



# Conflicts of interest

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## Introduction

1. It is essential that the Office of Rail and Road (ORR) should establish and maintain a reputation for impartiality, integrity and high professional standards. There must never be any reason for people outside ORR to suspect that our decisions may be influenced by private interests. We therefore impose certain restrictions on employees' financial and non-financial activities.
2. These requirements form part of your employment contract, ORR HR policies and the Civil Service Code.
3. All employees at ORR, are subject to these requirements.

## Your obligations under this policy

4. It is the responsibility of ORR employees themselves to be alive to possible conflicts and, where they arise, to bring them to the attention of their line manager or director. All identified conflicts of interest *must* be resolved. Failure to resolve conflicts may result in disciplinary action (including dismissal in the most serious cases). Employees should not simply rely on any examples set out in this guidance.
5. Employees should ensure they are aware of and understand the personal implications of conflict of interest and information handling provisions within this policy and guidance; the Civil Service Code; insider dealing legislation – **insider dealing is a serious criminal offence under the Criminal Justice Act 1993, which contains special provisions relating to civil servants**; and other Acts that prescribe our treatment of official information – in particular the Official Secrets Act 1989, the Data Protection Act 1998, and the Competition Act 1998.
6. If in doubt, seek guidance from your director or from your HR business partner.

## What is a conflict?

7. The most obvious conflict for employees is that related to monetary gain. That is, that through a decision made or influenced by the individual, or knowledge of that decision, usually prior to it entering the public domain, an employee has been able to gain financially through the trading of financial instruments, selling of knowledge, etc.
8. The potential for conflict can depend on a number of circumstances, for example, the precise nature of any financial holding and the employees' position in the organisation.
9. However, there may also be other non-financial benefits. These could include:

- a. favourable treatment of an individual or company in return for a benefit – e.g. procurement of services from an organisation employees are connected to (i.e. a family member may have a financial interest in) or 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 you have previously worked for, irrespective of financial benefit to oneself.
- 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, functions, etc. related, or otherwise, to rail and road companies or the rail and road sectors - please refer to ORR's gifts and hospitality policy);
- e. securing any of the above benefits for family or friends.

## Who do these rules apply to?

10. These rules apply fully to all employees (permanent, casual, fixed, agency employees and contractors), and spouses, unmarried partners and dependent children.

## Dependants

11. Dependants means spouses, unmarried partners (including civil partners) and dependent children.

12. As an ORR employee, you are required to identify any financial or non-financial conflicts involving dependants. Any conflicts must be declared and resolved. Failure to resolve dependants' conflicts may result in disciplinary action.

13. Your director should be informed if your spouse or unmarried partner works for any of the organisations covered by this policy.

## Non-dependants and wider relationships

14. Whilst specific provision is made within this policy to employees and their dependants, employees should also be aware of potential conflicts that might arise involving non-dependent family, friends and wider acquaintances. For example, being involved in a procurement exercise, a licence application or investigation involving a non-dependent family member or friend's business or employer.

15. Any conflict of this nature should be raised with your director as soon as it arises.

## What action will ORR take when notified of potential conflicts?

16. Declarations should be notified, in the first instance, to your HR business partner, who will advise on next steps.

17. Each declaration will be dealt with on its own merits. The potential for conflict can depend on a number of circumstances, for example, the precise nature of any financial holding and the employees' position in the organisation.

18. If necessary further information will be sought from the employee or appropriate others (for example, where advice may need to be sought on a particular company's activities).

19. HR will determine, for each potential conflict, an assessment of whether a conflict in fact exists, the appropriate remedy and the time period over which the action must be taken.

20. Employees will be notified by HR of the final decisions and actions required of them and the time span over which such actions should be taken.

## Appeals

21. Where an employee disagrees with the decision taken by HR, they may ask that the decision be reviewed by the Director, Corporate Operations, whose decision will in all cases be final.

## Sanctions

22. The above arrangements are extremely important for the protection and reputation of ORR and its employees. Disciplinary action will be taken against any employee who is found not to have complied with them.

## What companies/organisations are covered by this policy?

23. Conflicts will not just relate to the companies we regulate. For example, other organisations that could be impacted by ORR decisions could include:

- a. UK rail and road organisations that we do not regulate (for example the supply market);
- b. overseas rail and road organisations;
- c. financial institutions that may own, or hold significant financial positions in transport companies; and,
- d. companies tendering for ORR contracts.

## Share options

24. Where an employee, as part of a remuneration package with a previous employer, is entitled to exercise future share options in organisations that may lead to a conflict of interest, any such entitlements should be notified to their director and HR business partner.

## Pensions

25. As noted above, this guidance covers pension schemes if the investment decisions are made by employees, or under instruction from them. If the pension is managed without interaction from employees (it is remotely managed by a fund manager or similar) the above do not apply.

26. If employees hold pensions from a period of employment with a regulated company they should declare this.

## Procurement

27. This guidance covers employees involvement in procurement processes – both the procurement of products/services for use by ORR and related to any area of policy or delivery administered by ORR. This would include, for example, ownership of shares in companies bidding for tenders under the Offshore Transmission regime, where an employee is in a position to affect the outcome of that procurement exercise.

28. In all cases, employees should 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 and Risk Manager.

## Previous Employment

29. Employees should be careful in undertaking any work for ORR if it brings them into contact with organisations for which they have previously worked. This is particularly the case where financial transactions or allocation of work is involved – e.g. procurement contracts. You should declare any possible conflict of this nature immediately it arises.

## Responsibility for declarations

30. It is your responsibility to seek advice from your manager or from human resources if you are unsure whether you need to declare a private and financial interest. If in any doubt, you are advised to declare anything that you think may be relevant, so that any conflicts can be identified by your manager.

31. Please be aware that any false declarations, or a failure to declare an interest in a railway industry company that is significant in your work, will be considered misconduct.