

THE SOVEREIGN GRANT AND SOVEREIGN GRANT RESERVE



Year to 31 March 2017

FINANCIAL SUMMARY

<i>Year to 31 March</i>	2017 £m	2016 £m
Income	14.9	13.9
Expenditure		
Payroll costs	20.3	19.5
Other staff costs	1.4	1.4
Property maintenance	17.8	16.3
Travel	4.5	4.0
Utilities	3.1	3.3
Housekeeping and hospitality	2.2	2.1
Other	7.5	7.1
Net Expenditure	41.9	39.8

The Sovereign Grant Act 2011 came into effect from 1 April 2012 and consolidated the funding provided to support the official duties of The Queen and maintain the Occupied Royal Palaces. Until 31 March 2012, funding had been provided under the Civil List and the Grants-in-aid for the Maintenance of the Occupied Royal Palaces, Royal Travel and Communications and Information.

The Queen's official expenditure is met from public funds in exchange for the surrender by The Queen of the revenue from the Crown Estate. The Sovereign Grant is calculated based on 15% of the income account net surplus of the Crown Estate for the financial year two years previous. The Crown Estate surplus for the financial year 2014-15 amounted to £285.1 million thereby producing a Sovereign Grant of £42.8 million for 2016-17.

Official expenditure met by the Sovereign Grant in 2016-17 amounted to £41.9 million (2015-16: £39.8 million) an increase of £2.1 million (5.4%) in absolute terms compared to the previous year mainly due to an increase in expenditure on property maintenance. The equivalent of the excess of the Sovereign Grant and other income over expenditure of £0.9 million in 2016-17 was transferred to the Sovereign Grant Reserve (2015-16: £0.3 million).

The Royal Trustees¹ have agreed that from 2017-18, the Sovereign Grant will be calculated based on 25% of the income account net surplus of the Crown Estate for the financial year two years previous, with the additional 10% to be used to fund the reservicing of Buckingham Palace over a period of ten years. The Sovereign Grant for 2017-18 is £76.1 million.

¹ The Royal Trustees are the Prime Minister (as First Commissioner of Her Majesty's Treasury), the Chancellor of the Exchequer and the Keeper of the Privy Purse (Civil List Act 1952, Section 10).

EXPENDITURE FUNDED FROM OTHER SOURCES

Duchy of Lancaster

Income from the Duchy of Lancaster forms part of The Queen's Privy Purse income. The Privy Purse is a historical term used to describe The Queen's private income and it is largely used to meet official expenditure incurred by Her Majesty and Other Members of the Royal Family which is not met by the Sovereign Grant and is taxed to the extent that the income is not used for official purposes. Accounts for the Duchy of Lancaster are presented to both Houses of Parliament annually, copies of which are available on-line at www.duchyoflancaster.co.uk.

Duchy of Cornwall

Income from the Duchy of Cornwall funds the private and official expenditure of The Prince of Wales and The Duchess of Cornwall. The Prince of Wales also meets the official expenditure of The Duke and Duchess of Cambridge and Prince Henry of Wales out of this income, which is taxed to the extent it is not used to meet official expenditure. Accounts for the Duchy of Cornwall are presented to both Houses of Parliament annually, copies of which are available on-line at www.duchyofcornwall.org.

The Royal Collection

The Royal Collection consists of works of art of all kinds and is held by The Queen as Sovereign in trust for Her successors and for the Nation. All costs of maintaining the Royal Collection are met by Royal Collection Trust, a registered charity, from visitor admissions to the Occupied Palaces and related activities. Royal Collection Trust receives no funding from the Government or the National Lottery. Around seven million people saw items from the Royal Collection in royal palaces during 2016-17 and many more people saw items from the Royal Collection on loan to museums and galleries around the world. An annual report is published by Royal Collection Trust, copies of which are available on-line at www.royalcollection.org.uk.

A detailed Sovereign Grant and Sovereign Grant Reserve annual report for 2016-17 is available on-line at www.royal.uk and in print from the Deputy Treasurer to The Queen, Buckingham Palace, London SW1A 1AA.