

THE SOVEREIGN GRANT AND SOVEREIGN GRANT RESERVE



Year to 31 March 2022

FINANCIAL SUMMARY

<i>Year to 31 March</i>	2022	2021
	£m	£m
Income	9.9	9.4
Expenditure		
Payroll costs	23.7	24.1
Other staff costs	3.8	3.3
Property maintenance	63.9	49.5
Travel	4.5	3.2
Utilities	3.2	3.2
Housekeeping and hospitality	1.3	0.9
Digital services (formerly Information Technology and telecoms)	3.2	3.7
Depreciation	3.4	3.3
Other	5.3	5.7
Net Expenditure	102.4	87.5

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 Palaces¹. 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 Core 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 2019-20 amounted to £345.0 million, thereby producing a Core Sovereign Grant of £51.8 million for 2021-22.

The Royal Trustees² 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 instead of 15%, with the additional 10 percentage points to be used to fund the Reservicing of Buckingham Palace over a period of ten years. The additional Sovereign Grant for Reservicing for 2021-22 is £34.5 million and the total Sovereign Grant for 2021-22 is therefore £86.3 million.

¹ The Occupied Royal Palaces are Buckingham Palace, St James's Palace, Windsor Castle, Hampton Court Mews, Windsor Home Park and parts of Kensington Palace. The Palace of Holyroodhouse is maintained by Historic Environment Scotland.

² 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).

Net Expenditure met by the Sovereign Grant and the Sovereign Grant Reserve in 2021-22 amounted to £102.4 million (2021-21: £87.5 million) an increase of £14.9 million (17%) compared to the previous year. Expenditure on property maintenance of £63.9 million (2020-21: £49.5 million) included £47.8 million expenditure on the Reservicing of Buckingham Palace (2020-21: £31.6 million). In addition, £2.0 million was spent on capital assets (2020-21: £3.8 million), of which £0.8 million (2020-21: £2.5 million) related to the Reservicing of Buckingham Palace.

The equivalent of the Sovereign Grant less Net Expenditure, a deficit of £16.1 million in 2021-22, was drawn down from the Sovereign Grant Reserve (2020-21: a deficit of £1.6 million).

The Sovereign Grant Reserve of £30.8 million at 31 March 2022 includes £15.1 million to meet future commitments for the Reservicing of Buckingham Palace (2020-21: £34.6 million). Authorised and contracted Reservicing commitments are £77.7 million at 31 March 2022.

The Sovereign Grant for 2022-23 is unchanged at £86.3 million (Core £51.8 million and Reservicing £34.5 million).

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 online 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 and is taxed to the extent it is not used to meet official expenditure. The Prince of Wales also meets the official expenditure of The Duke and Duchess of Cambridge out of this income. Accounts for the Duchy of Cornwall are presented to both Houses of Parliament annually, copies of which are available online 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 The Royal Collection Trust, a registered charity, from visitor admissions to the Occupied Royal Palaces and related activities. The Royal Collection Trust receives no funding from the Government. Just under 2.5 million people saw items from the Royal Collection in royal palaces during 2021-22 (2020-21: 0.6 million) and normally many more people would see items from the Royal Collection on loan to museums and galleries around the world, but the closure of the Occupied and Unoccupied Royal Palaces and many museums and galleries around the World during the Covid-19 pandemic greatly reduced physical access during the year. An annual report is published by The Royal Collection Trust, copies of which are available online at www.rct.uk.

A detailed Sovereign Grant and Sovereign Grant Reserve annual report for 2021-22 is available online at www.royal.uk and in print from the Deputy Treasurer to The Queen, Buckingham Palace, London SW1A 1AA.