# CONFLICT OF INTEREST POLICY

Shildon Railway Institute Limited

Protecting Integrity in Collective Decision-Making

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# 1. Purpose

Shildon Railway Institute is governed for the benefit of its Members and the wider community it serves. Those entrusted with responsibility for the Society must therefore exercise their judgement in the interests of the Society and should not use their position to secure improper advantage for themselves or others.

The Society also recognises that those who serve it do not do so in isolation from the rest of their lives. Committee Members, employees and volunteers may have family relationships, friendships, employment, business interests, memberships, community connections and responsibilities to other organisations. They will also bring experience, knowledge and strongly held views of their own. These connections are a normal part of community life and can considerably strengthen the Society.

An interest or connection does not therefore necessarily represent a conflict, nor does the existence of a conflict imply wrongdoing or improper motive. A conflict arises where another interest, relationship, responsibility or loyalty intersects with a person's responsibility to act impartially and in the interests of the Society.

This Policy provides a framework through which such circumstances can be recognised, declared, considered and managed openly and proportionately. Its purpose is to protect the integrity of the Society's decisions, the people who participate in making them, and the confidence of Members, partners, funders and the wider community in the way the Society is governed.

# 2. Guiding Principle

The Society seeks not only to act with integrity, but to conduct its affairs in ways that allow that integrity to be reasonably seen and understood.

Those who serve the Society inevitably bring with them interests, relationships, experience, loyalties and opinions. The Society values these connections and does not expect people to avoid them simply because they accept responsibility within the organisation.

Good governance requires, however, that where another interest intersects with a responsibility to the Society, that intersection is recognised openly and managed appropriately.

The guiding principle of this Policy is therefore:

> Interests are not inherently conflicts, and conflicts are not inherently wrongdoing. Where an interest could influence, or reasonably appear to influence, the impartial exercise of responsibility on behalf of the Society, it should be declared and managed openly, proportionately and in the interests of the Society.

The Society recognises that questions of conflict can sometimes require judgement and that no framework can remove every element of uncertainty. It does not expect individuals or the Management Committee to exercise infallible judgement. It does expect relevant circumstances to be disclosed, available facts to be considered, different perspectives to be heard, and reasonable collective judgement to be exercised where the appropriate course is uncertain.

In this way, integrity is protected not by expecting people never to encounter conflicts, but by creating a culture in which they can be recognised and dealt with responsibly.

# 3. Scope and Understanding Conflicts of Interest

This Policy applies primarily to members of the Management Committee and to their participation in the governance and decision-making of the Society.

Its principles also apply, where relevant, to employees, volunteers and any other person exercising delegated authority on behalf of the Society or participating in recruitment, procurement, appointment, assessment or other decision-making processes. The extent of an individual's responsibility under this Policy will depend upon the capacity in which they are acting and the authority entrusted to them.

For the purposes of this Policy, an interest is any financial, personal, professional, organisational or other connection which may become relevant to a decision or responsibility exercised on behalf of the Society.

A conflict of interest arises where such an interest conflicts, or could reasonably be considered to conflict, with the person's responsibility to exercise their judgement impartially and in the interests of the Society.

Conflicts may include:

- **financial or material interests**, where a person, or someone closely connected with them, could gain or lose financially or materially as a result of a decision;
- **personal or relational interests**, where a decision significantly affects a partner, family member, close friend or other person with whom there is a significant personal relationship;
- **organisational interests or conflicts of loyalty**, where a person also owes responsibilities to another organisation whose interests intersect or compete with those of the Society;
- **professional or business interests**, including employment, ownership, directorship, partnership or other significant connection with an organisation affected by a Society decision; and
- **other interests or circumstances** which could reasonably call into question whether the person should participate fully in a particular decision.

A conflict may be actual, because competing interests presently exist; potential, because circumstances could reasonably develop into a conflict; or perceived, because a reasonable person who knew the relevant facts could have legitimate grounds to question whether another interest might influence the person's participation.

The existence of an interest should not be inferred merely because somebody knows another person, belongs to another organisation, holds a particular opinion or has previous experience relevant to a decision. Knowledge is not the same as interest, and having reached a view is not the same as having closed one's mind.

Committee Members are expected to contribute their knowledge, experience and judgement, to originate and advocate proposals, to disagree with one another where appropriate, and to participate fully in collective decision-making. Strongly supporting or opposing a proposal does not in itself create a conflict of interest.

Where there is reasonable doubt about whether an interest is relevant, the Society's expectation is that it should be declared. The threshold for declaration is deliberately lower than the threshold for restricting participation. Declaration allows the circumstances to be considered; it does not predetermine what should happen next.

# 4. Personal Benefit and the Use of Office

Service on the Management Committee is an undertaking of stewardship on behalf of the Society. Committee responsibility should confer responsibility rather than privilege and should not be used as a means of securing personal financial, material or other advantage.

Committee Members undertake their Committee responsibilities voluntarily and are not entitled to remuneration for the time they give in that capacity.

This does not prevent the proper reimbursement of expenditure reasonably and necessarily incurred on behalf of the Society in accordance with its financial arrangements. Reimbursement restores a person for expenditure made for the Society's benefit; it is not remuneration for their time or service.

Nor does Committee membership prevent an individual from receiving benefits or accessing facilities to which they are entitled in another legitimate capacity. A Committee Member who is also an ordinary Member of the Society may, for example, access a published members' rate on the same terms as any other eligible Member. Where permitted by the Society's Rules and applicable requirements, an employee who also serves on the Management Committee may continue to receive remuneration and other terms associated with their separate employment, while their Committee service itself remains voluntary.

The essential principle is that:

> a position of responsibility within the Society must not be used to obtain an advantage which would not be available to another person in equivalent circumstances.

Committee Members, employees and volunteers exercising authority on behalf of the Society should therefore not use their position:

- to obtain preferential access to Society facilities, services, opportunities or resources;
- to secure preferential prices, terms or treatment for themselves or someone connected with them;
- to influence the award of employment, contracts or paid work from which they or someone closely connected with them may benefit;
- to influence purchasing or procurement decisions in favour of a business or organisation in which they have a material interest;
- to use information acquired through their position to obtain an improper personal or commercial advantage; or
- otherwise to exercise Society authority for private benefit rather than the purposes for which that authority was entrusted to them.

Where a person exercising delegated authority has a material interest in a particular decision, they should not exercise that delegated authority in relation to that matter. The interest should instead be declared and the decision referred to an appropriate person or body without that conflict.

The Society recognises that legitimate dealings may sometimes take place between people connected with the Society and the Institute on the same terms available to others. Such circumstances are not automatically improper. The relevant questions are whether the relationship or interest has been openly recognised, whether any preferential advantage has arisen from the person's position, and whether the arrangement can withstand reasonable scrutiny.

There may nevertheless be circumstances in which managing an individual's participation in a decision is not sufficient to protect the integrity of the Society. In particular, the Society may determine that a proposed employment, contractual or financial arrangement involving a person entrusted with governance responsibility should not proceed at all, even where that person could withdraw from the decision-making process. The interests of the Society and reasonable confidence in the integrity of its decisions must take precedence over an individual's opportunity to benefit.

# 5. Relationships and Outside Interests

The Society recognises that Committee Members, employees and volunteers have relationships, responsibilities and interests beyond Shildon Railway Institute. They may be related to or have close personal relationships with others involved in the Society, work or volunteer with other organisations, participate in community or civic life, or hold positions of responsibility elsewhere.

Such connections are a normal and often valuable part of community life. They can bring knowledge, experience, partnerships and perspectives which strengthen the Society. The existence of a relationship or outside interest does not in itself create a conflict of interest.

## Family and personal relationships

Being related to, partnered with, or having a close personal relationship with another Committee Member, employee, volunteer or Member does not automatically prevent either person from participating fully in the life or governance of the Society.

A conflict may, however, arise where a decision directly affects someone with whom a person has a significant relationship, or where that relationship could reasonably call into question their impartial participation in the matter.

The significance of the relationship and the nature of the decision should therefore be considered together. A relationship which is irrelevant to one decision may become highly relevant to another.

For example, two partners may ordinarily participate independently and fully as Committee Members. If the Committee is considering a matter directly affecting one partner's employment, conduct or personal interests, the other should declare their relationship so that their participation can be considered appropriately.

An interest belonging to one person should not automatically be attributed to another merely because they are related or in a close relationship. Each circumstance should be considered according to its own facts.

## Employment within the Society

The Society may benefit from employees serving on the Management Committee, where permitted by the Rules and other applicable governance requirements. Employees can bring valuable operational knowledge and insight into the experiences of Members, users and colleagues.

An employee who serves on the Management Committee must distinguish between their responsibilities as an employee and those they undertake voluntarily as a Committee Member.

Where Committee business directly concerns their own employment, remuneration, terms and conditions, benefits, disciplinary matters or another matter in which they have a direct personal employment interest, that interest should be declared and they should normally withdraw from the relevant discussion and decision.

The employment of people who are related to, or have close relationships with, other employees, Committee Members or volunteers is not automatically prohibited. Relationships should not confer

an advantage in recruitment, appointment, supervision, remuneration or other employment decisions, nor should the existence of a relationship automatically disadvantage an otherwise suitable person.

Where such a relationship is relevant to a particular employment decision, it should be declared and managed appropriately.

## Other organisations and community involvement

The Society positively recognises the value of Committee Members participating in other community, voluntary, heritage, civic, professional and other organisations. Such involvement can strengthen relationships, broaden understanding and create opportunities for cooperation.

Holding membership or responsibility in another organisation does not in itself constitute a conflict of interest.

A conflict may arise where a Committee Member owes responsibilities to another organisation whose interests intersect or compete with those of the Society in relation to a particular matter. This may amount to a conflict of loyalty even where the Committee Member stands to receive no personal or financial benefit.

Where this occurs, the connection should be declared and the person's participation considered according to the circumstances.

The Society's political neutrality similarly does not require Committee Members, employees, volunteers or Members themselves to be politically neutral. Individuals may hold their own political opinions, belong to political organisations or participate in civic life. Such beliefs or affiliations become relevant to this Policy only where a particular responsibility, position or interest intersects materially with a decision being taken on behalf of the Society.

No individual should use their position within the Society to imply Society endorsement of their personal political position or that of another organisation.

## Using Society facilities

Committee Members, employees and volunteers may use or hire Society facilities, participate in groups which use them, or organise activities at the Institute, provided that their position is not used to obtain preferential access, priority, prices or terms.

Where a benefit is available to someone in another legitimate capacity—for example, a published members' hire rate available to all eligible Members—it does not become improper merely because that Member also serves on the Management Committee.

Where an individual, someone closely connected with them, or an organisation in which they have a significant interest seeks an arrangement requiring discretionary approval, the relevant connection should be declared and the individual should not use their position to determine or influence preferential treatment.

The underlying question should remain:

> Would someone without this person's position or relationship have had access to substantially the same opportunity on substantially the same terms?

Where the answer is yes, the connection may require no further action beyond any appropriate declaration. Where the answer is no, the circumstances require greater scrutiny.

# 6. Employment, Procurement and Other Opportunities

The Society must be able to demonstrate that employment, contracts, procurement and other opportunities involving financial or material benefit are awarded in the interests of the Society through fair and appropriately transparent processes.

The Society recognises that people connected with the Institute may possess valuable skills, experience and knowledge. It also recognises that Committee Members and others involved in its work will sometimes know or have previous experience of prospective employees, suppliers, contractors, consultants or partner organisations.

Knowledge of a person or organisation is not in itself a conflict of interest. The relevant question is whether a relationship, financial interest, prior involvement or other circumstance creates an actual, potential or reasonably perceived conflict in the decision being made.

## Committee Members and paid employment

Committee membership should not be used as a pathway to paid employment with the Society.

A serving Committee Member should not place themselves in a position where they participate in identifying, creating, shaping, funding or determining the terms of a paid opportunity and subsequently seek to benefit personally from that opportunity.

The Society will therefore apply a particularly high standard of scrutiny where a serving or recently serving Committee Member wishes to seek paid employment with the Society. In considering whether such an arrangement could be appropriate, particular regard should be given to:

- the individual's previous involvement in identifying or creating the role;
- any involvement in determining its duties, remuneration or other terms;
- access to information which might confer an advantage over other applicants;
- involvement in obtaining or allocating funding for the post;
- whether withdrawal from the recruitment process would genuinely remove the conflict; and
- how the circumstances could reasonably appear to Members, other applicants, funders or the wider community.

Where these considerations cannot be satisfactorily resolved, protecting the integrity of the Society and confidence in its recruitment should take precedence over the individual's opportunity to apply.

Nothing in this principle is intended to prevent an existing employee from applying fairly for another employment opportunity within the Society, nor an ordinary volunteer who holds no governance responsibility from seeking paid employment. Such applicants should be considered through the same fair process as others, with any relevant relationships or interests declared and managed.

## Recruitment and appointment

Anyone participating in recruitment or appointment should declare any significant personal, family, financial or professional relationship with an applicant which could reasonably affect, or appear to affect, their impartiality.

Merely knowing an applicant does not automatically require withdrawal, particularly within a close community where such connections may be commonplace. The nature and significance of the relationship should be considered.

Where a relationship is sufficiently close or material to call impartial participation reasonably into question, the individual should not participate in shortlisting, interviewing, assessment or the appointment decision.

Relationships should neither provide an applicant with an improper advantage nor create an automatic disadvantage. The objective should remain to identify the person best suited to the opportunity through a fair and appropriately evidenced process.

## Procurement, contracts and commissioned work

A person should not participate in selecting, evaluating, approving or awarding a contract where they have a material financial or personal interest in a prospective supplier or contractor.

Where a Committee Member or other person involved in Society decision-making knows a potential supplier through ordinary community or professional contact, this does not necessarily prevent their participation. Knowledge and experience may be useful to the Society.

Where the connection amounts to a close personal relationship, financial interest, business connection or other significant interest, it should be declared and the individual should normally take no part in evaluating or deciding upon the award.

A person who has such an interest should not seek to influence the decision informally after withdrawing from the formal process.

Committee Members and others may recommend that a person or organisation be made aware of an opportunity where they believe that person or organisation may be capable of meeting the Society's requirements. Opening an opportunity to fair competition is not the same as determining its outcome. Where the person making the recommendation has a relevant connection, that connection should be declared.

## Previous suppliers, contractors and partners

Previous experience of a supplier, consultant, contractor or partner may legitimately contribute to the Society's knowledge when considering future work.

An existing or previous working relationship does not, by itself, create a conflict of interest. Nor does impartiality require the Society to disregard what it has learned from previous experience.

Impartiality requires an open mind, not an empty one.

Where an existing or previous supplier competes for further work, however, familiarity should not substitute for evidence or provide an advantage inconsistent with the process being followed.

Where predetermined criteria are used, proposals should be assessed consistently against those criteria. Relevant previous performance may properly inform an assessment where the process allows it to do so, but personal preference, familiarity or loyalty should not result in additional weight being given to one applicant or bidder outside the agreed assessment.

Those participating in an assessment must remain genuinely capable of concluding that another proposal is stronger.

## Designing opportunities and assessment processes

Where practicable, specifications, selection criteria and assessment arrangements should be established before applications, tenders or proposals are evaluated.

A person with a material interest in a prospective outcome should not participate in designing a role, specification, assessment criterion or procurement process in a way which could confer an advantage upon themselves or someone with whom they are connected.

Assessment criteria should not subsequently be altered or interpreted selectively for the purpose of favouring a preferred applicant, contractor or supplier.

Where external funding is involved, the Society will additionally observe any procurement, value-for-money, declaration or conflict requirements imposed by the funder.

## Gifts, donations and other benefits

The Society may accept appropriate gifts, donations of materials, services or other support where doing so benefits the Society and creates no improper obligation.

The acceptance of a gift or donation should not entitle the donor to preferential treatment in future employment, procurement, contracting, use of facilities or other Society decisions.

Any gift, hospitality, donation or other benefit which is substantial, unusual, conditional, or could reasonably be understood as seeking to influence a Society decision should be declared before acceptance wherever practicable.

Where there is uncertainty, the proposed benefit should be referred for consideration rather than accepted solely by the person to whom it has been offered.

# 7. Declaring Interests

The Society expects those participating in its governance and decision-making to be open about interests, relationships or circumstances which could become relevant to the responsibilities entrusted to them.

Declaration is an act of responsible governance. It is not an admission of wrongdoing, nor does making a declaration necessarily mean that a conflict of interest exists.

Where a person is reasonably uncertain whether an interest is relevant, the Society encourages them to declare it. The purpose of declaration is to ensure that the relevant circumstances are known so that an informed and proportionate judgement can be made about whether any further action is necessary.

> **Where there is reasonable doubt, declare.**

The threshold for declaring an interest is therefore deliberately lower than the threshold for restricting a person's participation.

## When an interest should be declared

A relevant interest should be declared as soon as reasonably practicable after the person becomes aware that it may intersect with a matter being considered on behalf of the Society.

For Management Committee Members this may include:

- through the Society's annual declaration and Register of Interests;
- when an agenda or papers reveal that a relevant matter is to be considered;
- at the beginning of a Committee meeting when declarations of interest are invited;

- when the relevance of an interest becomes apparent during discussion;
- before participating in recruitment, procurement, assessment or another decision-making process; or
- when circumstances change and an existing interest becomes newly relevant.

An annual declaration or an entry in the Register of Interests does not remove the responsibility to declare an interest when it becomes relevant to a particular matter.

Similarly, the opportunity to declare interests at the beginning of a meeting is not a deadline. Where a connection only becomes apparent as discussion develops, a person should feel able to raise it at that point.

## What should be declared

A declaration should provide enough information for those considering the matter to understand the nature and significance of the interest.

It should ordinarily identify:

- the nature of the interest or relationship;
- its connection with the matter being considered; and
- any other information reasonably necessary to determine how the interest should be managed.

Only relevant information should be disclosed. The Society does not require unnecessary details about an individual's private life, family relationships, finances or other personal circumstances merely because an interest has been declared.

## Raising a possible interest concerning someone else

Responsibility for recognising and declaring an interest rests primarily with the person concerned. The Society recognises, however, that people can reasonably overlook the significance of a connection or may not initially realise that it has become relevant.

Committee Members share responsibility for protecting the integrity of collective decision-making. Where a Committee Member reasonably believes that a relevant interest may have been overlooked, they should feel able to raise the matter respectfully for consideration.

Doing so should not in itself be treated as an allegation of misconduct.

The purpose is not for one Committee Member to declare another to be conflicted, but to ensure that the relevant circumstances can be considered collectively and fairly.

Where a possible interest is raised, the person concerned should be given an opportunity to explain the relevant facts before any decision is made about their participation.

## A culture of openness

The Society wishes to foster a culture in which people are comfortable saying:

> “I think I ought to declare something which may be relevant.”

Such openness should be respected and encouraged.

A culture in which people feel able to declare interests is stronger than one in which people feel expected never to have them. Committee Members should therefore respond constructively to

declarations and recognise that identifying an interest early can protect both the individual concerned and the integrity of the Society's decision.

# 8. Assessing and Managing a Declared Interest

Once an interest has been declared, the appropriate response should be determined according to the nature of the interest and the circumstances of the particular decision.

Declaration does not automatically require withdrawal.

The Society will apply the following approach:
**Declare → Assess → Manage → Record**

## Declare

The relevant interest, relationship or circumstance is brought openly to the attention of those responsible for the decision.

## Assess

The circumstances are considered sufficiently to understand whether an actual, potential or reasonably perceived conflict exists and, if so, its significance.

Relevant considerations may include:
- how direct the interest is;
- whether the person, or someone closely connected with them, could receive a financial, material or other significant benefit or disadvantage;
- the nature and closeness of any personal relationship involved;
- whether the person owes responsibilities or loyalties to another organisation affected by the decision;
- whether the person's employment, business or professional interests are affected;
- the extent of any previous involvement in the matter;
- whether the person's knowledge is important to understanding the issue;
- whether the decision can readily be made without their participation; and
- whether a reasonable person who knew the relevant facts would have legitimate grounds to question the integrity of the decision if the person participated.

No single consideration will necessarily determine the outcome. The response should be proportionate to the circumstances.

## Manage

#### Mandatory restriction under the Society's Rules

Nothing within the management options described below overrides any specific requirement of the Society's Rules.

In particular, Rule 5.17 requires a Management Committee Member to declare an interest and not to vote on any matter in which they, their spouse or partner, or immediate relative have a personal, financial or other material interest. Where Rule 5.17 applies, the Committee cannot determine that the person may vote notwithstanding their declaration.

The Committee should still consider whether the circumstances require any additional restriction upon participation in discussion or presence during consideration of the matter.

Having considered the interest, one of three broad approaches will normally be appropriate.

**Declare and remain**

Where the interest is sufficiently minor or remote that it does not reasonably call the person's impartial participation into question, the declaration may simply be recorded and the person may continue to participate fully in discussion and decision-making.

This recognises that openness does not require unnecessary exclusion.

**Declare and participate to a limited extent**

There may be circumstances where the person's knowledge would materially assist understanding of the matter but their participation in the eventual judgement or decision would be inappropriate. In such cases the person may, where invited, provide relevant factual information or answer questions before taking no further part in deliberation or decision-making.

Limited participation should not become an opportunity to advocate for a preferred outcome before withdrawing.

**Declare and withdraw**

Where the interest is sufficiently direct or significant that continued participation could reasonably compromise confidence in the decision, the person should take no part in the relevant deliberation or decision.

Withdrawal will normally mean that the person:

- does not participate in the substantive discussion;
- does not vote or otherwise influence the decision; and
- leaves the meeting or decision-making forum while the matter is considered, unless there is a clear and recorded reason why physical withdrawal is unnecessary or impracticable.

Withdrawal is particularly likely to be appropriate where the matter concerns the person's own financial or material interests, employment, conduct or position; substantially affects someone with whom they have a close personal relationship; or involves an organisation or business in which they have a significant financial or governance interest.

Withdrawal should not be understood as a judgement upon the individual's integrity. It is a means of protecting the individual and the decision from circumstances in which their participation could reasonably be questioned.

Where a person's withdrawal results in the meeting no longer being quorate under the Society's Rules, the matter must not be determined until a quorum is restored or the decision can be considered at another properly constituted meeting.

## Collective judgement

The individual concerned has primary responsibility for declaring what they know about their interest. They should not, however, be expected to determine alone whether and how that interest should affect their participation.

Where the appropriate response is not already clear from this Policy, the Society's Rules or another applicable procedure, the Management Committee should normally exercise collective judgement in determining how the interest will be managed.

The Chair should facilitate that consideration by helping the Committee establish the relevant facts, hear appropriate perspectives and reach a clear conclusion. The Chair does not hold a personal or overriding authority to determine conflicts independently of the Committee.

Where the Committee is considering how a material interest belonging to one of its members should be managed, the person concerned should be able to explain the relevant circumstances but should not seek to determine the outcome themselves.

Where appropriate, they may be asked to withdraw while the remaining Committee Members reach that decision.

## Borderline cases and reasonable judgement

The Society recognises that some circumstances will be clear while others will require judgement.

The purpose of this Policy is not to create an expectation that every borderline case can be resolved with absolute certainty. Where uncertainty exists, the Committee should consider the available facts, hear relevant perspectives and reach a reasonable and proportionate collective judgement.

Where the Committee remains uncertain, it should adopt the safer reasonable course, taking account of the significance of the decision and the consequences of unnecessary exclusion as well as the need to protect confidence in its integrity.

This does not mean that the most restrictive possible response should automatically be chosen.

A decision reached openly, reasonably and in good faith on the information available does not become improper merely because it is later questioned or because another person might have reached a different judgement.

## The underlying arrangement

Managing an individual's participation does not necessarily make the underlying arrangement appropriate.

There may be circumstances in which a person's withdrawal sufficiently protects the decision-making process, but the proposed employment, contract, transaction or other arrangement would itself still create an unacceptable conflict or reasonable perception of improper advantage.

The Committee should therefore consider separately:

**Can the individual's participation be appropriately managed?**

and

**Is the proposed arrangement itself appropriate for the Society?**

Where the latter cannot be answered satisfactorily, the interests and integrity of the Society should take precedence.

## Record

The declaration and the way in which it was managed should be recorded appropriately.

For a Committee meeting, the minutes should normally record sufficient information to show:

- that an interest was declared;
- the nature of the interest to the extent necessary to understand its relevance;
- how the Committee determined it should be managed; and
- where applicable, that the person withdrew, abstained from voting or participated only to a specified extent.

The record should demonstrate the integrity of the process without unnecessarily documenting private or sensitive personal information.

# 9. Bias, Predisposition, Predetermination and Previous Involvement

Committee Members are appointed to contribute their knowledge, experience, judgement and opinions to the governance of the Society. They are not expected to approach every matter without previous knowledge or an existing view.

A Committee Member may originate an idea, advocate strongly for a proposal, oppose a proposed course of action, question the views of colleagues or have reached a provisional conclusion before a matter is formally decided. None of these things, in themselves, constitutes a conflict of interest.

> **Having reached a view is not the same as having closed one's mind.**

Healthy collective governance depends upon Committee Members being able to express different perspectives, test one another's reasoning and seek to persuade their colleagues. A person should not be excluded from a decision merely because their opinion is strongly held, unpopular, or different from that of the majority.

## Predisposition and an open mind

A predisposition exists where a person has an existing view or preference but remains genuinely willing to hear relevant information, consider the perspectives of others and reconsider their position before a decision is made.

Predisposition is an ordinary part of decision-making and does not normally prevent participation.

Committee Members should nevertheless approach collective decisions with an appropriately open mind. They should be prepared to:

- consider relevant facts and evidence;
- listen respectfully to different perspectives;

- distinguish assumptions from what is known;
- consider information which challenges their existing view;
- recognise the limits of their own knowledge or experience; and
- accept that collective consideration may lead to a different conclusion from the one they initially preferred.

Consensus does not require everybody to hold the same opinion. Nor does accepting a collective decision require an individual to abandon a sincerely held personal view. It does require each Committee Member to participate honestly in the process through which the collective judgement is reached.

## Predetermination

Predetermination is different from predisposition.

It arises where a person has effectively decided what the outcome should be and is no longer genuinely prepared to consider relevant evidence, alternatives or the views of others before participating in the decision.

Examples might include a person who has privately promised that the Committee will reach a particular outcome, who intends to support or oppose an applicant regardless of the evidence presented, or who refuses genuinely to consider alternatives to a predetermined course.

Predetermination is not necessarily a conflict of interest, because no separate financial, personal or organisational interest may exist. It can nevertheless undermine the integrity of collective decision-making.

Where there is reasonable concern that a person's mind is effectively closed in relation to a particular decision, the matter should be addressed openly and proportionately. Where necessary, the Committee may determine that the person should not participate in that decision.

This Policy should not, however, be used to characterise strong advocacy, disagreement or an unpopular opinion as predetermination merely because other Committee Members disagree with it.

## Personal bias

People inevitably form opinions about other people through their experiences and relationships. Ordinary differences of personality, friendship, familiarity or dislike do not automatically prevent a Committee Member from exercising responsible judgement.

There may nevertheless be circumstances where a personal history or relationship is sufficiently significant that the person's ability to participate impartially could reasonably be questioned.

For example, a longstanding personal dispute, serious breakdown of relationship, close friendship, previous confrontation or other significant history with a person directly affected by a decision may be relevant even where no financial or conventional conflict of interest exists.

Where such circumstances could reasonably affect, or appear to affect, impartial participation, they should be disclosed in the same spirit of openness encouraged elsewhere in this Policy.

The purpose of disclosure is not to require Committee Members to like everybody equally. It is to recognise circumstances where an ordinary human relationship has become sufficiently significant to require consideration in the interests of a fair decision.

## Previous involvement

Previous involvement in a matter does not automatically prevent later participation.

Committee Members will often contribute to developing proposals, projects and decisions over time, and that continuity can be valuable.

There are circumstances, however, where the nature of a person's previous involvement means they are no longer appropriately independent for a particular later responsibility.

This may arise, for example, where a person:

- is being asked to review or determine a complaint about a decision in which they were substantially involved;
- is a material witness to events being investigated;
- has previously advised or represented one of the parties to a dispute;
- has a personal role in the subject matter being considered; or
- would effectively be required to judge the adequacy or propriety of their own previous conduct or decision.

Such circumstances are not necessarily conflicts of interest in the strict sense. They may instead concern independence, procedural fairness or bias. They should nevertheless be recognised and managed under the appropriate Society policy or procedure.

Where another Society procedure establishes specific requirements concerning independence or previous involvement, those requirements should be followed.

## Protecting legitimate participation

Nothing in this Policy should be used to exclude a Committee Member from participating simply because they:

- proposed or developed an idea;
- have spoken publicly or internally in favour of or against a proposal;
- possess specialist knowledge or previous experience relevant to the matter;
- ask difficult or challenging questions;
- disagree with another Committee Member or with the majority;
- hold a strong but genuinely reconsiderable opinion; or
- have voted differently from others on a previous occasion.

The purpose of conflict management is to protect fair and trustworthy decision-making, not to remove disagreement from collective governance.

Where concern is raised about bias, predetermination or previous involvement, the same principles of openness, relevant facts, proportionality and reasonable collective judgement should apply.

# 10. Register of Interests

The Society will maintain a Register of Interests for members of the Management Committee.

The purpose of the Register is to help Committee Members and the Society recognise continuing interests which may become relevant to Society decision-making and to provide an appropriate record of openness within its governance.

The Register is not intended to suggest that the interests recorded within it are improper or that Committee Members should avoid having interests outside the Society. It reflects the principle that openness about relevant connections helps protect both individuals and the integrity of collective decisions.

## Annual declaration

Each member of the Management Committee will be asked to consider and declare their relevant interests when taking up Committee responsibility and thereafter as part of the Society's annual governance cycle.

The Society will provide a simple Annual Declaration of Interests questionnaire to assist Committee Members in identifying interests which may reasonably need to be recorded.

The annual declaration should encourage consideration of matters including:

- relevant employment, business or professional interests;
- positions of responsibility held in other organisations;
- relevant financial or material interests;
- significant family or personal relationships which intersect with Society business;
- employment or other financial relationships with the Society;
- positions held in organisations which regularly use or receive support from the Society;
- relevant connections with significant suppliers, contractors, consultants, funders or partners; and
- any other continuing interest which could reasonably become relevant to the person's Committee responsibilities.

The Society will seek only information which is reasonably necessary for good governance. Committee Members should not be expected to disclose unrelated details about their private lives, finances, property, beliefs, ordinary friendships, leisure interests or memberships merely because they exist.

## What should be entered in the Register

The Register should contain sufficient information to identify the nature of a relevant continuing interest without recording unnecessary personal information.

An interest may be appropriate for registration where it is reasonably foreseeable that it could intersect with matters considered by the Society.

Examples may include:

- employment by the Society while also serving on the Management Committee;
- ownership of, or a significant financial interest in, a business which could transact with the Society;
- a governance or leadership position in another organisation which regularly uses Society facilities;

- a position of responsibility in a partner or related organisation whose interests may sometimes intersect with those of the Society; or
- another continuing relationship or interest reasonably capable of becoming relevant to Society decision-making.

Ordinary acquaintance with another person, membership of an organisation without relevant responsibility, political or other personal beliefs, and unrelated leisure or community interests would not normally require registration unless particular circumstances make them relevant.

## Keeping the Register current

Annual declaration is a point of reflection, not a once-a-year limit upon responsibility.

Committee Members should advise the person responsible for maintaining the Register where:

a new relevant interest arises;
an existing interest materially changes;
an interest ceases; or
circumstances make an existing connection sufficiently different that its recorded description should be updated.

The Register should be updated within a reasonable period after such information is provided.

## The Register does not replace meeting declarations

An entry in the Register of Interests does not remove the responsibility to declare that interest when it becomes relevant to a particular matter.

Likewise, the absence of an interest from the Register does not mean that it need not be declared when circumstances make it relevant.

Some interests will only become significant because of the particular matter being considered and could not reasonably have been anticipated when the annual declaration was completed.

The Register therefore complements, rather than replaces, the continuing declaration requirements set out in Section 7.

## Responsibility for maintaining the Register

The Management Committee should ensure that responsibility for maintaining the Register is clearly allocated.

The person responsible should:

- invite and receive annual declarations;
- update the Register when relevant changes are notified;
- ensure that records are stored appropriately;
- make the Register available when required for legitimate governance purposes; and
- ensure that information which is no longer required is managed in accordance with the Society's information-handling arrangements.

Responsibility for maintaining the Register does not make that person responsible for identifying every interest on behalf of Committee Members. Each Committee Member retains personal responsibility for considering and declaring their own relevant interests.

## Access, transparency and privacy

The Society recognises that transparency about relevant interests strengthens confidence in its governance. Transparency does not, however, require the unnecessary publication of personal information.

Annual Declarations of Interests and the Register of Interests are internal governance records. They should be accessible to those who reasonably require the information for the proper governance, administration or oversight of the Society, and should be managed in accordance with the Society's information-handling and data-protection arrangements.

Information from the Register may be disclosed where there is a legitimate governance, regulatory, funding or other proper requirement to do so, but only to the extent reasonably necessary for that purpose.

The Society does not routinely publish individual declarations or its Register of Interests. Where Members, partners, funders or others reasonably seek assurance about the management of conflicts, the Society should seek to demonstrate that appropriate governance arrangements have been followed without unnecessarily disclosing personal information.

The Society should be capable of demonstrating that an interest was identified, considered and appropriately managed without necessarily disclosing every detail of the interest itself.

# 11. Recording and Transparency

Appropriate records help the Society demonstrate that interests have been recognised and managed responsibly. They protect the integrity of decisions, provide continuity as Committee membership changes, and enable the Society to account for the way in which its responsibilities have been exercised.

The purpose of recording is not to create an unnecessary record of people's private affairs. Records should contain sufficient information to explain the governance of a matter without including personal information which serves no relevant purpose.

Recording declarations and decisions

Where an interest is declared during a Management Committee meeting, the minutes should normally record:

- that an interest was declared;
- sufficient information about the nature of the interest to explain its relevance;
- how the interest was determined to be managed;
- any limitation placed upon the person's participation;
- whether the person withdrew from the meeting and, where appropriate, when they returned; and
- that the person did not participate in a decision or vote where this was required.

Where a relevant interest arises outside a formal Committee meeting, for example during recruitment, procurement, tender evaluation or another delegated decision-making process, an appropriate record should similarly be made within the records of that process.

The record should demonstrate what happened without unnecessarily documenting private or sensitive information.

## Recording the reasoning

Where the appropriate management of an interest is straightforward, a brief record of the declaration and outcome will normally be sufficient.

Where circumstances are unusual, significant or reasonably open to different interpretations, the record should contain enough information to demonstrate that the relevant circumstances were considered and that a reasonable and proportionate judgement was reached.

The Society does not need to record every contribution to the discussion or attempt to prove that its judgement was unquestionably correct. The purpose is to preserve an appropriate account of what was considered, what was decided and how the identified interest was managed.

## Transparency and accountability

The Society should be capable of demonstrating that decisions have been made in the interests of the Society and that relevant conflicts have been appropriately managed.

This may include providing appropriate assurance to Members, funders, partners, regulators or others with a legitimate reason to understand how a particular decision or governance process was conducted.

Transparency does not require unrestricted disclosure of the personal information upon which a decision may have been based.

Where assurance is reasonably required, the Society should normally seek to explain:

- that an interest was identified or declared;
- that it was considered under this Policy;
- what steps were taken to manage it; and
- that the resulting decision was made through the appropriate governance process.

Further personal information should only be disclosed where there is a legitimate and proportionate reason for doing so.
Openness means being accountable for what we do; it does not mean that everything we know must be made public.

# 12. Failure to Declare or Manage an Interest

The effectiveness of this Policy depends upon people being willing to recognise and disclose relevant interests and upon the Society managing those interests appropriately.

The Society also recognises that conflicts of interest involve human judgement. An interest may be overlooked, its significance may not initially be apparent, circumstances may change, or a person may make an honest error in deciding whether something should be declared.

An honest mistake should not automatically be treated as misconduct.

## Honest mistakes and late declarations

Where a person realises that they have failed to declare an interest, or that an interest previously considered insignificant has become relevant, they should disclose it as soon as reasonably practicable.

The Society should respond constructively to such disclosure and consider:

- the nature and significance of the interest;
- whether the person has already participated in discussion or decision-making;
- whether any decision has already been made;
- whether the interest could reasonably have affected the process or outcome;
- whether any corrective action is necessary; and
- what can reasonably be learned from the circumstances.

Where appropriate, corrective action might include reconsidering a matter without the participation of the person concerned, making an additional record, obtaining independent advice, or taking another proportionate step to restore confidence in the decision.

The purpose should be to put matters right where reasonably possible and learn from what occurred, rather than to punish an individual for an honest oversight.

## Failure by the Society to manage a declared interest

Responsibility does not rest solely with the person making a declaration.

Where somebody has openly declared an interest and the Committee or another responsible decision-making body subsequently fails to manage it appropriately, that should not automatically be treated as a failure by the person who made the declaration.

The Society should examine its own decision-making and governance arrangements and take appropriate corrective action.

This reflects the shared nature of responsibility established by this Policy: individuals are responsible for openness about their interests, while the Society is responsible for considering and managing those interests properly.

## Deliberate concealment or misuse of position

A materially different situation arises where a person knowingly:

- conceals or fails to disclose a significant interest;
- provides materially false or misleading information about an interest;
- continues to influence a matter after having agreed or been required not to participate;
- uses their position or information obtained through it to secure improper advantage for themselves or another person;
- seeks to manipulate recruitment, procurement, expenditure or another Society process for private benefit; or
- repeatedly disregards reasonable requirements made under this Policy.

Such behaviour may undermine confidence in both the individual and the integrity of the Society's governance and may constitute a breach of the Management Committee Code of Conduct, Volunteer Code of Conduct, terms of employment, the Society's Rules or another applicable governance requirement.

Where there are reasonable grounds for concern that such a breach may have occurred, the matter should be addressed through the appropriate Society procedure, including the Concerns, Complaints and Disputes Procedure where applicable.

This Policy should not itself become a parallel disciplinary or complaints procedure.

## Effect upon an earlier decision

Discovery of an undeclared or improperly managed interest does not automatically mean that the underlying decision must be reversed or treated as invalid.

The Society should consider the circumstances, including the significance of the interest, the extent of the person's participation, whether the decision might reasonably have been affected, any applicable requirements within the Society's Rules or external obligations, and what corrective action remains available.

Where necessary, the matter may be reconsidered through an appropriately constituted and conflict-free decision-making process.

The response should seek to protect the interests of the Society, restore confidence where necessary and avoid either overlooking a significant failure or unnecessarily undoing a sound decision because of a minor procedural error.

# 13. Responsibilities, Implementation and Review

Managing conflicts of interest is a shared governance responsibility.

The Society expects individuals to take responsibility for recognising and declaring their own relevant interests, while the Management Committee collectively is responsible for ensuring that declarations are considered and managed appropriately.

## Management Committee Members

Each Committee Member is responsible for:

- considering whether their interests, relationships or other responsibilities may become relevant to Society business;
- completing the Society's Annual Declaration of Interests;
- notifying relevant changes during the year;
- declaring interests when they become relevant to a particular matter;
- providing sufficient information to allow the interest to be properly considered;
- complying with any reasonable arrangements agreed for managing the interest; and
- supporting a culture in which colleagues can raise and consider possible conflicts openly and respectfully.

Committee Members are not expected to identify every possible conflict with certainty. They are expected to act openly and responsibly where an interest may reasonably be relevant.

## The Management Committee collectively

The Management Committee is responsible for:

- promoting and maintaining the standards established by this Policy;
- considering material or uncertain conflicts collectively where appropriate;
- determining proportionate arrangements for managing declared interests;
- ensuring that conflicted individuals do not improperly influence decisions;
- considering whether an underlying arrangement remains appropriate where managing participation alone is insufficient;
- ensuring that appropriate records are maintained;
- reviewing possible failures or weaknesses in the operation of this Policy; and
- seeking appropriate advice where a significant or unusual conflict cannot reasonably be resolved internally.

The Committee should seek to apply this Policy consistently while recognising that different circumstances may reasonably require different responses.

## The Chair

The Chair has a facilitative responsibility for helping the Committee apply this Policy during its meetings and collective decision-making.

This includes helping to ensure that declarations are invited and heard, relevant facts are established, appropriate perspectives are considered, and a clear decision is reached about how an interest will be managed.

The Chair does not possess an overriding personal authority to determine whether another Committee Member has a conflict of interest. Where collective judgement is appropriate, the decision belongs to the Committee.

Where the Chair has an interest, they are subject to the same requirements as any other Committee Member and should not chair the consideration of their own participation.

## The Secretary and maintenance of records

The Secretary, or another person expressly designated by the Management Committee, should ensure that the administrative arrangements supporting this Policy are maintained.

This includes:

- coordinating the Annual Declaration of Interests process;
- maintaining the Register of Interests;
- ensuring notified changes are appropriately recorded;
- supporting appropriate recording of declarations within Committee minutes; and
- maintaining governance records in accordance with the Society's information-handling arrangements.

Administrative responsibility for the Register does not transfer responsibility for identifying interests away from individual Committee Members.

## Employees, volunteers and others exercising delegated authority

Employees, volunteers and others who participate in Society decisions or exercise delegated authority should apply the principles of this Policy where relevant to the responsibilities entrusted to them.

Where such a person identifies a material interest in a decision they would ordinarily be authorised to make, they should declare the interest and refer the decision to an appropriate person or body without that conflict.

## Relationship with the Society's Rules and other governance documents

This Policy operates within the authority of the Society's Rules and should be read consistently with them.

Where the Rules impose a specific requirement concerning an interest, eligibility, benefit, participation or decision, the Rules take precedence.

This Policy should also be read alongside the Society's:

- Governance Philosophy;
- Responsibilities of the Management Committee;
- Management Committee Code of Conduct;
- Concerns, Complaints and Disputes Procedure; and
- other policies or procedures relevant to the particular decision being made.

The purpose of these connections is not to duplicate requirements between documents, but to ensure that the Society's governance framework operates as a coherent whole.
Implementation

New Committee Members should be introduced to this Policy as part of their induction into Committee responsibility.

The annual declaration process should form part of the Committee's normal annual governance cycle and provide an opportunity for all Committee Members to reflect afresh upon their interests and responsibilities.

The Society should encourage questions where people are uncertain about the application of this Policy. Seeking guidance before participating in a decision should be regarded as responsible governance rather than evidence that somebody has done something wrong.

## Review

This Policy should be reviewed periodically as part of the Society's governance review cycle and whenever there is a significant change to the Society's Rules, legal or regulatory requirements, organisational structure or experience which indicates that the Policy should be reconsidered.

Review should consider not only whether the Policy has been formally followed, but whether it continues to support a culture of openness, proportionate judgement and visible integrity.

Experience gained through declarations and the management of actual situations should inform future improvement, while respecting the confidentiality of individuals concerned.

# 14. Commitment

Accepting responsibility on behalf of Shildon Railway Institute means accepting a duty to place the interests of the Society before personal advantage when exercising that responsibility.

Those who serve the Society are not expected to be without other interests, relationships, loyalties or opinions. These are part of the experience and connection that people bring to the Institute and can strengthen its governance and its place within the community.

The commitment required by this Policy is one of openness, judgement and integrity.

Those exercising responsibility on behalf of the Society commit to:

- recognising that their personal interests and Society responsibilities may sometimes intersect;
- declaring relevant interests openly and at the appropriate time;
- being willing to have the significance of those interests considered by others;
- accepting proportionate arrangements to protect the integrity of a decision, including stepping aside where necessary;
- never using a position of responsibility to secure improper advantage for themselves or another person;
- approaching collective decisions with an open mind and respect for the judgement of their peers; and
- helping to sustain a culture in which interests can be raised and discussed without embarrassment, suspicion or accusation.

No policy can anticipate every circumstance or remove every question of judgement. The Society therefore asks those entrusted with responsibility not for certainty, but for honesty: to disclose what may reasonably matter, to consider the available facts, to listen to others and, where personal interest and responsibility to the Society cannot comfortably coexist, to put the Society first.

> **The measure of this Policy is not that conflicts of interest never arise, but that when they do, they are met with openness, sound judgement and a shared commitment to the integrity of the Society.**

In doing so, each generation of those entrusted with the governance of Shildon Railway Institute helps protect the confidence placed in the Society today and the inheritance passed to those who will accept that responsibility in the future.