



Stephen Kinnock
Member of Parliament for Aberavon

Lord Bew
Chair
Committee on Standards in Public Life
Room GC05
1 Horse Guards Road
London
SW1A 2HQ

14 February, 2017

Dear Lord Bew,

I am writing in relation to the implications of a recent compliance decision by the Electoral Commission in relation to the EU referendum. I do so because of the responsibilities which your Committee has had over the past two decades as the public policy lead on the funding of political parties and referendums.

I wrote to the Electoral Commission on January 30th on a number of matters including my concerns that Vote Leave may have co-ordinated with another campaign to whom they donated, which could also mean they spent above the permitted threshold.

As I set out in the letter, Vote Leave used AggregateIQ (AIQ), a Canadian company, as their digital consultants during the referendum campaign. This has been confirmed by Vote Leave on multiple occasions, including by their former Campaign Director, who said they put "almost all" of the campaign's money into digital communication.¹

At the same time, in the final few days of the referendum campaign, Vote Leave gave a 23-year old individual, Darren Grimes, the sum of £625,000. Mr Grimes ran a pro-Leave social media campaign called BeLeave, which at the time of the referendum had just 6,000 Facebook likes and 4,000 Twitter followers. This has been widely reported.²

Mr Grimes has since stated that he spent the money on services provided by AIQ. He said of them: "AggregateIQ helped us reach as many people as possible...As a digital campaign targeted toward millennials, it was essential we reached our target audience. AggregateIQ used video advertising, Google Ads, landing pages on our website to inspire sign-ups and help us get out the vote on polling day using text messages and newsletters."³

¹ <https://dominicummings.wordpress.com/2016/10/29/on-the-referendum-20-the-campaign-physics-and-data-science-vote-leaves-voter-intention-collection-system-vics-now-available-for-all/>

² https://www.buzzfeed.com/marieleconte/vote-leave-donations?utm_term=.pdMJrQzeX#.twpamN5gb

³ https://www.buzzfeed.com/marieleconte/vote-leave-donations?utm_term=.pdMJrQzeX#.twpamN5gb



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Electoral Commission (EC) rules on spending by main campaigns in referendums are clear: "The lead campaign group must count all of the spending of all the campaigners it works together with towards its own limit." The EC has clear guidelines on what constitutes working together.⁴

When asked by the House of Commons Public Administration Committee about this on November 1st, Antonia Flockton, Vote Leave's Finance Director, said the campaigns to whom they donated were "independent".⁵ However, there is evidence that questions Ms Flockton's assertion. It seems unlikely that Vote Leave would pay such a sum of money to Mr Grimes, apparently an inexperienced member of the pro-Leave community, and that Mr Grimes would then give this money to the very same firm providing digital services to Vote Leave, who have no digital footprint and so would not be found by a novice, without any kind of co-ordination between Mr Grimes and the Vote Leave campaign.

An examination of BeLeave's social media output shows that their campaign themes were closely aligned to those of Vote Leave. BeLeave routinely promoted Vote Leave material, aligned messaging and also used the same lines against opponents. It would appear that the two groups were co-ordinated.

Mr Grimes was also clearly well known to Vote Leave, with pictures of him with Michael Gove in the Vote Leave Offices⁶ and introducing Boris Johnson at an official Vote Leave event.⁷ He also seems to be part of the Vote Leave campaign, promoting their merchandise and handing out their leaflets.⁸ Mr Grimes is now working for Brexit Central⁹, a group campaigning for a 'Hard Brexit' that was formed from Vote Leave. Its Editor-in-Chief is Matthew Elliott, formerly chief executive of Vote Leave, and its deputy editor is Hugh Bennett, who used to work for Vote Leave¹⁰.

The Electoral Commission replied to me on February 8th. In relation to the donation to Mr. Grimes, they said:

With regards to your concerns about Vote Leave's donations to Mr Darren Grimes, the donations were made by way of a direct payment from Vote Leave to AggregateIQ for services provided to Mr Grimes, which is an acceptable method of

⁴ http://www.electoralcommission.org.uk/_data/assets/pdf_file/0005/194621/Working-together-for-EU-referendum-campaigners.pdf

⁵ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-administration-and-constitutional-affairs-committee/lessons-learned-from-the-eu-referendum/oral/42639.html>

⁶ <https://twitter.com/darrengrimes/status/701131764480266244>

⁷ <https://twitter.com/darrengrimes/status/721480272873660416>

⁸ <https://twitter.com/darrengrimes/status/746004862786220032>

⁹ <https://twitter.com/darrengrimes/status/774197662841122816>

¹⁰ <https://twitter.com/HughRBennett>



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donating under the rules... The rules on 'working together' are only engaged where there is spending in accordance with a common plan or arrangement."

On the substance of their argument, I find their conclusions concerning. According to the Electoral Commission's own guidelines¹¹ on working together: "you coordinate your spending with another campaigner – for example, [1] if you agree that you should each cover particular areas, arguments or voters ...[or 2] another campaigner can approve or has significant influence over your spending including leaflets, websites, telephone scripts or other campaign materials."

BeLeave were established to focus solely on youth voters¹² so I do not understand how they first criteria above was not met.

As outlined in the Electoral Commission's reply to me, Vote Leave paid the supplier AIQ directly which indicates that they had complete control over BeLeave's spending. I cannot see how this does not meet the second criteria.

If the Electoral Commission's policy behind its decision on my complaint is allowed to stand, I believe that this will set a dangerous precedent in relation to party funding rules. The implication of the Electoral Commission's ruling is that any political party in an election or lead campaign in a referendum which is nearing its expenditure limit can make a donation to another registered campaign which can in turn spend that money on the same activities, using the same messaging and, indeed, the same suppliers, without breaching the upper expenditure limit of the political party or lead campaign.

The Political Parties, Elections and Referendums Act 2000 was introduced following the fifth report of the Commission on Standards in Public Life into the funding of political parties in the United Kingdom. Sections 10.26 and 10.72 of that report examined the risks of national expenditure limits being circumnavigated by political parties setting up "front organisations".

I am deeply concerned that this new ruling creates a precedent for political parties in future elections to get around the expenditure limit rules by setting up third party organisations or supporting associates like Mr Grimes.

I would therefore formally request that your Committee launch an urgent investigation into the implications of the Electoral Commission's ruling for expenditure limits in future elections and referendums.

¹¹ http://www.electoralcommission.org.uk/_data/assets/pdf_file/0008/164393/to-ref-spending.pdf

¹² <https://www.facebook.com/BeLeaveBritain/>





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Given the importance of this issue to the integrity of our party funding rules, I intend to make the contents of this letter public once you have had a chance to read its contents.

I am copying Claire Bassett, Chief Executive of the Electoral Commission.

Yours sincerely,



Stephen Kinnock MP
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