Public Accounts Committee

Dan Labbad, Chief Executive and Second Commissioner, The Crown Estate
And
James Bowler CB, Permanent Secretary of HM Treasury

By email

29 October 2025

Lease arrangements for Royal Lodge

Dear Second Commissioner and Permanent Secretary,

The Public Accounts Committee has a long-standing remit, on behalf of Parliament and the British public, to examine the economy, efficiency and effectiveness of public spending. The Commissioners for The Crown Estate have a legal duty under The Crown Estate Act 1961 to manage any land of The Crown Estate according to "the best consideration in money or money's worth which in their opinion can reasonably be obtained". We are therefore concerned as to whether the lease arrangements for Royal Lodge are, in light of recent developments and changes in the responsibilities of Prince Andrew, achieving the best value for money. They must also be justifiable in comparison to other options for the use or disposal of the property. It is also a matter of concern to the Committee that the terms of the lease, including those relating to maintenance, are being effectively enforced to maintain the value and character of this nationally important Royal Residence.

The National Audit Office's remit includes the value for money of The Crown Estate, and it reported in 2005 on 'The Crown Estate – Property leases with the Royal Family' covering the lease arrangements for Royal Lodge and other properties. This report set out the rationale for the lease arrangements, which were novel at that time, in response to questions raised by this Committee. The context for the lease of Royal Lodge has since changed significantly with the current occupant no longer serving as a working member of the Royal Family or using their Royal titles, excepting that of Prince. It is reasonable given these changes and at this point that the Committee seek assurance that the rationale for the lease justifies the minimal rent charged and that appropriate steps are being taken to enforce the terms of the contract to ensure the proper maintenance of the property. It is a reasonable matter of public interest that these arrangements are transparent, appropriate and in line with the legal duties of The Crown Estate Commissioners.

The Crown Estate's purpose is to create lasting and shared prosperity for the nation. It does this through good stewardship of its assets, and the payment of surpluses it generates to taxpayers via HM Treasury. Any reduced or foregone lease income, including from the Royal Lodge, reduces The Crown Estate's annual surplus and therefore would be a cost to taxpayers.

My Committee request that you write to us providing an update on the status of, and rationale for, the lease since the 2005 NAO report. Specifically in relation to the August 2003 75 year lease between the

Public Accounts Committee

Crown Estate Commissioners (CECs) and Prince Andrew the Committee seeks answers to the following questions and related documentation:

- Bearing in mind the Crown Estate Act 1961 says that CECs "shall not sell, lease or otherwise dispose of any land of the Crown Estate, or any right or privilege over or in relation to any such land, except for the best consideration in money or money's worth which in their opinion can be reasonably obtained" please explain in detail how this was fully carried out and in its entirety?
- How can the CECs demonstrate that the negotiated lease was completely and thoroughly compliant with the 1961 Crown Estate Act as well as with the principles of good financial management?
- Was it correct that one of the options at the time was to grant a continuation of the arrangement that Her Majesty Queen Elizabeth The Queen Mother had as a grace and favour property to Prince Andrew, but that this arrangement was declined by the Royal Family in favour of a commercial lease thereby providing the Crown Estate a considerable extra capital sum in excess of £7.5m (in 2002 prices) paid by Prince Andrew to undertake significant repairs? Please confirm whether these repairs have been carried out in their entirety? In addition, has the CECs received £1 million payment for a lease premium from Prince Andrew?
- Has The Crown Estate performed any work or services which are the responsibility of the tenant under the terms of the lease for Royal Lodge? If it has, how much did these works or services amount to, and have the costs been fully reimbursed by Prince Andrew or have they been funded by the taxpayer?
- Can you explain any differences between the terms for this lease and the terms within your normal commercial leases? Is it correct that security and a statutory obligation to maintain the character of Windsor Great Park and forest and access to the Royal Chapel had to be considered?
- Is there a lease term preventing the Prince from transferring the lease to anyone else except to his two daughters either directly or in trust?
- What are the terms of the lease and the options for its termination by each of the signatories, both now and 25 years after inception? The lease provides for a maximum compensation of just under £7 million with annual reductions for the first 25 years. Please confirm that this reduces on a straight line basis? For the sake of clarity in answer to this question does this mean that if the lease were terminated in August 2026 there would be a payment of approximately £560,000? Alternatively, if the lease were terminated after August 2028 that no compensation would be due?
- How are the terms of the lease enforced in relation to maintenance, and what assurance is there that the property has been and is being maintained in line with the terms of the lease? In addition to the £7.5 million paid for refurbishment, was a premium of £1 million paid? Please explain how this figure was arrived at.
- Is any annual rent due to be paid under the lease? Please give a full answer by way of explanation.
- Please confirm precisely what properties and land the lease covers. What size are the properties and would this information be available by extrapolation from spatial data?
- Please could we also see an unredacted copy of the lease which the Times reports it has seen?
- Does the current tenancy remain the most appropriate use of the Royal Lodge in light of the changed role for Prince Andrew, and, if so, on what grounds?
- Could you outline how the CECs plan to ensure value for money, or "the best consideration in money or money's worth", in any future agreements they make with Prince Andrew and other

Public Accounts Committee

Members of the Royal Family about other Crown Estate properties (including Adelaide Cottage and Frogmore Cottage)?
- Finally, does Prince Andrew have any other rights, privileges or duties under the terms of the lease of which the Committee should be aware?

We realise this is a detailed set of questions, but given that much of it is already in the public domain via the NAO's report of 2005, we believe it is best to be as open and transparent in this matter as possible. Your cooperation would be enormously appreciated.

There is considerable and understandable public interest in the spending of public money in relation to Prince Andrew, which in part stems from the fact that he is no longer a working Royal and from serious and disturbing allegations made against him. However, it is not a matter for this Committee to consider any such accusations, which are properly matters for any appropriate investigative authorities.

I look forward to receiving your response on the above points at the earliest possible date, and before 28 November. The Committee publishes formal correspondence it receives. Please indicate clearly in your response if you are providing any information in confidence, and if you expect the information to be publishable at a later date. Confidential information should be appended to your response so that the Committee can put as much information into the public domain as possible.

The Committee will review the response received and will consider at that point whether to seek further information which could include holding a public evidence session. The Committee will have a further opportunity in 2026 to consider the Annual Report and Accounts for The Crown Estate and will make a decision on whether to undertake any work on this in the normal way.

Yours Sincerely

Sir Geoffrey Clifton-Brown MP
Chair of the Committee of Public Accounts

CC' Treasury Officer of Accounts
Gareth Davies, Comptroller and Auditor General

House of Commons
Palace of Westminster
Westminster
SW1A 0AA

info@parliament.uk
Social: @houseofcommons
parliament.uk