

# Who pays the piper?

## Funding the Labour Party

Colin Challen

When Jeremy Corbyn vacated the leadership of the Labour Party – even after a bruising general election in 2019 – the party was left with around £13 million in the kitty. In the years that followed that balance was gradually whittled away, until the party sank into debt. It is now rebuilding its financial resources, partly through an increase in individual donor donations and by reducing its pension commitments.<sup>1</sup>

Tracking individual donors' contributions over the last few years tells us something about how the party is recovering its credibility amongst a certain group of people – and how effective the anti-Corbyn smear campaign was. Tracking the overall level and number of individual donations produces these figures:<sup>2</sup>

Year	No. of donors	Amount
2015	335	3,753,704
2016	81	3,385,797
2017	182	1,164,433
2018	43	259,819
2019	151	912,054
2020	39	390,784
2021	78	1,291,482
2022	66	2,424,410

As can be seen, the number of donors predictably increases in an election year and falls back dramatically in the following year, although in the year after Labour's defeat in 2015 the cash donated remained very high (but see below). The impact of the subsequent anti-Corbyn hysteria clearly took its toll. The party's better-off supporters abandoned ship *en masse*. Now, they're drifting back. There are however some caveats to be entered when looking at these figures in the search for patterns. Remove one donor from 2016, Lord David Sainsbury, and the party would have been

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<sup>1</sup> Full disclosure: I am a Labour Party pensioner

<sup>2</sup> <<https://www.electoralcommission.org.uk> > Search function accessed 8/9 January 2023. This includes cash and non-cash donations. This article may not include donations made in late 2022 which may not have been reported at the time of writing.

£2,150,000 poorer. He tops that year's list (perhaps even by the time of his June donation he hadn't yet grasped what the Corbynistas were up to). But come 2018 and the donor at the top of the list gave only £20,000. An anomaly of the 2015 list is that 70 donations of £1,000 each were made by one person – a certain 'Anthony Blair' – to individual Constituency Labour Parties (CLPs). He also gave £6,000 to the central party.<sup>3</sup>

Clearly then, every year will have its own peculiarities; but one thing is certain, and that is the impact of the anti-Corbyn smear campaign by 2019 – even in an election year in which one might still support the party, *a la* Polly Toynbee, 'wearing a clothes peg on your nose'.

Who are the select individuals who now have open chequebooks for the Starmer brand? One returnee is **Sir Victor Blank**, a former chairman of Lloyds Banking Group, described by the *Guardian* in 2009 as 'one of Gordon Brown's favourite businessmen.'<sup>4</sup> As the paper went on to report:

Lloyds Banking Group, created in January [2009] when the deal between Lloyds and HBOS was completed ['brokered by Blank'], has issued two profits warnings in just five months. The most recent was a week ago when it warned that bad debts would soar by more than 50% to an estimated £14bn this year as loans granted by HBOS to property companies in the UK and Ireland turn sour in the deepening recession.'

Lloyds was one of the biggest beneficiaries of the Labour government's nationalisation of failing banks. Some investors wanted Blank out, but his City friends rallied. Nevertheless he walked. He gave the Labour Party £150,000 in 2015, but nothing more until 2021 when he donated £50,000, and another £50,000 in 2022.

The party has long benefitted from the largesse of the Sainsbury family. As we've seen, **David Sainsbury** came to the rescue big style in 2016, and has funded other outfits such as the Blairite vanguard Progress. His level of support, mentioned above, hasn't quite again cranked up to its previous high, but the family fortune has come back into play. David Sainsbury's name had disappeared from the donor lists during the Corbyn years but returned in 2022 with a £35,000 donation. This

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<sup>3</sup> A majority of donations in that election year were relatively small and went straight to local parties. It would be an interesting exercise, but beyond the scope of this article, to see how many of those Blair-favoured parliamentary candidates were elected and are still with us.

<sup>4</sup> <<https://www.theguardian.com/business/2009/may/17/sir-victor-blank-lloyds>>

might suggest Starmer is still on probation, but perhaps that view could be blunted by the knowledge that topping the list in 2022 is Ms **Francesca Perrin**, with two donations worth £750,000. She is a director of the Indigo Trust, whose mission is philanthropy, but also, as *The Free Press* reports:

the daughter of billionaire Lord Sainsbury of the supermarket dynasty. She is a former advisor at the Prime Minister's strategy unit and a board member of various philanthropic organisations. Her husband, William Perrin, was technology policy advisor and private secretary to Prime Minister Tony Blair. Her father, Baron David Sainsbury, is a retired Labour Lord who donated £16 million to the Party, as well as sizeable amounts to Progress Ltd.<sup>5</sup>

One of the common threads in the lives of the millionaires who donate to Labour is that they have the word 'philanthropist' attached to them. They are rich *with a conscience*, unlike the Tories who, by definition, couldn't be bugged about the good of society. Naturally, in British terms being a philanthropist does enhance one's reputation and brings the possibility of being showered with honours and awards. Yet for a declared socialist party, the objective, surely, is not a choice between philanthropy and a fair tax system, it is ensuring that everyone is compelled to pay their fair share and that it should not be purely left up to individual choice. But anyone on the left these days questioning the motives of the lefty-leaning millionaire philanthropists will suffer a quick put-down.

Further down the millionaire scale, **Ken** and **Barbara Follett** are also on the 'returnees' list. In 2015 they donated £35,800. Then nothing until 2022, when they gave £21,852. **Lord Michael Levy** ('Lord Cashpoint' to some) gave nothing until 2022, when he coughed up £12,500. Not every 'returnee' disappeared entirely during the Corbyn years. There are some who merely changed tack: **Sir Trevor Chinn**, a leading light in the Jewish community and backer of Labour Friends of Israel, for example. In 2020 he was a big funder of Starmer's leadership campaign, as well as backing other party luminaries like Tom Watson, who relentlessly sought to undermine Corbyn. In 2015 he gave £55,000 to the national party, £1,500 to Leicester West CLP and £1,500 to Wavertree CLP. In the election year of 2017, he gave £5,000 each to Bassetlaw CLP, Enfield North CLP, Leeds West CLP, Birmingham Hodge Hill CLP, but nothing to the national party. The beneficiary MPs in these cases,

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<sup>5</sup> <<https://tinyurl.com/3t45tn2x>> or <<https://the-free-press.co.uk/2022/01/30/wes-streeting-rising-star-of-the-extreme-centre-left/>>

prominent enemies of Corbyn, were Liz Kendall, Luciana Berger, John Mann, Joan Ryan, Rachel Reeves and Liam Byrne.

The Chinn case exemplifies the way in which some party donors approached their giving during the Corbyn years: starve the centre and support the leader's opponents. In this way some donors could remain consistent in their giving, even if they wanted different results. One wonders if to any extent the rogue diversion of head office funds to re-elect right-wing Labour MPs in 2019, as detailed in the Forde Report<sup>6</sup> and elsewhere, percolated through to party donors. Were those head office staff who were unhappy with Corbyn sending a signal to trusted donors? This is, I admit, pure conjecture. Some donors only gave to CLPs in election years, either because they had a connection (an ex-MP) or because, as in the case of LibDem peer **Matthew Oakeshott**, they wanted to help in marginal seats to oust Tories.

Looking at the latest available list of donors for 2022, there are new names. For example ex-Tory donor **Gareth Quarry** who, according to the *Guardian*, said 'The moral standards of the [Tory] party have been completely trashed over many years.' He added: 'My wife [Jillian Whitehouse] and I both donated £50,000 in the last quarter, and we both intend to increase that. Without question there will be more.'<sup>7</sup> **Gary Lubner** gave £142,000 – £42,000 of which was earmarked for Rachel Reeves office. There can't be that many Gary Lubners in the world, not least one who is a director of a company (Belron, which among other things owns Autoglass) based in Egham, Surrey. In answer to the question, 'Is charity a necessary companion to capitalism?' this Mr Lubner told the *Financial Times*: 'Capitalism doesn't answer all society's needs, so business will always have an obligation to give back.'<sup>8</sup> That certainly fits the profile of a wealthy Labour donor.

Another new Labour donor brings the fading sparkle of Blair's 'Cool Britannia' to the party. **Matthew Slotover** who joined the club in 2022 with £50,000, is the founder of *Frieze*, the art magazine and the eponymous art fair, which helps gullible millionaires unload some of their cash on the very latest art fads. This could be a good thing if the rewards filter down to poor artists, but sadly that doesn't seem to be the way the art market works these days. **Robert Latham** is another new name

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<sup>6</sup> <<https://labour.org.uk/fordereport/>>

<sup>7</sup> <<https://tinyurl.com/36khryf3>> or <<https://www.theguardian.com/politics/2022/dec/07/ex-tory-donor-scathing-about-partys-response-to-michelle-mone-allegations>>

<sup>8</sup> <<https://www.ft.com/content/2a19de6c-b138-11e0-a43e-00144feab49a>>

which appears in 2022. He is a former legal colleague of Starmer's in Doughty Street Chambers. He gave £55,000 to the party and earlier, £100,000 to Starmer's leadership campaign.<sup>9</sup> He received an award, presented by Cherie Blair, for his human rights legal record.

Many donors' names don't register in a Google search, and the Electoral Commission website doesn't provide any more detail other than the donor's name. Does one question raised in this article – namely, who are these donors? – really matter? Given that the bulk of Labour's financial support still comes from the trades unions, how would the relatively small contribution of individual donors make any difference? Ironically, I think Keir Starmer might actually agree with me that it *is* important. Why else would he, alone of all the party's leadership candidates in 2020,<sup>10</sup> wish to conceal from the membership who his campaign donors were? He clearly had an inkling that their identities wouldn't be a good look. He hid their identities for as long as he could behind a cloak of parliamentary procedure. What did he have to hide?

It shouldn't have to be the case that one must scratch around Google to see what the background is of people donating huge sums of money to a UK political party. Their background matters and learning more about them will help us understand their motives. Perhaps more details should be published about any individual donating more than £5,000 to a political party. I have not yet tracked down **George Hall** (£295,000) – his is a not uncommon name.

By way of comparison, here are the figures for corporate and trade union donations over the same period:

#### Corporate

Year	No.	Amount
2015	123	1,692,575
2016	49	662,416
2017	106	634,862
2018	37	415,688
2019	37	359,980
2020	44	411,140

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<sup>9</sup> <<https://tinyurl.com/rdb9r8je>> or <<https://www.legalcheek.com/2020/03/http://doughty-street-veteran-donates-a-cool-100k-to-former-chamber-mate-keir-starmers-labour-leadership-campaign/>>

<sup>10</sup> It is possible that the donors requested anonymity.

2021	20	440,701
2022	31	722,572

Trade unions

2015	15,657,954
2016	9,489,588
2017	17,493,770
2018	6,369,925
2019	20,108,830
2020	6,890,663
2021	7,038,957
2022	4,234,201

Two immediate conclusions can be drawn from these figures. Firstly, the anti-Corbyn smear campaigns had no impact on the trade unions' financial commitment to the party – on the contrary, if it was the case that they understood the underlying cause of the anti-Corbyn campaigns, that may have encouraged them to spend more. Secondly, on a more parochial level, the fact that after the 2019 general election the party was still £13 million in credit, indicates party headquarters chose to fight the election with one hand tied behind its back despite record trade union donations. This was borne out by subsequent leaks and by the Forde Report. Will trade unions in the future trust the party to spend their money for them?

It would be premature to draw any firm conclusions from the funding levels achieved during Starmer's first two full years of leadership. However, it is surely certain that he welcomes the upward drift of individual and corporate donations – and the downward drift of trade union donations. I am sure he, like Blair, would be happy to cut the umbilical cord with the unions. But this could be a dangerous path to follow. For the many party members and ex-members who would wish to see a 'real' socialist party formed, the millions of pounds of trade union funds that have ceased to flow into Labour's coffers could be a prize worth seeking. The current wave of strikes could presage such a development, since millions of pounds once spent on the Labour Party are being spent on industrial action over which Starmer equivocates so much. Sharon Graham, general secretary of Unite, one of the party's biggest donors has made this latter objective explicit. She said 'there's a lot of other money that we use from our political fund where, actually, I'm not sure we're

getting the best value for it.’<sup>11</sup> A worrying omen for Starmer?

*Colin Challen is a former Labour Party Organiser and MP. He is the author of The Price of Power: the secret funding of the Tory Party (London: Vision, 1998). He blogs at [www.colinchallen.org](http://www.colinchallen.org).*

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<sup>11</sup> <<https://tinyurl.com/39f5vxhm>> or <<https://www.theguardian.com/uk-news/2021/dec/02/labours-main-union-backer-says-it-will-cut-political-funding>>