

## Royal Finances

How is the work of The King funded? How much does the Royal Family cost the tax payer each year? Does The King pay tax – and if not, why not? And do the Crown Jewels and Royal Palaces belong to The King?



### Overview

Sources of funding

How the finances are used

Financial arrangements of The Prince of Wales

Taxation

## Overview

The Monarchy has sometimes been described as an expensive institution, with Royal finances shrouded in confusion and secrecy. In reality, the Royal Household is committed to ensuring that public money is spent as wisely and efficiently as possible, and to making Royal finances as transparent and comprehensible as possible.

Each year the Royal Household publishes a summary of Head of State expenditure, together with a full report on Royal public finances. [These reports can be downloaded from the Media Centre.](#)

This section provides an outline of how the work of the Monarchy is funded. It includes information on Head of State expenditure, together with information about other aspects of Royal finances.

On 1 April 2012 the arrangements for the funding of The Monarch's official duties changed. The new system of funding, referred to as the 'Sovereign Grant', replaces the Civil List and the three Grants-in-Aid (for Royal Travel, Communications and Information, and the Maintenance of the Royal Palaces) with a single, consolidated annual grant.

The Sovereign Grant is designed to be a more permanent arrangement than the old Civil List system, which was reign-specific. Funding for the Sovereign Grant comes from a percentage of the profits of the Crown Estate revenue (initially set at 15%). The grant will be reviewed every five years by the Royal Trustees (the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse), and annual financial accounts will continue to be prepared and published by the Keeper of the Privy Purse.

The new system provides for the Royal Household to be subject to the same audit scrutiny as other government expenditure, via the National Audit Office and the Public Accounts Committee.

If you would like to find out more, please visit the [Treasury's website](#).