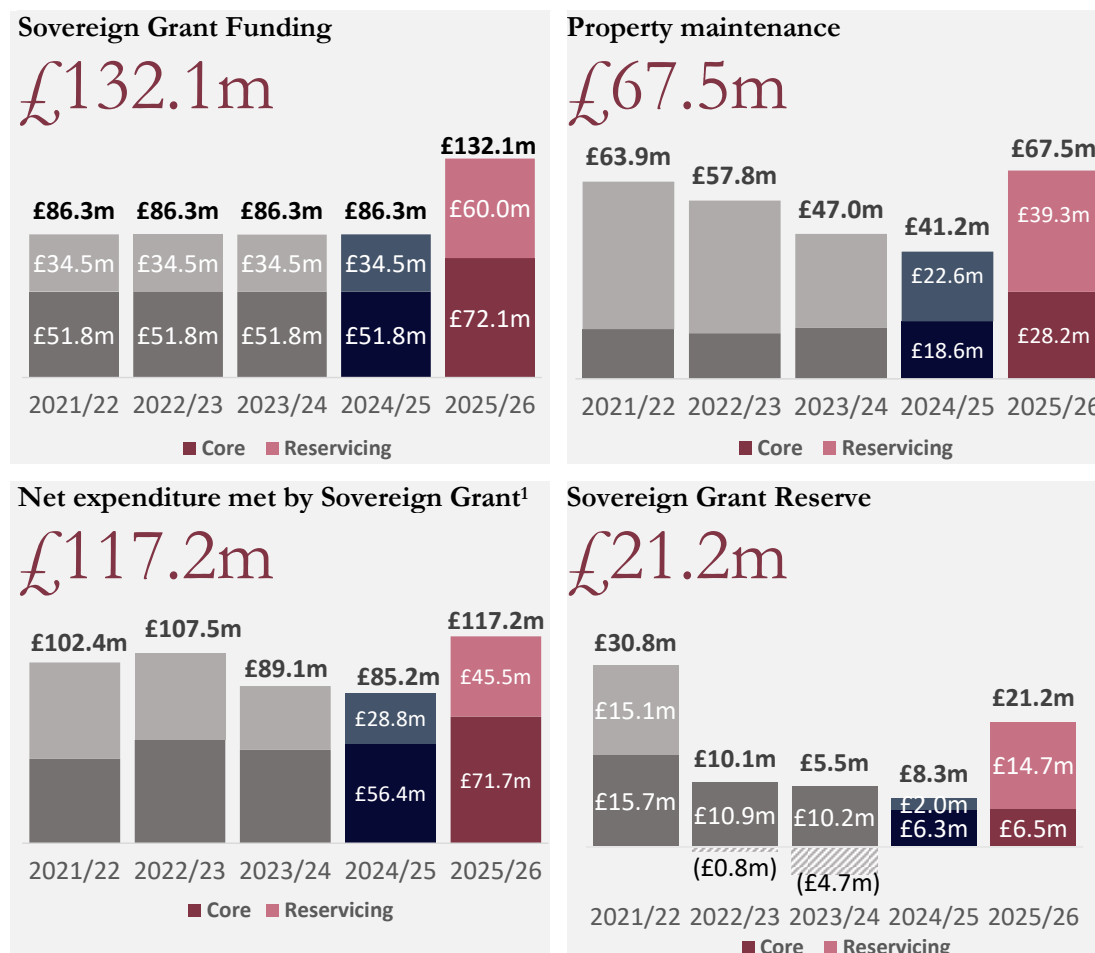


# THE SOVEREIGN GRANT AND SOVEREIGN GRANT RESERVE



Year to 31 March 2026

## FINANCIAL SUMMARY



The total Sovereign Grant for the financial year 2025-26 was £132.1 million (Core £72.1 million, Reservicing £60 million), 12% (2024-25: 12%) of the Crown Estate revenue account profit for the financial year two years previous.<sup>2</sup> As set out in the Report of the Royal Trustees on the Sovereign Grant for 2025-26, this represents the first increase in the grant since 2021-22.<sup>3</sup>

Net Expenditure met by the Sovereign Grant in 2025-26 amounted to £117.2 million (2024-25: £85.2 million) an increase of £32 million (38%) compared to the previous year.

<sup>1</sup> Official net expenditure met by the Sovereign Grant is equal to Total Expenditure (including Property Maintenance, Payroll and Associated Costs, and Other expenditure) minus Supplementary Income. Where this is less than the Sovereign Grant funding received in the year, this results in a transfer to the Sovereign Grant Reserve.

<sup>2</sup> Following the July 2023 Royal Trustees Review and in light of the expected increase in the Crown Estate's profits due to additional wind developments, the percentage of the Crown Estate's revenue account profits used in the calculation was reduced from 25% to 12%. This reduction was consistent with both the requirements of the Sovereign Grant Act 2011 and The King's wishes that an appropriate portion of the additional income be directed for the wider public good, whilst also ensuring there was sufficient funding to provide the remaining £100 million of funding for the Buckingham Palace Reservicing programme.

<sup>3</sup> [Report of the Royal Trustees on the Sovereign Grant Review 2025-26 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118442/Report_of_the_Royal_Trustees_on_the_Sovereign_Grant_Review_2025-26.pdf)

During the year £67.5 million, including associated staff costs, has been allocated to Property Maintenance including the Reservicing of Buckingham Palace, equivalent to 51% of the Sovereign Grant for the year (2024-25: £41.2 million, 48%).

Core Property Maintenance expenditure totalled £28 million (2024-25: £18.6 million), a £9.6 million increase, as investment was prioritised in this area following several years of constrained funding. As a result 56% of the cumulative increase in the Core Sovereign Grant has been allocated to Property Maintenance, including associated staff costs, since the introduction of the Grant in 2012-13, thus meeting the 50% target agreed with the Public Accounts Committee in 2013.

Property Maintenance expenditure relating to the Reservicing of Buckingham Palace totalled £39.3 million (2024-25: £22.6 million) as activity continues in the penultimate year of the programme. In addition, there was £3.5 million of capital expenditure in relation to the programme, predominantly funding the introduction of two new lifts into Buckingham Palace to increase accessibility.

Total Payroll and Other Staff Costs totalled £37 million (2024-25: £34.1 million), this increase year on year reflects a higher average number of staff as staff turnover reduced and targeted roles were added in priority areas such as property maintenance, sustainability and procurement. This has strengthened organisational capacity to support delivery across the estate and key programmes.

The surplus for the year, £14.9 million, was transferred to the Sovereign Grant Reserve in 2025-26 (2024-25: £1.1 million), therefore after other movements in reserves, the Sovereign Grant Reserve increased to £21.2 million at 31 March 2026 (31 March 2025: £8.3 million). This increase is predominantly due to the timing of Buckingham Palace Reservicing funding compared to expenditure, with £14.7 million to meet future commitments for the Reservicing of Buckingham Palace included in the Reserve (31 March 2025: £2.0 million). Authorised and contracted Reservicing commitments are £52.6 million at 31 March 2026.

The total Sovereign Grant for 2026-27 will increase to £137.9 million (Core £97.6 million, Reservicing £40.3 million).<sup>4</sup> This is the final tranche of funding for the Buckingham Palace Reservicing Programme.

<b>Year to 31 March</b>	<b>2026</b>	<b>2025</b>
	£m	£m
<b>Sovereign Grant</b>	<b>132.1</b>	86.3
<b>Income</b>	<b>21.3</b>	21.5
<b>Expenditure</b>		
Payroll costs	<b>33.7</b>	29.9
Other staff costs	<b>3.3</b>	4.1
Property maintenance	<b>67.5</b>	41.2
Travel	<b>5.1</b>	4.7
Utilities	<b>5.1</b>	6.0
Housekeeping and hospitality	<b>3.5</b>	3.2
Digital services	<b>5.1</b>	4.5
Depreciation & amortisation	<b>5.2</b>	4.1
Other expenditure	<b>9.9</b>	8.9
<b>Operating expenditure</b>	<b>138.4</b>	106.6
Net non-operating expenditure	<b>0.1</b>	0.1
<b>Total net expenditure</b>	<b>117.2</b>	85.2

For details of expenditure from other sources please refer to the Royal Household's Report Royal Finances found on [royal.uk](https://www.royal.gov.uk)

<sup>4</sup> [Sovereign Grant Act 2011: report of the Royal Trustees on the Sovereign Grant 2026-27 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/Sovereign_Grant_Act_2011_report_of_the_Royal_Trustees_on_the_Sovereign_Grant_2026-27_-_GOV.UK)