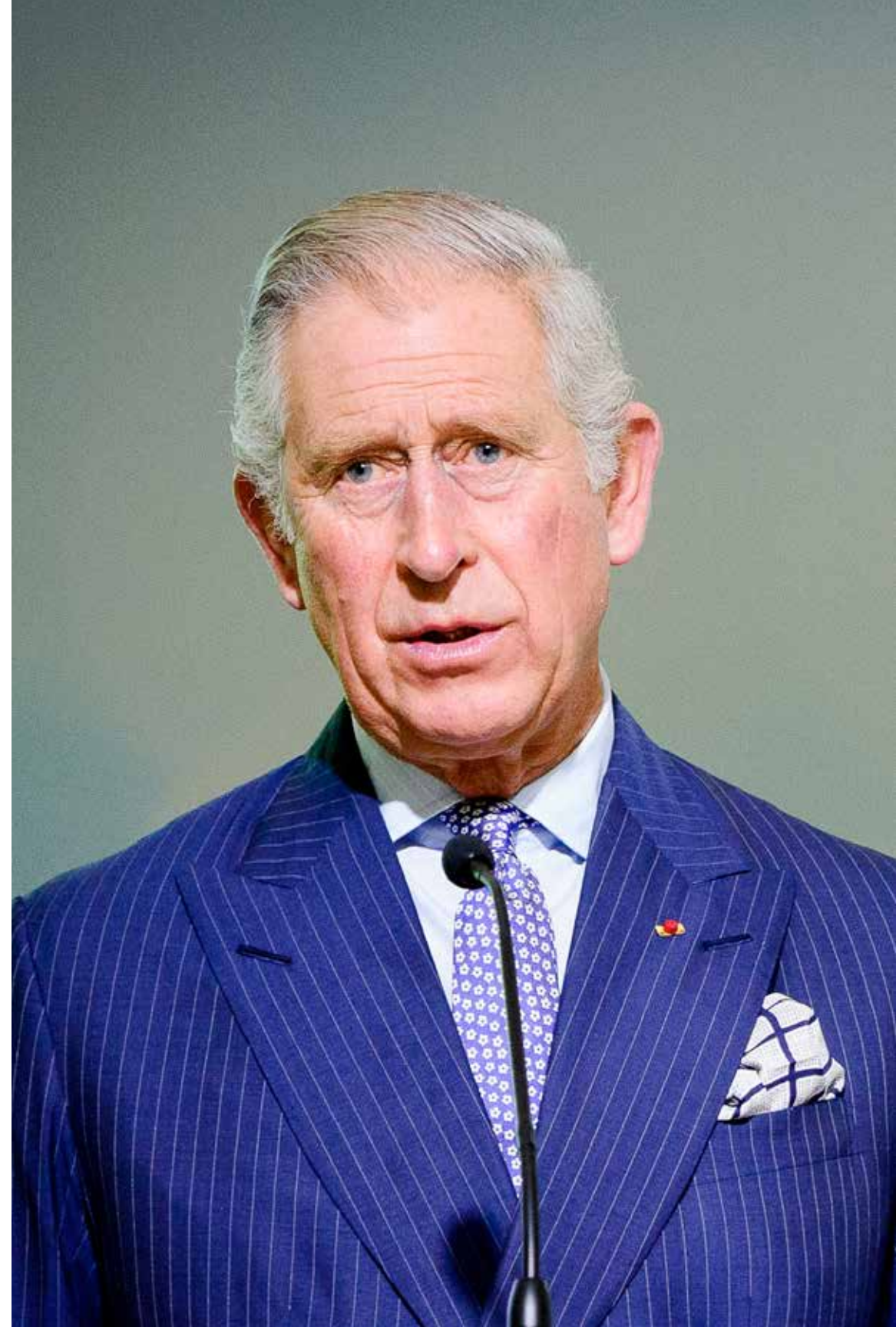
Royal Expenses

have been done between the palace and the government, to allow them to avoid as much tax as they can. We know that the Duchy of Cornwall, a large business enterprise run by Prince Charles, refuses to pay its taxes, despite MPs saying they should.

We also know that the royals are hiding millions of official documents in the Royal Archives, documents that should be in the National Archives and open for public inspection. That's why Republic has launched its Royal Archives campaign, calling for historic records to be opened up.

There's a reason why – for decades now – people have campaigned for government transparency and freedom of information. As we saw with the MPs' expenses scandal, when people can do what they like under the cover of official secrecy, they are all too often tempted to do the wrong thing. The royals have extensive access to public money, government ministers and every opportunity to interfere – all covered up by Freedom of Information laws and Royal Archive secrecy.

Abuse of public position for personal gain is one definition of corruption. It's also a useful definition of monarchy. The royals are always quick to demand secrecy, which makes a lot of people wonder what they've got to hide. It's highly likely that the secrecy is there for one good reason: if we could also see what the royals were up to we wouldn't like what we see – and that would be the end of the monarchy. Is the monarchy corrupt? How can we say it isn't?



WORKING ROYALS

A working royal is a member of the royal family who conducts public engagements and who receives public subsidy. The royal website currently lists 18 working royals, meaning they each cost the taxpayer on average £19.1m a year.

The term 'working royal' is misleading. Royal engagements take up a limited amount of their time, most of which is spent pursuing their own leisure and business interests. While the Queen has some additional duties as Head of State other royals do very little to earn their multi-million-pound subsidy. It is claimed that Prince Charles is the busiest royal, doing around 533 engagements in 2014.

“ Prince William was reported in the press as having done just 47 days of royal duties in 2014

Clarence House has confirmed to Republic that the average engagement lasts about one hour, which means 533 engagements adds up to around 14 weeks of work during the whole year. Many engagements involve no travel and it's been noted during our research that there will often be more than one engagement counted during a single visit.

Recently Prince William was reported in the press as having done just 47 days of royal duties in 2014.¹⁶ His earlier decision to leave his job as an RAF search and rescue helicopter pilot after serving only one three-year tour of duty had left the taxpayer with a £400,000 bill in training costs that were never recovered.

Yet despite having more time on his hands Prince William has declined to pay much back for the privilege and wealth granted to him. A lot of these engagements have been entirely self-serving, promoting the royal brand as much as performing any kind of public service.

Working royals cost the taxpayer on average £19.1m each



MINOR ROYALS, MAJOR COST

The annual cost of the royals should come as no surprise, when we consider that minor royals alone, many of whom you've never heard of, cost the taxpayer millions of pounds every year.

We are spending millions of pounds on Katherine Worsley and Marie von Reibnitz when public services are being squeezed and cut. Prince Andrew, Prince Edward and their families also refuse to pay their own way.

We do not owe the extended Windsor family a living. It is a scandal that the Queen allows her family to profit from their relationship with her. The public are with us on this. A poll carried out last year showed a clear majority of the public want the minor royals to lose their public funding.¹⁷

“ a clear majority of the public want the minor royals to lose their public funding

The poll, published in 2015, showed a clear majority believe the Queen's own children, Andrew, Edward and Anne, should not receive any public funding. 61% said Andrew should lose his funding, 62% said the same of Edward. The same was true for Andrew and Anne's children and the Queen's extended family.

It's rare to find points of agreement with Prince Charles, but he is said to be in favour of cutting the number of minor royals to eight or nine when he becomes king, leaving out the likes of Beatrice and Eugenie and their younger cousins.¹⁸

Currently Prince and Princess Michael of Kent and the Duke and Duchess of Kent receive millions of pounds of state subsidy for their lavish homes, travel and security. Princess Alexandra, the Queen's cousin who few have heard of and fewer would recognise, is also receiving subsidy. Over 80% of people believe they should receive nothing.

“Should not receive money from the taxpayer and royal duchies”

MINOR ROYALS MAJOR COST



SPIN AND DENIAL

One of the problems with royal funding is how it is reported and spun by the Palace. The Palace carefully manages the release of information and ensures it is couched in so much spin real abuse of public money gets glossed over. They also choose the timing of the release of the reports, which enhances their ability to carefully manage media coverage.

2014 was no exception as Sir Alan Reid, Keeper of the Privy Purse (i.e. chief finance officer), reported massive waste of public money that included £4m spent by the Head of State on her grandson's new home and £16,000 spent by her son on a quick trip to Stoke.

All this was brushed aside – according to Reid this is a 'value-for-money-monarchy', costing each person in the country 56p. The new palatial apartment for Kate and William was, according to royal aides, 'an ordinary family home'. It just happens to have more than twenty rooms and a full staff.

“ *the 56p claim is a lie*

The total annual cost was claimed to be £36m, a sum neatly divided by every man, woman and child in the country to reach that magic figure of 56p per person. This spin itself is so disingenuous as to be a real challenge to proper financial scrutiny. It is simply a dishonest way to make an expensive thing look cheap. The 56p claim is a lie.

Setting aside the obvious point that not all 64 million of us pay tax, dividing the total among all the people is no way to justify public expenditure. Anything can look cheap when you do that: Parliamentary expenses only cost us £1.60 in 2014, and the £7,000 pay rise for MPs cost each of us just 7p.

Taxpayers don't pay into lots of individual pots of money. All our taxes go into the government's coffers and the government is then expected to share that money out according to its priorities. It can choose whether to spend that £36m – or that £345m – on the Queen or on hospitals, schools and policing.

According to royal aides
the new palatial apartment
for Kate and William was
'an ordinary family home'



OPPORTUNITY COST

When talking about the cost of the monarchy it's worth thinking about what it is we're paying for. The simplest answer is: a Head of State for Britain. With the monarchy – and at an annual cost of £345m – we get a Head of State who is silent, ineffective, unrepresentative, secretive and who only does the bidding of the Prime Minister of the day. What we could have instead is a Head of State who is genuinely impartial, effective, accountable and representative. That's the opportunity cost.

There are important constitutional functions for a Head of State, but there is a ceremonial and leadership role too. It has been argued that the Queen should be not just 'Head of State', but 'head of the nation',¹⁹ personifying the hopes, aspirations and concerns of ordinary people. The British people have every right to expect this from their Head of State, but the Queen has failed to live up to those expectations.

“ It has been 60 years during which the whole world has changed, and with it the nature of political leadership

For more than 60 years we have had a Head of State unable to speak out or speak up on matters of concern to the nation. Most of us would be hard pressed to recall anything memorable about Elizabeth Windsor's reign other than scandals and crises separated only by regal silence and press office spin. Her survival strategy has been to do little, say less and sail through on a tide of public indifference supported by political complicity.

It has been 60 years during which the whole world has changed, and with it the nature of political leadership. Ask anyone to offer a memorable quote or public figure from the last six decades and the names you hear are John F Kennedy, Nelson Mandela and Martin Luther King. In this country it would be Blair, Thatcher, Wilson and Macmillan. Major events would include the Cuban Missile Crisis, the Vietnam War, Suez, the miners' strike, the three day week, the collapse of communism



and wars in the Falklands and Middle East. What you won't find in the list is any mention of a British Head of State showing leadership, speaking eloquently about the momentous events surrounding them or engaging in any way with the major upheavals and social changes that have occurred.

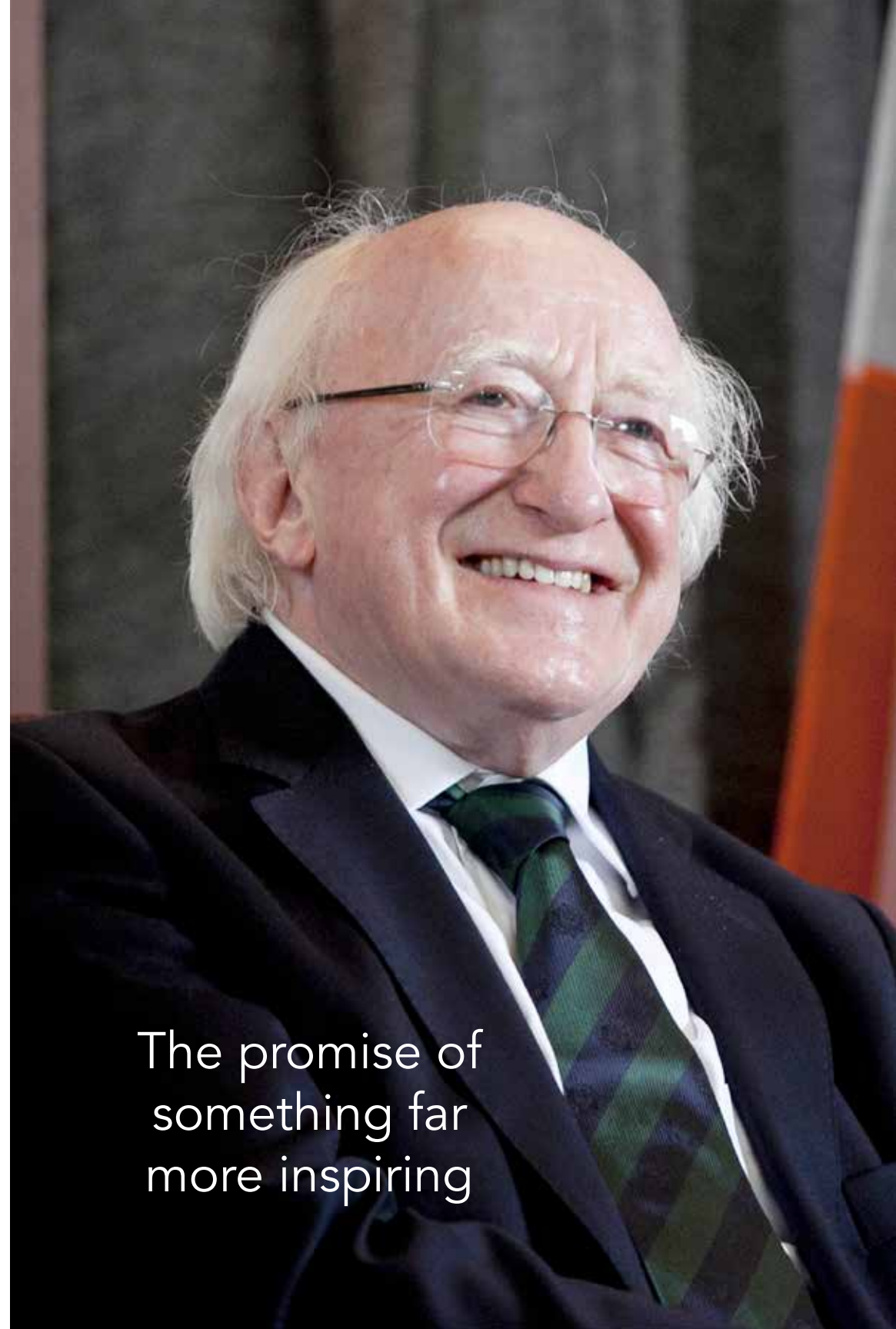
Some may argue that it is unfair to criticise someone for not playing a role in the great sweep of twentieth and early twenty-first century history, yet our Head of State has had 60 years and every conceivable advantage going for her. With all the resources the state can provide, with every opportunity to study and learn, to lead and inspire, her most celebrated achievements are staying silent and staying alive. Surely we could have expected better?

“ the Queen only keeps the chair warm – she does not and cannot play the role of national leadership that a Head of State should play

Britain has had its fair share of charismatic and memorable leaders from Churchill to Blair, not to mention those who never made it to Number 10. But the image and standing of heads of government is always compromised by the things they do in office. There is a place for a non-political leader who can represent the changing times, speak to the nation's hopes and fears and play umpire-in-chief in the political process. Monarchists claim this is exactly the role the Queen fulfils. But the Queen only keeps the chair warm – she does not and cannot play the role of national leadership that a Head of State should play.

Our nearest neighbour, the Republic of Ireland, offers some contemporary examples of how such a role can work. Mary Robinson was the country's first female president, reflecting a changing and more confident nation. Her non-partisan leadership – which reached out to the Church and to conservatives as well to liberals and marginalised groups – earned her approval ratings of 93%.

Robinson's successor, Mary McAleese, also proved an inspiring national leader; as the first president from Northern Ireland, McAleese



The promise of something far more inspiring

Royal Expenses

sought to build bridges across social and sectarian divides. Such was her popularity she was elected for a second term unopposed.

Michael D Higgins (pictured on the previous page), Ireland's current president, also offers the promise of something far more inspiring than a silent and remote monarch. In 2011 he received more votes than any previous president and began his term in office with an inauguration that included Humanist, Jewish and Muslim elements, alongside more traditional Christian ones, powerfully demonstrating the unifying role of the Irish presidency.

While other nations have had their hopes and values championed by their Head of State, here in the UK we have been stuck in a single groove. We could have benefited from a non-partisan national leader, speaking for our country above the political fray, on countless occasions: after tragedies like Aberfan, Hillsborough, Lockerbie and the 7/7 bombings or at times of great upheaval and uncertainty such as the spread of AIDs, rising concern over the environment, conflict in Northern Ireland or the post-9/11 relationship between Britain and Middle East.

Of course, being an unaccountable monarch the Queen is expected to remain silent, to say nothing interesting in case interesting becomes controversial. But that's not a defence of the monarch but a reason to choose an eloquent, elected Head of State. An elected Head of State could have contributed to the national debate and the national mood – not by getting involved in policy debates or interfering in the business of government, but by reflecting the feelings of ordinary people around the country. Instead we have a silent monarch, offering nothing but an empty space where an inspiring leader could be.

It isn't just the Head of State that has been missing, however. The regular act of going to the polls, debating the candidates and reflecting on what kind of person would best represent us could have proven cathartic and unifying in a way a political election cannot. These elections would have been opportunities to think seriously about what kind of country we want to be, what our values are and how we want to be seen in the eyes of the world.



The Queen is expected to remain silent, to say nothing interesting in case interesting becomes controversial

THE COST TO BRITAIN'S DEMOCRACY

We know as democrats that the monarchy is wrong in principle. We can see from this report that it fails in practice, fails to uphold the highest standards of public service and integrity. The monarchy also represents a serious political cost.

Britain's political system is founded on the power of the Crown. It is the Crown's power that makes parliament, not the people, sovereign – the ultimate source of power. Parliamentary sovereignty means there are few limits on the power of MPs other than those they have imposed on themselves, such as the Human Rights Act.

“ when push comes to shove almost all the cards are in the hands of the government

Many powers of the Crown are retained by the Queen and exercised on the instruction of the Prime Minister, giving him considerable control over parliament and the political process. This control comes through the power to make laws in the Privy Council, for instance, as well as the through the power of patronage. That's the power to award honours and make appointments to political friends and potential opponents. The knighting of ministers who have been sacked from cabinet and the promise of future appointments to difficult backbenchers are examples of Prime Ministerial power emanating from the Crown.

This combination of a powerful parliament largely controlled by the government results in a significant centralisation of power in the UK. It is true that with devolution, coalition government and small majorities this power is weakened by the stronger possibility of backbench revolt. However the reality remains that when push comes to shove almost all the cards are in the hands of the government.



Royal Expenses

In a republic there would be a simple set of rules limiting the powers of government, parliament and Head of State. These would be set out in a constitution agreed by voters and only subject to change by referendum. And there would be a real role for the Head of State. The phrase “ceremonial Head of State” can be misleading. It suggests that the role is purely for decoration, when it is actually a crucial part of the political system.

“ *a republic can re-balance power between people, parliament and government* ”

Because an elected Head of State’s neutrality is prescribed by law, they can be genuinely independent of government, acting as an impartial referee of the political system and an extra check on the power of government.

If there’s a risk that a new law may breach fundamental rights or principles, for example, a Head of State may refer it to the Supreme Court. Or if there is widespread public opposition to a bill, the president may consult the people in a referendum. These powers would rarely be used, but can be vitally important in a democracy.

In other words, a republic can re-balance power between people, parliament and government, set limits on the power of those who govern us and provide an impartial referee and representative in the form of an elected Head of State. It works well for our nearest neighbour, Ireland. It will work well here too.

The monarchy, on the other hand, serves the interests of the powerful. That’s the political cost.



ROYAL FINANCES REFORM CHARTER

Republic's royal finances reform charter proposes the following simple reforms to improve accountability, transparency and fairness in royal finances and to appropriately assign public funds.

1. Parliament to set an annual fixed budget for the monarchy - including an annual salary for the Queen - to be managed and reported on by a government department, not the Royal Household.
2. All security costs to be made transparent and accountable.
3. All costs of royal visits around the country to be incorporated into the monarchy's budget, not met by local authorities.
4. The institution of the monarchy, and all members of the Royal Household, to be required to abide by the same tax regime as other public bodies and private individuals.
5. The Duchies of Lancaster and Cornwall to be fully investigated by parliament with a view to transferring them into public ownership, with all revenue going to the Treasury.
6. The Crown Estate to be renamed the National Estate and its status clarified through amendment of the Crown Estate Act.



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Republic is now routinely in the press and on the airwaves, making the case for an end to the monarchy and a democratic alternative. We work with the media, with MPs and with local people around the country, raising awareness of the need for change.

In recent years Republic has prompted MPs to investigate the Duchy of Cornwall, which caused widespread media scrutiny of the Duchy's tax avoidance. Republic has also given evidence to parliamentary committees on a range of issues, from royal expenses to honours and wider constitutional reform.

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Visit us online today to join.

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Join the campaign for a democratic alternative to the monarchy today at www.republic.org.uk/join



Every year the royal household tries to persuade the public that the monarchy is cheap, that it represents 'value-for-money'. In their annual accounts the royals claim to cost the taxpayer around £43m - about to rise to £76.1m this year - and their spin doctors divide that sum by every man, woman and child in the country, to come up with a cost of just a few pence per person.

This report exposes the reality behind royal expenses, highlighting hundreds of millions of pounds of costs that the official report ignores. With the real figure coming in at around £345m a year the monarchy is shown to be one of the most expensive institutions of its type in Europe. The reality is that each 'working royal' costs the taxpayer around £19.1m each, money that could employ thousands of nurses, teachers or police officers.

The monarchy costs Britain dear, whether that's in lost revenue and tax, bloated travel expenses or costs picked up by local authorities as the royals tour the country. Yet the costs go far beyond the financial, there is also a real political cost and a lost opportunity to choose a Head of State who is both accountable and an inspiration.

Royal Expenses: Counting the Cost of the Monarchy challenges the palace spin head on, and shows clearly that this is not a value-for-money monarchy, but an unaccountable institution that has little concern for the highest standards of public life.



2017 ROYAL FINANCES REPORT