

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: The Rt Hon Michelle Donelan, former Secretary of State for Science, Innovation and Technology. Paid appointment with Elastik.

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for Former Ministers (the Rules) seeking advice on taking up a paid role as an Advisor with Elastik.
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 Elastik, 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. Elastik is an Australian education technology (EdTech) artificial intelligence (AI) company that operates in the UK. It focuses on streamlining exam marking to

allow teachers to spend more time with pupils to develop their education, and supporting teachers by reducing their administrative tasks. As an advisor you said that your role would involve business development, providing strategic guidance, and advising on the UK education system and landscape.

6. You did not make any policy, regulatory or commercial decisions specific to Elastik. There is no relationship between your former departments and Elastik, nor did you meet with the company whilst in office. Therefore, the Committee¹ considered that the risk this role could reasonably be seen as a reward for your decisions in office is low.
7. As Secretary of State for Science, Innovation and Technology, you were exposed to policy, regulatory and commercial decisions affecting a wide range of AI companies. However, the Committee considered your access to information to be limited because:
 - Department for Science, Innovation and Technology (DSIT) said that you did not have access to any information that would grant Elastik an unfair advantage;
 - EdTech is regulated by the Department for Education (DfE) and its arms length bodies, not DSIT; and
 - You have been out of office for five months, meaning AI policies in which you were involved will have moved on and relevant information will be in the public domain.
8. There are risks associated with your influence and network of contacts gained in ministerial office. Although your role with Elastik will not involve any contact with government, it does involve business development. There is a risk that you could be seen to draw on your contacts outside of office, but gained while you were in government, to unfairly advantage Elastik's client base.

The Committee's advice

9. The Committee considered the conditions below are sufficient to mitigate the risks related to this role. These make clear that you are prevented from making use of privileged information, influence, and network of contacts gained from your time in ministerial office to the unfair advantage of Elastik.
10. In accordance with the government's Business Appointment Rules, the Committee advises this appointment with **Elastik** be subject to the following conditions:

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

- 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 any of its arm's length bodies on behalf of Elastik (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 Elastik (including parent companies, subsidiaries, partners and clients);
 - for two years from your last day in ministerial office, you should not provide advice to, or on behalf of Elastik (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid or contract relating directly to the work of the UK government or any of its arm's length bodies; and
 - for two years from your last day in ministerial office, you should not become personally involved in lobbying contacts you have developed during your time in office and in other Governments and organisations for the purpose of securing business for Elastik (including parent companies, subsidiaries and partners).
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.² 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 Civil Service Code or otherwise.

² 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 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."*
14. You must inform us as soon as you take up employment with this organisation(s), or if it is announced that you will do so. Please 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. Elastik is an EdTech AI company, founded in Australia, that also operates in the UK. Its AI tools assist teachers in their admin work, provides automated marking for exams and assessments, and uploads performance data and analysis to highlight gaps in student learning.
2. You wish to take up a paid, part-time, role as an Advisor. You said that your role would involve:
 - Providing business development and growth advice, both within the UK in Australia.
 - Providing constructive challenge and strategic guidance.
 - Helping to raise company awareness.
 - Advising on the UK education system and landscape.

You said that your role will not include contact with government

Dealings in office

3. You told the Committee the following information about your role as Secretary of State at DSIT:
 - a. You did not make any policy, regulatory or commercial decisions specific to Elastik.
 - b. You did not have any contact with Elastik in office.
 - c. There is no departmental relationship between DSIT and Elastik.
 - d. You did not have access to any sensitive information that could grant Elastik an unfair advantage.
4. You also told the Committee that AI for public services and procurement was owned by the Cabinet office and not DSIT, and that the DfE is responsible for EdTech (although in general schools procure any necessary technology themselves). Further, that DSIT promoted education-related AI work as a positive example of AI, but this company was never used as an example, nor were any competitors.
5. You said that you did not have responsibility for EdTech while Minister of State for Higher Education and Further Education at DfE (a role which ended over two years ago and is therefore not relevant to this application).

Departmental assessment

DSIT confirmed the details provided in your application and added the following information:

- You did not make any decisions specifically affecting Elastik/
- You made regular policy and regulatory decisions which affected many AI companies. These decisions are unlikely to have had any specific, concrete impact on Elastik, given its focus on the education sector.
- Your role was to set the overall tone and environment of AI regulation more broadly.
- You did not have access to any sensitive information that could grant Elastik an unfair advantage, and any information to which you did have access will have changed direction under the new administration. Any relevant information will now be in the public domain.

6. DSIT recommended the standard conditions.