BOARD RULES OF PROCEDURE

Abstract

These rules of procedure are set by the board for their own proceedings and meet the requirement of the Railways and Transport Safety Act 2003, Schedule 1 paragraph 8.

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Our procedures

Enabling legislation

1 We were established under the provisions of the Railways and Transport Safety Act 2003 (RTSA). This provided for the functions, property, rights and liabilities of the then rail regulator to be transferred to us. Schedule 1 of RTSA sets out arrangements for our constitution, staffing, proceedings, money, and conflicts of interest.

2 Our economic functions are rooted in the Railways Act 1993. The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 amended section 17 of the RTSA to extend ORR's remit to Northern Ireland, thereby giving us economic regulatory responsibilities for the railways in Northern Ireland.[1] We also have economic regulatory responsibilities for the UK half of the Channel Tunnel pursuant to the Channel Tunnel (International Arrangements) (Charging Framework and Transfer of Economic Regulation Functions) Order 2015.[2]

3 The Railways Act 2005 transferred to us safety functions for the railways in Britain. Regulations made under the Health and Safety at Work etc. Act 1974 made us responsible for railway related enforcement of health and safety.

4 The Infrastructure Act 2015 made us the Monitor of how National Highways exercises its functions.

5 We are required by the RTSA to agree and make public our procedures. This document meets that requirement.

Constitution

6 The Secretary of State for Transport appoints our chair and board members. The minimum number of members is four (in November 2023 we have ten members, two of whom are executives). We can establish board committees and appoint independent members to them.

7 The chair will appoint a non-executive deputy chair to assist them in their work and to act as meeting chair in their absence. Should our chair become incapacitated, the executive should refer to the deputy chair for immediate guidance (notwithstanding the Secretary of State's responsibility for appointing our permanent chair).

8 We are required to appoint a chief executive (CEO) and we choose to appoint a director of railway safety. We ask the Secretary of State to appoint these

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1 Our economic functions for Northern Ireland are set out in the Railways Infrastructure (Access, Management and Licensing of Railways Undertakings) Regulations (Northern Ireland) 2016.

2 This Order gave effect to the bi-national regulation of the Intergovernmental Commission of 23rd March 2015 transferring economic rail regulation competence from the Intergovernmental Commission to the national regulatory bodies. Our economic functions in respect of the Channel Tunnel are set out in the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016.

individuals to the board but as we cannot make these appointments ourselves, we grant both post holders free and unfettered access to the chair and the board.

9 The board expects that our chief executive will be designated Accounting Officer for ORR by HM Treasury. Such an appointment carries additional responsibilities which on rare occasions will not align entirely with those of board membership. The chief executive may then ask the board to direct them in writing to implement a particular decision. This mechanism triggers Parliamentary scrutiny which is an important part of the system of checks and balances that we work within.

10 All our employees are members of the civil service and we rely on the values and standards for that service set out in the Civil Service Code and regulated by the Civil Service Commission.

11 The purpose of our board is to set ORR's strategic direction and our priorities and oversee our executive's delivery of our business. In doing so, our board takes decisions on the matters set out below and in annex A.

12 In performing our functions we will comply with the generally accepted principles of good corporate governance and good regulation. All our members accept collective responsibility for all decisions made by our board. Our non-executives comply with the 12 Principles of Governance for all Public Body NEDs as they apply to a Non-Ministerial Department.[3]

13 These **procedures** set out how we will carry out our functions including how we deal with conflicts of interest and the delegations of any functions we have made to our committees, board members, our chief executive or another of our employees.

14 Our board, our employees, and our committee members (who may or may not be employees) are all subject to a **general duty of confidentiality** in relation to the conduct of our affairs as regulator of Britain's railways and in holding National Highways to account. Similarly, our **code of conduct** (annex C) applies.

Our board meetings and decisions

General

15 For the avoidance of doubt, references to 'meetings' in these procedures include those conducted in person, by telephone, by video-conference or a mix of all these. References to 'written' material, documents and papers encompass electronic versions of these. Notification and communications are generally conducted using email. Votes and decisions may be determined using electronic media.

Frequency of Meetings

16 Our board secretary will propose by the end of each calendar year a schedule of regular board meetings for the next year. Our current practice is to hold eleven

[3] Guidance: 12 Principles of Governance for all Public Body NEDs (Published 11 March 2021)

meetings a year. Regular meetings will be held in person unless the chair has given permission for members to join remotely.

17 Our chair may call an additional meeting. Further, any two members may call an additional meeting, by making a written request to the chair (or, in their absence, to the chief executive), and the additional meeting shall be held within 15 working days of the request.

Notice of meetings

18 Further to the annual schedule proposed above, board meetings will normally be convened with a minimum of five working days' notice. In exceptional circumstances, a shorter period might be necessary and such shorter notice may be ratified at the meeting. Notice of a meeting shall be by electronic mail and failure of a member to receive the notice does not invalidate that meeting or any business transacted at it.

19 Our board may invite any person to attend all or part of one of the meetings and any such invitation will be included in the notice.

Agenda & papers

20 The agenda and papers for board meetings will normally be circulated five working days in advance of the meeting. Papers will be distributed electronically. The non-receipt of agenda or papers by a member shall not invalidate the meeting or any business transacted at that meeting.

21 Where a meeting of the board is called at short notice, the agenda and papers relating to the business to be transacted shall be circulated electronically at the earliest practical opportunity.

22 Papers may be tabled at board meetings only with the permission of our chair.

Quorum

23 The quorum for board meetings is five members (including at least three non-executive board members, one of whom will normally be the chair).

24 Board members are not counted towards the quorum for an item in respect of which they have a conflict of interest and are not entitled to take a decision.

25 Board members joining remotely will be considered present. Only in exceptional circumstances may board members be absent from meetings without the prior agreement of our chair (or in their absence, our chief executive). All attendances and absences will be recorded in the minutes of the meeting.

26 Meetings which are not quorate, or from the point at which they become so during the course of the meeting, cannot take formal decisions but can discuss business and make recommendations for consideration at the next meeting or for decision outside of the meeting (under the procedure outlined at paragraph 35).

Procedure at meetings

27 Subject to these rules, our board may meet together for the despatch of our business, adjourn and otherwise regulate meetings as it thinks fit.

28 If our chair is present at a meeting they will preside. If they are unable to be present, then the deputy chair will preside.

29 If a member who is not present submits comments on an agenda item(s) then these will be circulated at the meeting or read out by the meeting chair at the appropriate point in the meeting. This provision does not apply to Members who are not permitted to participate in a matter as a result of the declaration of a conflict of interest.

30 Our meeting chair will:

- preserve order;
- ensure that each member has sufficient opportunity to express his/her views on all matters under discussion;
- determine all matters of order, competency and relevancy;
- determine in which order those present should speak; and
- determine whether or not a vote is required and how it is carried out in accordance with the rules below.

Decisions

31 Decisions of our board will normally be made by consensus rather than by formal vote.

32 Failing consensus, decisions will be reached by a simple majority vote when:

- the meeting chair feels that no clear consensus has emerged or is likely to; or
- a member who is present requests a vote to be taken and this is supported by at least one other member; or
- any other circumstances have arisen where the meeting chair feels that a vote should be taken.

33 In these circumstances each member has a single vote exercised either orally or by a show of hands. Only members present (including by phone/videoconference) may vote. In the case of an equality of votes, the meeting chair has a second, casting vote. The meeting chair will declare the result and the minutes will record only the numerical results of the vote, including any abstentions and without any attributions.

Deferred decisions

34 Our board may defer a decision for any reason. The decision to defer, and the reasons for doing so, will be recorded in the minutes.

Decisions outside meetings

35 Any matter capable of being decided by our board may be decided by written or email confirmation given by a majority of the members of the board with the chair having the power to cast a second casting vote. Such decisions must be reported to the next regular meeting and recorded in its minutes.

Urgent matters

36 Matters may arise between regular board meetings that require a board decision which it is not appropriate to postpone until the next such meeting, and as such, are considered urgent. Our chair (or, in their absence, any other non-executive member), after advice from our chief executive (or, in their absence, another executive board member), may decide that a matter requires approval by the board before the next scheduled meeting.

37 In these circumstances, the appropriate papers to inform the decision will be circulated to members for a decision by email. An additional remote meeting may be arranged to permit discussion of an urgent issue.

Expedited decisions

38 Our chair, or in their absence our chief executive or another executive board member, may trigger an expedited process if they deem the matter extremely urgent.

39 This process enables a decision to be taken by a minimum of two members participating in a meeting called for the purpose (one of whom must be our chair so long as they can be contacted and can participate within the necessary timescale for the decision, or in their absence, the deputy chair, under the same conditions).

40 Attempts must be made to contact all other members with an indication of the issue that needs resolution, and the time and place of the meeting, and they must be given the opportunity to participate in it in person or by telephone or video-conference as appropriate.

41 Any decision made or approval given under this expedited process must be minuted and reported to the board at its next meeting.

Minutes

42 Minutes shall be prepared for all board meetings and for any meeting at which a decision is taken. The minutes of a meeting shall be confirmed as a correct record at the next following board meeting. When the next meeting is an additional meeting, the minutes may be confirmed at the next regular board meeting.

43 The minutes will record the key points of discussions, unless a member specifically requests that their comments be recorded. Minutes (or a version redacted as appropriate) will be lodged on our website within three months of their approval.

Our committees

44 Our board can establish standing or ad hoc committees in either an advisory role or with delegated powers. For every committee our board shall agree its terms of reference, the appointment or removal of its members, and the identification of its chair. Membership will be reviewed every three years. These rules shall govern the proceedings of a committee so far as they are capable of applying [except for a Competition Case Decision Group appointed under Rule 46]. To the extent that our board has not done so, a committee shall be free to set its own rules of procedure.

45 We have four standing committees:

- our **audit and risk committee** – its terms of reference are set out at annex D
- our **people committee**[4] – see annex E
- our **health and safety regulation committee** – see annex F
- our **highways committee** – see annex G

46 Our board will from time to time appoint a Competition Case Decision Group (CCDG) as an ad hoc committee under these rules to make all decisions involved in any case under the Competition Act 1998, following the issue of a statement of objections, and to supervise the investigation. The CCDG shall set its own rules of procedure.

47 ORR also employs its own expert panels to bring fresh perspectives to policy discussions with officials. The creation and scope of a new panel is a reserved matter. A report on each panel's work and membership will be provided to the board each year. Where a board member chairs a panel, they will report to the board on the items discussed at the next board meeting.

Reserved matters and delegations

Reserved matters

48 The matters listed at annex A are reserved to our board unless our board delegates them to an employee or a committee. The list of matters reserved for decision by our board does not preclude other matters, usually determined under delegation, from being referred by our chief executive to the board for discussion or decision.

Delegations

49 Any delegation made by our board may be made subject to conditions and the delegation or conditions may be revoked or altered by our board. The nature and scope of single issue delegations will be recorded in the minutes.

[4] Fulfilling the functions of the Remuneration and Nomination Committee.

50 Our board may decide to discharge a function even though it has previously delegated the discharge of that function to a committee or employee; when our board does discharge such a delegated-function, this will be recorded in the minutes.

51 Our board delegates to our chief executive the discharge of all our functions other than:

- any matter reserved to our board
- any matter delegated to a committee
- any matter delegated directly to a different member of staff, and
- the health and safety enforcement matters delegated to our director of railway safety set out below (paras 55 and 56).

52 Our chief executive may delegate the discharge of their functions (and, if they choose, the authority to make further delegations) to appropriate employees. They will maintain a list of all such delegations lodged with our board secretary.

53 In particular, the chief executive shall delegate decision-making involved in the initial stages of a case under the Competition Act 1998, up to and including the issue of a statement of objections and the supervision of the conduct of the investigation, prior to the appointment of a Competition Case Decision Group (CCDG) under paragraph 46. This delegation shall be to one or more suitably qualified member(s) of the Senior Civil Service (SCS) or grade A members of ORR staff (except that the chief executive may not appoint themself). The chief executive may not delegate this function further (except in circumstances where they are not available for a period) or allow the SCS or grade A member of staff to do so.

54 An executive should not exercise a delegation from the chief executive on a matter which is novel or contentious, or of reputational risk to the organisation, without first informing the chief executive who may judge board engagement to be prudent. The board shall receive reports and information from our executive in a form as to allow such matters to be identified.

55 The board is required to make adequate arrangements[5] for the enforcement of the relevant statutory provisions under the Health and Safety at Work Act, including those made pursuant to s15(1) of that Act. Our board delegates the performance of these enforcement functions to our director of railway safety on the conditions that:

- this delegation will be carried out in full compliance with our board approved **health and safety enforcement policy;** and
- where a decision is considered novel, contentious or of reputational risk to the organisation, they shall inform the Chief Executive when intending to exercise the delegation (or as soon as possible thereafter in the case of urgent

[5] Section 18, Health and Safety at Work Act, 1974

enforcement or imminent danger) and ensure the Chair of the Board is notified for awareness as soon as practicable; and

- where a prosecution decision meets these criteria, they shall also ensure the Board is notified prior to any external communication.

Our director of railway safety may authorise in writing appropriate employees to perform these functions on their behalf. Delegations will be subject to the same conditions and the director of railway safety will maintain a list of delegations lodged with our board secretary.

56 We also delegate to our director of railway safety approval of the appointment of suitably qualified safety inspectors and to specify which of the powers conferred on inspectors by the relevant statutory provisions are to be exercisable by that inspector in line with our health and safety enforcement policy. The process for assessing and appointing inspectors shall be reported to the board.

Committee delegations

57 The terms of reference for each committee set out any permanent powers or functions that our board has delegated to it. The board may choose to make additional, single issue delegations to a committee without amending its terms of reference.

Contracts or other documents.

58 Our chair and chief executive are both authorised to sign contracts or other documents on our behalf, and our board authorises either of them to delegate this authority to one or more of our employees as they think appropriate.

Conflicts of interest

Disclosure

59 The procedures for declaring and managing interests set out in annex B shall apply.

60 Board members are required on appointment to complete a register of interests which is reviewed every six months and is available on ORR's website. Members must seek the chair's approval of any new appointment before they accept it and should report any change in the register to the board secretary so that it can be updated.

61 Our directors are also required to complete the register of interests as set out above. Our employees in attendance at a board or committee meeting for specific items should declare any interest in an item under discussion at the beginning of the discussion.

62 Every board and committee agenda includes an item to allow the declaration of interests. If a new interest or duty has arisen or an existing interest is relevant, a declaration of that interest or duty may be made by a member at the start of a meeting or in advance in writing to the chair so it is known to the other attendees

prior to the discussion of the relevant agenda item. In the event of the member not appreciating at the beginning of the meeting discussion that an interest or duty exists, they should declare such an interest or duty as soon as they become aware of it.

63 The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 requires those with the ultimate responsibility for taking some decisions to make an annual declaration of independence. Members must withdraw from decision making in cases which concern an undertaking with which they have had a direct or indirect connection in the period of 12 months prior to the date on which any relevant procedure commences.[6] Such connections should be captured in the register of interests.

64 A member of the board, committee member or ORR employee in attendance at meetings of the board or a committee who declares an interest at a meeting shall be subject to the procedures for dealing with conflicts of interest set out at annex B.

65 All the above matters will be recorded in the minutes of the meeting together with any additional information that our board considers appropriate (including the extent to which the member or employee had access to papers prior to withdrawal).

Other matters

Public statements

66 Our members agree to consult our director of communications (or in their absence the chair or chief executive) before making statements to Parliament or the media, submitting papers/articles in published media and making formal presentations/speeches on any matter relevant to ORR or the discharge of our functions.

Performance reviews

67 Our board will review its own performance and effectiveness, and that of its committees, annually and provide details of these reviews in our annual report and accounts.

Procedural reviews

68 These procedures will be reviewed as and when required by our board, but at least every other year and may be varied by the consent of the majority of the members of our board present at a meeting. No procedure may contravene a statutory provision.

[6] This provision overlaps with the statutory requirement to withdraw from decision making where a conflict of interest exists.

Annex A - Reserved Matters

Our board will take the decisions on the matters set out below. Anything not covered in these reserved matters nor delegated directly to staff may be determined by the chief executive or delegated by them except that no executive should exercise such a delegation on a matter which is novel or contentious, or of reputational risk to the organisation, without first informing the chief executive who may judge board engagement to be prudent.

A1 **Our corporate strategy.** The approval of our corporate strategy and any revisions to it, as well as values.

A2 **Our annual plans and budgets.** Approval of the priorities for forthcoming annual plans and approval of our published plan and budget allocations prior to start of the year in question.

A3 **Our annual report and accounts.** Approval of the annual report and accounts that we submit to Parliament. Also the approval of significant changes in our accounting policies and the appointment or removal of our auditors.

A4 **Major items of regulatory policy.** Including but not limited to:

- periodic reviews – overall process, frameworks and draft and final determinations;
- our enforcement policies – including the use of our health & safety, licence, competition and consumer powers;
- all statutory enforcement action except:
    a. that related to health & safety, which is delegated to our director of railway safety in accordance with rule 55 and 56 of our rules of procedure; and
    b. that related to cases under the Competition Act 1998, which is delegated under rules 46 and 53.
- reviewing final reports produced from investigations under paragraph 4 of Schedule 3 of the Railways Act 2005 prior to publication;
- establishing or changing regulatory policy relating to the exercise of any of our functions;
- our response to any consultation affecting our role, powers or constitution conducted by government.

A5 **Major items of policy relating to monitoring the strategic highways company and the strategic roads network**. With consideration of the 2015 memorandum of understanding between the Department for Transport and ORR and including, but not limited to:

- monitoring framework and enforcement policy; and
- statutory enforcement action.

A6 **Competition matters.** Notwithstanding Rule 46, the board retains strategic oversight of the exercise by ORR (through a competition case decision group) of its functions under the Competition Act 1998 and the executive shall provide the board with appropriate information and updates to enable it to discharge this function.

A7 **Litigation other than statutory enforcement.** Oversight of any major legal dispute in which we are involved, including approving the start by ORR of any significant litigation, any decision to appeal any significant judgment that has been given against us and the defence of any significant litigation started against us.

A8 **Our governance.** Approval of our policy on conflicts of interest and any changes to our procedural rules. Also approval of any new memorandum of understanding or formal agreement that we may enter into with a third party (except for those relating to operational matters or required for the provision of a shared service with a government department or other UK regulatory body, which were delegated to the CEO in March 2021), and any material changes to any existing memorandum of understanding or formal agreement not so delegated.

A9 **Our committees.** Approval of the terms of reference of a committee, the appointment or removal of its members, and the identification of its chair.

A10 **Expert Panels.** The creation and scope of any ORR expert panel (but not its membership[7], agendas or programme).

A11 **Our organisation.** Approval of our overall structure, oversight of our people strategy including our strategy on reward (within the constraints of wider civil service rules).

A12 **Our executive.** Approval of the appointment of our chief executive and the terms of employment, as well as the approval of our executive remuneration policy and the pay of our senior civil service employees ((in line with wider civil service rules).

A13 **Contracts.** Approval to enter into any contracts not in the ordinary course of business and any capital projects above £500k.

Note. In an emergency situation where significant additional expenditure is urgently required to safeguard any of our operations or to protect our assets, our Accounting Officer (usually the chief executive) may approve unbudgeted expenditure. Such approval should be submitted at the earliest opportunity to our board for ratification.

A14 **General.** Approval to anything that by law is reserved to our board (including deciding, as a qualified person for the purposes of section 36(2) of the Freedom of Information Act 2000, whether information that has been requested should be treated as exempt information under that section of that act).

[1] Railways Act 2005, Schedule 3, Paragraph 4
4(1)The Office of Rail and Road may authorise a person to investigate and make a special report on any accident, occurrence, situation or other matter of any sort which that Office thinks it necessary or expedient to investigate—
(a)for any of the railway safety purposes; or
(b)with a view to the making of regulations for any of those purposes.
(2)The Office of Rail and Road may cause—
(a)the contents of a special report made under this paragraph, or
(b)so much of them as it considers appropriate,
to be made public at such time, and in such manner, as it thinks fit.

[7] *Save in relation to the roads expert panel, for which appointment was delegated to the Chief Executive in consultation with the Chair of the Highways Committee (October 2023).*

(3)Where a person who is not a member, officer or employee of the Office of Rail and Road carries out an investigation and makes a special report under this paragraph, that Office may pay him such remuneration and expenses as the Secretary of State determines.
(4)The Office of Rail and Road may, to such extent as the Secretary of State may determine, defray the other costs (if any) of—
(a)an investigation under this paragraph; or
(b)the making of a special report following such an investigation.
(5)In section 14(1) of the 1974 Act (matters about which investigations etc. may be required or authorised by the HSC), for "it is" substitute—
"(a)those general purposes shall be treated as not including the railway safety purposes; but
(b)it is otherwise".

Annex B – Conflicts of Interest

Introduction

B1 Integrity is the second of the Nolan Principles:

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

B2 Conflicts of interest which are not recognised or dealt with properly have the potential to undermine the reputation of the ORR, to make its decisions vulnerable to legal challenge and to open it to charges of corruption. Transparency is an important mitigator of these risks. Not all conflicts of interest can be avoided entirely, for example some board members are appointed because they bring knowledge or experience of the industries we regulate. These procedures aim to embed high sensitivity to potential conflicts and open engagement with the risks, ensure compliance with the law and offer a framework for the proportionate application of judgement where the law allows discretion.

B3 Members should aim to ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and private interests – financial or otherwise. From time to time new indirect interests might arise (for example as the result of change in employment for a close family member, or a change in the powers of the ORR) and these procedures set out how such a situation should be addressed.

Principles

B4 Board members are required to take personal responsibility to prevent any risks to ORR as may arise in relation to their own interests and ensure that, before they become involved in taking a decision or participate in a discussion, there are no conflicts of interest that, in the opinion of a fair-minded and informed observer, would suggest a real possibility of bias.

B5 ORR expects its members to declare all direct interests in the Register of interests (whether the board member thinks they are relevant or not) and to apply a broad interpretation of what indirect interests might be relevant as indicated by the guidance on completing the Register.

B6 Every member should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work

B7 The agenda of every board and committee meeting will include the opportunity to state new or existing interests.

B8 The minutes of any board or committee meeting will note the disclosure of any such interests and any occasion where the board makes a decision in relation to a

member's continued participation or withdrawal from discussions and decisions as a result of a declared interest.

Statutory position

B9 Members must declare publicly any private interests which may, or may be perceived to, conflict with their duties as members[8].

B10 Statute requires members to withdraw from the discussion or determination of matters in which they have a financial interest [see B22 and B23 below].

B11 In matters in which they have a non-financial interest, members should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias[9]. Where there is no suggestion of bias, they may participate but any such participation is at the discretion of the other board members.

B12 Any member or committee member who has a personal interest (but not a financial interest) which is relevant to any of our functions (a relevant interest) is obliged to declare that interest. In addition:

(a) if that interest is likely to influence that member's performance of a particular function, he/she is obliged to withdraw from the performance of the function;

(b) if that interest is not likely to influence that member's performance of that particular function, he/she must still withdraw from the performance of the function to the relevant extent unless our board directs otherwise.

B13 Each member is responsible for their own compliance with these procedural arrangements and with the law.

Register of Interests

B14 Our board secretary will keep a register of interests. A version of this register is published on our website.

B15 Each member must register all interests that are capable of being interests that might conflict with their duties. Each member is responsible for keeping their register entry up to date and should notify our board secretary as soon as possible of any changes which need to be made.

B16 Every year our board secretary will confirm with every member that their interests have been registered. Our board secretary may from time to time ask each member

[8] In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

[9] These are common law provisions.

to confirm that their registered interests are up to date and that they have complied with these procedural arrangements.

Previous interests

B17 On appointment, members should include in the register details of past employers in the road or rail industries [or other bodies as described in B23], with dates and job titles. Case law demonstrates that the seniority of such roles and their duration may lead to a perceived interest or bias in relation to that organization. The board will decide on a case by case basis whether such an interest should be treated as a relevant interest which is likely to influence the member in relation to particular areas of its work and for how long it should be considered relevant.

Current/concurrent interests

B18 Our members should register the following interests:

- relevant securities which are not placed in a blind trust (as defined below);
- remunerated employment, office or profession other than with us;
- other regular sources of remuneration;
- directorships, whether remunerated or not; and
- membership of public bodies (hospital trusts, governing bodies of universities, colleges and schools, and local authorities), trusteeships (of museums, galleries and similar bodies) and acting as an office holder or trustee for pressure groups, trade unions and voluntary or not-for-profit organisations.

B19 A member is required to consult our chair before accepting a new appointment whether or not they think this may lead to a conflict of interest.

Future interests

B20 The Secretary of State may impose restrictions on future employment as part of a members' appointment to the ORR. Board members are responsible for understanding and complying with any restrictions placed on their future appointments or subsequent employment in this way.

B21 There is a 12 month statutory bar on employment by any rail undertaking where the board member was a decision maker in relation to Access and Management Regulations 32, 33, 34 and 35. Board members should consult the board secretary privately if they wish to determine whether such a prohibition applies to a prospective opportunity.

Financial interests

B22 For these purposes, "relevant securities" means any financial interest (such as shares or debt securities including debentures, bonds, options, rights or future rights to shares or other securities but not including units in a unit trust or equivalent managed fund and not including gilts, government bonds or other financial

instruments issued by or on behalf of HM Government) in the bodies referred to in paragraph B23 held by a person, their spouses or dependent children which are not placed in a blind trust. “Blind trust” means an arrangement by which a person gives a stockbroker or other professional investment manager absolute discretion to manage investments in relevant securities and under which that person:

- is not consulted before any dealing takes place;
- does not instruct the investment manager with regard to any specific securities; and
- is not informed of changes in specific investments or the state of the portfolio other than in an aggregated form or as required for tax returns.

B23 The bodies referred to in paragraph B22 and B17 are bodies having an interest in the rail or highways industries in Britain which includes:

(a) persons who operate trains, networks or other railways or highways assets or who are parties to access agreements;

(b) persons applying for licences or approval or direction of access agreements on the railways;

(c) persons who supply any material equipment or services to the railway industry including rolling stock leasing companies;

(d) construction contractors active in UK highways or railways;

(e) funders; and

(f) bodies which are part of the same group as a person falling within any of the above sub-paragraphs.

B24 A material financial interest held by a member, other than through a blind trust, in a body referred to in paragraph B23 should be considered to have such a wide ranging potential influence in relation to board decisions that it creates a strong presumption that it is not practicable for that member to serve on the board or committee. This presumption should be rebuttable only in exceptional circumstances and board members are therefore recommended to avoid new investments in these bodies. For the purposes of this paragraph, a material financial interest in a funder is not to be interpreted as covering the holding of gilts, government bonds or any other financial instruments issued by or on behalf of HM Government.

New interests and conflicts

B25 If a member becomes aware of a conflict during the course of any discussion, he/she should immediately disclose their interest and he/she should, if appropriate, withdraw from the discussion and any decision relating to the matter. However, in some circumstances he/she may, if the board or committee permits, participate in such discussions and decisions in accordance with rules 59-65 of the procedures.

B26 From time to time a member may have or become aware of new interests which might conflict with their ORR duties (for example as the result of change in employment for a close family member, or a change in the powers of the ORR).

B27 As well as keeping their entry on the register of interests up to date, a member must disclose to our board secretary such new interests as soon as he/she becomes aware that they may cause a conflict, for example, on receipt of an agenda or board meeting papers.

B28 When the board member reports a new interest which the board secretary or chair considers likely to require their exclusion from part of the regular business of the board under para B12 above, then the board secretary will review the likely impact of such exclusion on the efficacy of the board and the member's ability to properly execute all their duties and advise the chair and the member accordingly.

B29 If the impact is considered by the chair to be so great that the member cannot properly fill the role for which they were appointed the member will be given an opportunity to propose arrangements to negate the new interest or to resign from their position. While the outcome of this is uncertain, the board will apply its discretion to exclude the individual from the affected parts of their business. If the member does not negate the new interest and declines to resign the chair may write to the Secretary of State seeking the termination of the individual's appointment on the grounds that they have a financial or other personal interest which is likely to influence the performance of their functions as a member.

Protecting Information and Confidentiality

B30 If a member receives a written paper on a matter in relation to which they have a conflict of interest, he/she must immediately make this known to our board secretary with an indication of the extent to which they have read the paper. The board secretary will then consider how to prevent further access to the material and ensure the deletion of any electronic copies.

B31 Where a member comes into possession of confidential information in the course of their duties, he/she must not use or disclose that information in order to benefit himself or herself or any other person.

B32 It is a criminal offence for an individual who has information as an insider to deal in securities (including shares, debentures, warrants and options) on a regulated market. A member who gains access to price-sensitive information through their duties will be considered an "insider". A member will be committing an offence if they have unpublished price-sensitive information on any company, and deals in the securities himself/herself, or arranges for someone to deal in the securities on their behalf, or passes the information on to someone, or encourages someone else to deal.

B33 Every member must take particular care to avoid disclosing to any person (or otherwise acting on) any discussion relating to decisions which have not yet been made public.

B34 Even where disclosure would not breach the insider dealing rules, a member must ensure that he/she does not disclose to any person information received during the course of their duties where such information has been provided on a confidential basis.

Sanctions

B35 Should evidence of failure to follow this guidance become apparent, the chair will determine the appropriate course of action with advice from the board secretary and general counsel. Such action may include writing to the Secretary of State to seek the termination of the individual's appointment on the grounds that they have failed to declare a conflict of interest. While the outcome of this is uncertain, the board will use its discretion to exclude the individual from the relevant parts of their business (which may, in extreme cases, be all parts of its business).

Annex C - Code of Conduct

C1 Our chair, members of our board and committee members (together "members") must comply at all times with the Code of Conduct for Board Members of Public Bodies[10] and act in good faith and in ORR's best interests. Our employees must comply with the civil service code and ORR's code of conduct.

Public service values

C2 In our activities and actions we will have regard to the seven principles of public life and the principles of good regulation: proportionality, accountability, consistency, transparency and proper targeting of regulation to achieve defined goals.

C3 Our members must maintain the highest standards of propriety, involving integrity, impartiality and objectivity in relation to the stewardship of public funds and our management. Our members must not seek to gain material benefits for themselves, their families or their friends through the performance of their duties.

C4 Our members must comply with the conflicts of interest arrangements set out in annex B.

C5 Our members are required to take all appropriate steps to ensure we operate in the most efficient and economical way, within available resources, and with independent validation of our performance wherever practicable.

Gifts and hospitality

C6 Our members (including those who are not our employees) must comply with the policy on accepting gifts and hospitality which we publish for all staff, as updated from time to time.

Expenses

C7 A member may only recover his/her expenses if the expenditure is reasonably and necessarily incurred on our behalf. Our members must comply with the policy for claiming such expenses which we publish for all staff.

C8 Our members must comply with the policy on travel and subsistence which we publish for all staff, as updated from time to time.

Leaving ORR

C9 On termination of office, our chair, members and committee members must return all of our property.

C10 Board members must not take employment or another appointment which contravenes the terms of appointment to the board set by the Secretary of State. In the event that a member takes a position without the consent of the Secretary of State which contravenes that appointment, the chair may, with the agreement of the board, write to the departing member and/or the Secretary of State and/or the new

[10] https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies

employer pointing out the failure to meet the condition of their public appointment, and such correspondence may be made public.

Data Protection

C10 Our members give their consent for all purposes to the holding, processing and accessing by us of personal data about them. We hold all such data in accordance with ORR's data protection policy.

C11 Our members who are not our employees must also hold data in accordance with our data protection policy.

Social media

C12 When engaging with social media our members will at all times respect confidentiality, financial, legal and personal information.

C13 If the status of information received by our members in their role is unknown, our members will assume that it is not in the public domain and should not be shared on social media.

C14 Where any personal social media accounts used by members or staff make reference or link to their ORR role, they will make clear in what capacity they are acting.

Sanctions

C15 Should evidence become apparent of failure to follow this code of conduct, or the code of conduct for members of public bodies, the ORR chair will determine the appropriate course of action with advice from the board secretary and general counsel. Such action may include writing to the Secretary of State to seek the termination of the individual's appointment setting out the grounds for such a termination.

ANNEX D – AUDIT AND RISK COMMITTEE: TERMS OF REFERENCE

Authority

D1 This is an advisory committee to, and established by, the board.

Purpose

D2 The purpose of the committee is to support and advise the board in its responsibilities for issues of risk, control, governance, and associated assurance by:

- Reviewing the comprehensiveness of assurances in meeting the board and accounting officer's assurance needs;
- Reviewing the reliability and integrity of these assurances; and
- Providing an opinion on how well the board and accounting officer are supported in decision making and in discharging their accountability obligations (particularly in respect of financial reporting and risk management).

Functions

D3 The committee will advise the board and accounting officer on, and where appropriate make recommendations for changes to:

- ORR's strategic processes for risk, control and governance and the annual Governance Statement;
- encourage the board to take a proactive approach in the ownership of organisational risk;
- the effectiveness of ORR's internal processes, ensuring that timely and focused reviews of any internal process failures take place and are discussed by the committee to share lessons learned;
- ORR's accounting policies and annual report and accounts. This should include accounting policies and practice, compliance with laws and accounting standards and major matters of judgement. It will also cover the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit, promoting internal audits as a driver for continuous improvement of our existing systems;
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the corporate governance requirements for ORR;
- the adequacy of anti-fraud and corruption policies and whistle-blowing processes;
- (where appropriate) proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
- the appointment or dismissal of any external organisation appointed to provide internal audit services;

- the effectiveness of the internal audit function including the internal audit strategy and plan including the nature and scope of their audit programme covering the planning, undertaking and management of the internal audit process;
- the fees and annual costs of internal and external audit; and
- any other matters referred to it by the board.

Rights

D4 The audit and risk committee may

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- ask the Health and Safety Regulation committee (HSRC) to oversee studies where the Audit and Risk committee considers that the HSRC's competency is better suited to the content;
- procure specialist ad-hoc legal or other professional advice at the expense of the organisation, subject to budgets agreed by the board and where the use of ORR's internal resources is inappropriate; and
- investigate any activity within its terms of reference, and seek through the accounting officer any information it requires from ORR employees. All employees are directed to co-operate with any reasonable request made by the committee in the conduct of its enquiries.

Information requirements

D5 For each meeting the audit and risk committee will be provided with:

- A report summarising any significant changes to the organisation's risk register;
- A progress report from internal audit summarising:
  - work performed (and a comparison with work planned);
  - key issues emerging from internal audit work;
  - management response to audit recommendations;
  - changes to the periodic plan; and
  - any resourcing issues affecting the delivery of internal audit objectives.
- Notice of any incidents of financial irregularity or fraud;
- Internal and external audit may have an opportunity at each meeting to raise any issues with the committee without ORR staff being present.

D6 As and when appropriate the committee will also be provided with:

- External audit's audit strategy
- A progress report from the external audit representative summarising work done and emerging findings;
- The internal audit strategy;

- Proposals for the terms of reference of internal audits;
- Full reports and follow up reports from internal audit investigations;
- The internal audit's annual opinion and report; quality assurance reports on the internal audit function;
- ORR's draft accounts;
- ORR's draft governance statement;
- ORR's key strategic risks;
- An IT and security update;
- A report on any changes to accounting policies;
- External audit's management letter;
- A report on any proposals to tender for audit functions; and
- A report on co-operation between Internal and external audit.
- Any other material that the committee reasonably requires in order to fulfil its responsibilities.

Membership

D7 The board makes appointments to the committee, including the committee chair. The committee will consist of at least two non-executive members of the board and at least one independent member with relevant experience.

Attendees

D8 Meetings of the committee will normally be attended by the accounting officer, the chief operating officer, the associate director of finance and governance, general counsel, a representative of internal audit, and a representative of external audit.

D9 The committee may instruct any other officials of the organisation to attend to assist it with its discussions on any particular matter.

D10 The committee may instruct any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

Access

D11 The representatives of internal and external audit will have free and confidential access to the chair of the audit and risk committee between meetings and the committee if required at each meeting.

D12 The director of railway safety will have free and unfettered access to the audit and risk committee and its chair.

D13 ORR employees may raise a concern with the chair of the audit and risk committee where the matter has not been resolved adequately by either the line manager, senior manager or nominated officer, or it is believed that the concern is extremely serious and urgent.

Meeting Arrangements

Frequency of Meetings

D14 The committee will meet four times a year on a quarterly basis to enable reports to be dealt with in a timely way. These meetings will normally be held around scheduled board meetings.

D15 The chair of the committee may convene additional meetings, as he/she deems necessary.

D16 The board, accounting officer, internal audit or external audit may ask the chair of the committee to convene further meetings to discuss particular issues on which they want the committee's advice.

Quorum

D17 Two members of the committee must be present for the meeting to be deemed quorate.

Chairing meetings

D18 The meeting will be chaired by the appointed chair or in their absence, another non-executive member of the committee.

Agendas

D19 An outline agenda programme will be agreed by the committee at its first meeting following the beginning of each financial year.

D20 The committee secretariat will agree the meeting agenda with the chair. The committee will consider its forward programme at each meeting.

D21 The agenda and any papers will be circulated, where practicable, five working days in advance of the meeting. Papers and presentations will normally be expected in order to aid the informed discussion of the topic on the agenda.

Reporting

D22 A review of the meeting will be held at the end of each meeting. The chair of the committee will report back to the board orally at its next meeting (usually the next day).

D23 Once agreed by the committee, meeting minutes will be circulated to board members with the next appropriate board pack.

D24 The audit and risk committee will provide the board and accounting officer with an annual report, timed to support finalisation of the accounts and annual report, summarising its conclusions from the work it has done during the year, with particular reference to the organisation's risk, governance and internal control framework.

D25 The committee will review its terms of reference at least every other year, and report the results to the board with any recommendations for change, and review its own effectiveness as appropriate.

ANNEX E – PEOPLE COMMITTEE: TERMS OF REFERENCE[11]

Authority

E1 This is an advisory committee to, and established by, the board.

Purpose

E2 The purpose of the committee is to support and advise the board in its responsibilities for remuneration and nomination matters, as well as strategic people-related issues.

Functions

E3 The functions of the committee vary for different groups of people and are to:

A For non-executive roles:

- Advise on recruitment process and criteria;
- Advise on induction plans for new members and keep these under review;
- Consider succession planning for board committees and advise the chair.

B For the chief executive (SCS3):

- Advise the chair on chief executive recruitment;
- Consider performance and reward annually (in line with wider civil service rules) and make recommendations to the board;
- Review succession options for the chief executive role and advise the chair in the light of any short term need.

C For SCS1 and SCS2 roles:

- Consider performance and reward annually (with the chief executive and in line with wider civil service rules) and make recommendations to the board;
- Review succession plans and consider emerging risks;
- Advise the chief executive on additional requirements for recruitment of roles which are expected to include board appointments.
- Oversee SCS Recruitment:
    - A non-executive board member will sit on the selection panel for all SCS2 recruitments: the chief executive will agree with the chair which member that should be.
    - The chief executive will agree with the recruiting director the composition of the panel for any SCS1 recruitment.

[11] Fulfilling the functions of the Remuneration and Nominations Committee.

D For non-SCS roles:

- Oversee organisational culture and our people-related strategies, including our strategy on reward (within the constraints of wider civil service rules);
- Consider the outcome of the annual staff survey and executive plans for addressing any issues; and
- Meet with the staff council in advance of reviewing the reward strategy and executive performance, when required.

E4 In addition, the Committee as a whole or its individual members may be asked to hear appeals or grievances, including fulfilling reciprocal commitments to other civil service bodies including the CMA.

E5 The committee may obtain independent legal or other professional advice where the use of ORR's internal resources is inappropriate.

Membership

E6 The board makes appointments to the committee, including the committee chair. The committee will consist of at least three non-executive members of the board.

Attendees

E7 Meetings of the committee will be attended by the chief executive, the chief operating officer (who will withdraw for any item relating to their own performance or reward), the most senior HR professional (currently the associate director of HR), and the board secretary.

Meeting Arrangements

Frequency of meetings

E8 The committee will meet three times a year to enable reports to be dealt with in a timely way. These meetings will normally be held around scheduled board meetings.

E9 The chair of the committee may convene additional meetings, as he/she deems necessary, to deal with emerging or urgent issues (such as Cabinet Office guidance on SCS pay).

Quorum

E10 Two members of the committee must be present for the meeting to be deemed quorate.

Chairing meetings

E11 The meeting will be chaired by the appointed chair or in their absence, another non-executive member of the committee.

Agendas

E12 The committee secretariat will agree the meeting agenda with the chair, following discussion with the most senior HR professional (currently the Associate Director of HR). The committee will consider its forward programme at each meeting.

E13 The agenda and any papers will be circulated, where practicable, five working days in advance of the meeting. Papers and presentations will normally be expected in order to aid the informed discussion of the topic on the agenda.

Reporting

E14 The chair of the committee will report back to the board orally at its next meeting (usually the next day).

E15 Once agreed by the committee, meeting minutes will be circulated to board members with the next appropriate board pack (except where the content is sensitive).

E16 The committee will review its terms of reference at least every other year, and report the results to the board with any recommendations for change, and review its own effectiveness as appropriate.

ANNEX F – HEALTH AND SAFETY REGULATION COMMITTEE: TERMS OF REFERENCE

Authority

F1 This is an advisory committee to, and established by, the board.

Purpose

F2 The purpose of the committee is to support and advise the board in its responsibilities for the regulation of health and safety by overseeing related issues and helping to shape the strategic considerations to be put to the board.

Functions

F3 The functions of the committee are to:

- Oversee:
  - the overall risk picture, and the strategic work of ORR in relation to health and safety:
  - the development of health and safety related policy; and
  - the overview of the performance of the industry.
- Consider what other health and safety related bodies, including relevant bodies outside the UK, are doing and ensure ORR adopts relevant examples of good practice.
- Safeguard relationships with HSE, RAIB, RSSB and LRSSB.
- Oversee, on behalf of the ORR board, reviews of RSSB's effectiveness.
- Examine such matters as requested by, and report its findings to, the board.
- Oversee studies for the audit and risk committee where that committee considers that the HSRC's competency is better suited to the content.
- Make such recommendations to the board as it sees fit from time to time.

Membership

F4 The board makes appointments to the committee, including the committee chair. The committee will consist of at least three non-executive members (including the chair of the board), one of whom will be committee chair, as well as the chief executive and the director of railway safety, with such other members as appointed by the board from time to time.

Attendees

F5 Experts, staff, and external stakeholders may be invited to attend and contribute to specific committee discussions in order to support the committee's functions.

Meeting Arrangements

Frequency of meetings

F6 The committee will meet four times a year on a quarterly basis to enable reports to be dealt with in a timely way. These meetings will normally be held around scheduled board meetings.

F7 The chair of the committee, or chair of the Board, may convene additional meetings, as he/she deems necessary, to deal with emerging or urgent issues.

Quorum

F8 Three members of the committee, comprising at least two non-executive directors, must be present for the meeting to be quorate. If the director of railway safety cannot attend, then a deputy director of railway safety must be in attendance.

Chairing meetings

F9 The meeting will be chaired by the appointed chair or, in their absence, the ORR chair. If neither is in attendance then the committee will appoint one of the attending non-executive directors as the chair for the meeting.

Agendas

F10 The committee secretariat will agree the meeting agenda with the chair, following discussion with the director of railway safety. The committee will consider its forward programme at each meeting.

F11 The agenda and any papers will be circulated, where practicable, five working days in advance of the meeting. Papers and presentations will normally be expected in order to aid the informed discussion of the topic on the agenda.

Reporting

F12 The chair of the committee will report back to the board orally at its next meeting (usually the next day) and will provide general feedback on matters discussed to the Railway Health and Safety Advisory Committee (RIHSAC) at its next meeting. The HSRC Chair will, in turn, report back to HSRC on key matters discussed at RIHSAC.

F13 Once agreed by the committee, meeting minutes will be circulated to board members with the next appropriate board pack.

F14 Where external stakeholders attend the committee the minutes should record whether or not any follow up is to be made in writing by the Chair on behalf of the committee.

F15 The committee will review its terms of reference at least every other year, and report the results to the board with any recommendations for change, and review its own effectiveness as appropriate.

ANNEX G – HIGHWAYS COMMITTEE: TERMS OF REFERENCE

Authority

G1 This is an advisory committee to, and established by, the board.

Purpose

G2 The purpose of the committee is to support and advise the Board in its responsibilities on matters related to the strategic highways company and the strategic road network.

G3 Its existence fulfils a requirement of a 2015 memorandum of understanding (MoU) between the Department for Transport and ORR as the Highways Monitor.[12] Revisions to these terms of reference and significant changes to committee membership must continue to meet the requirements of the MoU and confirmation of this should be obtained from the Department.

Functions

G4 The functions of the committee are as outlined in the MoU, and to:

- advise the board in developing, reviewing and maintaining an appropriate and effective monitoring framework and enforcement policy, and internal decision-making framework for roads, and keep these under review;
- scrutinise and provide constructive challenge to reports on the strategic highways company's performance;
- advise the board if the strategic highways company appears to be failing to comply with the road investment strategy or the Secretary of State's directions and guidance;
- scrutinise and provide constructive challenge to the planning, resourcing and delivery of any special report or work commissioned by the Secretary of State;
- provide assurance to the board on the substance of any advice or report to the Secretary of State, including advice on the objectives for a future road investment strategy;
- oversee the operation and meetings of a roads expert panel; and
- advise the board of issues where ORR's rail and road functions can learn lessons from one another and drive mutual benefit.

Membership

G5 The board makes appointments to the committee, including the committee chair. The committee will consist of:

- at least three non-executive members of the board including one with relevant specialism who will chair the committee; and

[12] Memorandum of understanding between the highways monitor and the Department for Transport (publishing.service.gov.uk)

- two executive directors including one with responsibility for highways.

G6 The board may add co-opted independent members to supplement the other members' skills and experience or to represent the views of wider stakeholders. Such members will declare their relevant interests at each meeting.

Attendees

G7 Meetings of the committee will be attended by the Deputy Director, Strategic Road Network. Experts, staff, and external stakeholders, may be invited to attend and contribute to specific committee discussions in order to support the committee's functions.

Meeting Arrangements

Frequency of meetings

G8 The committee will meet four times a year to be scheduled around the discussion of key deliverables and outputs, and to enable reports to be dealt with in a timely way. These meetings will normally be held around scheduled board meetings.

G9 The chair of the committee may convene additional meetings, as they deem necessary, to deal with emerging or urgent issues (such as sudden changes in the strategic highways company's performance).

Quorum

G10 Three members of the committee must be present, comprising at least two non-executive directors, for the meeting to be quorate.

Chairing meetings

G11 The meeting will be chaired by the appointed chair or in their absence, another non-executive member of the committee.

Agendas

G12 The committee secretariat will agree the meeting agenda with the chair. The committee will consider its forward programme at each meeting.

G13 The agenda and any papers will be circulated, where practicable, five working days in advance of the meeting. Papers and presentations should inform discussion of the topic on the agenda.

Reporting

G14 The committee chair will report headlines to the board orally at its next meeting (usually the next day).

G15 Where external stakeholders attend the committee the minutes should record whether or not any follow up is to be made in writing by the Chair on behalf of the committee.

G16 Once agreed by the committee, meeting minutes will be circulated with the next appropriate board pack.

G17 The committee will review its terms of reference at least every other year, and report the results to the board with any recommendations for change, and review its own effectiveness as appropriate.

ANNEX H - TRANSFORMATION COMMITTEE: TERMS OF REFERENCE

Authority

H1 This is an advisory committee to, and established by, the board.

Purpose

H2 The purpose of the Committee is to support and advise the Board in exercising strategic oversight, assurance and challenge in relation to ORR's organisational transformation (predominantly arising from rail reform).

H3 In particular, the Committee will assist the Board in ensuring that:

- ORR's transformation is aligned with its statutory duties, strategic objectives, and long-term capability needs;
- The executive's transformation plans are robust, deliverable, appropriately resourced and subject to effective governance;
- Major risks, dependencies and impacts associated with transformation are properly identified, monitored and managed;
- The Board receives clear, timely and strategic advice on transformation matters requiring Board decision or scrutiny.
- The Board is engaged in defining what ORR needs to do differently as part of transformation, including the changes required to ways of working, organisational culture, capabilities and behaviours.

Functions

H4 The functions of the committee are to:

Strategic Oversight

- Provide strategic oversight of ORR's transformation programme, ensuring alignment with the Board's strategic direction, and the changes ORR must make to deliver transformation, including shifts in operating model, roles, responsibilities and decision-making.
- Review the executive's proposals relating to ORR's future operating model, organisational design and high-level capability requirements. Matters relating to pay, reward, senior appointments or organisation-wide people policies remain the responsibility of the People Committee.

Assurance

- Provide constructive challenge to the executive on the credibility and maturity of transformation plans, delivery approaches and governance arrangements, including the processes underpinning transformation.
- Maintain an awareness of strategic and corporate risks associated with transformation and ensure linkage with the Audit & Risk Committee, avoiding duplication of the Audit & Risk Committee's responsibilities for risk management.

Monitoring progress

- Monitor delivery against transformation milestones, benefits and performance indicators through regular reporting dashboards.

- Review significant risks, issues, assumptions and dependencies escalated from the executive transformation governance.

H5 The committee may:

- Recommend to the Board any decisions required relating to transformation under its reserved matters.
- Highlight matters requiring Board attention, including cross-cutting implications for ORR's statutory duties, independence and long-term sustainability.

Membership

H6 The board makes appointments to the committee, including the committee chair. The committee will consist of:

- at least two non-executive members of the board, including the Chair of the Board.

H7 The board may add co-opted independent members to supplement the other members' skills and experience or to represent the views of wider stakeholders. Such members will declare their relevant interests at each meeting.

Attendees

H8 Meetings of the committee will be attended by the Chief Executive, Director of Strategy, Policy and Reform, and the Chief Operating Officer.

H9 Experts, staff, and external stakeholders, may be invited to attend and contribute to specific committee discussions in order to support the committee's functions.

Meeting Arrangements

Frequency of meetings

H10 The committee will meet 4 times a year, with meetings scheduled to support Board consideration of key transformation deliverables and assurance. Meetings will be aligned with scheduled Board meetings where possible.

H11 The chair of the committee may convene additional meetings, as they deem necessary, to deal with emerging or urgent issues.

Quorum

H12 Two members of the committee must be present for the meeting to be quorate.

Chairing meetings

H13 The meeting will be chaired by the appointed chair or in their absence, another non-executive member of the committee.

Agendas

H14 The committee secretariat will agree the meeting agenda with the chair. The committee will consider its forward programme at each meeting.

H15 The agenda and any papers will be circulated, where practicable, five working days in advance of the meeting. Papers and presentations should inform discussion of the topic on the agenda.

Reporting

H16 The committee chair will report headlines to the board orally at its next meeting.

H17 Once agreed by the committee, meeting minutes will be circulated with the next appropriate board pack.

H18 The committee will review its terms of reference on an annual basis, making any recommendations for change to the board and reviewing its own effectiveness as appropriate.

H19 The Committee will continue for as long as the Board determines that dedicated oversight of transformation is required. The Committee will be dissolved by Board decision once the transformation programme has reached a point where such oversight is no longer necessary.