



Conflict of Interest Policy

July 2024

Summary

The Conflict of Interest policy supports the [Civil Service Code](#), in particular, commitments to the Civil Service values of Honesty, Integrity, Impartiality and Objectivity. This is achieved by encouraging the declaration of interests so that they may be appropriately managed.

Employees' private interests will not interfere with their obligations to ORR in many instances. However, a conflict of interest will occur whenever these obligations are, or could appear to be, compromised and, therefore, reasonably be perceived as having the capacity to affect an individual's ability to make impartial judgements on behalf of ORR.

As a result, certain restrictions apply to employees' financial and non-financial activities, because decisions we make must never be unduly influenced and no-one should have reason to think or suspect otherwise.

Purpose and Scope

1. The purpose of this policy is to encourage the full disclosure and management of actual, potential or perceived conflicts of interest around any personal, professional and business matters whenever they occur. This is because it is essential that the ORR maintains impartiality, demonstrates integrity, protects its reputation and upholds high professional standards in all activities of its operations.
2. This policy applies to all ORR employees, who are responsible for recognising situations in which concerns around any conflicts of interest on their part might reasonably arise and then subsequently disclosing all relevant information to their Director and Human Resources by following the appropriate steps identified in this policy. SCS (Senior Civil Servants) colleagues come under this policy but are subject to a different process with regard to annual declarations, led by the Board Secretary.
3. Agency workers, contractors and workers utilised on a Fees for Service basis are required to abide by the terms stipulated in this policy. Any identified breach could

lead to the immediate termination of the arrangement.

4. The policy also covers organisations we regulate in addition to those that could be impacted by ORR's decisions, including:
 - UK rail and road organisations that we do not regulate (for example the supply market);
 - overseas rail and road organisations;
 - financial institutions that may own or hold significant financial positions in transport companies; and,
 - companies tendering for ORR contracts.

Definitions

5. A conflict of interest involves a situation whenever an individual's personal interests are incompatible with ORR's. It can emerge when someone could be or is presumed to be influencing ORR's activities for actual, potential, or perceived gain.
6. An **actual** conflict of interest arises when an employee could be directly influenced by secondary interests or show impaired judgment whilst undertaking their duties.
7. A **potential** conflict of interest may arise when an employee could apply impaired judgment or be influenced in the future by secondary interests whilst performing their job role.
8. A **perceived** conflict of interest may arise when it appears as though an employee could be impacted by secondary interests and show impaired judgement as a consequence.

Employee's responsibilities

9. All employees of ORR are required to comply with the terms set out in this policy. If you are unsure as to whether you need to declare a private or financial interest in a railway industry company that is significant in your work, you are advised to do so in the interests of integrity and transparency so that any conflicts can be identified and resolved.
10. Employees should ensure they understand the personal implications of conflict of interest and information handling provisions within this policy; the Civil Service Code; insider dealing legislation, which is a serious criminal offence under the Criminal Justice Act 1993 that contains special provisions relating to civil servants; and other Acts governing our handling of official information – in particular the Official Secrets Act 1989, the Data Protection Act 1998, the Competition Act 1998

and the General Data Protection Regulation (GDPR).

11. Employees are required to identify and disclose any financial or non-financial conflicts involving dependants. Dependants, for example, can be spouses, partners, or dependant children.
12. Employees also need to be aware of the potential conflicts and implications involving non-dependant family members, friends and wider acquaintances and make the appropriate declarations as necessary.
13. Employees should contact HR if any additional support or reasonable adjustments need to be considered in relation to the requirements set out in this policy.

Avoiding Conflicts of Interest

14. The list below provides examples that employees need to be aware of when avoiding potential conflicts of interest. It is not intended to be exhaustive.

Procurement

15. In all procurements, employees need to be aware of ORR and wider Government procurement guidance in relation to conflicts of interest and any potential conflicts that may affect them. Any such conflicts should be declared immediately to the Procurement Manager.

Previous Employment

16. Employees should be careful whilst undertaking any work for ORR if they come into contact with organisations where they have worked previously. This is particularly the case where financial transactions or allocation of work is involved.

Share Options

17. Employees should notify their Director or Human Resources of any entitlements to exercise future share options as part of a remuneration package with a previous employer that may lead to a conflict of interest.

Pensions

18. This policy covers pension schemes if the relevant investment decisions are made by employees or under instruction from them. If the pension scheme is managed without interaction from employees (i.e. it is remotely managed by a fund manager or similar) this will not apply.
19. If employees hold pensions from a period of employment with a regulated company, they should declare this.

How a conflict of interest can manifest

20. The most obvious potential conflict for employees is related to monetary gain - for example, where a decision made or influenced by an individual, or knowledge of that decision, usually prior to it entering the public domain, has enabled an employee to gain financially i.e. through the trading of financial instruments or selling of knowledge.
21. The potential for conflict can depend upon a number of factors, for example, the precise nature of any financial holding and the employee's position in the organisation.
22. However, there may also be other possible non-financial benefits and advantages. These could include, but are not limited to:
 - a) favourable treatment of an individual or company in return for a benefit – e.g. procurement of services from an organisation an employee is connected to (i.e. through a family member's financial interests), that they may wish to work for in the future or have done so in the past.
 - b) favourable treatment of an individual or company as a result of previously working for that individual or organisation – e.g. awarding a procurement contract to an organisation an employee has previously worked for, irrespective of any financial benefit that may or may not have been gained;
 - c) the securing of a favourable decision to a political party or other non-political body for personal enhancement within that organisation.
 - d) gifts or hospitality away from the working environment (for example, access to sporting events or functions related or otherwise to rail and road companies or the rail and road sectors - please refer to ORR's Gifts and Hospitality policy for further information); or
 - e) securing any of the above benefits for family or friends.

How ORR will approach potential conflict of interests

23. It is mandatory once a year for all employees to complete an online form disclosing any conflicts of interest within a set four-week timeframe. The form requires completion even if there is nothing to declare (a nil return). However, if a change in circumstances or status relating to an existing or new actual, potential or perceived conflict of interest occurs at **any** point during the year, employees have a duty to notify their line manager and promptly disclose accurate information to their Director, line manager and Human Resources.
24. In addition, new starters are required to declare any conflicts of interest before an

appointment can be confirmed. This is because it will be easier to manage or prevent any actual, potential or perceived conflicts of interest more effectively if we have been informed from the outset and given sufficient time to consider the implications and establish appropriate mechanisms to mitigate any risks.

25. Declarations should be notified in the first instance to Human Resources who will advise on the next steps. It is not for the employee to determine themselves whether or not a conflict of interest exists. Each declaration will be evaluated depending upon the circumstances involved in each particular case.

26. Factors taken into account could include, but are not limited to:

- the seriousness of the actual, potential or perceived conflict, which could include any possible breaches in legislation or statutory duties;
- how closely the different interests are connected; and
- the magnitude of the actual, potential or perceived effect of one on the other.

27. If necessary, further information will be sought from the employee or appropriate others, for example, line managers or Directors or in cases where advice may be necessary to clarify a particular company's activities.

28. For further advice and support in relation to the process, please contact the HR General Enquiries mailbox.

Outcomes

29. HR will determine through a thorough and objective assessment of all pertinent facts whether a conflict exists, the appropriate resolution and the time period over which corrective action must be taken.

No Conflict exists

30. HR may determine that there is no conflict of interest, for example where the conflict is so slight that it does not constitute a real conflict of interest or in situations when the connection between the interests is remote or insignificant. HR will record details of instances where no conflict arises as well as the reasons why.

Conflict exists

31. Once a conflict of interest is deemed to exist HR will determine the appropriate resolution – in some cases this will occur following advice obtained from Legal Services. This could include, for example, continuing with the activity in question

but with restrictions or additional oversight in place to mitigate any real or potential risk or withdrawing from any discussions related to decision making.

32. Further information regarding how conflicts of interest may be resolved can be found under *Conflict of Interest* on the Intranet.

Non compliance

33. Not following the terms of this policy, including a failure to disclose an interest or seek necessary approval, providing an incomplete or inaccurate disclosure or inappropriately managing any conflict of interest may be considered deliberate, rather than inadvertent, and could constitute misconduct as well as a breach of your terms and conditions of employment. This could result in a disciplinary sanction being enforced, including dismissal in the most serious cases.

Monitoring and review

34. This policy will be reviewed every three years, though an update will take place earlier if legislative amendments or changes to best practice come into effect.