

13 things we learned from the Electoral Commission's damning probe into Tory election expenses

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A watchdog has fined the Conservative Party a record £70,000 for "significant failures" in its election expenses.

The Electoral Commission, which has referred some of its findings to police, [today issued a damning report on its probe running to 38 pages](#).

It comes less than a day [after it was revealed](#) 12 forces have handed files on constituency-level election expenses to the Crown Prosecution Service.

The Commission's investigation is separate and concerns national spending, which operates under different rules.

But both sets of allegations relate to the party's touring 'battle bus' in the 2015 general election.

- [Conservative Party fined record £70,000 over 'significant failures' in election expenses](#)

Here are the most striking things we've learned from today's report.

1. It's the biggest electoral watchdog fine in history

The Electoral Commission says today's fine is the largest it has ever imposed.

2. A Tory 'national team' WAS helping a local candidate - and this could prove crucial



Tory Craig Mackinlay beat Ukip's Nigel Farage and comedian Al Murray in Kent (Photo: Reuters)

The Tories set up a 'national' team to 'rebut and attack' Ukip at the Royal Harbour Hotel in Ramsgate, Kent, where Nigel Farage was standing.

To follow spending rules the party had to focus only on national issues, not its local candidate Craig Mackinlay.

But the Commission found unnamed team members DID help Mr Mackinlay's campaign.

A female senior campaigns officer "took an active organisational role" in the local campaign, helping draft campaign material.

A male senior press advisor was "acting as a press liaison on behalf of Mr Mackinlay" for some of the campaign.

And two political advisors "played key roles in determining Mr Mackinlay's campaign messages and in drafting campaign material".

That means some of the £15,641 spent in relation to the Royal Harbour Hotel should have been declared as local spending by Mr Mackinlay, the Commission said.



The team was based at the quaint Royal Harbour Hotel in Ramsgate (Photo: Google)

This could prove crucial - because Mr Mackinlay was already very, very close to his legal local spending limit. He was just £179 under his £15,016.38 limit for the 'short' campaign running up to polling day, the watchdog said. He was around £4,500 under the £37,016.38 limit for the 'long' campaign.

"The Commission cannot determine precisely what proportion of spending on the Party's team in South Thanet should have been apportioned to Mr Mackinlay's campaign," the report said.

"This is largely as a result of the Party failing to keep records sufficient to establish the appropriate apportionment."

3. The Tory Treasurer committed two offences...



Conservative Campaign Headquarters in Westminster (Photo: Google)

The way the law works means the Tory Treasurer Simon Day is directly responsible for ensuring spending returns are full and accurate.

He was interviewed under caution as part of the probe.

The Commission says he committed two offences under section 82(4)(b) of the 2000 Political Parties, Elections and Referendums Act (PPERA).

This involves failing to deliver a national spending return that contained all the relevant information, like invoices and receipts.

The first offence relates to wide-ranging failures to include spending from the party's battle bus tour, Margate's Premier Inn, and a further £105,000.

The party also declared national spending in Thanet that should have been put down as local spending (see

above).

The second offence relates to £52,924 of declared spending that wasn't accompanied by proper invoices, until the Commission started investigating.

"The Party provided no explanation in relation to this failure other than to refer to administrative errors", the Commission's report said.

4. ...And he has now been referred to police



The Metropolitan Police is now looking at an allegation relating to the party treasurer (Photo: Getty)

The Electoral Commission has reported Tory Treasurer Simon Day to Scotland Yard under Section 83(3) of the PPERA.

It fears he could have "knowingly or recklessly made a false declaration" about party spending.

It is so serious an allegation that the Commission can't investigate, and has to let Scotland Yard do so instead.

"The Commission identified information which raised doubt about whether Mr Day took reasonable steps to ensure that he could make a proper declaration that the Party's 2015 UKPGE spending return was complete," the Commission said.

"It will be a matter for the Metropolitan Police Service as to what steps they take in this regard."

5. The battle bus cost more than DOUBLE what was declared...



The party blamed "human error" for missing off nearly half the spending on this bus (Photo: PA)

Part of the investigation looked at the Tories' 'battle bus', which ferried 50 activists to 30 seats in the final two weeks of the 2015 election campaign.

Tory chiefs initially said the tour had cost £38,996.06. But once the probe started they admitted it cost another £63,486.83.

That gives a total spend of £102,483. The party blamed "human error".

6. ...And DID campaign for local candidates



The party said the bus was a national campaign. The watchdog disagreed (Photo: Getty)

In an issue probed at length by the Mirror, the party declared its battle bus under national spending - not tightly-controlled limits for each candidate.

But the Electoral Commission says the bus tour DID help local candidates.

The report said: "The Commission has found no evidence to suggest that the Party had funded the Battlebus2015 campaign with the intention that it would promote or procure the electoral success of candidates.

"Nevertheless, coaches of activists were transported to marginal constituencies to campaign alongside or in close proximity to local campaigners.

"In the Commission's view, there was a clear and inherent risk that activists might engage in candidate campaigning. Further, it is apparent that candidate campaigning did take place during the Battlebus2015 campaign."

7. Most of the fine was for three by-elections



Ukip's Mark Reckless after he defected from the Tories and triggered the Rochester vote (Photo: Getty)

The total in fines was £70,000.

But interestingly, £45,000 of that related to by-elections in Newark, Clacton and Rochester and Strood in 2014.

Treasurer Simon Day "failed to ensure that the Party maintained accounting records" to explain how all spending should be split, the report said.

The Commission fined the party £20,000 for one by-election, £15,000 for the second and £10,000 for the third.

Of the other £25,000 in fines, £20,000 applied to the missing spending relating to Thanet and the battle bus in the 2015 general election.

And the final £5,000 applies to that £52,924 of spending without proper invoices that we mentioned earlier (see point 2).

8. All this aside, another £100k was left off the paperwork



Got all your paperwork in order, Dave? Your party's been having a bit of trouble (Photo: PA)

Aside from the findings on Thanet and the battle bus, the Commission found £104,765 in spending that should've been in the Tories' national return, but wasn't.

Nearly all of this was to a firm called St Ives Management Services Ltd.

The rest (totalling just under £3,000) went to Coach Miles, the Alpha Hostel Margate and Premier Inn Ramsgate.

9. Journalists - not officials - kicked this off

It was journalists, not police or election officials, that kick-started this investigation.

The Commission started probing only after Channel 4 News made allegations about Thanet spending last year.

The Mirror has also probed Tory election expenses, but mainly at a local level, which the Commission does not have the power to investigate.

That power is held by local police forces, 12 of which have handed files to the Crown Prosecution Service.

10. The Tories are slammed for delayed the investigation...



Theresa May's party is accused of an "unreasonable failure to cooperate" (Photo: REUTERS)

"The Party's unreasonable failure to cooperate with the Commission caused delay to the investigation," today's damning report says.

It flies in the face of the Tories' claim today that they "complied fully with the Electoral Commission's investigation".

The report says the party "caused delay" by wrongly saying the watchdog did not have the power to request some material.

It then blamed "administrative reasons" for taking longer to respond.

Eventually the Commission lost patience and "did not have confidence that the Party would provide all the material", the report said.

11. ...And had to be threatened with court action



Only after the Commission lodged a High Court action did the party fully comply (Photo: Getty)

In May 2016 the Commission lodged an application with the High Court to obtain the documents it needed.

The Conservatives folded later that day and provided information to the Commission, which then withdrew its court application.

12. Here are the people who the probe interviewed



Ex-Tory chairman Grant Shapps is one of the few people named in the report (Photo: Yui Mok/PA)

Many of the allegations in the report involve unnamed individuals.

But it does say the Commission interviewed the following Tory officials, or former officials.

There is no finding that these people did anything wrong (apart from the Treasurer - see points 3 and 4).

- **Lord Stephen Gilbert**, who was the Campaigns Director at the Party during the 2015 UKPGE campaign. Lord Gilbert was interviewed instead of another officer who declined on health grounds
- **Alan Mabbutt**, who was interviewed in his capacity as Chief Legal Officer of the Party, which he held during 2014-15.
- **Treasurer Simon Day**, who was interviewed under caution on behalf of the party
- **Grant Shapps**, who was co-chairman of the party at the time
- The Chief of Staff to Mr Shapps during 2014-15
- The Director of Roadtrip2015 and Battlebus2015
- Three volunteers who acted as 'team leaders' on the battle bus campaign, one of whom was deemed not to be providing information voluntarily to the investigation.

13. And finally... the Tories knew this was going to break on Monday



The Tories knew about this when they performed their high-profile Budget U-turn (Photo: PA)

The Commission says it told the Conservative Party about its main findings, contained in today's report, on Monday 13 March.

Between then and the news being announced to the press, they performed a major U-turn on National Insurance rises in the Budget.

The timing of the U-turn - 23 minutes before [PMQs](#) yesterday - has not been explained.

But ministers have previously issued bad news in clumps or on Thursdays and Fridays, when there is less parliamentary scrutiny.

Did they think the Commission report would drop yesterday? We could only speculate.

What the Tories say...

A Tory spokesman said: "The Conservative Party has complied fully with the Electoral Commission's investigation since it began more than a year ago and will pay the fines they have imposed.

"This investigation and these fines relate to national spending by CCHQ, and the Conservative Party's national spending return for the 2015 general election. As we have consistently said, the local agents of Conservative candidates correctly declared all local spending in the 2015 general election.

"CCHQ accepted in March 2016 that it had made an administrative error by not declaring a small amount constituting 0.6 per cent of our national spending in the 2015 election campaign. This error was subsequently corrected and the Party has since improved its accounting practices, reporting structures and staff guidance. Even taking this into account, the Conservative Party still considerably underspent the statutory national spending limits for the 2015 general election.

"Political parties of all colours have made reporting mistakes from time to time. The [Labour Party](#) and Liberal Democrats both failed to declare sums of money which constituted a larger proportion of their national expenditure in the 2015 general election. Both have been fined by the Electoral Commission, and the Liberal

Democrats are also under police investigation.

“This is the first time the Conservative Party has been fined for a reporting error. We regret that and will continue to keep our internal processes under review to ensure this does not happen again. Given the range of technical errors made by a number of political parties and campaign groups, there also needs to be a review of how the Electoral Commission’s processes and requirements could be clarified or improved.”

The spokesman added: "CCHQ has always taken the view that its nationally directed battlebus campaign – a highly-publicised and visible activity with national branding – was part of its national return, and it would have no reason not to declare it as such, given that the Party was £2 million below the national spending threshold.

“The Electoral Commission report makes clear that our interpretation of the guidance was correct, stating: ‘The Commission has found no evidence to suggest that the Party had funded the Battlebus2015 campaign with the intention that it would promote or procure the electoral success of candidates’ (para. 106).

“MPs in constituencies visited by the battlebus would have no reason to consider whether it should be included in their local return – they were directed that the bus would be visiting as part of CCHQ’s national spending.

“The ongoing investigations relate to national spending by CCHQ and the national Party will continue to co-operate with the police and other authorities so that the matter can be resolved as soon as possible.”