

1. Sovereign Grant

The Sovereign Grant Act 2011 came into effect on 1 April 2012. It sets the single grant supporting the Monarch's official business, enabling The King to discharge his duties as Head of State. It meets the central staff costs and running expenses of His Majesty's official household – including official receptions, investitures and garden parties. It also covers maintenance of the Royal Palaces in England and the cost of travel to carry out royal engagements such as opening buildings and other royal visits.

In exchange for this public support, The King surrenders the revenue from The Crown Estate to the government. Over the last ten years, the revenue paid to the Exchequer is £5 billion and is used for public spending.

The Sovereign Grant for 2026-27 is £137.9 million (up from £132.1 million in 2025-26).

The Sovereign Grant does not provide any member of the Royal Family with an allowance or personal income from the government.

[Visit the official website of the British Monarchy](#)

2. Determination of the Sovereign Grant

Normally the size of Sovereign Grant for a given year is equal to a prescribed proportion of The Crown Estate's profit for the financial year two years prior to the year in question. This was initially set at 15% of profits, increasing to 25% in 2017-18, and reducing back down to 12% since 2024-25. This means that the Grant can be set firmly at the beginning of each financial year.

The Royal Trustees (the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse) prepare a formal report recommending the amount of the Sovereign Grant for the next financial year based on the formula described above. This report has to be published as soon as practicable after the Sovereign Grant and The Crown Estate Accounts for that year have been published.

Please see below for detail of the Report of the Royal Trustees Sovereign Grant Review 2026. The Report proposes that that annual Grant amount will fall to £99.9 million in 2027-28. The whole of the Sovereign Grant is not spent in a given year, the surplus is paid into a Reserve Fund, controlled by the Royal Trustees. The amount that may accumulate in the Reserve Fund is limited in line with the provisions set out in the Sovereign Grant Act 2011. This gives the Royal Trustees the power to set a lower level of Sovereign Grant than the formula would otherwise generate.

3. Accountability

The Keeper of the Privy Purse as Accounting Officer for the Sovereign Grant, is accountable to HM Treasury and Parliament. The Sovereign Grant business accounts are audited by the National Audit Office (NAO) and laid before Parliament. The NAO may also undertake value for money reviews to scrutinise its use of public funds. The Public Accounts Committee (PAC) may in turn investigate these further.

4. Review of the formula for Sovereign Grant

The percentage used for calculating the Sovereign Grant is reviewed periodically. The first review took place in 2016 and assessed whether the 15% proportion value was appropriate. The Royal Trustees recommended an increase in the percentage to 25% from 2017-18 to fund a ten-year programme of reservicing works at Buckingham Palace and the Monarch's official duties.

The second percentage review and the Royal Trustees Report published in July 2023 recommended that the percentage rate be reduced to 12%. A statutory instrument giving effect to this rate was laid in Parliament. The change of percentage came into effect from April 2024 and applied to the Sovereign Grant from 2024-25.

The Report of the Royal Trustees Sovereign Grant Review 2026, published in June 2026, has concluded that the reference percentage should be changed to 20.5 per cent. The Government intends to introduce legislation to give effect to both this new reference percentage and the lower annual Grant level calculated from it. As a result, the Report proposes that that annual Grant amount will fall to £99.9 million from 2027-28 (from £137.9 million in 2026-27).

For more details, please read:

- [the Sovereign Grant Act 2011: Report of the Royal Trustees on the Sovereign Grant Review 2016](#)
- [Report of the Royal Trustees on the Sovereign Grant Review 2023](#)
- [the Buckingham Palace Reservicing Programme Summary](#)
- [Report of the Royal Trustees on the Sovereign Grant Review 2026 - GOV.UK](#)

5. Duchy of Cornwall

The Duchy of Cornwall is a private landed estate created by Charter in 1337 when Edward III granted it to his son and heir, Prince Edward (the Black Prince) and all his subsequent heirs. It provides each Duke with an income from its assets.

The estate comprises primarily agricultural, commercial and residential property, in addition to which the Duchy has a portfolio of financial investments. The Duchy consists of around 52,173 hectares of land in 19 counties. For more details, please visit the official website for the [Duchy of Cornwall](#).

Under the Sovereign Grant Act:

- a grant is to be paid to heirs to the throne who are not Dukes of Cornwall to put them in a similar financial position as if they were Dukes of Cornwall; this means that in future, daughters of the Monarch, as well as younger sons, could benefit
- if the heir is not the Duke of Cornwall and is over 18, the heir is to receive a grant based on Duchy revenues; the Monarch (who in these circumstances becomes the Duke) receives the Duchy revenues, and the Sovereign Grant is reduced by an equal amount (so in effect, the heir would receive the Duchy income)
- if the Duke of Cornwall is a minor, 90% of the revenues of the Duchy go to the Monarch and the Sovereign Grant is reduced accordingly

6. Royal Palaces

The Occupied Royal Palaces are held in trust for the nation by The King as Sovereign. Their maintenance and upkeep is one of the expenses met by the government in return for the surrender by the Sovereign of the hereditary revenues of the Crown (mainly the profit from The Crown Estate). The Sovereign Grant allows the Royal Household to set its own priorities and thus generate economies.

The Occupied Royal Palaces are:

- Buckingham Palace
- St James's Palace
- the residential and office areas of Kensington Palace
- the Royal Mews and Royal Paddocks at Hampton Court
- Windsor Castle and buildings in the Home and Great Parks at Windsor

7. Royal Travel

The Sovereign Grant covers the cost of The King's travel on official engagements and travel by members of the Royal Family representing Him. Safety, security, presentation, the need to minimise disruption for others, the effective use of time, environmental impact and cost are taken into account when deciding on the most appropriate means of travel.

Where appropriate, The King and Queen plus other Members of the Royal Family use scheduled train services for their official journeys. In addition, The King and other Members of the Royal Family representing The King may use the Royal Train for longer journeys in the UK.

The Royal Train enables members of the Royal Family to travel overnight and to work and hold meetings during lengthy journeys. It has office and communications facilities.

Journeys on the train are always organised so as not to interfere with scheduled services.

8. Tax

The Monarch is not legally liable to pay income tax, capital gains tax or inheritance tax because the relevant enactments do not apply to the Crown. The same is true for the income from the Duchy of Cornwall which is paid to The Prince of Wales. Since 1993, The Monarch and the Prince of Wales have voluntarily paid tax. This is set out in a [Memorandum of Understanding on Royal Taxation](#), updated July 2023.

The King is not liable to pay tax on the Sovereign Grant as it covers official expenditure only and, under the arrangements in the Memorandum, tax would not be due.

Other key points to note:

- the King voluntarily pays income and capital gains tax, alongside inheritance tax to the extent described in paragraphs 1.10 and 1.11 in the Memorandum. Tax is also paid on The King's Privy Purse income (which includes income received from the Duchy of Lancaster) to the extent that it is not used for official purposes
- other members of the Royal Family are fully liable to tax in the normal way. The cost of their official duties is allowed against tax

9. The Crown Estate

The Crown Estate is the property of the Sovereign "in right of the Crown", as set out on [the official website of The Crown Estate](#). Since 1760 each monarch has surrendered its revenue to the Exchequer in return for government support.

The Crown Estate is managed by an independent organisation, headed by a Board which is charged with maintaining and enhancing the value of the Estate, and any profit from the Estate is paid every year to the Treasury for the benefit of all UK taxpayers. The Treasury is effectively the principal Government stakeholder.

For more details, you can view financial information on this section of [the official website of The Crown Estate](#).

The profit of The Crown Estate is a reference point for the calculation of Sovereign Grant. The Crown Estate does not pay the Sovereign Grant to the Monarch directly. The Crown Estate makes payments each year to the Consolidated Fund and HM Treasury pays the Sovereign Grant to the Monarch.

10. Security costs

No breakdown of security costs is available as disclosure of such information could compromise the integrity of these arrangements and affect the security of the individuals protected. It is long established policy not to comment upon the protective security arrangements and their related costs for members of the Royal Family or their residences.