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# **Project Clean Up**

## Interim Report into Allegations of Historical Corruption

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TRANSPARENCY AND ACCOUNTABILITY  
UNITE THE UNION

**REDACTED DUE TO POLICE INVESTIGATION**

July 2025

# Interim Report into Allegations of Corruption

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# 1. INTRODUCTION: UNITE'S INVESTIGATION INTO ALLEGED CORRUPTION

## 1.1 General Secretary's Introduction: A message to our Representatives

I was elected on the back of a clear mandate for change in our Union and on the promise of three core pledges:

- To take our Union back to the workplace and back to our Reps and members, especially those in dispute.
- To redefine our relationship with Labour and prevent the political tail from wagging the industrial dog.
- To clean up the Union and investigate all allegations of financial wrongdoing regarding the Birmingham hotel development.



I said at the time of the election that I would leave no stone unturned to get to the truth and that is exactly what I have done.

Prior to me being elected, allegations of possible wrongdoing had been made against the previous leadership and were public knowledge, with related stories being played out in the press week after week. But nothing had been done. I had promised Unite Reps and members that I would investigate, get to the truth, wherever that path would lead.

Within weeks of being elected, I commissioned an independent valuation of the Birmingham hotel project. Following concerns that arose from that valuation, I then instructed King's Counsel (KC) Martin Bowdery to conduct an independent inquiry into the construction costs of the development. His findings prompted a necessary decision to commission two further independent reports into Birmingham: an independent legal report into potential criminality; and an investigation by a team of forensic accountants.

Separately, and following a police raid of the Unite offices of a former senior official, that the police have said was linked to an investigation into "criminal offences of bribery, fraud, money-laundering and tax evasion", a further external report into our affiliated services was undertaken.

The reports are now with the police and other law enforcement bodies. On receiving the results of these detailed investigations, it was also clear that there was another contributory factor to this situation. The governance of the Union through the Executive Council had not worked. This led to what I hope will be a final independent report, into the governance of our Union over the historical period in question.

Separately and in addition, Unite's auditors BDO have now released preliminary findings as part of the full re-audit of our 2021 accounts that I requested. The auditors find that a "pervasive fraud environment" existed under the previous general secretary. To that end, a £66 million impairment is being made to Unite's accounts covering the period of the Birmingham hotel development. This is due to an enormous discrepancy between an inaccurate valuation made by the previous regime and the independent valuation that I ordered.

Crucially, members can be assured that I am now engaged in exploring every avenue to get our money back.

I promised at the time of my election that I would ensure the findings of the reports were not brushed under the carpet. As the reports are still with the police there are some things we are unable to disclose at this time. But I felt it important to ensure that what we do know and can say, should be explained.

It is time now for Unite Reps and members to see the evidence we can share, and make up their own minds as to what really happened to their money.

It was my job to try and find out the facts. Two examples in particular have stuck in my mind since. I think they sum up the situation and how money left the Union:

1. A contract to drill holes in walls should have been charged at £90,000. We were instead charged and paid £1.3 million. How is this even possible?
2. We lent the same contractor £500,000. A sum that in our accounts we cannot see returned. Why?

Of course, incompetence isn't a crime. Nor is lending money. But how could this eye-watering over charging happen not once, but on multiple occasions? And why can't we find any record of the money lent being paid back?

It is clear that a relationship between the main contractor and the leadership of the Union has been a significant factor in the investigations.

Whether or not these activities reach a benchmark for prosecution is a matter for the police. But what is clear to me is that money left our union when it should not have, and other money that should have come into the union did not. Who knew and what happened to that money is of course a question I can't answer for sure. But what I can say is that it happened.

In relation to our affiliated services, we have been advised by the South Wales Police that it is necessary their *"investigation takes primacy and that the full extent of alleged criminality is placed before a criminal court allowing those responsible for such offences to be subject to trial and determination of their actions. To disclose at this stage such details to members will run the risk of those persons allegedly responsible, escaping justice."*

As you can understand from the above, the investigations have been both serious and cover tens of millions of pounds of members' money. To get here has been an extremely difficult process and quite frankly an ugly one. Those with much to lose, and their supporters inside and outside the Union, have done all in their power to attack me. I have had to endure horrendous personal attacks over three years, both from vested interests and those with blind loyalty to factions.

I expected turbulence of course, but even I was shocked at the lengths being gone to: despicable online abuse and being followed home. But none of these actions disgusted me more than the scorched earth strategy that was adopted by some supporters of a faction tied to the past. Attempts to lie about our Union, its finances and our disputes. This scorched earth approach looks like it has been developed to help frustrate the publication of these reports, and to smear me personally. Lies spread presumably to derail, cast doubt and unsettle.

Even after the damning auditors report into our 2021 accounts, some still choose to ignore clear facts. The lies did not and will not work. I will not be deterred from uncovering the truth.

We have already put in safeguards so that this can never happen again, and we will also deliver fundamental reform of our governance. This will be looked at by a Democracy Commission and discussed with our thousands of Shop Stewards. We will need far more checks and balances that involve this wider layer of workplace representatives who are connected to the jobs, pay and conditions of Unite members. Ultimately it will be a decision for our Rules Conference.

There will of course be resistance from those linked to the past, but our absolute priority must be to secure the trust of workers that we represent.

We have already taken clear and concrete action required to start the process of cleaning up the Union. Every contract with a connected supplier, that was not essential and where we were legally able, has been cancelled. This has saved us literally millions of pounds, money now being put into frontline services for our members. We have employed a number of finance professionals, including a new Director and a procurement manager for the first time. We have also introduced a detailed internal gifts and hospitality policy.

While the findings of our independent investigations will no doubt, rightly cast a shadow, it is important to state that these are historical issues and that our day to day work remains unaffected.

Since I was elected we have:

- Delivered consistent membership growth for the first time in our short history, with record numbers of young workers joining Unite.
- Our financial position is extremely strong, with liquid assets of over £160 million and a balance sheet of around £400 million.
- We have stopped writing blank cheques for political parties.
- We have given unprecedented support to those in dispute during the cost of living crisis.
- Winning over half a billion pounds to put back into those workers' pockets, with many more millions having been won around the negotiating table.

And that is what my priority will always be. Building power at the place of work and within the wider community. That is the only way we can tackle the challenges of the future and deliver for workers. Austerity, net zero without a plan, and AI, all pose a threat to working class life and culture, if we do not ensure good jobs and decent pay. As we build our strength at the place of work, we can make sure that our voice is heard and that change is negotiated rather than imposed.

Under my leadership we will continue to deliver fundamental change to Unite and keep our focus firmly on what matters – our members and the workplace.

Thank you for your support and for all you do for workers.

In solidarity,



**Sharon Graham**  
General Secretary, Unite the Union

## 1.2 Legal foreword: what we can say, and what we have had to remove or redact

It is the responsibility of Union officials to maintain accountability and openness. This report shows how potential wrongdoing by a few was enabled by what Unite's auditors have called a "pervasive fraud environment".

The existence of a live police investigation puts legal limits on what we can publish at this time. In this report we have tried to say as much as we can, within these limits.

This has meant that, in communication with the police, we have had to remove and redact parts of the interim report. In particular:

- **Affiliated Services:** South Wales Police requested that we remove all information relating to the Affiliated Services investigations, and told us they would serve an injunction on the Union if we did not comply. (We note that this request includes information that has already been made public in news reports and through the Employment Tribunal of a former senior Unite official.)

**We have therefore had to remove the Affiliated Services section entirely. In place of this section we include a letter from South Wales Police which gives an update on their investigation.**

- **Birmingham:** We have taken legal and police advice on what we can publish related to Birmingham.

**On this basis, we have removed findings from the Grant Thornton forensic accounting investigation, and the independent legal investigation into potential criminality, particularly relating to potential criminal offences, and we have made further redactions as advised.**

But we are publishing information from the Martin Bowdery KC investigation, which explains in detail what happened with the construction project and its financing. We believe that, even with these removals and redactions, this information is important and useful for our members. We have also kept in, with very few redactions, the full section on Union governance, which draws on findings from the independent governance investigation by Bark & Co, who were the solicitors to the Bowdery Inquiry.

In the union's view, the independent investigations commissioned by the Union have uncovered sufficient evidence to call for investigations into potential criminality by two former officials of the union at a very senior level.

There is no evidence of involvement by any other union officials or lay members in potential criminal acts. The re-audit investigation, and the independent governance investigation, do suggest that other people in Unite helped create an environment in which wrongdoing could occur and questioning was discouraged. This does not imply any criminal actions. But it remains a serious failure of governance.

It is important to remember that there have not yet been any criminal proceedings and, in fairness to those accused of wrongdoing, we trust that the criminal process will determine final liability. Until then, we cannot be sure exactly what happened and why. But it is the union's duty to inform members of what the investigations have found at this stage, in as far as this is legally possible.

### 1.3 Key Point Summary

**Birmingham Hotel: Unite was overcharged by at least £30 million.**

- Unite's Birmingham hotel and conference centre, built in 2016-20 under former General Secretary Len McCluskey, cost at least £72 million more than it was worth. (See Section 2.2).
- One main reason was overcharging of at least £30 million by [The Main Contractor]. (2.2).
- Due to this, an impairment of £66 million is due to be "written down" against Unite's 2021 accounts. The auditors BDO have released their preliminary findings as part of the full re-audit of the accounts, in which they conclude that there was a "pervasive fraud environment" in place at the time, in which "dominant personalities and a weak control environment facilitated opportunities to commit fraud". (BDO 4).

**KC finds "very unusual" payments made by Unite to [The Main Contractor]**

- [The Main Contractor] is owned by [redacted] whom Len McCluskey has called his "good friends". An investigation of Unite emails shows they arranged football final tickets and flights, including at least one private jet flight, for Len McCluskey. (2.4).
- [The Main Contractor] was appointed with no competitive tendering process, and despite having a history of poor performance, delays, cost overruns and "alleged incompetence" on previous contracts. Len McCluskey signed the contracts, overruled Unite staff who raised questions about the firm, and overruled lawyers who advised against the contracts. (2.4).
- Investigations uncovered "very unusual" payments to [The Main Contractor] including a £500,000 advance without explanation (2.4).

## Excessive charging included one bill of £1.3 million for holes in blockwork walls.

- Some of the excessive costs include: a profit mark-up more than double normal rates; “preliminaries” over £10 million more than original estimates; and many other unexplained costs. For example, the cost for holes in blockwork walls was originally estimated at £91,000, but Unite was charged £1.3 million. (2.2).
- The Liverpool project management company Purple Apple Management (PAM) approved [The Main Contractor]’s bills despite multiple warnings about excessive costs. PAM’s former owner was also a “long-time friend” of [REDACTED] (2.4).
- The project’s financing went through a “Special Purpose Vehicle” company called Blackhorse. Len McCluskey was the lead director, signing its accounts every year. Other directors, who were members of his “United Left” faction, claim they were not informed they had been appointed – but it is not clear that they made any previous complaints about this. (2.3).

## Affiliated Services: SECTION REMOVED – REPLACED WITH LETTER FROM SOUTH WALES POLICE.

- South Wales Police have requested that the Union does not publish our investigations into Affiliated Services, as this would undermine their criminal investigation and prosecutions. The police have said that they would seek a court injunction if we do not comply with this request.
- The police have written to the Union with an update on the progress of their investigation, which we include in full.

## Governance: How was it allowed to happen?

- The Birmingham and Affiliated Services scandals expose wider failure in the union’s governance structures and culture. Unite commissioned an independent Governance Report into this. (Section 4.1).
- The Executive Council (EC) heard regular reports from Len McCluskey and [REDACTED], but failed to sufficiently scrutinise their actions. It never seriously discussed [The Main Contractor] contract. (4.2).
- A key role was played by the dominant “United Left” (UL) faction, which protected Len McCluskey and [REDACTED] with what can be viewed as a “blind eye culture”. The faction was widely thought of as principally being about power and patronage, maintained in part through jobs and favours. (4.3, 4.4).

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### **Never Again:** Time to clean up the union. Doing what we promised.

- The question is how to make sure this can never happen again. Steps must be taken to change the culture of the union. (Section 5).
- **The first steps have been taken:** investigating what happened; and putting in place professional structures for financial management.
- The forthcoming Democracy Commission will start to move forward, to rebuild democracy and good governance in our union.

## 1.4 Key people and organisations mentioned in this report

### Unite

- Len McCluskey. Unite General Secretary, January 2011– August 2021.

[REDACTED]

- Ed Sabisky. Former Unite Finance Director, died in March 2020.

### Birmingham Hotel

- **[The Main Contractor]**. Liverpool-based building company owned by [REDACTED] Described as “good friends” by Len McCluskey, they arranged football final tickets and flights for him. Appointed Main Contractor on the Birmingham project with apparently no tendering process, despite no experience of this kind and a record of failures in previous Unite projects.

[REDACTED]

- **Purple Apple Management Ltd (PAM)**. Liverpool-based project management company appointed to manage the Birmingham construction, apparently with no tendering process, and despite multiple concerns they lacked experience or knowledge to run a project of this scale. Signed off the bills from [The Main Contractor], despite warnings from Consarc that costs were excessive.

[REDACTED]

- Consarc Design Group Limited (Consarc). Lead Consultant on the project. Architect and surveyor company that was supposed to check the bills from [The Main Contractor]. Did repeatedly raise issues about excessive costs.

- Blackhorse HCC Limited (Blackhorse). The “Special Purpose Vehicle” company set up to manage the project. Directors included Len McCluskey, who signed off all the accounts, and other Unite trustees who were members of Len McCluskey’s UL faction.

## Affiliated Services

THIS SECTION HAS BEEN REMOVED AND REPLACED BY A STATEMENT FROM SOUTH WALES POLICE – SEE SECTION 3

## 1.5 The independent reports commissioned by Unite

This report summarises information from reports of five independent investigations commissioned by Unite general secretary Sharon Graham. They are:

- **Bowdery:** Martin Bowdery KC, Independent Inquiry into the Birmingham Development
- **CKC:** Independent legal report into criminality, Advice on potential issues of criminality arising from the Bowdery report
- **GT-B:** Grant Thornton, Report in respect of the Birmingham Development
- **GT-AS:** Grant Thornton, Report in respect of Associated Service Providers
- **Bark & Co.:** Report into governance failings in Unite related to Birmingham and Affiliated Services

In addition, we also refer to the report from the auditors BDO on their re-audit of the 2021 accounts:

- **BDO:** BDO LLP, Unite the Union Audit Completion Report for the year ending December 2021, Report to the Executive Council

Bowdery, a King's Counsel barrister specialising in construction law, investigated the construction costs and procurement process in the development. Bowdery's investigation also had technical support from quantity surveyors Ankura.

We then commissioned an independent legal report into the potential criminal implications of Bowdery's findings.

Forensic accountants and auditors Grant Thornton LLP carried out investigations into email correspondence between Unite officials and third parties involved in the Birmingham Development, and in the Affiliated Services contracts.

Bark & Co. carried out an independent investigation into governance failings within the Union and responsibility for the Birmingham Hotel and Affiliated Services issues.

## 2. Birmingham: What happened?

### 2.1 Summary

Unite's Birmingham hotel and conference centre project, built in 2016-20 under former General Secretary Len McCluskey, went massively over budget. This was largely because the [The Main Contractor] building firm was allowed to overcharge by at least £30 million.

The building project cost over £110 million. But an independent valuation after completion found it was only worth £38 million. (£29m valuation of the Hotel and Conference Centre, with a separate £8.55m valuation for the office building.)

This firm was owned by [REDACTED] whom Len McCluskey called his "good friends". An investigation of Unite emails shows that they arranged football final tickets and flights for him, including at least one private jet flight. Len McCluskey signed the contracts to appoint [The Main Contractor], overruled Unite staff who raised questions about the firm, and overruled Unite's lawyers Slater Heelis who advised against the contract.

According to the findings of Unite's auditors BDO: "Former members of senior management appear to have been motivated to commit fraud, and their dominant personalities and a weak control environment facilitated opportunities to commit fraud". (BDO 4).

The affair thus exposes a wider failure in the union's governance, and a culture of negligence and complicity, under the leadership of Len McCluskey and his "United Left" (UL) faction. (See also section 4).

### 2.2 The money

#### How much has gone missing?

- Value of the Birmingham complex: **£37.55 million** (Hotel and Conference Centre **£29m**; Offices **£8.55m**). (Bowdery 16)
- Initial projected building costs: **£57.8m** (Bowdery 15)

- Final cost to Union according to Bowdery Report: over **£112m** (of which building costs paid to [The Main Contractor] **£96m**; plus land and professional fees £16m). (Bowdery 15)
- How much the building work should have cost (according to independent investigation by Ankura quantity surveyors): **£65m** (Bowdery 15)
- Amount of revised “impairment” (correction) to the value of the Birmingham assets: **£66 million**.

So:

- The Union spent **over £70 million** more than the complex is actually worth.
- Some of this may be due to “legitimate” cost increases, and to bad business planning and decision-making by Len McCluskey’s leadership.
- But at least **£30 million** of the difference was because of excessive building costs charged by [The Main Contractor].

### Where did the extra £30m building costs come from?

There are major discrepancies and missing information which make it hard to trace all of the money. Quantity surveyors Ankura concluded that the “level of claims analysis” submitted by [The Main Contractor] is “profoundly inadequate”. (Bowdery 47). But many of the extra costs can be identified under four main headings.

- **Unusual profit mark-up: £7m extra**

The deal with [The Main Contractor] gave them an officially agreed 12.5% profit mark up. This is much higher than the industry standard and was against explicit advice from Unite’s quantity surveyor Consarc, which was employed to check [The Main Contractor] costs.

Bowdery KC finds: “[The Main Contractor]’s mark-up for overheads and profits was 12.5% on all costs which in my opinion was excessive. Consarc repeatedly advised that 12.5% was too high and 5% was a more reasonable percentage for overheads and profit. Why and by whom Consarc’s advice was dismissed is unclear but 12.5% was included in both signed building contracts eventually adding some £7m to the overall construction cost.” (Bowdery 89).

These contracts were signed by Len McCluskey. So Unite's former General Secretary officially agreed, against advice, to give over double the necessary profit to his "good friends" [The Main Contractor]. Even without the other cost hikes, this decision alone cost Unite millions.

- ***Unexplained 113% jump in "preliminaries": £11.9m extra***

"Preliminaries" are items such as scaffolding, energy, plant (machinery), etc., that are used during construction but do not form part of the final building. The original plan budgeted £10.5m for preliminaries – but the final figure was £22.4m. The Bowdery report could not identify any reasons for this massive change. Bowdery further notes that "no adjustment appears to have been made for fixed costs elements of the preliminaries" and "no analysis or information has been provided at all in respect of [...] subcontractors' costs or preliminaries". (Bowdery 49).

- ***Over-payments for delays: Unknown millions***

According to the Bowdery Report, [The Main Contractor] was awarded £6.8 million in "extension of time" or prolongation payments, covering 59 weeks of delays. At least some of this extra money was "wrongly awarded". For example, [The Main Contractor] received a £3.7 million payment involving adverse weather delays, even though according to the building contract they were not entitled to extra payments for "adverse weather". (Bowdery 139)

- ***Inflated costs during work: Unknown millions***

[The Main Contractor] submitted bills throughout the work for amounts massively over the original estimates. Costs for standard work items were hundreds of thousands or even millions of pounds more than they should have been.

The Bowdery report describes: "inflated [The Main Contractor] prices facilitated by inadequate and inappropriate contract provisions which allowed [The Main Contractor] to re-scope and reprice a large proportion of the works throughout the contract" (Bowdery 128).

These are just some examples:

- "holes through blockwork and the like": final tender amount £1,371,634; original estimate £91,000; so **additional £1,280,634 (1407%)**.
- "screeds": final amount £403,997; **additional £325,997 (418%)**.
- "rainscreen cladding": final amount £3,309,620; **additional £2,612,745 (375%)**.

- “raised access floors”: final amount £ 1,000,478; additional £723,013 (261%).

Consarc wrote 27 “cost analysis reports” on work packages where costs had increased. According to the Bowdery report, *“They all complained that the tender returns appeared very high throughout”*. (Bowdery 141).

Consarc’s reports also noted how [The Main Contractor] charged well above normal industry rates. For example:

- “the price for forming a 1 - 2 m girth hole in a 140 blockwork wall should be approximately £50, [The Main Contractor] Building and Maintenance cost is £843.75.” **(Bowdery 142)**
- And: *“The easiest way to show you how high the price of blockwork is to compare it to Unite, Leeds. The blockwork in Unite, Leeds for a 100 thick blockwork wall is £26.10. This rate is inclusive of sub-contractor prelims, main contractor overheads and profit etc. [The Main Contractor] cost for a 100 thick blockwork wall is £121.50.”* **(Bowdery 21)**

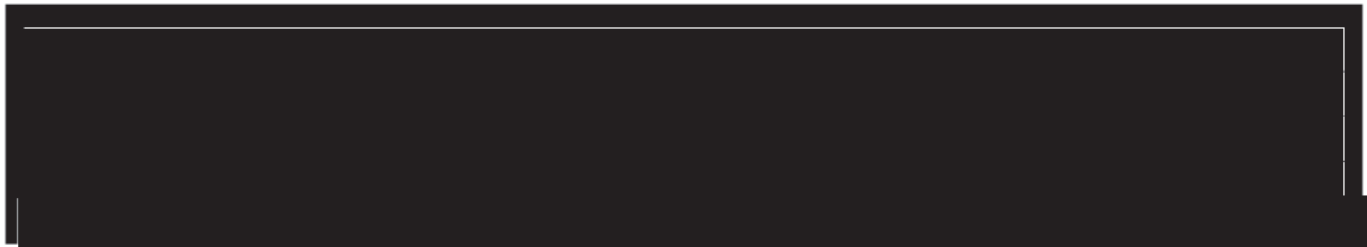
### The excuse: Union labour costs?

[The Main Contractor] and Len McCluskey have argued that costs increased because the project used union labour. They point to a Directive sent by Len McCluskey on 25 October 2017, which told [The Main Contractor] to ensure that all workers must be: directly employed; union members; and paid according to appropriate national wage agreements. (Bowdery 160)

But there are major holes in this argument:

- There is no actual financial evidence of any cost increases caused by this. Construction KC Martin Bowdery concludes: “There is no explanation as to why complying with the CI 232 Directive led to these increased costs or, indeed, any increased costs.” (Bowdery 161) He says that “despite considerable effort” he could find no evidence of any increased costs from the use of union labour. (Bowdery 17).
- The directive was just restating existing Unite policy from before the project started, which [The Main Contractor] would already have known about having worked on numerous Unite projects prior to Birmingham. (Bowdery 161). “It is difficult to see why the Directive should have caused any increase in costs given that it was factored into the building contracts from the outset [...]” (Bowdery 17.)
- [The Main Contractor] used this excuse to Consarc in some of the massive cost hikes noted above: e.g., they claimed the 415% jump in screed costs, and the 375% jump in rainscreen cladding costs were due to the directive. But even if union labour was more expensive, it is implausible that it was that much more expensive.

- And in fact, it is not clear [The Main Contractor] followed the union labour policy in any case. Bowdery wrote: *"I have also seen no evidence that the Directive was actually complied with."* (Bowdery 17) Further evidence from investigation of Unite emails and internal documents throws even more doubt on this point (see below Section 2.4). In fact, the evidence suggests that non-union labour was widely used.



## 2.3 Who knew about the rising costs, and when?

There should have been a chain of responsibility in place to stop [The Main Contractor] overcharging. In theory, it should have worked like this:

- **[The Main Contractor]:** main contractor – organised all building work, tenders for subcontractors, submits proposed and actual costs.
- **Consarc:** quantity surveyor and "project consultant" – supervised [The Main Contractor] work and checks proposed and actual costs.
- **PAM:** project management firm. Oversaw the project as a whole, approved tenders, other proposals and costs, after being checked by Consarc.
- **Unite:** client. Paid costs after approved by PAM; but should have also carried out its own due diligence.

One extra complication is that Unite was not legally the only client. The union also set up a "special purpose vehicle" company called Blackhorse to manage the development. Blackhorse was legally the main client, with 75.52% of the costs going through the company. (Bowdery 32). Blackhorse was wholly owned by Unite but run by a small group of directors, who were also Unite trustees. All but one of nine directors prior to 2021 were members of Len McCluskey's "United Left" (UL) political faction (See Section 4 below).

## The project manager PAM ignored overcharging

As explained above, Consarc did advise against [The Main Contractor] profit mark-up agreement at the start. And later it sent PAM 27 “cost analysis reports” highlighting excessive cost increases for particular work packages. It appears that PAM ignored all of these warnings. PAM approved all the costs despite being warned that they were excessive. Bowdery writes:

*“Invariably they agreed costs in full even when Consarc advised that they were excessive or very excessive. PAM appears to have had almost complete authority to manage the Development and to incur costs on behalf of Unite”. (Bowdery 20).*

PAM is a Liverpool-based property management company that has a longstanding relationship with Unite, managing multiple properties for the Union for years before the Birmingham development.

There is also an old connection between PAM and [The Main Contractor]. According to his obituary, PAM’s former owner and director Gerrard White was a “long-time friend” of [REDACTED]

[REDACTED] White died of cancer in 2008.<sup>1</sup>

<sup>1</sup> As reported in The Times: <https://www.thetimes.com/article/unite-has-links-to-companies-investigated-for-bribery-69sf6gx55>

### Who knew inside Unite?

One question is: how much regular information did PAM pass on to Unite officials? Bowdery notes: *"No action seems to have been taken after the Cost Analysis Reports were issued to PAM."* (Bowdery 154) This may be because the cost analysis reports into particular work packages were not passed on from PAM to Unite. But even if so, the Unite leadership had plenty of other warning signs.

First, as Bowdery notes, the escalating costs were *"fully visible within [Unite's] finance department" because "they were paying these costs as they arose"*. (Bowdery 147).

Second, Consarc sent regular financial reports to the accountants (BDO) who prepared the accounts for Blackhorse. And these clearly showed the rising costs.

The first of these financial reports analysed by the Bowdery report is dated July 2018. (Although it is labelled "Financial Report 3", so there should have been other reports before). At that point the total was already over £81 million: £23 million more than the approved contract price. (Bowdery 147, 155).

At least one person in Unite should have been aware of this: Len McCluskey. He was the director of Blackhorse who signed off its accounts every year in 2017, 2018 and 2019. (Bowdery 36)

However, Len McCluskey says that he delegated the project to Unite finance director Ed Sabisky, and *"never interfered with Ed Sabisky's running of the project"*. He claims that *"It was only in November/December 2019 that Ed Sabisky 'came clean' and told him that the costs had risen to some £90m."* (Bowdery 177).

Unfortunately, there is no way of confirming this, as Ed Sabisky died in March 2020.

### Systemic failures of the former leadership of Unite

Len McCluskey claims that, despite signing off the accounts, he did not realise there was any cost overrun until the end of 2019. Even if this were true, he was responsible for putting in place a flawed project structure that allowed this massive overcharging to happen. And he did this despite multiple warnings from the lawyers and surveyors.

These failures include:

- ***There was no business case for the development***

Bowdery writes: "I have asked to see a business case for the Development but one has not been provided and it is likely that a business case does not exist." (Bowdery 29)

- ***No competitive tendering***

Both [The Main Contractor] and PAM were appointed without any competitive tendering process. (Bowdery 26)

- ***No proper management structure***

Construction KC Martin Bowdery's inquiry concluded: "The Development Management structure within Unite/Blackhorse appears non-existent or at best informal. The contemporaneous documents I have seen or not seen point to a lack of systems within Unite/ Blackhorse to manage the Development." (Bowdery 29)

- ***PAM not competent project manager***

PAM had been working as a property manager for Unite for "a number of years" previous to Birmingham. (Bowdery 61). But it had never managed a large scale building project like this. Bowdery concludes: "I consider this project was too large and too complex for PAM who had neither the expertise nor the experience to manage such a project." (Bowdery 72)

The independent Criminal legal report concludes:

[REDACTED]

- ***Inappropriate and high-risk contracts***

Bowdery notes serious issues with the [The Main Contractor] building contracts – apart from the very high profit rate. There was no requirement for competitive tendering of sub-contracted work. There was no requirement to give transparent information about sub-contractor costs. And there were no clauses with incentives to control cost overruns. (Bowdery 93, 94).

In fact, Unite was warned about these issues by its lawyers, Slater Heelis, in April 2017. In their letter, the lawyers warned that “many of the prerequisites” for a building contract of this kind “are not in place”. (Bowdery 96).

But Len McCluskey signed the contract against this advice and without the lawyers’ amendments. The lawyers recorded that Unite:

*“rejected most of the proposed amendments, with the predominant reason being that there was sufficient trust between the parties as to render them unnecessary.”* (Bowdery 96).

Len McCluskey claims that he signed the contracts without reading the lawyers’ letter – or the contracts themselves. Like the accounts, he says that he *“relied on Ed Sabisky to ensure that what he was asked to sign was suitable and appropriate”*. (Bowdery 97).

There are very similar issues with the PAM contract. Although Bowdery says his inquiry was *“hampered by major difficulties in finding relevant contractual documentation”*. In fact the only recorded contract with the project manager PAM is unsigned, and dated 2021 – after the project actually finished. (Bowdery 39). Like the [The Main Contractor] contract, that PAM contract involved a percentage fee of the building costs without incentives to control costs.

As Bowdery writes, this *“was wholly inappropriate”* (Bowdery 39). *“PAM had no commercial incentive to deliver the Development to any agreed budget. A more experienced developer would not appoint a Project Manager on such a basis.”* (Bowdery 69).

Effectively, PAM’s contract was written in such a way that the more [The Main Contractor] overcharged, the more PAM was paid.

### ● **Blackhorse**

Blackhorse was set up as a “Special Purpose Vehicle” company to run the development in August 2016. Len McCluskey was appointed as a director along with other Unite trustees. (Bowdery 32, 33).

The Blackhorse accounts were signed off in 2017, 2018 and 2019 by Len McCluskey without holding any directors meetings to discuss or approve them. This was contrary to the company’s rules. (Bowdery 36).

Three Blackhorse directors (Tommy Murphy, James Mitchell and Mark Wood), appointed in 2016 and 2017, all said to Bowdery that they were not actually told they were directors until 2020. (Bowdery 34, 35). All but one of nine Blackhorse directors prior to 2021 were members of the United Left political faction that dominated Unite's internal governance structures throughout the period in question and which was loyal to Len McCluskey. Their selection is highly unlikely to have been a coincidence.

[REDACTED]

Unite's finance director Ed Sabisky died on 1 March 2020 [REDACTED]

[REDACTED]

[REDACTED] met with [The Main Contractor], Consarc and PAM at least once in March 2020. Then on 23 March, [REDACTED] from PAM emailed [REDACTED] detailed cost report, prepared by Consarc, which identified that the costs had reached over £98 million. (Bowdery 29).

Email records show that [REDACTED] specifically asked for the information in the update report, and that he was sent the report three times in email attachments. (Bowdery 115). However, when interviewed by Bowdery, [REDACTED] denied any knowledge of the report. Bowdery writes: "[REDACTED] and Len McCluskey are adamant that they never saw this March 2020 Update until I showed it to them." (Bowdery 116).

The news only came out after The Times exposed the rising costs in an article on 28 January 2021. The next day, 29 January, a Special Executive Council Meeting was held online. (See section 4.5 below.)

[REDACTED]

## 2.4 How was [The Main Contractor] appointed?

There are simply no records showing who decided to award [The Main Contractor] the contract or how. There was no competitive tendering process. The contracts were signed by Len McCluskey.

Email records show that there were discussions around [The Main Contractor] being involved in the construction back in 2014. (Unite Emails) They were appointed as principal contractor with a "letter of intent" sent in July 2016, although the formal building contracts were not signed until August 2017.

Construction KC Martin Bowdery writes: "it is remarkable that there is no documentation showing who recommended or who decided that PAM should be appointed Project Manager and [The Main Contractor] should be appointed Main Contractor. It is also remarkable that both were appointed for this Development without any competitive tender process being undertaken." (Bowdery 26)

### Len McCluskey blames Ed Sabisky

Len McCluskey told Bowdery's inquiry that it was Ed Sabisky's decision to appoint [The Main Contractor]. (See Section 2.7 for Len McCluskey's statements in detail.) As Ed Sabisky died in March 2020, there is no chance of hearing his side. We note the following facts:

- Matt Huddart (Regional General manager at Unite responsible for the Eastbourne Hotel and now the Birmingham Hotel) told the Bowdery inquiry that Ed Sabisky was "100% against engaging [The Main Contractor] as main contractor for Birmingham", but was overruled by Len McCluskey. (Bowdery 24)

- Unite emails between [The Main Contractor], Len McCluskey, and Ed Sabisky show that Ed Sabisky's opinion of [The Main Contractor] deteriorated after issues with the refurbishment of Unite's Eastbourne hotel in 2015. (Unite emails)
- After 2015, there are multiple email exchanges where Ed Sabisky criticises [The Main Contractor]. For example, a very strong email to [REDACTED] in July 2017 accusing him of delaying the Birmingham project by failing to place orders.
- **This disagreement occurred before the Building Contract had been signed for Birmingham.** At this point there were simply a series of "Letters of Intent" (LOIs) between Unite and [The Main Contractor]. The emails show that Len McCluskey intervened directly, ordering Ed Sabisky to extend the pre-contract "Letter of Intent" agreement. Len McCluskey wrote: *"I want the finger of blame approach stopped. As we agreed extend the Loi [letter of intent] and move this on. Including any outstanding payments for work done please."* (Unite emails).
- In 2019, Ed Sabisky sent emails advising against awarding [The Main Contractor] further business – including a new contract to supply office furniture for Birmingham. Ed Sabisky emailed to Huddart: "I do not want [The Main Contractor] involved in the Conference furniture if we can avoid it." But Len McCluskey personally intervened to support using [The Main Contractor]. (Unite emails).

### [The Main Contractor]'s previous work with Unite: a history of poor performance

The Birmingham project was not the first time [The Main Contractor] had worked for Len McCluskey's Unite. Birmingham was significantly larger in terms of scale and cost, and apparently bigger than any other project [The Main Contractor] had worked on before. But [The Main Contractor] had previously worked on several smaller Unite building projects including refurbishment of offices in Swansea, Bristol and Bradford, and renovations of Unite's Eastbourne hotel. (Unite emails and records.)

Investigation of Unite emails and records have identified numerous problems including regular delays, missed deadlines, cost overruns, outstanding explanations for costs overruns, delays in the provision of adjusted fixed prices for contract variations and the resignation of other project subcontractors due to [The Main Contractor]'s alleged incompetence.

[REDACTED]

[REDACTED]

Despite this, Len McCluskey appointed [The Main Contractor] without any competitive process and despite lawyers' warnings about the contract.

This was not the first time Len McCluskey's leadership had given [The Main Contractor] work without due process. In at least one other project, a Preston building refurbishment, [The Main Contractor] was also appointed with no competitive tender (Unite emails). In the Eastbourne renovation, [The Main Contractor] did compete for the phase two tender with a second contractor. But then [The Main Contractor] was awarded the contract despite the fact that it failed to meet the tender deadline and submitted a more expensive tender. (Unite emails)

#### [The Main Contractor] other business dealings with Unite: advance payments and missing invoices

The relationship went beyond building work. There are several cases where the Len McCluskey leadership made unusual financial arrangements that benefited [The Main Contractor]. [REDACTED]

[REDACTED]

[The Main Contractor] bought their current head office building from Unite in 2014. [REDACTED]

[REDACTED]

[The Main Contractor] agreed to pay £500,000 cash in instalments over six months, plus another £400,000 made up of "10% discounts" on future

building work. This meant that **Unite would only get the full sale price if it kept hiring [The Main Contractor] for at least £4 million of further work.** Unite accepted this deal with [The Main Contractor] over two other offers which did not contain such unusual provisions. (Unite emails and records). In effect, this meant that [The Main Contractor] would be able to simply “repay” the Unite loan by overcharging the Union on future work.

In fact, the £500,000 cash sum still had not been paid to Unite over a year later. (Unite emails). In a December 2015 email, [The Main Contractor] chief executive emailed Ed Sabisky to ask if Unite could make an advance payment on the Birmingham hotel project, so they could use this to pay off the balance on the head office building. There are also discrepancies in the “discounts” that paid for the rest of the building, including missing invoices. (Unite emails).

Unite also made **highly unusual advance payments** to [The Main Contractor] on some other projects. For example: a £200,000 “drawdown” on Bristol building work in 2011; and a £275,000 advance on the Eastbourne work in 2015.

The same happened again in Birmingham: in August 2016 Unite gave [The Main Contractor] a £500,000 “advance to assist cash flow”. (Unite emails). It appears that Unite was providing financial support to [The Main Contractor], by making advance payments to help [The Main Contractor] with its cash flow.

After the £500,000 advance was paid, [The Main Contractor] then contacted Unite again with a strange request that **the money be returned to Unite, so that it could then be paid into a new bank account.** (Unite emails).

It is not clear why [The Main Contractor] needed to do this – or why they couldn’t just move the money to another bank account themselves. This transaction requires further investigation.

### Did [The Main Contractor] use union labour?

In a statement to the Executive Council in January 2021, Len McCluskey admitted that the union had not looked at any other contractors for Birmingham. But he argued that this was because “[The Main Contractor] had an established impeccable record of using only union-organised labour”. (Unite emails)

This was not the case. In fact, investigation of Unite emails and other records has found evidence which suggests that [The Main Contractor] may not have complied with Unite’s labour contracting requirements. The evidence also shows that Len McCluskey was aware of the issues.

- ***[The Main Contractor] refused to provide information to confirm union labour.***

In March 2017, Richard Garner from Unite’s finance department contacted [The Main Contractor] to arrange a site visit to confirm the project was following the union labour directive. [The Main Contractor] replied saying they could not provide details of site workers’ employment contracts. They were also “unable to provide confirmation regarding collective agreements or industry benefit schemes.” (Unite emails)

- ***This led Unite’s construction National Officer to make further inquiries, which suggested [The Main Contractor] were flouting the agreement on union labour.***

Richard Garner then contacted Bernard McAulay, national officer for construction, who wrote: “The response from [The Main Contractor] representative Mr Courtney is simply unacceptable as they are basically refusing to provide or disclose the relevant information in that those workers employed on this project are correctly employed in accordance with an industry recognised collective agreement. [...] I well imagine the National Committee will be seeking the instant suspension of [The Main Contractor] on the project with immediate effect.” (Unite emails)

McAulay wrote further emails to Ed Sabisky asking for a meeting, and noting: “I am now advised the vast majority of the workforce on the project are engaged on arrangements outside the industry collective agreement (CIJC) (Bogus Self-Employment).” (Unite emails)

- **The emails show Len McCluskey was clearly aware of the problem.**

There are no records of Ed Sabisky replying. But he forwarded the emails to Len McCluskey saying: *"I need your direction/help as to how best to proceed"; and then "this is getting alarming".* (Unite emails)

Later, on September 2017 Macaulay emailed again, copying in Len McCluskey: *"From my prospective [sic], it time we seriously consider terminating [The Main Contractor]'s contract against the untold damage they are responsible for on Unite premises, as the talk of the industry is, if it's good enough for Unite to engage contractors and workers on this basis then why not do likewise and let's do away with Direct Employment and disregard collective agreements and continue to deregulate the industry by promoting the precarious employment model as the way forward for the future."* (Unite emails)

Of course, no action was taken against [The Main Contractor] on this. There are no records of Len McCluskey replying. But what is clear is that he was aware of serious doubts around [The Main Contractor]'s "union labour".

Note: this conversation also demonstrates that Ed Sabisky was keeping Len McCluskey informed on issues arising from the Birmingham project and referring decisions to him.

- **Tony Seaman**

According to the Bowdery report, Tony Seaman was hired as "a sort of works convenor" to attend the site and ensure compliance with union labour policies. However, when interviewed by Bowdery it emerged that he was also *"unable to discover whether any of the workforce were being paid in accordance with National Wage Agreements"*. (Bowdery 101).

**Len McCluskey's relationship with his "good friends" [REDACTED] who owned [The Main Contractor]**

In a draft manuscript of Len McCluskey's book "Always Red" dated April 2021, Len McCluskey wrote: *"I still see [REDACTED] in an executive box these days, with my good friends [REDACTED] [including owners of The Main Contractor]. Such friendships exemplify the quality of togetherness that has been important to me all my life."* (Unite emails)

Len McCluskey regularly attended Liverpool FC matches with [the owners of The Main Contractor]. Len McCluskey's tickets were consistently organised and paid for by [one of the owners of the Main Contractor] or by [The Main Contractor]. They also arranged flights for Len McCluskey, including at least one private jet flight.

The evidence for this comes from tickets and flight information sent to Len McCluskey's Unite email. There is no indication that Len McCluskey later reimbursed them.



Examples of tickets from the Unite emails include: (Unite emails)

- UEFA Champions League Final 2018: tickets and flight to Kyiv.
- UEFA Champions League Final 2019: tickets and private jet booking to Madrid for McCluskey and Karie Murphy.
- Liverpool FC vs. Shrewsbury Town, 4 February 2020.
- Liverpool FC vs. Crystal Palace with Matchday Hospitality, 18 September 2021.
- Liverpool FC vs. Manchester City with Matchday Hospitality, 3 October 2021.
- Liverpool FC vs. Arsenal with Matchday Hospitality, 20 November 2021.
- Liverpool FC vs. Southampton with Matchday Hospitality, 27 November 2021.

Unite emails also show how [owners of The Main Contractor] sought to leverage their relationship with Len McCluskey (and Len McCluskey's own political connections) to assist with their business dealings. (Unite emails) For example, Unite finance director Ed Sabisky emailed Unity Trust Bank introducing [redacted] as a potential client, writing: *"They are also very good friends with Len McCluskey so any help provided would definitely become known to him."* (Unite emails) McCluskey emailed Labour party donor Farah Sassoon asking that [redacted] hotel be placed *"on our Labour-friendly hotels"* and *"you might push some business his way in future."* (Unite emails).

## 2.5 How was it allowed to happen?

The Birmingham project involved massive overcharging by [The Main Contractor], costing the union millions. This was arguably allowed and enabled by the leadership of Len McCluskey and made possible by a lack of oversight by his United Left faction, including through failure to properly oversee the project. Len McCluskey and [the owners of The Main Contractor] were “good friends”, with a long-running relationship that included business favours and the [The Main Contractor] arranging football tickets and flights for Len McCluskey.

So, within the union, we do need to look at Len McCluskey’s actions. But we also need to look at how this was allowed to happen. This is crucial if we want to ensure that this cannot happen again.

### The role of the Executive Council and the “United Left” faction

A check of all Executive Council minutes, and of reports from the General Secretary and Finance Director to the EC, confirms Bowdery’s findings. There was simply no discussion of the problem until a special meeting in January 2021, after The Times story broke. For example, the December 2019 finance report to the EC states simply: “*Construction is progressing well to hit March 2020 practical completion*”, with no mention of increased costs. As explained above, in December 2019 Ed Sabisky and Len McCluskey knew that the cost had already soared to £90 million.

The minutes show no discussion at the EC of awarding the Birmingham contract, and the name [The Main Contractor] was never mentioned. Nor is there any mention of Blackhorse in any EC minutes before 2021. The company was registered in August 2016, legally controlled 75.52% of the Birmingham development, its directors were Unite’s trustees, and Len McCluskey signed off its accounts every year. But none of this was questioned at the EC.

Nor were any of these points discussed by the Finance and General Purposes Committee (F&GPC), which is supposed to scrutinise Unite’s finances. Minutes of the F&GPC show United Left committee members debating political and solidarity donations of a few hundred pounds. But they never asked about the multi-million [The Main Contractor] contract.

Blackhorse was discussed in the March 2021 EC meeting. Here a proposal was made that “every quarter, the Finance and General Purposes Committee (F&GPC) receive a full and detailed property report from the Property Manager on all the issues relating to properties right through to the tendering process and the choice of contractor to proceed.” (The minutes do not record who made the proposal.)

Len McCluskey also “drew the Council’s attention to the election of Trustees”, and “reported that it was necessary to elect and confirm the 4 Trustees for Blackhorse HCC Ltd”. This had not been considered necessary at any time in the last five years.

It is perhaps easy to point the blame at Len McCluskey for this. But it seems his actions were enabled by a wider culture, in which members of the Executive Council and its finance committee never raised awkward questions.

### Conclusions of the independent legal report into potential criminality



## 2.6 Responses by Len McCluskey, the Main Contractor, and PAM

### Responses by Len McCluskey

Len McCluskey has been given several opportunities to respond to questions regarding the Birmingham project, and also on Affiliated Services and general governance issues. Martin Bowdery KC interviewed Len McCluskey as part of his independent inquiry. Len McCluskey was also questioned on these matters during the Employment Tribunal of Howard Beckett (Mr H. Beckett v. Unite the Union).

Below we quote from Bowdery KC's report on Len McCluskey's statements, which give his responses on what happened. We note that in many cases Len McCluskey argues that Ed Sabisky made all relevant decisions, or instructed him (Len McCluskey) on what to do. Ed Sabisky died in March 2020 so cannot comment on these statements.

*"Len McCluskey says that he gave Ed Sabisky complete authority to manage the Development and Ed Sabisky engaged [The Main Contractor] and PAM and Ed Sabisky was responsible for all the various contracts relating to the Development."* (Bowdery 23)

*"The 2017, 2018 and 2019 the accounts were all signed off by Len McCluskey on behalf of the Board of Directors and he accepts that, in breach of the Articles of Association of Blackhorse, there had been no directors meetings to discuss and to approve the accounts. He explained that he had done so because Ed Sabisky had told him that it was an informal process and he simply needed to sign them and that is what he did. This informal approach was also adopted when Len McCluskey signed off the equity and facility funding for Blackhorse from Unite which the Development required."* (Bowdery 36)

*"Fleurets have estimated that the hotel and conference centre has a market value of £29m. The office development has a market value of £8.55m. Len McCluskey and [REDACTED] believed that these valuations may be*

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somewhat academic because Unite has never had any intention of selling the Development.” (Bowdery 49).

“Len McCluskey and [REDACTED] challenge these valuations. However they are independent valuations and at no material time did the Executive Council members or Len McCluskey or [REDACTED] request an independent valuation or thought such a valuation was necessary or was required either before or after the Special Executive Meeting held on the 29th January 2021.” (Bowdery 51)

“Len McCluskey told me that the Birmingham project was Ed Sabisky’s ‘brainchild’ and that Ed Sabisky was convinced that Unite’s monies were best invested in property. This view that Unite’s monies were best invested in property was generally endorsed by other individuals that I spoke to. Len McCluskey also told me that he had delegated the entire management of the project to Ed Sabisky and it was Ed Sabisky’s decision to engage lawyers, [The Main Contractor] and PAM. [REDACTED] of [The Main Contractor] was a friend of Len McCluskey. For that reason, Len McCluskey told me that he wanted no direct involvement in this Development.” (Bowdery 59)

“Len McCluskey also said that Ed Sabisky decided to dispense with competitive tendering for Birmingham because the Birmingham Council put Unite under time pressure to agree to purchase the site for the Birmingham project, having realised its true value given that it was close to the HS2 proposed route, was more than Unite had agreed to pay. Ed Sabisky decided to proceed with an incomplete design. Len McCluskey could not however explain why Ed Sabisky didn’t simply purchase the land and delay concluding the building contracts until the design had been completed. This was a fundamental error by whoever took this decision.” (Bowdery 60)

“Len McCluskey has told me that he signed the building contracts without having seen the Slater Heelis letter dated 3rd April 2017 [which warned about problems with the [The Main Contractor] contract] and without reading the building contracts. He told me that he relied upon Ed Sabisky to ensure that what he was asked to sign was suitable and appropriate.” (Bowdery 97)

[REDACTED] and Len McCluskey are adamant that they never saw this March 2020 Update [Consarc update on costings sent by Andrew Jex] until I showed it to them.” (Bowdery 116)

*“Len McCluskey’s position is that: ‘At the private meeting with Ed Sabisky following the December 2019 meeting with Purple Apple, Consarc and [The Main Contractor], I strongly pointed out to Ed that if he had brought to my attention the rising costs 12/18 months earlier, as he should have done, I would have gone back to the Executive and explained the problems caused by the Unite protocol and recommended a more flexible approach be taken – e.g. Endeavour and Encourage. The Executive may have accepted my recommendations or perhaps not. Either way they would have been aware of the rising costs long before any article in The Times published on the 28th January 2021.” (Bowdery 161)*

*“Len McCluskey said that he was of the view that the Development would cost £57m because this was the figure reported to the Executive Counsel. He was totally unaware of the escalating costs of the Project, he had no visibility of them, hardly ever spoke to PAM/[The Main Contractor] and never interfered with Ed Sabisky’s running of the project. It was only in November/December 2019 that Ed Sabisky “came clean” and told him that the costs had risen to some £90m.” (Bowdery 177)*

*“Len McCluskey told me that during that meeting [The Main Contractor], when questioned, said that they had given Ed Sabisky bi-weekly updates on costs at which point Len McCluskey asked to speak to Ed Sabisky in private. Len McCluskey also told me that during this meeting Ed Sabisky admitted that he had been kept updated on costs. I have seen no email or other evidence of this conversation or any explanation as to why Ed Sabisky did not update Len McCluskey and the Executive Council of the rapidly rising costs of the Development as they arose. It seems very much out of character. However, the Executive Council was not updated on the escalating costs until the Special Executive Committee Meeting held on the 29th January 2021.” (Bowdery 179)*

## Responses by [The Main Contractor]

Martin Bowdery KC requested an interview with representatives of [The Main Contractor], and sent them questions in writing. Bowdery writes the following in his report:

*"Unfortunately [REDACTED] did not answer the questionnaire I sent him. [REDACTED] solicitors responded as follows: -*

*'We are instructed by [REDACTED] who is a Director of [The Main Contractor]. He has passed to us your email of the 4th of August in which you request some details regarding a particular development in Birmingham.*

*Whilst our client is more than happy to assist as appropriate in matters we are not sure that his opinion or comments would fully assist.*

*Our clients have suggested that the best route to obtain the answer to all the questions and the details that you require is to refer to your clients own documentation and records and in particular the drop box that contains such.*

*Clearly our clients recollection would not in any way be as detailed as the very comprehensive records, minutes of meetings and documentation we understand that exists.*

*By all means once you have considered such In detail if there is any further Information that our clients can assist upon then naturally he would consider same although we doubt that he could add anything that is not contained already in the records.'*

*"I took this response as a clear indication that [The Main Contractor] were reluctant to answer my questions. In the circumstances no further contact with [REDACTED] or his solicitor seemed appropriate."*

## Responses by Purple Apple Management (PAM)

Martin Bowdery KC sent a request for evidence with 21 questions to PAM, and attempted to interview the Project Manager in person. The first request was sent on 23rd August 2022, and after numerous follow-ups PAM sent a response three months later. Bowdery writes:

*"The response received on the 23rd November 2022 failed to engage with many of my questions. I offered to hold a Zoom meeting the following morning so [The Project Manager] could clarify his response. However [he] said he was unwell and was unable to take part in a Zoom call."*

Partial responses to some questions are included in the Bowdery report. These include the following from the Project Manager:

*"It is important to emphasise that I had no authority to authorise any payments. This was a function carried out solely by Ed Sabisky. The workings of the Finance Department would never have allowed for anyone other than Ed Sabisky to authorise payments, and nor would I ever have attempted to authorise a payment. In the 15 years I worked with the Union I never once sought to authorise a payment to any contractor, that was very clearly the role of Ed Sabisky as Unite's Finance Director."* (Bowdery 11)

The Project Manager also stated that he had advised Ed Sabisky about issues with the Main Contractor's contract, as it included "undefined provisions" which are "notorious in the industry for meaning the cost of projects increase". (Bowdery 132).

## Appendix: Timeline

- 2012: First discussions on project of a conference centre and hotel complex in Birmingham.
- 2013-14: Unite in discussions with Birmingham City Council and others about building the project at a site in Eastside Locks, but this falls through in 2014.
- 2015: Unite buys Holt Court site; in April a first feasibility study for a conference centre is commissioned; demolition and site set-up works start later in the year; emails show plans are under way for [The Main Contractor] to run the project.
- May 2016: main construction works begin (according to project summary by Consarc).
- July 2016: Unite sends "letter of intent" to [The Main Contractor] appointing them as principal contractor.
- 4 August 2016: Blackhorse company set up.
- 2017: PAM, [The Main Contractor] appointed; building contract signed with [The Main Contractor] August 2017.
- 2018: Consarc report to BDO accountants puts costs at £81 million.
- December 2019: Len McCluskey claims he hears about cost overrun for first time from Ed Sabisky.
- March 2020: Ed Sabisky dies, [REDACTED] takes charge as acting finance director.
- March 2020: [REDACTED]

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- November 2020: construction work given certificate of completion after several delays.
- 28 January 2021: The Times article appears.
- 29 January 2021: Special EC meeting – first time EC discussed cost overrun.
- August 2021: Sharon Graham elected as General Secretary.
- October 2021: Sharon Graham commissions first independent valuation.
- 2021-4: Sharon Graham commissions KC enquiries.

### 3. Affiliated Services: What happened?

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This section has been removed at request of South Wales Police

We have removed the entirety of this section following communication with South Wales Police, and on advice from solicitors and Counsel. The police have requested that the Union does not publish any of the findings of our internal investigations into Affiliated Services at this point, as they believe this would undermine their criminal investigation and the prosecution of those responsible. The police have said that they would seek a court injunction against the Union if we do not comply with this request. The police have written to the Union with an update on the progress of their investigation, which we include overleaf.

## Letter from South Wales Police with update on police investigation



Heddlu De Cymru  
Pencadlys Heddlu  
Heol y Bont-faen  
Penybont  
CF31 3SU

South Wales Police  
Police Headquarters  
Cowbridge Road  
Bridgend  
CF31 3SU

South Wales Police  
Op Crimson Mustang.  
Penarth Police Station  
97 Windsor Road  
Penarth CF64 1JF

16th April 2025

Our Ref: LBE/23406 – **Operation Crimson Mustang**  
Your Ref: UNI002.0010

Dear Sirs

Thank you for your letter dated 15th April 2025.

In response, I can confirm the following.

Operation Crimson Mustang is an ongoing and detailed joint investigation with HMRC into significant allegations including, but not limited to, the following offences: Bribery (Bribery Act 2010), Fraud (under Fraud Act 2006), Money laundering (Under Proceeds of Crime Act 2002) and Cheat the Public Revenue (Common Law).

The criminal investigation is into alleged offences committed utilising the offices of the Union by a Senior Unite official who is no longer in the employment of the Union.

The Police are not investigating Unite or any current member of Unite staff.

Most recently, we have been advised that the Union have drafted a proposed report to members detailing the evidence held by them which is directly relevant to the allegations against a previous employee. The initial detail of the allegations and the remit of the investigation was received by the Union for the purposes of allowing compliance with a Production Order served upon them by the Joint Investigation Team under the provisions of Schedule 1 of the Police and Criminal Evidence Act 1984. The purpose of a Production Order is to

compel a person or organisation to provide material relevant to a criminal investigation. The detail within the same is not to be used for any other purpose.

Unite undertook internal investigations which have led to the production of a redacted report, the content of which it is proposed is disclosed to members.

The Joint Investigation Team has raised significant issues with the disclosure of this material within the public domain at this critical time. The disclosure of such data inclusive of names, dates, companies and other relevant identifiable data raises a significant risk of prejudice to the ongoing investigation and this could wholly undermine the prosecution of those responsible for the criminality.

The Police have accordingly requested that the Union does not publish the information it holds. If necessary, the Chief Constable of South Wales Police on behalf of the Joint Investigation Team shall seek an injunction preventing the disclosure of this detail in order to protect the investigation. It is appreciated that this will be disappointing to Unite who wish to report to their members as to their engagement with Police and the results of their internal enquiries. However, the perils of disclosure of this detail at this stage are clear. This is a long-standing police investigation with a significant cost to the public of South Wales.

It is imperative that the investigation takes primacy, and that the full extent of the alleged criminality is placed before a Criminal Court allowing for those responsible for such offences to be subject of trial and determination of their actions. To disclose at this stage such details to members will run the risk of those persons, alleged to be responsible, escaping justice.

The Joint Investigation Team appreciates that Unite has a duty to its members to act as transparently as possible. However, the public interest (including the interests of the members of Unite) sits with the criminal actions being subject of appropriate consideration by a Judge and Jury.

It is appreciated that Unite will wish to provide an investigative update to members. Given the complexities and issues identified above, the Joint Investigation Team can confirm the following investigative updates:

The investigation has been ongoing for over 5 years with a dedicated team of ten experienced investigators, comprising officers from both South Wales Police and His Majesty's Revenue & Customs (HMRC). This live and ongoing investigation covers suspected offences between 2012 and 2022 and during the investigation, further offences have been identified.

Due to the number of areas under investigation and the long time period, it is a very large and complex investigation into some of the Affiliated Services offered to Unite members and the call centre facility, together with associated campaigns provided by them. In April 2022, warrants were executed at fifteen addresses which comprised of both residential and businesses across London, South Wales, the Northwest and North Wales. This involved several other police forces assisting South Wales Police. As a result, a significant quantity of both paper and digital evidence was seized and is currently being reviewed.

There are currently ten suspects and to date all suspects have been interviewed under caution at least once, some on several occasions.

Several witness statements have been taken from members of Unite staff. As a result of the Production Order served on Unite, we have received the material requested, which has been provided over the period of the investigation and has included over 18,000 emails for reviewing and a significant number of other documents, which are currently being reviewed.

There are still further interviews to be conducted, and a large amount of digital and paper documents are to be reviewed. Following this, it is anticipated that an evidential file will be submitted to the Crown Prosecution Service for their consideration.

As a matter of established processes, the Senior Investigating Officer (SIO) regularly informally updates the Solicitor instructed on behalf of the Union to act as the conduit between the investigation and the Union. The SIO is content to attend the Union Offices in London to provide an appropriate informal briefing to the General Secretary.

We look forward to continuing to work with Unite the Union who are cooperating with us to the conclusion of this investigation.

Yours Faithfully

Craig Thomas  
Detective Inspector  
Senior Investigating Officer  
Operation Crimson Mustang

Prif Gwnstabl | Chief Constable Jeremy Vaughan

[www.south-wales.police.uk](http://www.south-wales.police.uk)

Rydym yn croesawu gohebiaeth yn Gymraeg ac yn Saesneg. Byddwn yn ymateb yn eich iaith o ddewis.  
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POLICE

## 4: Governance: how was it allowed to happen?

### 4.1 The Governance Investigation

To further the efforts of “Project Clean Up,” Unite commissioned an Independent Report by solicitors Bark & Co. into the Union’s Governance over the period in question. This report looked at who was responsible for the events that created the Birmingham and Affiliated Services scandals and the failures of oversight within the union.

The report finds the issues identified go far beyond the actions of one or two individuals, and identifies deeper underlying problems with the governance structures, as well as with the *dominant culture* that developed under Len McCluskey as general secretary.

The current General Secretary has made significant progress by introducing a greater professionalism to Unite’s financial dealings (see Sections 4.8 and 5 below), as well as by commissioning the Independent Investigations that have brought past failings to light. But this is just the beginning. To ensure that this never happens again, there is a need for serious reform of the union’s governance structures, and of its overall culture. This starts with the democracy of Unite.

In this section we present main findings of the independent governance investigation, as well as of BDO’s re-audit of the Union’s accounts, and of internal Unite investigations.

### 4.2 BDO’s Re-audit has identified failure of the “control environment”, resulting in a “pervasive fraud environment” under the previous General Secretary

As well as the Bark & Co report, Unite’s auditors BDO LLP also examined the union’s previous governance structures in their comprehensive re-audit of the 2021 accounts. Their report identifies how multiple “significant control deficiencies” may have allowed senior managers to override financial controls, leading to a “pervasive risk of fraud”.

These are some specific findings from BDO’s report on their re-audit:

- *“dominant personalities and a weak control environment facilitated opportunities to commit fraud.” (BDO 4)*
- *“in our opinion, the control environment operating at that time did not include appropriate safeguards, notably in relation to management override of controls.” (BDO 11)*

- *"Unusual relationships between former members of senior management and customers and suppliers" (BDO 21)*
- *"A culture throughout the organisation that did not challenge the appropriateness of transactions and failed to ensure appropriate financial reporting tools were available to support effective governance of the Union." (BDO 11)*
- *"Instances of material expenditure being approved without appropriate challenge raise concerns that a broader range of expenditure beyond those tested for audit purposes could have been subject to management override." (BDO 11)*

Altogether: *"a position of influence for those individuals where concerns exist, inadequate controls throughout the year, and the nature of this risk, result in a pervasive fraud environment."* (p36)

We note that the South Wales Police are investigating potential fraud in relation to the Affiliated Services contracts. The other area where BDO have identified potential fraud is in relation to the Birmingham Hotel project, discussed in Section 2 above.

### 4.3 The role of the Executive Council and its committees

A key part of the union's governance system and "control environment" is its central democratic body, the Executive Council (EC). It was this body that was charged with overseeing financial decisions and holding leadership to account.

While this is not about individual members of the EC it is clear that the domination of one particular group created weak governance.

As discussed in preceding sections, Len McCluskey and [REDACTED] have pointed out that their decisions around the Birmingham project and Affiliated Services were reported to the Executive Council (EC). (See in particular Section 2.7, where we quote Len McCluskey's responses to Bowdery KC). While this does not absolve them of responsibility, it is correct that the EC had the power to hold them to account.

The EC currently has 62 posts, elected on a three year basis. It meets at least four times a year, with regular quarterly plus special meetings.<sup>2</sup> The General Secretary and the Finance Director report to the EC and can be scrutinised by council members on any subject.

<sup>2</sup> See Unite Rule Book updated 2023: <https://www.unitetheunion.org/media/4wwbk32a/final-unite-rule-book-amended-march-2024-v-1.pdf>

The EC also appoints committees with critical governance functions, including the Finance & General Purposes Committee (F&GPC) which meets six times a year.

Given this role it is notable that there is no evidence that the EC and F&GPC at any point held the leadership to account for the Birmingham Hotel project or Affiliated Services contracts.

Construction KC Martin Bowdery writes, regarding Birmingham:

***"At no material time did the Executive Council members or Len McCluskey or [REDACTED] request an independent valuation or thought such a valuation was necessary or was required either before or after the Special Executive Meeting held on the 29th January 2021."*** (Bowdery 51)

Bark & Co. conclude in their governance investigation:

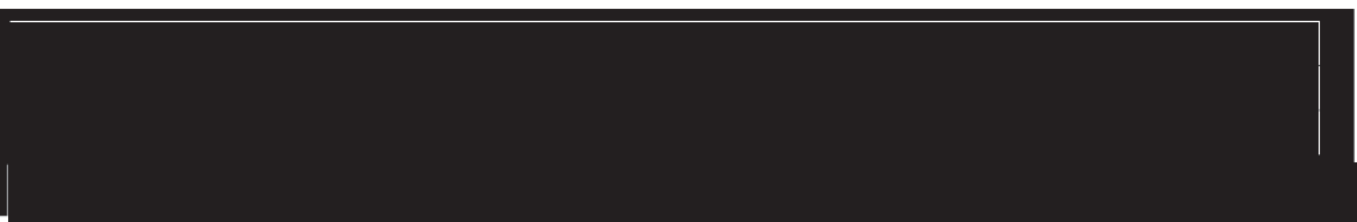
***"It is also fair to say that the EC could fairly expect to be able to rely upon what they were told by the General Secretary, the elected representative of the members and other senior employees. That said, it seems somewhat strange that the EC does not appear to have questioned either of the Events [Birmingham or Affiliated Services] robustly or even at all."*** (Bark & Co. 205, 206).

There were more than 30 full EC meetings over the period in question, and over 40 meetings of the F&GPC. EC meetings standardly received General Secretary reports from Len McCluskey, [REDACTED]  
[REDACTED]  
[REDACTED]

The minutes show no discussion at the EC of awarding the Birmingham contract, and [The Main Contractor] was never mentioned. There is no mention of Blackhorse in any EC minutes before 2021. There was no formal appointment process or scrutiny of directors for this key body, which formally controlled over 75% of the finances for the Birmingham project.

It was only in the special EC meeting in January 2021 (after The Times newspaper article) that a proposal was made to receive meaningful reports on Birmingham and other building contracts: “every quarter, the F&GPC to receive a full and detailed property report from the Property Manager on all the issues relating to properties right through to the tendering process and the choice of contractor to proceed.”

This absence is particularly glaring when seeing that minutes of F&GPC between 2013 and 2021 show committee members debating dozens of political and solidarity donations of a few hundred pounds. These are minuted in detail. But there is no record of any discussion or questions about the multi-million pound [The Main Contractor] contract. It is noted that all minutes are agreed by committee members.



Until his death in March 2020, Ed Sabisky gave regular reports to the EC as finance director, which included statements on the Birmingham development. Gail Cartmail, former Assistant General Secretary, gave evidence to Bark & Co. about how he was treated during these meetings. They write:

*“Gail Cartmail also told us that Len McCluskey would often cut him [Ed Sabisky] off at EC meetings, including when he expressed reservations about the timelines and cost of the Development. She felt that he was so disrespectful to him given his expertise and professionalism. If any difficult questions were asked in those meetings she said that Len McCluskey’s technique was to say let’s take this outside the chamber because he appeared never to want to discuss sensitive matters in that arena.”* (Bark & Co. 79).

This was corroborated by an EC member who told the investigation: *“if there were any questions in EC meetings about the Development then Len McCluskey would say I will deal with that and then close the discussion down.”* (Bark & Co. 80).

#### 4.3.1 The January 2021 Special EC Meeting

Bark & Co. looked in particular depth at the events surrounding the Special EC meeting of January 2021, in which the Birmingham cost overrun was discussed for the first time, after the Times article had been published. People present say that questions were raised and there was a “limited

but broad discussion" (Bark & Co. 227). But still the meeting ended in a unanimous vote of support for the leadership. Bark & Co. interviewed several participants in the meeting. They state:

*"In all the circumstances, and given that the EC had not been kept updated on the escalating costs (some £50m extra), it seems incredible that the presentations made by Len McCluskey [REDACTED] were unanimously approved and without any real objection."* (Bark & Co. 210)

*"We are informed that one delegate questioned how the protocol could have added so much to the cost but nobody apparently raised the fact that it was well known throughout the construction industry that [The Main Contractor] were not complying with the protocol."* (Bark & Co. 211)

*"We understand that the EC were told that it was important to have a unanimous vote to avoid giving ammunition to the right-wing press whose agenda was to criticise the union. We have no doubt that this is true, but does it justify not asking pertinent questions? The press had already reported on this and the issue was 'out there' and was not going to go away, so why weren't members more interested in finding out exactly where their £50m had gone, who approved it, and why the EC had not been updated for 4 years?"* (Bark & Co. 212)

*"As stated above, Gail Cartmail felt that Ed Sabisky was 'closed down' by Len McCluskey when he attempted to explain the costs and time delays and would suggest that any difficult questions should be taken outside the chamber. On this basis, if serious challenges had been made in the Special EC Meeting it seems likely that Len McCluskey would have closed it down in a similar manner."* (Bark & Co. 226)

*"We also spoke to [a former EC member]. She explained that Len McCluskey called her and a number of other members the night before the Special EC meeting explaining the need for unanimity at the meeting."* (Bark & Co. 227)

*"We have heard supporting evidence from other individuals who have years of experience of how Unite was run but, with one exception, they were not willing to be named."* (Bark & Co. 228)

#### 4.4 How was this allowed to happen? What are factions?

The EC had the mandate and authority to provide effective oversight, but all the evidence suggests that it failed to do so.

What explains this failure of the union's central governance structures? We can highlight one key issue: the role of the "United Left" faction, to which both Len McCluskey and ██████████ belonged.

Bark & Co. conclude in their governance report:

***"From our review of available evidence it appears that United Left 'dominated' the EC (readers will no doubt know more about this than we do) and that may well explain why there was almost no scrutiny of the escalating costs and other issues."*** (Bark & Co. 216).

Factions exist in most if not all trade unions, and have done for generations. That is not wrong or indeed new. The issue is not the existence of factions and political groupings, as such. But the issues uncovered by the independent Bark & Co. report suggests that this particular alliance largely abdicated their oversight responsibilities, and instead, it seems, helped create a culture of compliance.

The "United Left" was formed following the merger that created Unite in 2007. It is now a small group of Unite activists and employees who describe themselves as the "progressive left voice" within Unite.

Rather than left-wing ideology, the UL's actions appear much more strongly linked to the goal of winning and holding power within the Union.

#### 4.5 How did the "United Left" faction dominate the Union?

The UL was, until the current General Secretary's election, the dominant caucus within the trade union. For over a decade it managed to effectively control both the top offices of the union, including the General Secretary post, and the central governance structures, including the Executive Council. The faction ran entire slates of candidates for internal Unite elections.

*"One of the objectives of the United Left is to secure the election of our members and supporters to Union posts [... ] The United Left is not solely concerned with the re-election of the General Secretary but engages in policy development and elections across the Union from workplaces right up to the Executive Council."*<sup>3</sup>

<sup>3</sup> Steve Turner, Assistant General Secretary Unite, Evidence to Certification Officer, Coyne vs Unite, 25th April 2018

Control of the EC then also meant control of a range of committees and panels it appointed. Including the Finance and General Purposes Committee (F&GPC); EC-selected panels to appoint union officers; and panels dealing with "Rule 27".

The UL faction thus secured dominance over both the leadership of the union and the structures that could hold it accountable. This dominance arguably enabled an "ask no questions" culture to be established and maintained over the period in question.

The key role played by factionalism within the Union is accepted by all sides. We can note that Len McCluskey [REDACTED] have also, in their evidence to the Bowdery Inquiry, argued that they were being criticised by individuals who were not members of their faction. Bark & Co. observe: "They both said that they were proud members of United Left and it follows that what they were saying was that the criticisms were being made by individuals who were not members of United Left." (Bark & Co. 214).

#### 4.6 How were incentives used to maintain power?

To step outside of the faction could be a "career killer".<sup>4</sup> The perception and reality of the UL as a necessary gateway to a future within the union was a considerable part of its power. Few openly opposed the faction, regardless of their real views.<sup>5</sup>

##### Jobs: The umbilical cord

Appointment panels for Union Officers at both regional and national level are made up of EC members. This gave a faction that dominated the EC key power to select panels, and so appoint officers. For any candidate seeking employment, membership of the UL was a clear advantage.

A quick analysis of the appointments made by the EC in the two years up to Covid shows the link between membership of the UL and jobs in explicit terms. Of the 42 EC Officer appointment panels convened between 2018 and 2020, 37 were dominated by the UL and their allies. The vast majority of the successful candidates were also members or recognised supporters of the UL.

4 Steve Turner, Assistant General Secretary Unite, Evidence to Certification Officer, Coyne vs Unite, 25th April 2018

5 Widespread commentary from both sitting and previous EC members

Even now there is evidence of applicants being scored according to whether or not they are members of the UL. A current Regional Secretary, engaged in the interview process for several appointments, has personally witnessed at least one applicant being clearly and unfairly marked down by UL EC members, in what he considered to be a punishment, due to the applicant having recently given up membership of the UL.<sup>6</sup>

As well as job applicants, lay Representatives on Unite's internal committees also risked losing their seats if they made their opposition to the UL known. And for a select few, those committee positions also provided opportunities for overseas travel, and considerable time off from work with expenses to cover loss of earnings.

#### 4.7 The established culture and its impact

To be clear, there is no suggestion that members of the UL, or any other EC members, were themselves involved in fraud or other wrongdoing. Political factionalism and maintaining a "blind eye culture" are not criminal acts. But they may have helped create an environment in which wrongdoing could occur and go undetected, because no questions were asked. This is what underpinned the "pervasive fraud environment" identified by the auditor.

In the UL-dominated culture it could be career suicide, or at least lead to loss of incentives and privileges, to go against the faction's leadership. This explains how a "blind eye culture" developed during years of EC or F&GPC meetings.

Testimonies from EC members confirm the analysis of minutes from relevant meetings. Very few serious questions related to the Union's finances or general governance were ever raised. When they were, it was down to an individual opposing a group decision of the UL, which operated through block voting.<sup>7</sup>

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<sup>6</sup> Testimony from current Regional Secretary

<sup>7</sup> Reports from EC members

## The example of Len McCluskey's home loan

An early example of this failure of accountability was The Times expose in 2016 of a £400,000 home loan given by the Union to Len McCluskey.<sup>8</sup> This had not been authorised by the EC in advance, and was raised only after The Times reported. But many Executive Council members accepted without question the leadership's explanation that the loan was part of a scheme open to senior Union officials at the time.<sup>9</sup> The session concluded with a statement of unanimous support for the General Secretary.<sup>10</sup>

This went further in 2017 during the election for General Secretary. The UL dominated EC sought to issue a statement to all members in response to allegations about the financing of the flat made by Len McCluskey's opponent Gerard Coyne.

According to testimony from an officer of the Electoral Reform Society, which ran the General Secretary election:

*"I was contacted by Irene Dykes on 6th March advising me that the Executive Council was contemplating inserting a statement into the election materials addressing representations made by Gerard Coyne. In his proposed candidate's statement, Mr Coyne made specific remarks in relation to the purchase by the General Secretary of a flat and the use of Union monies in the purchase. The Executive Council sought to circulate a statement to members with the ballot material for the election responding to Mr Coyne's comments about the property purchase."*<sup>11</sup>

No evidence has been found to support the claim that this loan was part of a scheme for Unite officers, aside from an unsubstantiated assertion in minutes from the F&GPC in February 2018.

## The political smokescreen

On the rare occasions when questions were raised, the dominant faction would turn to an alternative source of validity: the political smokescreen. It was here that a leftwing political veneer was most valuable to the leadership, providing a ready argument to dismiss critical questions.

8 <https://www.thetimes.com/uk/article/unite-leader-lacked-executive-backing-for-400-000-flat-deal-mqz3n-v8h3?msockid=2e7ec63fa7b765ff1fcfd237a6a26477>

9 Reports from EC members

10 As Above

11 Simon Hearn, Deputy Chief Executive of Electoral Reform Services Limited (ERS), Evidence to Certification Officer, Coyne vs Unite, 25th April 2018

For example, any criticism that appeared in a Murdoch paper could be presented as a “right wing attack”.<sup>12</sup> This theme was the major narrative used by the leadership in criticism over the Len McCluskey home loan, and later the Birmingham Hotel scandal: both were dismissed out of hand because they had been reported in *The Times*.<sup>13</sup> To question the credibility of what was being said by the leadership became tantamount to supporting the Murdoch press.

### Birmingham, Blackhorse and the UL block

Blackhorse was the “special purpose vehicle” company set up in 2016 to oversee the Birmingham hotel project (see Section 2). While directors of Blackhorse changed, until 2021 all bar one (who was a director for less than a year) were members of the “United Left”, including members of the Executive Council.

In interviews with Martin Bowdery KC, several of those Directors claimed that they were not informed of the fact that they had been appointed to be Directors of Blackhorse until long afterwards. This leads to the question: Why were they appointed and not informed?

The apparent conclusion is that the leadership needed names of other directors on official Blackhorse documents as a display of reasonable governance, but did not seek genuine accountability. It was only at the EC meeting of March 2021, after *The Times* had first reported on the Birmingham Hotel, that Len McCluskey “reported that it was necessary to elect and confirm the 4 Trustees for Blackhorse HCC Ltd”. This was the first time in five years that Blackhorse had been discussed at the EC, and the first record of any need to elect directors.

Not informing individuals they had been made Directors of Blackhorse without their knowledge, was and remains a significant issue. But it also suggests that a great deal of trust must have existed between the parties. There is no record of any complaints by the directors that they had been appointed without their knowledge, neither at the March 2021 EC nor any other point. One obvious explanation would be the way they were linked by their membership of the UL factional group.

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<sup>12</sup> Text analysis of EC minutes

<sup>13</sup> Reports from EC members

## 4.8 Attempts to undermine “Project Clean Up”

The Bowdery Inquiry is the first time that the Birmingham Hotel issue has been investigated by any part of the democratic leadership of the Union.<sup>14</sup>

In August 2021, Sharon Graham was elected General Secretary on a programme of refocusing on industrial power rather than Labour Party politics – “back to the workplace” – and of rebuilding and cleaning up the union.

But although the UL lost the General Secretary position in late 2021, its networks of patronage built over 15 years have not disappeared in one election.

Inside the Executive Council, a core group of supporters of the UL have sought to cast doubt over anti-corruption measures and moves to address the Birmingham and Affiliated Services scandals. This includes voting on block in three meetings to strike out EC minutes where the General Secretary has referred to allegations of corruption, as well as deliberately trying to make meetings inquorate and stop the normal business of the Union.

Again, there is no suggestion that these UL supporters on the EC were or are themselves involved in any fraud or financial irregularities. They appear to be motivated by loyalty to the faction and its (former) leaders.

This approach is in stark contrast to EC meetings under Len McCluskey (as set out above in section 4.2), where factional control ensured no challenge was made to the General Secretary’s decisions. For example, the January 2021 Special Meeting where EC members were called in advance and told it was important to maintain unanimity. (Bark & Co. 210-11, 226-8; and see Section 2.31 above).

### Attacks on the General Secretary, Chair and Finance Director

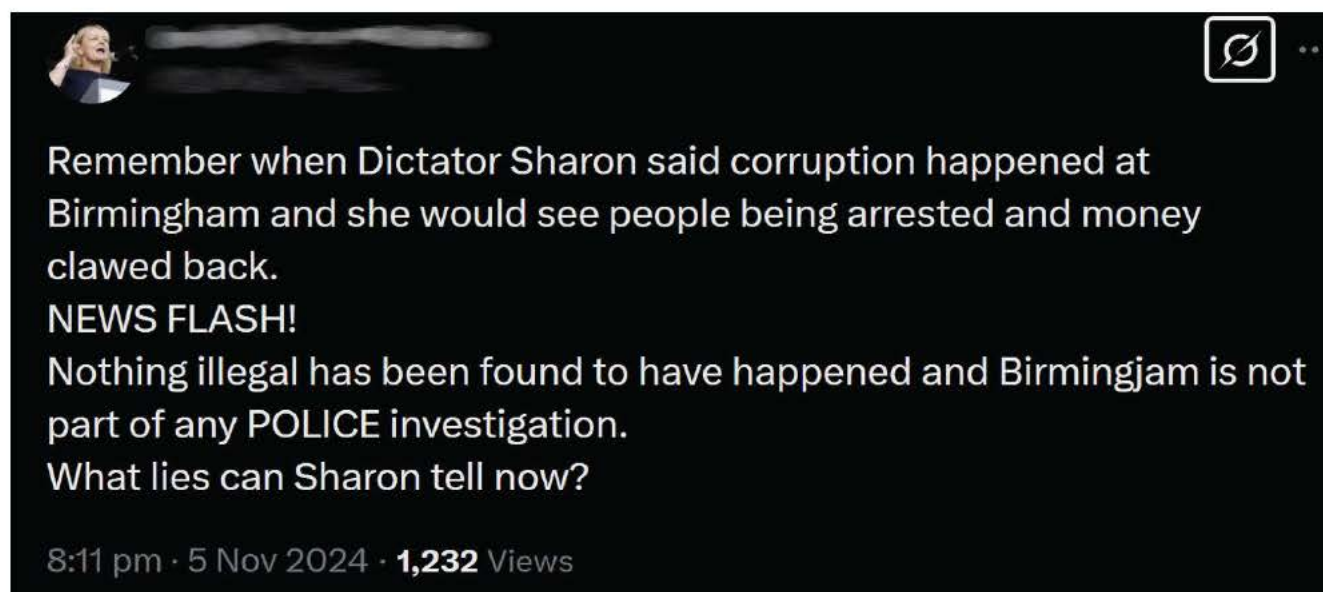
The disruption campaign also extends to more unofficial channels. There have been repeated attempts by the UL block and their supporters to create points of attack against those involved in the clean-up, including the use of online misinformation with hit pieces and trolling bots.<sup>15</sup>

<sup>14</sup> Text analysis of EC minutes from March 2013 to 2021

<sup>15</sup> Online Attacks (Unite Document available on request)

July 2025

## Image: Example of anti-union attack tweet



The number one target has been the General Secretary herself. Since launching the Investigations, she has been subjected to continual online smear campaigns typically using anonymous and fake accounts.

This campaign has involved creating fake profiles of Unite Reps used for online attacks. The image below was published by the Metro as an example of a fake online profile, just days after an online account using the same image attacked the General Secretary.



The attacks on the General Secretary have not only been online. She has also had her home address accessed from the Unite database. In one incident, she was followed home and threatened after launching the investigation. As reported in the Financial Times:

*"In late 2021 she was approached by four other men while walking along a dark street near her London home."*<sup>16</sup>

Others who have taken a stand against corruption in the union have also come under attack. The current Chair of the Executive Council, Andy Green, was initially supported by members of the UL. He became a target after deciding to resign from the faction and actively support the anti-corruption investigations. The UL block has since attempted to oust him.

Andy Green has given this account:

*"From the moment I was elected as Chair of Unite, senior members of the UL made it very clear to me that they intended to unleash a long campaign of continuous attacks on the newly elected General Secretary. They used language like "fight, fight, fight!". And hoped this would help destabilise her leadership and distract from the corruption scandal that was threatening to engulf them."*

He was also interviewed by Bark & Co. as part of their independent governance investigation. They observe:

*"At the time of his election he said that whilst he was a member of United Left he intended to represent all members of Unite. At this time he says that he was fed with a narrative by United Left and Progressive United Left Scotland ("PULS") that Sharon Graham was not the right person to be General Secretary and that she had no experience of negotiating. Therefore he should use his high profile platform to do everything possible to undermine her and hamstring her." (Bark & Co. 229)*

*"In the months following his election it became clear that the focus of United Left and PULS was the reports and as their expected release and prominence grew so did the narrative of opposition against them and her." (Bark & Co. 230)*

*"Since his election he has realised that she is a tough negotiator, is acting in the best interests of Unite and that the narrative that he was fed about her was wrong. Consequently, he resigned as a member of United Left and there is now a concerted movement to remove him as chair of the*

<sup>16</sup> <https://www.ft.com/content/9e1774b3-5012-447d-9d77-4248a2dfcf9e>

*EC because they want to control Sharon Graham and he says that if he is replaced then he has no doubt that his successor will be told to hamstring and undermine her.” (Bark & Co. 231)*

Another target has been Unite’s new Finance Director, an experienced professional brought in to restore probity and accountability in Unite’s finances. She has come under personal attack from anonymous online accounts, threatening her professional reputation over fictitious allegations about the union’s finances.<sup>17</sup>

Bark & Co note that the United Left on its website, now claims it is calling for “transparency”. They conclude:

*“We said above that it was somewhat ironic that United Left was now calling for openness and transparency, but when you consider what they say on their web pages and their instructions to Andy Green it is clear that the overriding desire is to shut down the investigations into past Events or, at least, undermine anything that Sharon Graham is doing and saying about those past Events.” (Bark & Co. 235)*

### Unite’s financial clean-up

The auditor BDO in its report on the re-audit, notes how management under the new General Secretary has taken steps to improve the union’s financial controls.

*“We acknowledge that the Union has attempted to determine whether the financial statements are free from the impact of fraud, bribery and corruption and therefore obtain the information that we considered necessary for audit purposes.” (BDO 38)*

*“Noting the passing of time, we understand that a number of control improvements have been subsequently implemented by Management” (BDO 26)*

<sup>17</sup> <https://www.ft.com/content/9e1774b3-5012-447d-9d77-4248a2dfcf9e>

The senior financial accountant now responsible for submitting Unite's accounts has also said:

*"The union is in an extremely healthy financial position, with very strong levels of cash and liquid assets. The union has been able to accommodate increased levels of strike pay comfortably within our finances."*

#### 4.9 Conclusions of the independent governance investigation

Reviewing the evidence of interviews with named and anonymous interviewees, Bark and Co. conclude that the role of the "United Left" faction in Unite's governance under Len McCluskey poses serious questions

*"This [evidence] suggests that United Left's overriding requirement is to control Unite. Members will know far better than us, but this appears to explain why the EC did not challenge Len McCluskey*

*[redacted] the EC was dominated by United Left members and they were "their men" so they were not willing to criticise or challenge them even if it had cost Unite tens of millions and led to a separate Police investigation."* (Bark & Co. 233)

*"Does this also explain why Len McCluskey was in no rush to update the EC on the escalating costs, assuming he ever intended to? Was it the case that the United Left dominated EC would support Len McCluskey*

*[redacted] come what may, and therefore he felt free to do whatever he wanted because they would always back him?"* (Bark & Co. 234)

*"If that is the case, then the United Left faction put their own interests ahead of the good of Unite and its members and have to bear responsibility for not carrying out their duties and challenging the Events."* (Bark & Co. 235).

## 5. **Never Again: Time to clean up the union**

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The question for the Union moving forward is how to make sure this never happens again. Whatever is found by the Police or other authorities, and whatever the final answer is as to the scale of possible fraud and corruption, one thing is clear: steps must be taken to change the culture of Unite.

That process is already underway. The current General Secretary promised to conduct an independent inquiry into Birmingham, and she has. She promised to investigate the Union's affiliated services following the Police raid on our offices, and she has.

She has also pledged full transparency to Unite members when it comes to the investigation reports. And, after consultation with law enforcement, this will be delivered.

It is also a fact that a number of other concrete, practical steps have now been taken to improve Unite's financial professionalism and ensure a greater level of transparency.

These include:

- A new Gifts Policy covering all employees.
- The appointment of a fully qualified Finance Director.
- Investment in Professional Accountants.
- The Union's first ever Procurement Manager and the development of new procurement rules.
- Progressing a full review of our democratic governance structures.

But this is just the start. There is total commitment to delivering the most professional finance operation within the not-for-profit sector and further investment will be made to make that happen.

As well as fixing the operational side of Unite's money management, there is a complete determination to change the culture of decision making within Unite. To stop the endemic of empty factionalism dominating the bureaucracy of Unite. Because without doing that, this type of issue could happen again.

To help deliver this the General Secretary is establishing a Democracy Commission to come up with recommendations for the future governance of Unite. This is being mapped out now.

A key element of the Democracy Commission's work will be to develop proposals that are clearly directed at reducing the influence of factionalism regarding decision-making and accountability. One principle the Commission will consider is how additional oversight bodies elected by lot could provide one answer to the problem.

Unite members can be assured that the historical issues are being dealt with and processes are being put in place so that the Birmingham hotel and affiliated services issues can never happen again.

Change will continue to be delivered.

Unite is a strong independent union, which is now equipped and resourced to take on the battles of the future, whether against hostile employers or bad Government decisions.

We will always ensure that Unite is the voice of workers.

