



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee for advice on taking up an appointment as an advisor/mentor for Pearson UK/Pearson Education Limited, part of Pearson plc. Where I refer to Pearson, I refer to Pearson plc.

The Committee's role and remit

2. It is the Committee's role to advise on the conditions that should apply to appointments or employment under the Government's Business Appointments Rules for Former Ministers (the Rules), which apply to former Ministers for two years after they leave office. The Rules seek to counter suspicion that:

- a. the decisions and statements of a serving Minister might be influenced by the hope or expectation of future employment with a particular firm or organisation; or
- b. an employer could make improper use of official information to which a former Minister has had access; or
- c. there may be cause for concern about the appointment in some other particular respect.

3. When the Committee considers applications, it must have in mind that Government has judged that it is in the public interest that former Ministers with experience in Government should be able to move into business or into other areas of public life, and to be able to start a new career or resume a former one. It is equally important that when a former Minister takes up a particular appointment or employment, there should be no cause for any suspicion of impropriety.

4. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

The Application

5. You sought the Committee's advice on taking up a paid and part-time position as an advisor/mentor for Pearson UK (Pearson) which is unlikely to include contact or dealings with the Government.

6. You advised the Committee that Pearson is a learning and qualification provider. The website states it is one of the largest training providers in the UK and '*blends content, curricula, assessment, training and information systems to make learning more engaging and effective*'. You stated your role will involve:

- Mentoring and supporting senior staff;
- Advising on future policy development; and
- Helping Pearson to continue to understand the Government's ambitions and aspirations for apprenticeships and qualifications

7. You advised the Committee that whilst in office you did meet with Pearson, as they may have been present as a range of stakeholder events you may have spoken at. You also told the Committee you were involved in policy, in a general sense, as any policy development you were involved in may have had an impact on regulations in this area that would have affected Pearson, as it would have other similar providers, however you made no decisions affecting Pearson alone. You also confirmed you were not involved in awarding contracts or grants to Pearson. You further stated that you met a significant number of education and training providers at stakeholder events, though you had no access to sensitive information regarding competitors of Pearson.

8. You said Pearson will have had contact with the Department for Education (DfE), and the Education and Skills Funding Agency (ESFA); and will receive funding from the ESFA. However, you told the Committee its relationship with the Department would have been as a training provider interested in the future of policy development.

9. The Permanent Secretary at DfE was contacted about this application. DfE confirmed you did meet with Pearson while in office, however, this would have been as part of your usual duties as Minister and you met with a number of such providers at stakeholder events. The Department also stated that it has no record of you making any policy decisions that would have affected Pearson alone. A decision was made to add a subsidiary of Pearson, Pearson College Ltd onto the Register of Apprenticeship Training Providers (RoATP), however this would have been taken at an official level and you would have only been involved in decisions that affected training providers in general, rather than the organisation specifically.

10. DfE stated that following a competitive bidding process, one of the department's executive non-departmental public bodies, The Institute for Apprenticeships and Technical Education, awarded Pearson contracts to deliver two of the three "T- Level" qualifications later this year. However, it confirmed that as the Institute is an independent body, you did not have any involvement in this decision.

11. DfE confirmed that over the course of your post, you would have met with a wide range of training providers. DfE said this was in the normal duties of responsibility for Skills Minister. It also added Pearson is a general stakeholder of the department, like all other providers are considered to be and found no evidence to suggest you had an '*inappropriate*' nor close relationship with Pearson or anyone connected to Pearson. Nor did they find any evidence to suggest you or anyone within your Private Office accessed information that would have given Pearson an unfair advantage over their competitors.

12. Though you had sector responsibilities, DfE said it found no evidence to suggest it should describe Pearson's relationship as significant to the department over and above like

organisations. The Department found nothing inappropriate here and had no concerns with you taking up this appointment.

The Committee's consideration

13. When considering your application, the Committee considered whether this appointment could be perceived as a reward for decisions taken in office, in particular as the company operates in an area that overlaps with your ministerial responsibilities. You did meet with Pearson at stakeholder events, as confirmed by DfE, though this was in the usual course of duties as Minister. Although there is a funding relationship between Pearson and independent non-executive body The Institute for Apprenticeships and Technical Education, such decisions were taken independently following a competitive bidding process and you had no involvement in this decision. Overall, though the Committee recognised you would have made policy decisions that affected the training and apprenticeship sector as a whole, there is no evidence you took any action or made decisions in expectation of this role, as confirmed by the Department.

14. The Committee noted that due to your ministerial responsibilities there is a risk that you would offer an unfair advantage to Pearson through your possible access to privileged information. This risk is partly mitigated by your former department's view that you have no access to unannounced policy of relevance, and the amount of time that has passed since your time in office (9 months) which reduces the likelihood this information is sufficiently up to date to be of competitive advantage to your new employer. Perhaps a greater risk is that you could be perceived to offer an unfair advantage given the contacts you will have built up while in office and the influence you may offer as a result of your time in post as a Minister in this area. The Committee would therefore draw your attention to the condition below which prevents you from advising Pearson in relation to a bid or contract with the UK Government; including its Arms Length Bodies; and the lobbying ban which makes it clear that any use of contacts gained in office to the unfair advantage of Pearson would be inappropriate.

15. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment as an advisor/mentor for Pearson plc be subject to the following conditions:

- that you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in Ministerial office;
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government or its Arms' Length Bodies on behalf of Pearson plc (including parent companies, clients, subsidiaries and partners). Nor should you make use, directly or indirectly, of your government and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit Pearson plc (including parent companies, clients, subsidiaries, partners and clients); and
- for two years from your last day in office you should not advise Pearson plc (including parent companies, clients, subsidiaries and partners) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK Government or its Arms' Length Bodies.

16. By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to

other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.

17. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister *“should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office.”*

18. I should be grateful if you would inform us as soon as you take up this appointment, or if it is announced that you will do so, either by returning the enclosed form or by emailing the office at the above address. We shall otherwise not be able to deal with any enquiries since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether you had complied with the Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

19. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee’s website, and where appropriate, refer to it in the relevant annual report.

The Rt Hon Lord Pickles

The Rt Hon Anne Milton