

# Party finance: Labour exploits its advantage

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The 2024 General Election took place in the context of important legislative change related to party finance, together with Labour's growing popularity ultimately being reflected in significant growth in its income as the election approached. The combination of increased campaign spending limits and Labour's relative success in fundraising in the months leading up to the election meant that Labour was better able to exploit its ability to raise income and spend accordingly in the election campaign. By way of contrast, both the Conservatives and Liberal Democrats were financially far worse off than they had been in 2019.

## 1. The Elections Act 2022

As with a number of electoral cycles since 1997, the 2019–24 Parliament included some key legislative changes of importance relating to party finance. The first was the Elections Act, which received Royal Assent in 2022. The act was wide-ranging and included a number of provisions that related to party finance.

### 1.1 Digital imprints

Digital campaigning has been increasing in importance over several elections though it is also true that its pre-eminence as a campaign technique has frequently been overstated (Fisher 2020: 205). Printed campaign material for candidates has required an imprint—information stating who is responsible for the material—since the 1883 Corrupt and Illegal Practices Act, and for national party campaign materials since the Political Parties, Elections and Referendums Act

2000 (hereafter PPERA) when national parties were first regulated (though this requirement did not come into force until 2007). Imprints serve two purposes: they generate transparency with respect to the origin of the material and also create the means to audit the cost in order to enforce expenditure limits. However, unlike printed election material, digital campaign content previously required no such imprint. This was purely a function of the fact that digital campaigning was fairly minimal beyond websites, emails and text messages when PPERA was drafted. The Electoral Commission called for digital imprints as early as 2003. However, a significant growth in spending on this mode of campaigning did not really occur until the 2015 election (Johnston 2023: 15). Legislation finally sought to catch up with the digital world with the introduction of digital imprints via the Elections Act. This new requirement put digital communications on a par with the imprint regulations on printed communications, leading to greater transparency in terms of party and candidate (and non-party campaigner) spending.

### 1.2 Third parties

The Elections Act tightened regulations on ‘third parties’ to prevent political parties also registering as third parties. Third parties (or non-party campaigners) are organisations that campaign in elections but do not themselves put up candidates. On the one hand, this tightening of the regulations was a logical step to close an unexpected loophole and also prevent spending limits from being artificially inflated through the combination of third-party and political party spending. However, it was arguably a disproportionate response. This problem was by no means widespread. Since 2014, there had been only one instance of an organisation registering as both a political party and a non-party campaigner (at the 2019 General Election). Furthermore, in that single case, the organisation only reported spending against the political party limit.

### 1.3 Overseas voters

Keeping foreign money out of domestic politics is a recognised issue in most democracies. Prior to PPERA, there were no restrictions on where donations to any political party could come from. PPERA introduced legislation such that citizens were permitted to make political donations only if they were registered to vote in the UK. It also stipulated that British citizens resident overseas for up to fifteen years were eligible to register to vote so long as they had been registered to vote before they left the UK (unless they were too young to register when they left). This meant that overseas electors could quite legitimately make political donations

to British parties using money from outside the UK for up to fifteen years, so long as they had renewed their registration at the time of making a donation.

That risk of foreign money (or at least money emanating from outside the UK) legally entering domestic politics has therefore existed for some time. However, the risk was mitigated somewhat by the numbers actually registering to vote. Before 2015, that figure never exceeded 35,000 (Johnston and Uberoi 2023: 24). However, at the 2015 General Election, it increased to 106,000, rising to 285,000 at the 2017 General Election and 233,000 (of an estimated 1.4 million eligible citizens) registered in time for the snap 2019 General Election (Johnston and Uberoi 2023: 24–7). The scale of registration since 2015 arguably presented significant risks for money from overseas entering domestic politics (albeit entirely legally).

This potential problem was amplified by provisions in the Elections Act. The Act removed the fifteen-year limitation and there was no longer a requirement for citizens to have been registered to vote at the time of leaving the UK. In addition, registration will ultimately be required only every three years as opposed to the annual registration requirements that were previously in place. The *potential* impact is significant. Government estimates put the number of eligible British citizens resident overseas as being 3.2–3.4 million and that, by 2029, the number registering would be around 302,000 (Johnston and Uberoi 2023: 28).

However, were registrations to be at the level of the 2017 General Election (just over 20% of eligible overseas voters), this would be around 692,000 (based on an eligible population of 3.4 million). Regardless of which figure is more accurate, that would still represent a significant potential issue with respect to overseas money entering domestic politics. This would be entirely legal but arguably raises problematic issues with respect to the sources of party income, with the potential to lead to significant sums of money feeding into British domestic politics from abroad (Fisher 2023).

At present, we have no idea of the extent of any potential problem. The Electoral Commission does not collect (and is not required to collect) any data on donations made by citizens based abroad. Political parties are similarly not required to declare such data. So, the issue may be negligible, but equally, it may potentially be a very significant one if substantial donations are made by voters who do not live in the country. In that respect, were practice to change and the published register of donors to indicate whether the citizen is a resident overseas, this would be more in line with PPERA's principles of transparency.

#### 1.4 The Electoral Commission

MPs have selectively expressed concerns about the Electoral Commission ever since it was established by PPERA, despite the Commission always having been overseen by a Speaker's Committee. However, new concerns emerged following

the 2015 General Election, when a number of candidates' spending returns were investigated. Most cases were dropped, but one MP, his agent and a Conservative Party official did end up in court, with the official prosecuted (Fisher 2018: 174–6; Fisher 2020: 191–2). The Act sought greater parliamentary accountability for the Commission, by the introduction of a Strategy and Policy Statement, to be approved by Parliament. This was intended to provide the Commission with guidance on how to discharge its functions.

Such proposals were challenging, not least because political oversight already existed, together with the argument that for the Commission to function effectively and independently, it should—as far as is possible—be free from interference from those whom it sought to regulate. One particular criticism was that far from requiring additional oversight, the Commission already delivered excellent work in ensuring high levels of satisfaction in the integrity of the electoral process amongst those who are most knowledgeable and closely involved. A survey of electoral agents at the 2019 General Election, for example, showed high levels of satisfaction with the work of the Commission (Fisher and Kumar 2020). Overall, many critics argued that the proposal represented both disproportionate and unnecessary measures. These arguably threatened the independence and therefore the effectiveness of the Electoral Commission, and there was little evidence to support the need for further parliamentary accountability.

Unbowed, the responsible department (Levelling Up, Housing and Communities, LUHC) issued a draft statement in August 2022. As part of the consultation, the statement was reviewed by the LUHC Select Committee (Levelling Up, Housing and Communities Committee 2022). Its verdict was damning, stating that the government had not provided independent evidence to justify bringing forward the draft statement and that no such statement should be made at this time. Moreover, even if the government decided to proceed, the draft statement would need to be fundamentally rewritten. In light of the significant criticism, the draft statement was withdrawn in June 2023. However, the government remained of the view that a Policy and Strategy Statement was necessary (Department for Levelling Up, Housing and Communities 2023a), and though it emphasised that it had no desire to direct the Commission, a revised Policy and Strategy Statement was published in February 2024 (Department for Levelling Up, Housing and Communities 2024).

## 2. Revised spending and reporting limits

Perhaps ironically, the most significant party finance change in advance of the 2024 election was made (quite legitimately) by secondary rather than primary

legislation—the uplift in elections spending limits and thresholds for the declaration of donations.

In December 2020, the then Minister of State for the Constitution and Devolution, Chloe Smith, signalled that the government would be seeking to increase party and candidate spending limits in line with inflation ([Hansard 2020](#)). However, it was not until July 2023 that Michael Gove, the Secretary of State responsible for overseeing party finance regulation, announced the change, with donation declaration thresholds also being increased on the same basis ([Hansard 2023](#)).

Party (rather than candidate) spending limits were introduced by PPERA. Setting the period of regulation as 365 days before a general election, the act devised a formula for parties based on the number of constituencies in which a party fielded a candidate. The overall party spending limit was set at the number of seats contested multiplied by £30,000. Thus, at the 2019 General Election, if a party fielded candidates in the 631 constituencies in Great Britain (assuming they did not contest the seat of the Speaker), the national party spending limit would be £18,930,000. However, the sum per constituency (£30,000) set by PPERA had never been adjusted for inflation. As a result, the national party limit in 2023 was approximately 45% lower in real terms using the Consumer Prices Index (CPI) than when it was introduced. Using the more comprehensive Retail Prices Index, the figure was closer to 50%.

The intention to increase the limit was a sensible one. Most obviously, the value of the spending limits introduced by PPERA bore little relation to the real value in 2023. But more specifically, there were three potential issues. First, the previous failure to adjust this figure for inflation challenged the ability of parties to campaign effectively. As the Secretary of State observed, the cost of printing, postage and communication—which is vital for parties and candidates to engage with voters—had risen, while the spending limit had not. Second, with these and other costs rising while the spending limit was static, there were growing potential difficulties in terms of party compliance with the rules. Parties had rarely pushed up close against the existing limit (though the Conservatives came very close in 2017) but left unchecked, this would have been likely to cause difficulty. It was in no one's interest for there to be regulation with which parties struggle to comply.

Third, the previous failure to adjust party spending limits for inflation presented a challenge to a principle laid out by PPERA—namely that parties and candidates should be the principal actors in elections. Third-party (sometimes known as non-party) campaigning had always existed and was regulated by PPERA. But, there was growing evidence that third parties were becoming increasingly cognisant of the possibilities of extensive campaign activity. Electoral Commission data showed that in 2019, there was a record number of registered non-party campaigners (sixty-one), together with a record level of expenditure—over £6m—compared

with less than £2m (at 2019 prices)<sup>1</sup> in 2015. These levels of third-party activity had the potential to threaten the primacy of parties in electoral contests—particularly if the distribution of third-party activity was asymmetric and overwhelmingly negative towards one party.

There were however some concerns about the move. First, other parties suggested that this was a partisan change designed to benefit the Conservative Party, which had a previously stronger record of fundraising. In 2019, for example, the Conservatives raised over £19 million in the campaign period alone (Fisher 2020) and were also very successful in 2017 (Fisher 2018). Second, it would be very likely to widen the spending gap between the two largest parties and their competitors. While returns to the Electoral Commission showed that the Liberal Democrats actually outspent Labour in 2019, having received a donation of some £8 million just prior to the campaign (Fisher 2020), the typical pattern has been that the Liberal Democrats have spent between 24% and 37% of the Conservatives' campaign expenditure. Given the Liberal Democrats' lack of a natural pool of large donors, the gap between higher- and lower-spending parties would be likely to widen quite significantly.

The spending changes, nevertheless, were introduced by a statutory instrument in November 2023 (SI 1235, 2023). The previous limit informing the national party spending limit was raised from £30,000 per constituency contested to £54,010, in line with inflation as measured by the CPI. This meant that the limit for a party contesting 631 constituencies would now be £34,080,310. Candidate spending limits in the 'short' campaign (from dissolution) were also increased. The base sum went up from £8,700 to £11,390 with the pence per elector increasing from 9p to 12p in county (rural) seats, and from 6p to 8p in borough (urban) ones. This meant that the average candidate expenditure limit was roughly £18,855. 'Long' campaign base expenditure (not applicable in this election) was raised from £30,700 to £40,220. Finally, declaration thresholds for donations at the national level were raised from £7,500 to £11,180 beginning in Quarter 1 of 2024 (and at the local level, from £1,500 to £2,230).

### 3. Trends in party income and expenditure

The normal pattern of party income is that it cycles with general elections—rising sharply in the year before an election and falling away again in the year after. This happened for all three parties, unlike the period after the 2015 election when Labour's post-election finances were buoyed significantly by the two leadership elections of 2015 and 2016 (Fisher 2018). Party funding was not, however, immune to the effects of the pandemic. The parties' accounts in 2020 showed that Covid-19

<sup>1</sup>All real terms calculations are made using the Retail Prices Index unless stated.

had taken its toll. All three reported significant drops in income, in part because of cancelled conferences. The year after a general election typically leads to a sharp drop in income. Yet Conservative central income in 2020 was at its lowest in real terms since 2003.

That said, parties were affected to different degrees. While Conservative income declined after the 2019 election, the party still had a very good financial year in 2023, securing £59.3m in income, boosted by the receipt of a £10m legacy to the Conservative Party Foundation ([Conservative Party 2024](#): 3). Labour too enjoyed a significant leap in income in 2023 (to £58.6 million), generating over £6m more in donations in absolute terms than in 2022. Labour engaged in significant spending in preparation for the 2024 election, increasing its full-time national and regional staff by 42% and increasing its running costs by £10.5m in absolute terms ([Labour Party 2024](#): 15–6). This meant that after a surplus of £2.7m in 2022, the party recorded a deficit of £0.85m in 2023. By way of contrast, the Liberal Democrats' post-2019 income was notably low. Even after the pandemic-hit year of 2020, Liberal Democrat income in both 2021 and 2022 was, in real terms, lower than any year since the mid-1990s. In 2023, however, there was an uplift with income increasing by over £2m, which included an increase of over £1m in donations ([Liberal Democrats 2024](#): 10). In historical terms, however, income in 2023 was still lower in real terms than any years since 2002 (bar 2020, 2021, and 2022, which were lower still).

At the time of writing (October 2024), full accounts are only available up to the end of 2023. However, a review of annual central party income since 1989 (when the Liberal Democrats first filed accounts) shows a series of phases with respect to the Conservatives and Labour (see [Fig. 10.1](#)). First, the phase of 'normal service', where the Conservatives were clearly the wealthier of the two main parties—a longer standing position that predates these graphs ([Fisher 2010](#)). Second, there is the 'Blair revolution', where Labour became not only the party of government but also the wealthiest party by some margin. Third, the resumption of 'normal service', from soon after the 2005 election, with the Conservatives again generating the most income. Finally, since 2011, Labour has generally enjoyed higher levels of annual income than the Conservatives, though the difference between them and the Conservatives was not as marked as during the 'Blair revolution'.

Two years do, however, provide an exception to this post-2010 rule. First, in the election year of 2019, the Conservatives generated significantly more income than Labour (£68m compared with £57.3m). Second, in 2023, the Conservatives generated marginally more than Labour (£59.3m compared with £58.6m).

These patterns are clearly illustrated in [Fig. 10.2](#), which calculates Labour annual income as a percentage of that of the Conservatives. Where the line rises above 100 on the graph, Labour is generating more income, and *vice versa*. For the Liberal Democrats, however, there is only one real phase throughout this



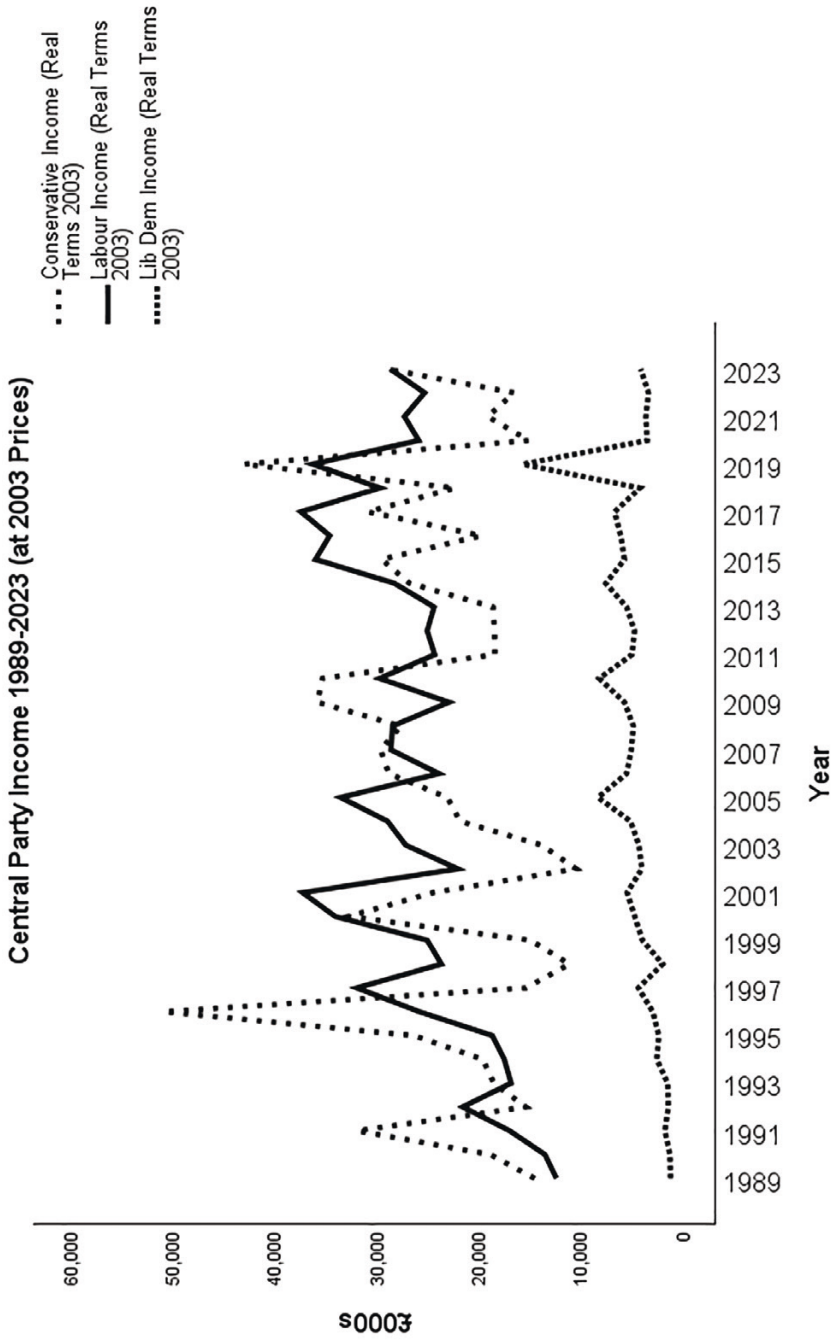


Figure 10.1. Central party income 1989–2023



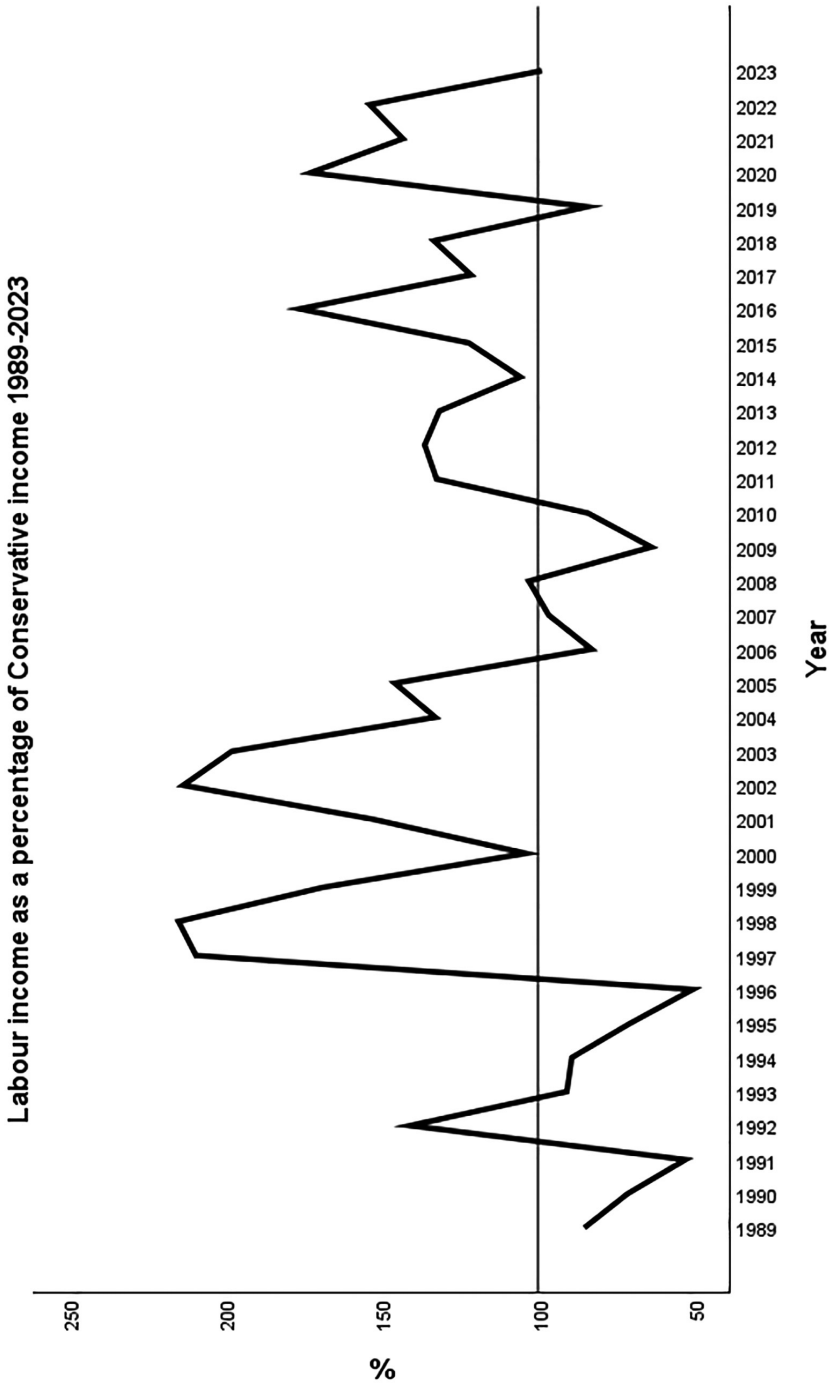


Figure 10.2. Labour income as a percentage of Conservative income 1989–2023

period—that of relative poverty compared with the Conservatives and Labour. As Fig. 10.1 shows, Liberal Democrat annual income only came close to that of either of the main two parties in the depths of the Conservative malaise in the late 1990s and early 2000s. The Liberal Democrats did enjoy a considerable spike in income in 2019, though that was largely a function of a single donation of £8m from Lord (David) Sainsbury of Turville (Fisher 2020: 198).

In terms of annual expenditure (Fig. 10.3), as we might expect, similar patterns are evident. Not surprisingly, those parties that generate more income on an annual basis, generally spend more, and the periods of Conservative or Labour annual financial advantage are mirrored, as is the gap in expenditure levels between the Liberal Democrats and the main two parties. Again, however, 2019 and 2023 proved to be slight exceptions to this rule. Labour actually spent more than the Conservatives in 2019 as a whole (£57.2m compared with £54.6m), and in 2023, despite the party's fundraising success, the Conservatives spent considerably less (£41m) than it generated (£59.3m), leaving it in a promising financial and organisational position ahead of election year, having also expanded its staff body by 37% since January 2022 (Conservative Party 2024: 3).

What has been an important change, however, is the parties' financial prudence since the late 2000s. Fig. 10.4 shows annual central expenditure as a percentage of annual central income. Where the lines on the graph fall above 100, parties are spending more than they generate each year, and *vice versa*. In the period up until 2007–8, parties regularly spent more in any year than they generated income—considerably so in some years. This was for many reasons, not least that the income required for parties' annual operating costs was not well served by a cycle of income that reflected the timing of the general election. With parties fighting elections in every year and seeking to maintain their organisations, the flow of income was not matching their regular financial needs. Since 2007–8, however, the parties have clearly exercised significant levels of financial restraint. The Conservative and Labour parties have only rarely spent more in one year than they have generated since then. The picture for the Liberal Democrats has been slightly less positive. The party has continued to struggle to generate more than it needs to spend on an annual basis, though the overspends have generally been rather lower than in the pre-2007 period. However, this pattern was interrupted by the Covid-19 pandemic. In 2020, all three parties' expenditure exceeded their income—in the case of the Conservatives and Liberal Democrats by some margin (over 20%). Since 2021, however, the parties have moved back towards a position where their income and expenditure were more balanced.

Overall, however, it shows that parties have become much more financially responsible. Indeed, in many ways, it would not be an exaggeration to think of them as models of efficiency—undertaking a great deal of activity with relatively little money. Of course, the loss of a major fundraising opportunity (party

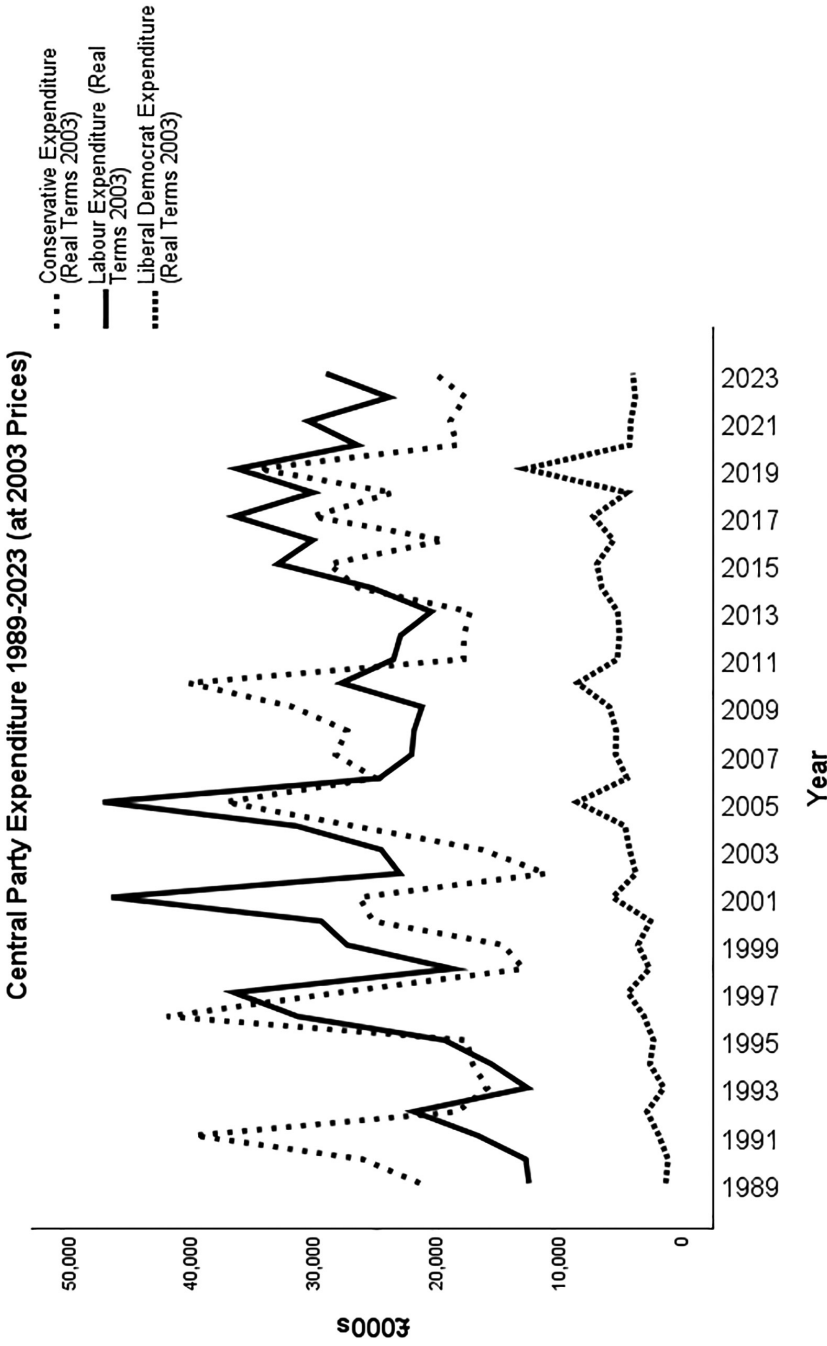
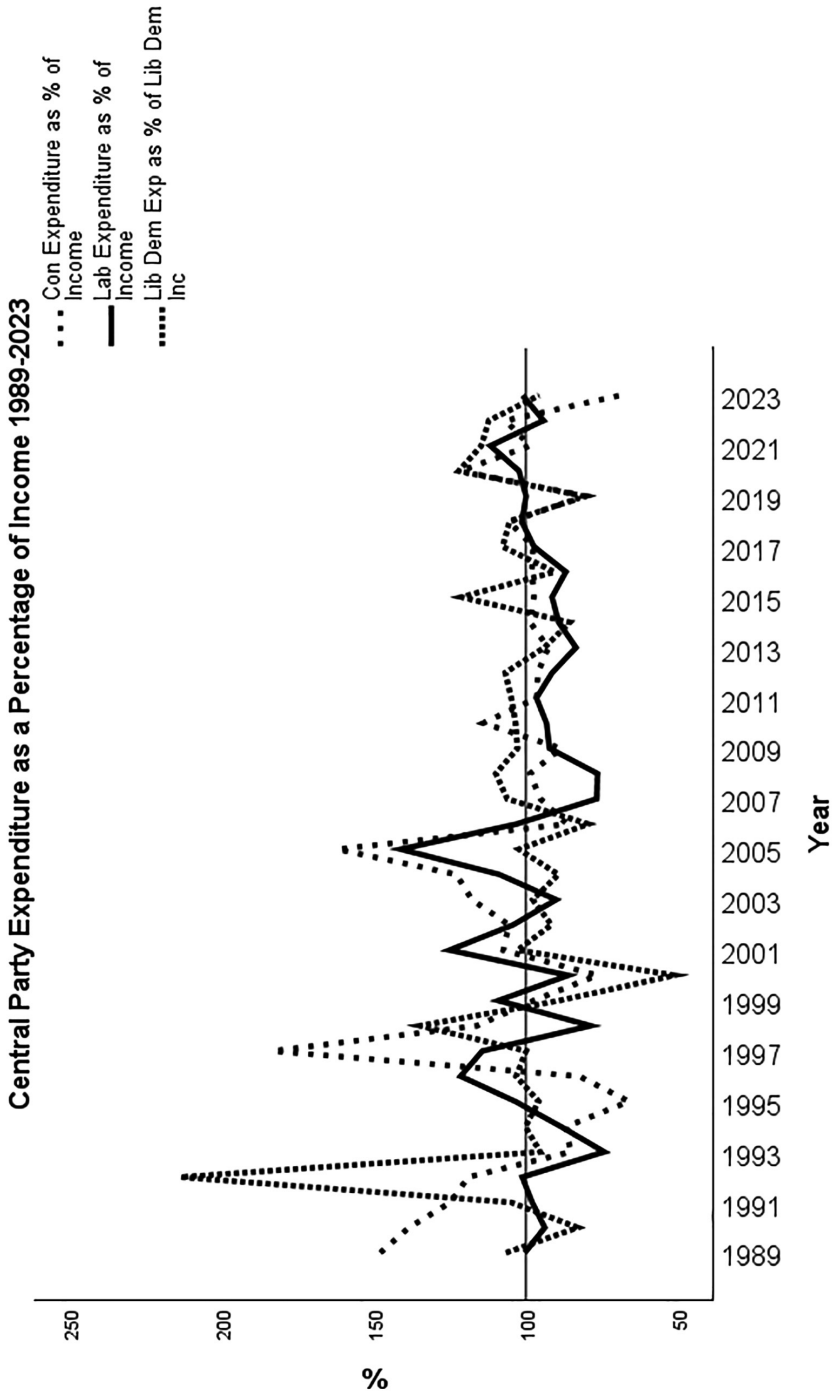


Figure 10.3. Central party expenditure 1989–2023



**Figure 10.4.** Central party expenditure as a percentage of income 1989–2023

conferences) as a result of the pandemic illustrates that party finance can be highly susceptible to shocks.

#### 4. Donations 2010–24

Figs. 10.1– 10.4 provide excellent context to the finances of the 2024 election, but of course, only go up to the end of 2023. So—to gain a fuller picture of central party income, we examine declared cash donations in each quarter from Quarter 3 in 2010 (the first quarter after the 2010 election) to Quarter 2 in 2024, which ended four days before the 2024 election. A description of some terminology is important. Declared donations were (until January 2024) all donations of £7,500 or more made to the national party (rather than to a constituency one). £7,500 was the threshold for reporting donations to the Electoral Commission, until the uplift to £11,180 was implemented in January 2024. Donations are published by the Electoral Commission every quarter (and weekly from dissolution until polling day). Cash donations are distinct from non-cash donations, which are more commonly known as payments-in-kind. So—these data do not provide a complete picture of party income (as any donations below the declaration threshold are not captured), but they do reveal clear patterns in terms of sizable donations.

Fig. 10.5 shows the number of declared cash donations. It reveals a number of things. First, in the first three elections in this period (2015, 2017, and 2019), the Conservatives experienced a significant boost in income in the run-up to the elections, particularly sharply in the ‘snap’ elections of 2017 and 2019. In 2024 however, it was Labour that was able to attract the most (220), albeit only marginally more than the Conservatives (210). Indeed, the advantage that Labour had in terms of the number of donations in the final quarter of the parliamentary term was more a function of the steep fall in the number of Conservative donations relative to the comparable quarter in 2019 (Q4). The number of Labour donations in the final quarter before the 2024 election increased only marginally compared with that of 2019.

Fig. 10.6 illustrates how these donations translated into income. Not surprisingly, the peaks and troughs in income from declared cash donations reflect the numbers of donations (indeed they correlate at 0.85), but what was very different in this election was the Labour advantage. In Quarter 2 2024, Labour generated some £22.5m in declared donations (the figure in the graph being lower as it is adjusted for prices over time). By way of contrast, the Conservatives attracted £12.7m in the same period (compared with some £33.6m in the comparable quarter in 2019). The £12.7m included a donation of £5m made by The Phoenix Partnership (Leeds) Ltd, a company owned by Frank Hester. In March 2024, it was reported that in 2019 Hester had made highly offensive comments about Diane Abbott MP saying that she made him ‘want to hate all black women’ and that she

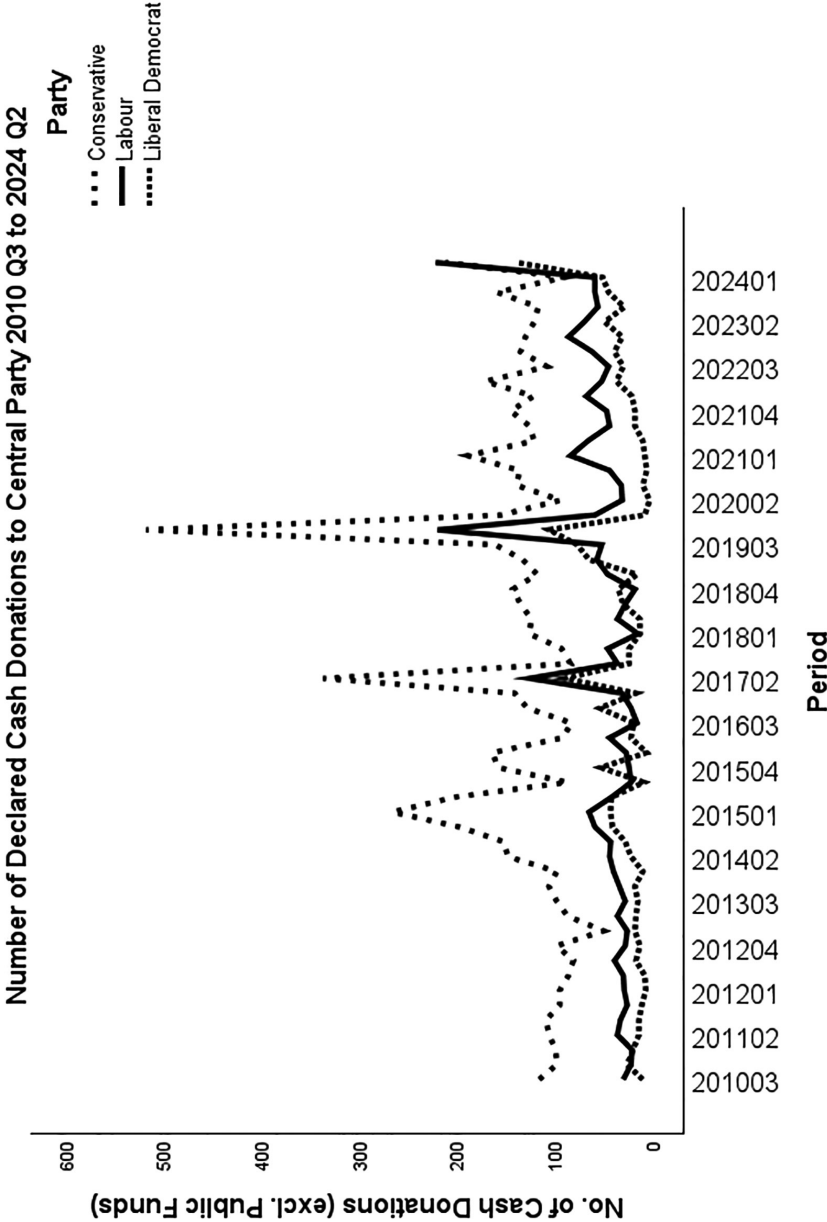
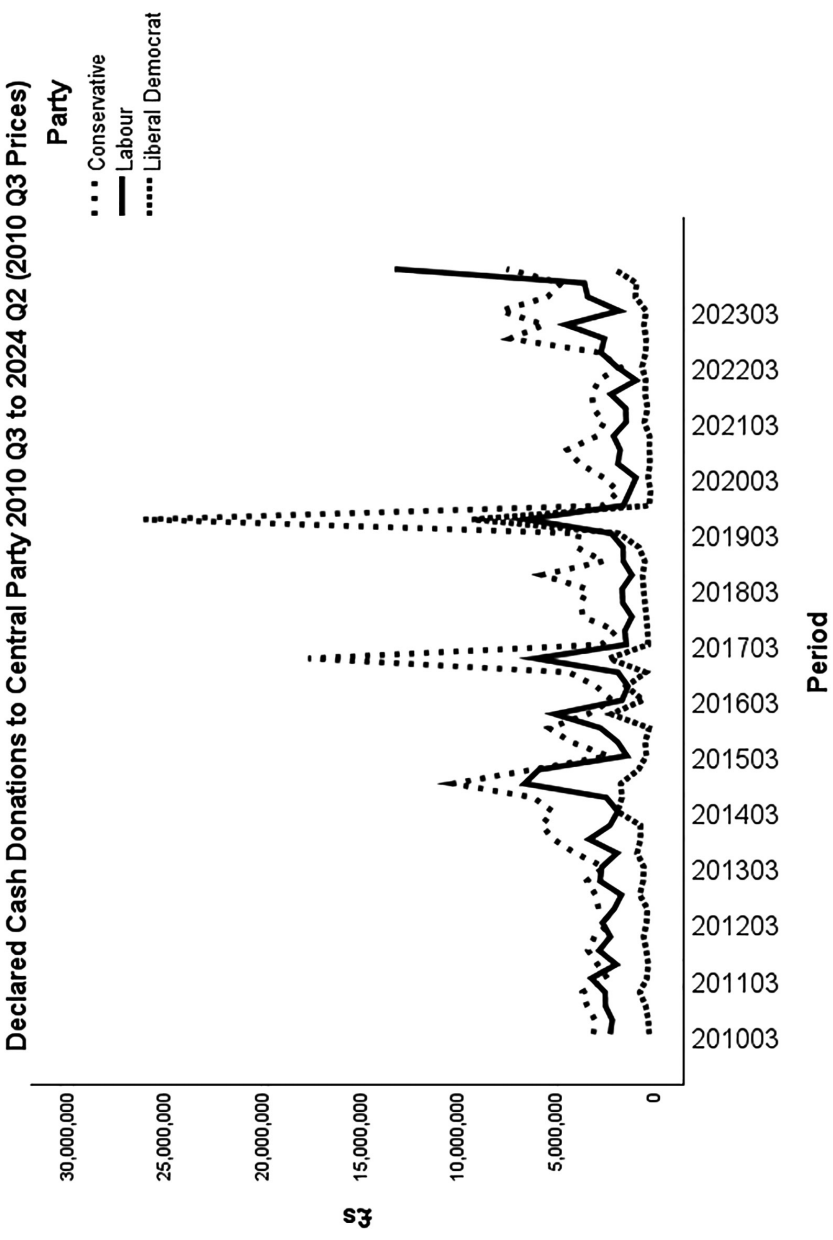


Figure 10.5. Number of declared cash donations 2010 Q3 to 2024 Q2



**Figure 10.6.** Declared cash donations 2020 Q3 to 2024 Q2



‘should be shot’ (BBC News 2024a). Mr Hester had previously donated £5 million to the Conservatives himself, and over £5 million through his company. Following a significant outcry, he admitted that the remarks had been ‘rude’, but said that they ‘had nothing to do with her gender nor colour of skin’ (BBC News 2024b). The Conservatives, while condemning the remarks, did not return the donations. Further donations of over £5m were accepted in the first quarter of 2024 (which were revealed after the story broke) together with the £5m accepted just before the election was called.

The Liberal Democrats attracted £3.2m; much less than the £11.8m the party attracted in the fourth quarter of 2019, albeit with £8 million coming from one single donation (Fisher 2020: 198). Combined, the volume of declared donations received by the Conservatives and the Liberal Democrats represented only 70% of the amount received by Labour.

Labour, then, had a significant financial advantage over their political opponents in the final quarter before the election date. In elections at the beginning of the century, this might not have mattered so much with respect to the campaign as the lead time for many campaigning techniques such as direct mail and billboards meant that the more significant income for a party’s campaign needed to be generated some months before polling day. That remains the case for campaigning techniques such as direct mail which endure. But the growth of digital campaigning is very significant in this respect as the lead time is considerably shorter, and therefore ‘late money’—money that comes in during the campaign—can still be spent with the potential, at least, to be effective. The Labour financial advantage in declared donations must be seen in that context, particularly when the overall spending limit had been increased so substantially. In effect, the increase in spending limits by the Conservative government, which were criticized as a ploy to benefit the Conservative campaign, was likely to be of greater benefit to Labour, who were able to raise so much more in the build-up to the election.

## 5. Campaign donations

PPERA requires donations to be reported weekly during the period between dissolution and polling day. When the legislation was first introduced, what appeared like a well-intentioned provision in terms of transparency was of limited use because of the lead time associated with major campaign initiatives. However, as we have seen, the growth of digital campaigning, with significantly shorter lead times, means that this level of transparency is now much more informative.

Table 10.1 details all declared donations (cash and non-cash) and the category of cash donor over the period. What is striking first is the reversal of fortunes of the Conservatives relative to 2019. In that election period, the party received just under £19.4m (equivalent to approximately £25.8m in real terms in 2024<sup>2</sup>).

**Table 10.1.** Source of election period declared cash donations and levels of declared non-cash donations

|                             | Conservative |     | Labour    |     | Lib Dems  |     |
|-----------------------------|--------------|-----|-----------|-----|-----------|-----|
|                             | £s           | No. | £s        | No. | £s        | No. |
| Individual                  | 922,111      | 31  | 6,011,800 | 30  | 1,071,147 | 27  |
| Company                     | 496,000      | 10  | 574,752   | 3   | 584,982   | 12  |
| Trade union                 | 0            | 0   | 2,413,426 | 12  | 0         | 0   |
| Unincorporated associations | 373,500      | 9   | 0         | 0   | 0         | 0   |
| Total cash donations        | 1,791,612    | 50  | 8,999,978 | 45  | 1,656,129 | 39  |
| Total non-cash donations    | 78,780       | 4   | 537,080   | 3   | 0         | 0   |
| Total all donations         | 1,870,392    | 54  | 9,537,058 | 48  | 1,656,129 | 39  |

Source: The Electoral Commission.

In this election, the Conservatives were able to raise just £1,870,392 in declarable donations during the campaign period—only marginally more than the Liberal Democrats, who raised £1,656,129. For the Liberal Democrats, this was an almost identical figure in real terms to the amount raised in the 2019 campaign. Labour, by way of contrast, raised over £9.5m—more than five times more than the Conservatives. Not surprisingly this also easily exceeded the amount raised by Labour in 2019, which amounted to £7.2m at 2024 prices.

There was a similar reversal for the Conservatives in terms of the number of donations. In 2019, there were 272 declarable cash donations. In 2024, there were just fifty, thirty-one of which were made by individuals and only ten by companies. In 2019, the cash donation numbers from individuals and companies were 193 and seventy-six, respectively. The Liberal Democrats received an almost identical number of declarable campaign donations as in 2019—thirty-nine in 2024 compared with thirty-eight in 2019. As in 2019, the bulk came from individuals. Interestingly, however, the party was able to attract twelve donations from companies in 2024—twice the number that was generated in 2019 (and approaching twice the value in real terms).

Labour, too, received an identical number of declarable cash or non-cash campaign donations as in 2019—forty-eight. What changed, however, was the balance in the sources of those donations. In 2019, Labour received twenty-eight cash donations from trade unions totalling £5,039,754 (c. £6.7m at 2024 prices). In 2024, there were twelve such donations totalling £2,413,426. By way of contrast, there were thirteen declarable cash donations from individuals in 2019 amounting to £159,442 (£212,058 at 2024 prices). In 2024, there were thirty cash donations

<sup>2</sup>All real terms calculations are made using the Retail Prices Index comparing Q4 2019 with Q2 2024.

from individuals amounting to £6,011,800. This included £2,500,000 from Lord (David) Sainsbury of Turville. Furthermore, in 2019, 95% of Labour’s campaign cash donations came from trade unions. In 2024, it was 27%. By way of contrast, 3% of Labour’s declarable cash donations came from individuals in 2019. In 2024, it was 67%—the highest proportion donated by individuals to Labour ever recorded since these data were first made public in 2001. Labour also benefitted from a non-cash donation of £500,000, made by Anthony Gormley.

One area where there was more similarity was with respect to cash donations for Labour from companies. Labour received just three declarable cash donations in 2024, compared with four in 2019. The value of these donations was, however, higher in 2024—£574,752 compared with £120,000 (£159,600 in real terms) in 2019. However, while Labour performed no better in attracting company donations during the campaign than the Corbyn-led party, it was also the case that companies made far fewer campaign donations to parties overall. Companies were not rushing to support Labour financially, but also considerably fewer supported the Conservatives financially in 2024. If the threat of a Corbyn-led Labour government had likely stimulated higher numbers of corporate donations to the Conservatives in 2017 and 2019 (Fisher 2020), a potential Starmer-led Labour government in 2024 had no such effect.

Table 10.2 details when the cash and non-cash donations were received by parties. Labour outperformed the Conservatives and Liberal Democrats in all weeks, except Week 4 (Week 6 consisted of only one day—polling day on 4th July). Indeed, so strong was Labour’s campaign fundraising, that it raised more in Week 2 than the combined totals raised by the Conservatives and Liberal Democrats over the whole campaign period. And, even in its weakest week, Labour still raised over £450,000, eclipsed only by the Liberal Democrats, who raised just over £500,000.

6. Election period expenditure

6.1 Conservatives

The Conservatives’ campaign was much more strongly weighted in favour of digital than print in 2024. In the two years leading up to the election, there was a concerted effort using mainly print media (leaflets and direct mail) to promote

Table 10.2. Timing of weekly declared cash and non-cash donations

| £s           | Week 1  | Week 2    | Week 3    | Week 4  | Week 5  | Week 6 | Total     |
|--------------|---------|-----------|-----------|---------|---------|--------|-----------|
| Conservative | 574,919 | 292,500   | 375,000   | 378,945 | 249,028 | 0      | 1,870,392 |
| Labour       | 926,908 | 4,383,400 | 3,309,918 | 451,232 | 465,600 | 0      | 9,537,058 |
| Lib Dems     | 454,999 | 335,000   | 193,945   | 515,982 | 137,500 | 18,703 | 1,656,129 |

Source: The Electoral Commission.  
Notes: Excludes public funds. Week 6 is 4th July only.

local communications from MPs and candidates in seats the party was trying to hold (accounting for around 60% of campaigning costs). However, in the last six months, attention shifted to digital. While the party had used digital extensively in the past, the emphasis in 2024 was not driven principally by a strategic shift in campaign approach. Rather, it was driven by cash limitations. As Fig. 10.6 and Table 10.1 illustrate, income from donations fell after the Autumn of 2023 and those in the campaign itself were comparatively modest, and from February 2024 onwards, raising income for the election became a significant challenge. As a consequence, while print expenditure during the short campaign would normally have been around £3.5m (comparable with the digital spend), in 2024, the party was able to spend only around £1m on print after the election was called.

In light of the party's relative lack of income, the principal spend after February 2024 was on digital mainly because that mode offered more coverage with the available cash. Of course, there was still expenditure on print, particularly with direct mail when the election was called. But, at both the national and local levels, the message was clear to focus on digital campaigning. Not only were postal costs rising significantly but the cost per acquisition via digital was much lower.

In terms of platforms, the Meta apps (Facebook and Instagram) were favoured. Indeed, Facebook became the dominant platform, with some expenditure (but much less) on YouTube and Google ads—Facebook was regarded as being better at reaching key voters. In addition, there was a significant growth in organic content on X/Twitter, but in terms of paid activity, Facebook dominated, both at national and constituency levels. The party also invested strongly in supporting local campaign teams in target seats with their digital content.

The party's financial position also affected the level of polling undertaken to some extent. A series of constituency-level polls in target seats were undertaken from the Spring of 2023 and into the early part of 2024. But campaign polls were less frequent than in previous elections. The party had some MRP (multi-level regression and poststratification) partners, and while fewer pieces of research were conducted, the emphasis was on more internal scenario modelling and forecasting using different MRP criteria. Publicly available MRPs were used to validate and sense-check the party's own estimates.

## 6.2 Labour

As with the 2019 election, Labour's 2024 campaign again demonstrated the increasing importance of digital campaigning while continuing to use print on a significant scale. Digital expenditure matched or possibly slightly exceeded that spent on print, with Labour making extensive use of both the Meta platforms (Facebook and Instagram) and especially YouTube. Like other parties, the links between Facebook and Instagram were attractive in terms of reach. But there were

practical issues too. Political advertising was no longer permissible on X/Twitter nor on the other prominent platform, TikTok. Instead, content on platforms such as X and TikTok was organic rather than paid for. However, the micro-targeting that was previously seen as being critical for digital campaigning was not possible. The match rates with individuals were too poor, and so targeted advertising on Meta platforms and YouTube was by postcode sector rather than individuals, though even then, the targeting could generally not be achieved at full postcode level. Nonetheless, the ability to deploy new digital expenditure during the campaign proved to be very useful.

While digital campaigning continued to grow, it was integral to all the other modes, including print and traditional campaigning locally. To that end (and unlike the 2019 campaign) the various campaigning modes were joined up to help identify key target voters. A key group here were so-called ‘hero voters’—voters who supported the Conservatives in 2019 but were now open to voting Labour. Such voters were more likely to be economically insecure, were middle-aged with families, were working-age non-graduates, and who had voted Leave in the EU referendum.

A key difference from 2019 (and previous elections) was the amount of polling that Labour conducted. The party ran a large internal MRP exercise. This was a rolling MRP with new data added daily. These combined data were bought in regularly from a range of polling companies with Labour’s own data. Critically, it was Labour who weighted the polling data. This approach marked a key change from the tradition of a single company acting as the party’s pollster. The rolling MRP played a number of roles. Critically, it formed a key part of the seat targeting process. Labour had used MRP polling before (Fisher 2020), but the key difference in 2024 was the buy-in at all levels of the party as a means of driving the distribution of resources that derives from targeting. While the receipt of daily data created some challenges (interpreting small shifts, for example), the party credited this innovation with helping them identify new emerging potential target seats that were winnable. In those cases, the party was able to quickly deploy additional digital resources to support the campaigns.

### 6.3 Liberal Democrats

A significant difference for the Liberal Democrats compared with 2019 was the party’s relative poverty. While in 2019, a generous pre-campaign donation meant that the party could effectively decide on campaign priorities in advance, in 2024 much of the activity involved hypothecating campaign donations. The three main national spending priorities were print, digital and the leader’s programme. More was spent on print, in part because of the inherently higher costs associated with that mode. Critically, however, compared with 2019 there was no acceleration to

digital. This was in part because of the continuing effectiveness of print, and in part because of doubts of the utility of some digital campaigning. For example, the party's view was that if anything, print could be becoming increasingly effective. Voters were receiving less mail in general, so printed communications from the party were seen by recipients as being more of a novelty and therefore more likely to be effective. Coupled with that, an internal party review had shown a strong relationship between expenditure on print and votes won, while the relationship with digital was less clear. Print therefore continued to be seen as a vital part of the campaign. There was also some continuing scepticism about the reach of digital campaigning. Party officials highlighted that the impact of digital adverts was subject to 'a lot of scrolling' or watching with the sound muted. Not only that, in the aftermath of a by-election, an internal party study showed that recall rates for digital contacts were much lower than for other campaign modes. For the Liberal Democrats, there was a hierarchy of voter recall of campaign contacts: in-person conversations, print, and then digital. Notwithstanding, digital was regarded as the best mode for interaction, with the mode being more likely to generate responses or participation in activities such as surveys or petitions. Like other parties, Facebook and Instagram were the dominant paid-for platforms, with organic activity occurring elsewhere.

The leader's programme garnered good media coverage, but less was spent on it than in 2019 due to the party's financial position. The leader did visit target seats (with the party having to again be mindful of the cost attribution of leaflets—national or constituency level—see [Fisher 2020](#)). But critically, the programme was designed around media centres in key electoral areas for the party, to boost media coverage.

Unlike 2019, the Liberal Democrats did not conduct their own MRP poll. This was in part because the party had significantly less money than in 2019, but mostly because of the large number of MRP polls that were published during the campaign. These provided a very useful source of free data, and the party took the view that there was little point in commissioning their own. This approach came with some downsides, however. There was significant variation in the many published MRP polls, and while the large number of polls was generally helpful, the variation could make the management of expectations difficult if a particular poll showed some seats doing much better than the party believed was the case. Like other parties, the YouGov MRP matched the party's own data and estimations most closely.

## 7. Conclusions

Three things dominated party finance in the 2024 election. The first was the varying financial positions of the parties. Reflecting its relative popularity, Labour was able to raise considerable sums (though rather less than the Conservatives managed in 2019). By way of contrast, the Conservatives and Liberal Democrats

found themselves in relative poverty, meaning both that they had less money than Labour and that they had to curtail some activities in their respective campaigns.

The second was the significant legislative change—in particular the uplift in campaign expenditure limits meaning that parties could spend far more than previously. Critics had suggested that the increase in spending limits had been motivated by partisan concerns, given the Conservatives' financial advantage in previous elections. Such criticism may have been unjustified, given that the uplifts were well overdue, but regardless, the increase in spending limits only benefited one party—Labour. The financial circumstances in which the Conservatives found themselves, coupled with Labour's relative wealth meant that if the uplift was motivated by partisan concerns, it backfired.

The third was the continued growth in importance of digital campaigning, with Labour, in particular, exploiting it to a significant degree. But, it would be wrong to characterise this continuing shift to digital as being wholly strategic. The Conservatives' focus on digital was motivated to a significant extent by its financial position. All parties continued to use print on a significant scale, but its growing cost meant that digital frequently offered greater reach relative to expense. It's also important to note that parties' assessments of the effectiveness of digital campaigning varied. The Liberal Democrats were more sceptical of digital and were even of the view that print could be re-asserting its effectiveness. Overall, digital continued to grow in importance in terms of campaign expenditure. But print is far from obsolete.

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