

*From the Chair*



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

G/7 Ground Floor, 1 Horse Guards Road SW1A 2HQ

Telephone: 020 7271 0839

Email: [acoba@acoba.gov.uk](mailto:acoba@acoba.gov.uk)

Website: <http://www.gov.uk/acoba>

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**BUSINESS APPOINTMENT APPLICATION: Baroness Diana Barran MBE, former Parliamentary Under Secretary of State (Minister for the School System and Student Finance) at the Department for Education. Paid appointment with Phoenix Court Group Limited.**

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for Former Ministers (the Rules) seeking advice on taking up a paid role as a Special Advisor with Phoenix Court Group Limited (Phoenix Court Group).
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during your time in office, alongside the information and influence you may offer Phoenix Court Group as a former minister. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment – it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risks presented

5. Phoenix Court Group is a venture capital firm that targets investments in

technology-related sectors across the United Kingdom. You are an investor in Phoenix Court Group's funds, and met with Saul Klein, co-founder of the company, wherein you discussed the potential for the use of artificial intelligence in education.

6. During your time as a minister, you were responsible for policies which resulted in contracts being awarded to a company in which Phoenix Court Group invests: Faculty AI. Your involvement included the assessment methodologies and design of the invitation to tender. You had no involvement in which purchasing framework to use, nor in the evaluation of bids from Faculty AI. Whilst the Department for Education (DfE), your former department, has no particular relation with Phoenix Court Group and confirmed you made no decisions in office specific to the company. The Committee<sup>1</sup> determined that the risk you were offered the role as a reward for decisions made, or actions taken, in office is low.
7. As a former minister, there are risks associated with your access to privileged information. In particular, Phoenix Court Group will have an interest in future investments, including companies operating in the education sector. Your former department does not consider that you had access to sensitive information that is likely to provide an unfair advantage to Phoenix Court Group. Further, it noted you have now been out of office for over six months, creating a gap between your access to information and taking up this work.
8. There is a risk that your network and influence within government might be used to offer the Phoenix Court Group and the companies it invests in, unfair access to government. You confirmed your role as Special Advisor is limited to internal advice and excludes any dealings with government, reducing the risk you could be perceived to be lobbying government – which all former ministers are prevented from doing for two years after leaving office. For the avoidance of doubt, this includes you lobbying on behalf of companies that Phoenix Court Group invests in.

#### The Committee's advice

9. The Committee determined the risks identified can be appropriately mitigated by the conditions below. These make it clear that you cannot make use of privileged information, contacts or influence gained from your time in ministerial service to the unfair advantage of Phoenix Court Group.

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<sup>1</sup> This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Hedley Finn OBE; Sarah de Gay; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Eric Pickles; The Baroness Thornton; Michael Prescott; and Mike Weir.

10. In accordance with the government's Business Appointment Rules, the Committee advises that this appointment with **Phoenix Court Group Limited** be subject to the following conditions:

- you should not draw on (disclose or use for the benefit of yourself or the persons or 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 arm's length bodies to or on behalf of Phoenix Court Group Limited (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial office to influence policy, secure business/funding or otherwise unfairly advantage Phoenix Court Group Limited (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office you should not undertake any work with Phoenix Court Group Limited (including parent companies, subsidiaries, partners and clients) that involves providing advice 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 arm's length bodies.

11. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the Registrar of Lords' Interests.<sup>2</sup> You are reminded that as a Member of the House of Lords you are prevented from any paid lobbying under the House of Lords Code of Conduct. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

12. 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 Ministerial Code or otherwise.

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<sup>2</sup> All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

13. The Business Appointment Rules explain that the restriction on lobbying means that you *'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'*.
14. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. You must also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.
15. Once the 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

## **Annex - Material Information**

### The role

1. According to its website, Phoenix Court Group is a London-based venture capital firm that targets investments in technology-related sectors across the United Kingdom. You noted that Phoenix Court Group has an investment in Faculty AI – a company that has worked with your former department.
2. In your paid, part-time role as Special Advisor, you stated you will be advising on matters of governance, including advising on the set up of a remuneration advisory panel to support senior executives in decision-making around performance management and remuneration. You confirmed your role will not involve contact with, or lobbying of government.

### Dealings in office

3. You stated you met with representatives of Phoenix Court Group whilst in office:
  - Meeting with Saul Klein (co-founder of Phoenix Court Group) on 10 November 2023. You stated you discussed the potential for the use of AI in education. You said there was no further engagement on this topic.
  - Mr Klein was a non-executive director on the board of the Department of Science, Innovation and Technology at that time and on the Prime Minister's Council for Science and Technology. Mr Klein was made aware of the work you were doing at DfE on using AI in education.
4. You informed the Committee that you are an investor in funds managed by Phoenix Court Group. You stated you were not involved in decisions specific to Phoenix Court Group. You noted that DfE awarded a contract to Faculty AI - and that Phoenix Court Group had invested in Faculty AI before you became an investor in their funds. None of the funds that you are invested in have any holding in Faculty AI. You stated you took no part in the procurement decision on awarding the contract to Faculty AI.

### Departmental assessment

5. DfE provided its views on your appointment and stated the following:
  - It confirmed the nature of your contact with Phoenix Court Group as noted above.
  - You were not involved in decisions specific to Phoenix Court Group.

- With regard to Faculty AI, you had involvement in the policies which resulted in contracts being awarded to Faculty AI - including the weightings of the cost/quality in the assessment methodologies and design of the invitation to tender.
- You did not have any involvement in the route to market decisions (i.e. decision on which Dynamic Purchasing System framework contract to use) or the evaluation of bids from Faculty AI.
- The department did not consider you to possess sensitive information that may confer an unfair advantage to Phoenix Court Group.
- It noted that Phoenix Court Group has investments in a wide range of companies including those with links to education. However, the department noted the following factors which limit the risks relating to your access to sensitive information:
  - the change in government and elapsed time since you left office (over 6 months) significantly limit the benefit of any previously held privileged information.
  - the nature of the proposed role being focused on internal governance, performance management and remuneration, where previous privileged knowledge will not provide any unfair advantage.

6. DfE did not have concerns with the appointment,

7. DfE recommended the standard conditions, noting the importance of your role being limited to the internally focused activities described whilst you are subject to the Rules and that there should be no involvement with work focused on Faculty AI and/or any lobbying or promotion of the company.