**Henry VII’s financial policy – Robert Lockyer in Henry VII**

Due to shortage of money, the royal government was weak by the mid- 15th Century. The first Lancastrian family had a revenue of £90,000 but by the end of Henry VI’s reign, it was down to £24,000.

Henry VII believed money was important in judging the success of the monarch: he told Henry Wyatt, ”the Kings, my predecessors, weakening their treasure, have made themselves servants to their subjects.”

Henry did not want to raise money from new sources because this would evoke suspicion. Also, the Yorkists had proven that money from existing revenues could be expanded to generate enough financial stability. Instead, Henry VII followed the example of Edward IV.

One chronicler said “he turned his thoughts on the question of how he might in future collect, out of his own substance and by the exercise of his own energy, an amount of treasure worthy of his royal station.”

Like Edward IV, Henry began with a general act of Redemption passed in 1486 and nominally restored to the Crown all the lands it had held in October 1485 which allowed him to assert claims on land. Despite this, Henry had little more than Richard III had possessed.

Henry’s first Parliament guaranteed him the revenues of the Earldoms of Richmond and Chester and the Duchies of Lancaster and Cornwall.

Just under 140 individuals suffered under the Acts of Attainder. Sir William Stanley’s estates brought in £9,000 in cash and £1,000 a year which was one of Henry’s greatest gains.

The system of Chamber finance which that Yorkists had developed could only work effectively if Henry actively supervised it. However, he was more focussed on securing his throne. The Exchequer therefore resumed its original and traditional role as guardian of the royal finance. However, it had not been designed to deal with 15th Century estate administration and could not cope with the tasks confronting it due to the lack of personnel and technique. Consequently, the Crown’s income from land declined to £12,000 per annum in the first year of Henry’s reign in comparison to £25,000 per annum at the end of Richard’s.

This lasted until the end of the 1490s because at this point Henry had enough security to turn his attention towards financial matters.

Henry had the same motivation to establish personal control of the royal finances as Edward IV: Henry was determined to reconstruct the Yorkist system.

After increasingly more revenues were withdrawn from Exchequer control, the Chamber was once again the major national treasury: it received 90% of the Crown’s income. As the Chamber was transformed from a household department into a national treasury, the Privy Chamber emerged.

However, a disadvantage of using the Chamber as a national treasury was that it did not possess the elaborate auditing machines that the Exchequer had developed. Edward IV had appointed ad hoc auditors to examine the accounts that were no longer submitted to the Exchequer scrutiny and Henry had continued this practice.

Although Henry maintained tight control over Chamber finance, he increasingly began to rely on the advice if Sir Reginald Bray. Bray appointed special commissioners to enquire into cases of landed estates of neglect or delay. He also developed new auditing machinery for the Chamber and instituted the practice of holding meetings where the Chamber accounts were submitted for scrutiny.

Moneys within the Chamber came from:

* Revenues from landed estates such as the Duchies of Lancaster and Cornwall.
* Profits from the exploitation of the Crown’s prerogative - the King could claim the rights to any land.

Henry VII’s Council was virtually the same as its predecessors, with regards to composition and range of activities. 29 of the Councillors had held the same office under one or more of the Yorkist Kings.

Membership of the Council was not defined to nobles who had fought for him.

230 Councillors had been recorded but they were scattered throughout the country: 40 never actually attended a Council meeting.

Council did not concern itself with every aspect of government despite being the most important single administrative institution.