

External Board Effectiveness Review

For

The Office of Rail and Road

Final report from RedQuadrant

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Executive summary

RedQuadrant was commissioned to carry out an external board effectiveness review of the Office of Rail and Road Board, to provide an independent assessment of ongoing board effectiveness, and to offer advice and recommendations for continuous improvement.

Purpose

The focus of this work was to understand the Board's structures, behaviours and performance, and to make recommendations as to how it could improve and/or consolidate from a variety of perspectives.

Method

The review was carried out through a combination of one-to-one interviews, board and committee observations, document review and self-assessment questionnaire analysis. The review included engagement with all board members, along with some members of the executive leadership team and external stakeholders.

Key findings and recommendations

A full list of our recommendations is shown in [Appendix 1](#) below.

We found the ORR board to be a high performing board. We found the board members to be highly competent, skilled and resilient. The non-executive director (NED) cohort is impressive, and works well together. We observed a good relationship and dynamics between the board members and the executive leadership team. The atmosphere was collaborative and respectful.

The meetings are well chaired, and the Chair is held in high esteem by board members. He invests time and energy in supporting and developing the NED cohort.

In terms of the development of this current Board, we feel that there is some work to be done to focus the work of the Audit and Risk Committee (ARC). There is also a discussion to be had about how the Board can measure the success of the organisation against its strategy.

We found this board well prepared and well-placed in terms of dealing with future change, and the Government's regulatory reform agenda.

We also found them to be a board who are suitably outward facing, with a keen interest in the sectors which they regulate, and an enthusiasm for feeding this knowledge back to the executive.

Given the scale of change which ORR is facing, we have focussed a number of our recommendations on the future of the Board, and how it can navigate the next set of challenges.

We identified the following as broad areas in terms of recommendations and future focus:

- Maintain an awareness of the respective roles of ARC and the Board in relation to risk, and continue to ensure that the Board retains the overview of strategic risk management.
- Explore a mechanism (key performance indicators) for the Board to assess progress against the strategic objectives of the organisation.
- Allow time for, and development of, the Board (and the new non-executive directors) to help them lead the ORR through the transition to the 'new' state.
- Consider an increase in the number of 'strategy' days given the scale of change within the organisation whilst potentially slightly reducing the number of main board meetings.
- Regularly review the organisational risk appetite in the context of significant sectoral-related organisation change.

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1. Introduction

1.1. The Office of Rail and Road

The Office of Rail and Road (ORR) is a non-ministerial department accountable directly to Parliament. The sponsor department is the Department for Transport (DfT). ORR was established under the provisions of the Railways and Transport Safety Act 2003. It is the health and safety and economic regulator for the rail industry in Great Britain and has regulatory oversight of England's strategic road network. ORR holds Network Rail, National Highways, and London St. Pancras High speed to account for efficiency, performance, and delivery, protects user interests on both rail and road, and ensures the rail industry operates competitively and fairly. ORR also plays a key role in improving the rail passenger experience in the consumer areas for which it has regulatory responsibility. Additionally, it has economic regulatory functions in relation to railways in Northern Ireland and the UK section of the Channel Tunnel.

ORR is a national organisation, with over 360 professionals spread across six offices in the country.

This review took place at a specific point in time for ORR. In November 2025, the government published plans to reform the rail network. If this legislation is passed, there will be a new, revised role for the ORR.

ORR is governed by the ORR Board and led from an executive perspective by the executive leadership team (ELT). The Board oversees the executive's delivery of business and is specifically responsible for¹:

- Approval of the corporate strategy;
- Approval of annual plans and budgets;
- Approval of the annual report and accounts;
- Major items of regulatory policy;
- Major items of policy relating to monitoring the strategic highways company and the strategic roads network;
- Competition matters;
- Litigation other than statutory enforcement;
- ORR governance, including the terms of reference (ToR) of committees, creation and scope of Expert Panels;
- The organisation overall structure, oversight of people strategy, approval of Chief Executive Officer (CEO) appointment and executive remuneration policy;
- Approval of some contracts e.g. capital projects above £500k.

The Board has established four standing committees:

¹ Summarised from ORR Board Rules of Procedure: Annex A

Committee	Annual meetings	Member requirements
Audit and Risk Committee (ARC)	4	At least two non-executive members of the Board and at least one independent member with relevant experience
People Committee ² (PeCo)	3	At least three non-executive members of the Board
Health And Safety Regulation Committee (HSRC)	4	At least three non-executive members of the Board (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.
Highways Committee	4	At least three non-executive members of the Board including one with relevant specialism who will chair the committee and two executive directors including one with responsibility for highways.

Only ARC was specifically in scope of this review. The other three committees were considered only in terms of their relationship with the Board.

1.2. Structure of the board

The Secretary of State for Transport makes appointments to the Board for a fixed term of up to five years, renewable for one term. The minimum number of board members is four.

The current Board has eleven members:

- Nine non-executive directors (NEDs), including the Board Chair and Committee Chairs;
- Two executive members - the Chief Executive Officer and the Director of Railway Safety.

Two board members completed their tenure in 2024/5 and two new NEDs started in November 2025, after the discovery phase of this review.

Board members were remunerated in 2024/25 as follows:

Role	24/25 £'000
Chair	85-90
Board member	20-25

The Board formally meets 11-12 times a year, which includes 10-11 board meetings and one strategy away day. The Board also holds a number of ad hoc board meetings to facilitate key

² Fulfilling the functions of the Remuneration and Nomination Committee.

decision making. Two to three of the regular board meetings are held at regional locations, allowing for site visits and engagement with local stakeholders.

Meetings are chaired by the Chair of the Board and are designed as in person sessions. Some members join virtually when situations require it. Board meetings are attended by all members of the ELT and the Board Secretary. Other senior managers or colleagues attend meetings as required e.g. to present papers. A broad range of external stakeholders are invited to attend board meetings during the year to allow for an interchange of views and positions.

Since 2021 ORR have been working with the UK Regulators Network (UKRN) on the Next Generation NED programme for aspiring non-executives. This provides one to one mentoring from nominated non-executive members of the Board and exposure to board committee and main board meetings.

1.3. Focus of the review

The ORR commissioned RedQuadrant to undertake an external board effectiveness review (BER) to assess the effectiveness of the Board. It is good practice to carry out an external board review every three years.

The focus of the work was to understand the Board's structures, behaviours and performance, and to make recommendations as to how it could improve and/or consolidate from a variety of perspectives.

The specific areas of focus for the review were:

- **Governance effectiveness:** Evaluate how well the Board meets its governance duties, and look for ways to update its structures and processes to drive ongoing improvement.
- **Strategic leadership in transformation:** Assess the board's ability to provide strategic direction and constructive challenge during major external changes (such as rail reform or regulatory shifts). This includes ensuring regulatory actions are balanced, efficient, and minimise unnecessary complexity, while also making sure the organisation delivers clear and consistent regulatory guidance that helps industry make decisions confidently.
- **Board-Executive dynamics:** Examine the quality of interactions between board members and executives, emphasising teamwork, collaboration, and communication to strengthen leadership and organisational performance.
- **Stakeholder confidence and influence:** Review how effectively the board manages important relationships and public perceptions, including its credibility, influence, and engagement with stakeholders and partners.
- **Board capability and composition:** Spot any gaps in skills, experience, or perspectives that could affect good governance and oversight, ensuring the board is equipped to handle changes in regulation and its sector.

- **Audit and risk oversight:** Evaluate how well the Board’s ARC performs, focusing on its management of new risks like cyber security and its effectiveness in maintaining balanced risk management while addressing any tendency toward excessive caution.

1.4. Previous reviews

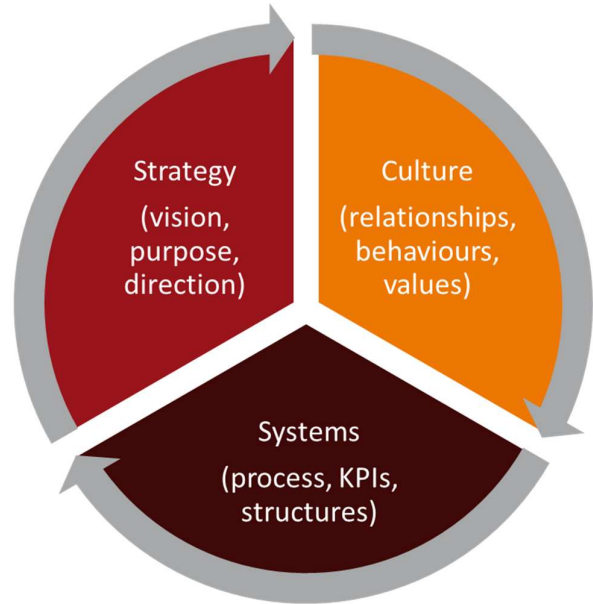
The ORR commissions external reviews every three years and carries out internal reviews in the intervening years.

2. Methodology

We carried out this BER from September 2025 to February 2025 through a mixture of targeted desk research, board and committee meeting observations, one-to-one interviews with board and executive team members and an online questionnaire.

Our approach is underpinned by a focus on the three main elements we observe in successful boards:

- **Strategy** – does the Board have a shared view of the organisation’s vision, purpose and direction and a clear understanding of the Board’s role to support this?
- **Culture** – do the Board’s relationships and behaviours reflect the organisational values and encourage positive and supportive challenge?
- **Systems** – do the Board processes, such as agendas, papers, structures, meet the organisation’s needs and are good practice? Do the performance metrics monitored through the Board demonstrate a clear connection to organisational success?



We assessed these three elements throughout the review by undertaking the following activities:

- **Observations of board meetings** (September and October) and ARC in October.
- **Review of documentation** including Board and ARC agendas and papers, Board rules of procedure, Annual report, previous external and internal board reviews, and the draft Framework document. (A full list is provided in [Appendix 3](#)).
- **One to one interviews** with all current board members (All executive and non-executive board members along with the General Counsel and a sample of executive directors.) We also spoke to the Chair of National Highways and the Chief Executive of Network Rail as key stakeholders to ORR. (A full list is provided in [Appendix 3](#)).
- **Three online self-assessment questionnaires** – one for board members including a light touch skills audit, one for ELT members with parallel questions and a short questionnaire for key ORR stakeholders. (Question lists are provided in [Appendix 5](#) and [Appendix 6](#)).
- During the review we **met the Board Chair and CEO** intermittently, to test and validate our findings and emerging recommendations.

This report sets out the detailed findings and recommendations from our review.

3. Findings and recommendations

3.1. Overview

The ORR Board operates in a relatively complex environment. Our review looked at the Board's role, and the relationship between the Board and the executive leadership team (ELT). We also reviewed board effectiveness from a number of other perspectives such as strategic focus, performance and risk monitoring, and board operations.

In addition to dealing with a high degree of change in the rail industry, ORR have been subject to significant scrutiny due to the current focus on the role of UK regulators, and their contribution to the growth agenda. This has absorbed board and organisational bandwidth and energy during an already busy time.

3.1.1. Key findings

We found the ORR board to be a high performing board. We found the board members to be highly competent, skilled and resilient. The NED cohort is impressive, and works well together. We observed a good relationship and dynamics between the board members and the executive leadership team. The atmosphere was collaborative and respectful.

The meetings are well chaired, and the Chair is held in high esteem by board members. He invests time and energy in supporting and developing the NED cohort.

In terms of the development of this current Board, we feel that there is merit in further work to focus the work of the Audit and Risk Committee. There is also a discussion to be had about how the Board can measure the success of the organisation against its strategy.

We found this board well prepared and well-placed in terms of dealing with future change, and the Government's regulatory reform agenda.

We also found them to be a board who are suitably outward facing, with a keen interest in the sectors which they regulate, and an enthusiasm for feeding this knowledge back to the executive.

Given the scale of change which ORR is facing, we have focussed a number of our recommendations on the future of the Board, and how it can navigate the next set of challenges.

We identified the following as areas for future focus:

- Maintain an awareness of the respective roles of ARC and the board in relation to risk, and continue to ensure that the board retains the overview of strategic risk management.
- Explore a mechanism (key performance indicators (KPIs)) for the board to assess progress against the strategic objectives of the organisation.

3.1.2. Overview from self-assessment questionnaire

A self-assessment questionnaire was sent to all board and ELT members and was responded to by all. For most questions, respondents were asked to rate the Board's effectiveness on a scale of 1 to 10 where 10 represents ideal performance.

The key points from these overview results are the following:

- Scores are positive, with averages of between 7.4 and 9 out of 10 for all topics;
- We observed very similar scores between board members and the executive team which suggests a shared perspective across non-executive and executive members;
- Strategic foresight had the greatest range of scores. Different reasons were cited but the most common was the uncertainty around rail reform and the related difficulties in strategy development;
- Board skills and experience received the lowest average score - lower scores mainly related to the difficulties around delays in the public appointments process and therefore succession planning.

The chart below shows a summary of these scores for all respondents by topic. The average and range of the responses is illustrated. We have included a comparator score which draws on results from self-assessments in comparator organisations.

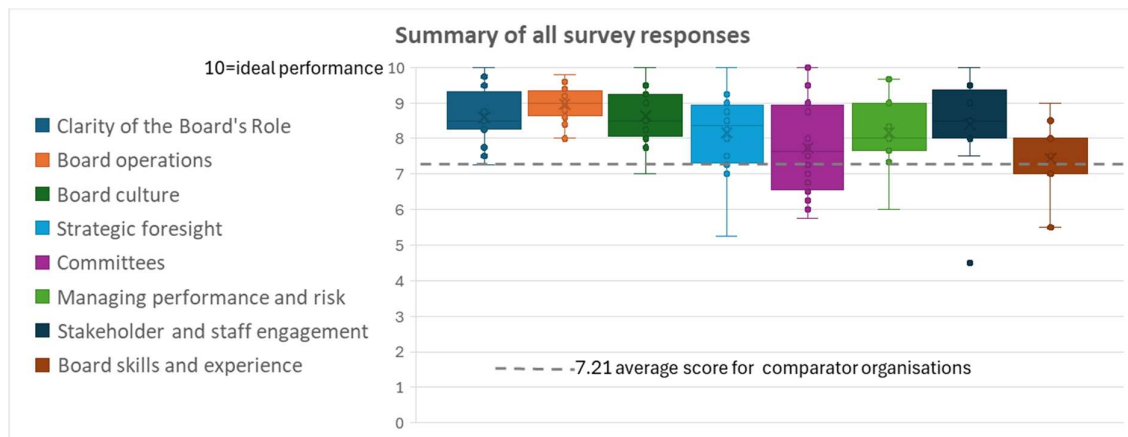


Figure 1: Overview of self-assessment scores

In the following sections, we discuss our findings across each of these themes and our related recommendations.

3.2. Clarity of the Board's role

Clarity of purpose is a key component in successful boards and organisations. In this section, we explore the extent to which the role of the ORR Board is clear, and whether there is a shared view around the board table, including with ELT.

Our conclusion was that **there is a good level of shared understanding in terms of both the Board's role in relation to ORR, and also within the wider context and constraints of ORR's arm's length status**. Feedback from both board members and ELT members was overwhelmingly positive in terms of the Board's understanding of its role.

3.2.1. Self-assessment results

The summary results for this area are shown below. Respondents rated questions related to the clarity of the Board's role between 7.5 and 10 out of 10. Board (i.e. all non-executive and executive board members) and ELT³ scores are similarly high, with averages of 8.7 and 8.5 respectively.

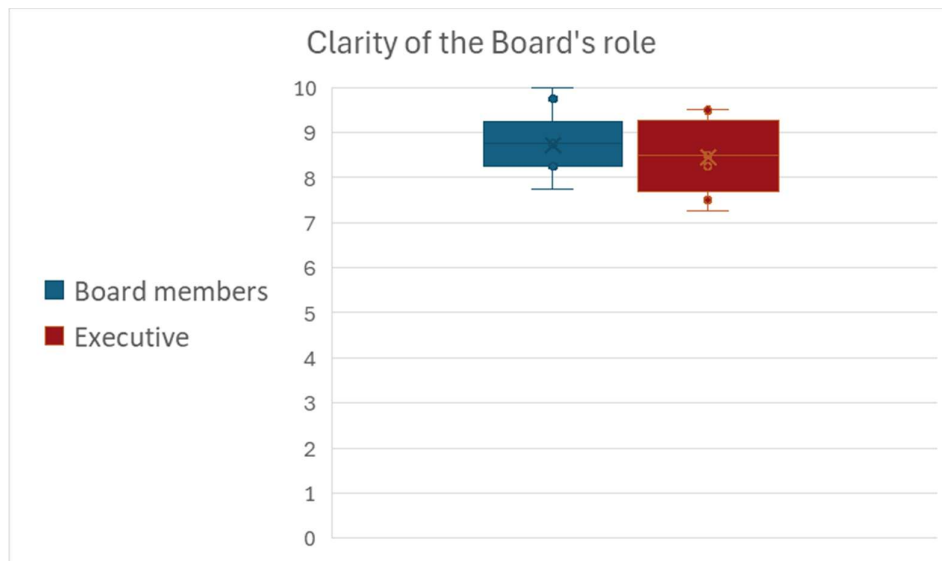


Figure 2: Self-assessment scores for clarity of the board's role theme – Board and ELT scores

In particular, the question relating to the extent to which Board and ELT members felt that the Board 'operates as a collective group with a common purpose' was scored very highly with an average score of 8.9 out of 10.

Board members also felt that they had sufficient understanding of the organisation to carry out their roles – the average score for this question was 9.33 out of 10 with the lowest individual score at 8.0.

³ In this and all following data, ELT relates to scores from members of the executive team who are not board members.

3.2.2. The role of the Board

We found that board members understand their statutory responsibilities and the distinction between executive and non-executive roles. The political nature and context of ORR, including at this critical point of transformation, are well understood by board members.

Some board members highlighted the usefulness of the Chair's explanation of the Board's context before starting in their roles. Some longer standing board members mentioned that they felt that the role of the Board had become clearer in recent years and that this had been enabled partly by the strategy days.

Board membership is always subject to change, and given that the purpose and focus of ORR will be changing as new members are joining, we have made recommendations relating to NED induction and future strategy days, to ensure that the high level of understanding of ORR's responsibilities within its changing context remain clear, including for new NEDs.

Perceptions from some board and ELT members was that whilst the Board's role was clear, the role of some committees was less so. This will be discussed in [3.5 Monitoring organisational performance and committees](#) below.

A consistent theme throughout this review was the impact on ORR and its Board of the ongoing uncertainty around rail reform. Providing challenge and support to ELT around rail reform was highlighted by board members as an area of high performance for this Board.

The proposed Railways Bill, announced during this review, has brought some clarity on the future of ORR and the rail sector. This clarity is welcomed and signals the need for the ORR to further mobilise transformation capability and capacity in order to respond to the proposed changes. The current Board will need to be clear about their leadership roles and responsibilities in relation to transitioning ORR to its new state. There will be a role for the Board in relation to determining the key aspects of the new organisation (based on legislation) and there is also the Board's role in leading a successful transition to the new state.

3.2.3. Recommendations

Clarity of the Board's role

- R1.** Dedicate board resource via the Transformation Committee (and/or board time) to support ORR in transitioning to the new role. Give due regard to the new responsibilities (and necessary skills/knowledge) of the Board.
- R2.** Consider an increase in board strategy days to two per annum to allow for planning, assessing the big picture, and prioritising the next steps. We think this will be particularly helpful for new board members.
- R3.** Onboarding of new NEDs will need to be holistic in the sense of the 'now' organisation (and its roles and responsibilities) and the 'to be' organisation.

3.3. Strategic foresight and horizon scanning

Strategic focus is key to board effectiveness. **We feel that the Board is very strong on medium term planning, but has not always had the time/bandwidth (or clarity of policy intent within Government) to look further into the future. This is clearly a symptom of the level of uncertainty facing the sector. However, given the level of change expected for ORR, we recommend considering an increase in the number of strategy days, in order to include an annual focus on horizon scanning at the board, which could be combined with looking at the strategic risk register. By horizon scanning we mean consideration of future events and internal/external challenges which will affect the work of ORR in a substantive way.**

3.3.1. Self-assessment results

Strategic foresight had the greatest range of scores compared with other self-assessment topics. Different reasons were cited but the most common was the uncertainty around rail reform and the related difficulties in strategy development.

In general, non-executive board member scores for questions around strategic activity tended to be higher than executives' scores. At the board meeting we observed, the topics stayed at an appropriately strategic level. We heard of a small number of historic examples where executives felt that non-executives had strayed unnecessarily into operational matters (primarily in committees) which may be reflected in lower scores. We were told that these situations were appropriately resolved.

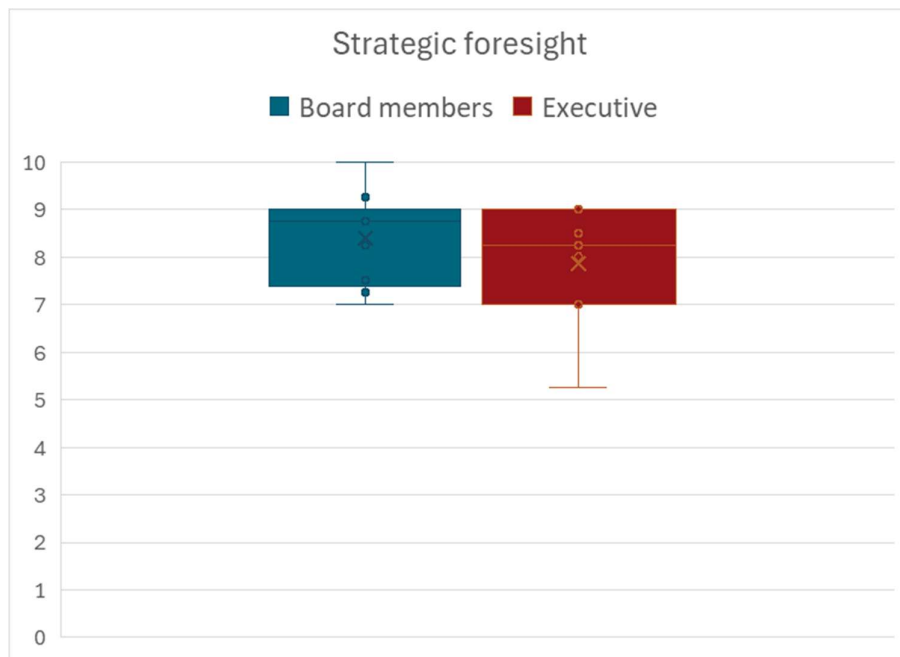


Figure 3: Self-assessment scores for strategic foresight theme – Board and ELT scores

3.3.2. Strategic vs operational

A typical challenge for boards is to maintain the right focus on strategic issues and not to become too involved in operational matters. The Board needs enough information to carry out their assurance role, without hampering ELT in the effective running of the organisation.

We found the balance of strategic and operational focus at board level to be appropriate. The Chair and CEO have taken care on major decisions to ensure that the Board is fully appraised on complex issues, over a relevant period of time. This has contributed to smooth decision making and keeping the balance of debate at a suitably strategic level.

Whilst there are broadly positive scores in this area, **respondents highlighted the difficulties getting the level of strategic conversations right, especially given the uncertain times for the rail sector and around ORR's role.** A small number of people noted previous challenges around 'wasted time' on speculative strategy and a misunderstanding from NEDs around constraints for ORR as their strategic direction is heavily influenced by government decisions.

The challenge within any complex organisation is to give the Board enough visibility of the issues faced by the organisation, and to surface those key issues for decision and debate. A common experience on public sector boards is that the executive team do not feel that the board members are focussing on the areas of most tension and complexity, whereas the board members say they do not feel fully sighted or reassured on the key issues which they perceive are facing the organisation.

The Board can be the place where this healthy tension gets resolved if there is sufficient opportunity for dialogue. Interestingly, the questionnaire scores for the question "To what extent do you consider Board members bring the right balance between strategic and operational discussion?" are similar for board members (8.3) and ELT (7.7) and higher than we have seen in many board reviews with other, comparable organisations. We see this as positive. It is often the case that the executive team feel more dissatisfied than the Board in relation to the Board 'straying' unnecessarily into operational matters.

A key ingredient to directing discussion at Board away from operational matters and towards strategic implications is the production of board papers with the appropriate level of detail. Papers are discussed in section [3.8 Board operations](#) below. In summary here, we believe that the papers are positioned at the appropriate level to maximise strategic discussion. The Chair's role to maintain conversations at the appropriate level was also praised.

We heard from respondents that there is a risk that discussion around the CEO report or Chief Inspector's report could become overly tactical. We suggest that the Chair continues to maintain focus on limiting unnecessary operational discussion in this agenda item.

We heard that on occasion, the balance of strategic and operational discussion at committees has not always been so balanced. Clearly committees will go into some issues in more depth, but this is something to watch for in the future. This is discussed below in section [3.5 Monitoring organisational performance and committees](#).

3.3.3. Dedicated strategic and planning thinking time

We note the current arrangements for one annual strategy day in addition to board meetings. This is appropriate in the normal course of events, and we heard that recent strategy days have been seen as increasingly useful by board members.

“The annual strategy session is a helpful opportunity to take a step back and reflect - it may be helpful to align these to key events / opportunities, rather than an annual exercise.”
Board member

We have recommended that given the current context, we suggest that this is increased to two strategy days per year. This additional time could allow for an annual focus on horizon scanning at the board, which could be combined with looking at the strategic risk register.

We noted that other than those who are board members and the Director of Strategy, other ELT are not generally present at strategy days. These events can be a useful fora for building relationships and understanding between the NED cohort and the senior executive, so we suggest you continue to consider whether involving the full ELT in future sessions would be beneficial.

3.3.4. Strategic focus for the future

Recent conversations around strategy have tended to focus on how ORR will fit into and influence the reshaping of the rail sector. This new phase gives the Board opportunity to re-focus on ORR’s strategy within its revised role.

There is a key element around a healthy dialogue between board members and ELT. The upcoming phase also speaks to the need to connect ORR’s performance monitoring to its new strategy. We address this further in section [3.5 Monitoring organisational performance and committees](#).

3.3.5. Recommendations

Strategic foresight and horizon scanning

Ref **R2** Consider an increase in the number of strategy days to two per year to allow for planning, assessing the big picture, and prioritising the next steps.

R4. Consider extending strategy day attendance to all the ELT as appropriate.

3.4. Board culture and dynamics

Any board needs to set the tone and be a role model for the organisation, including embodying the values of the organisation. **We were very impressed by the team dynamics around the board table - both between the NEDs as a group, and between the NEDs and the ELT.** Respondents felt that there was a respectful and inclusive culture within the Board setting, and that the Chair ensures that everyone is given opportunity to contribute and be heard.

We found the Chair to be strong on recognising complexity, ensuring that the full context of an issue is understood by the Board, and setting a calm and positive tone for complex decision-making. He was keen to thank executive contributors and board members for their work. The Chair also plays a key role in terms of setting new board members up for success through introductory discussions and providing them with suggestions for their initial focus. Board members mentioned that ad hoc meetings on specific issues or with specific executive groups, had also been helpful in getting to grips with organisational issues.

We found there to be a positive ‘adult to adult’ dynamic around the table. It felt to us that the Board are a team who like and respect each other. The board meetings we attended felt collegiate and collaborative. There was a good quality of listening, and a good-humoured atmosphere. The relatively high number of board meetings, and the regular board member dinners, combined with regional stakeholder visits, appear to be building strong relationships within the Board. Although there are only two members of ELT who are formal board members, this felt to us much like a unitary board when the ELT were present in the room, which we view as positive.

We found the atmosphere at the ORR board to be collaborative, inclusive and respectful.

3.4.1. Self-assessment results

The summary results for this theme are shown below. Respondents rated board culture and inclusiveness highly, with the majority of scores being between 7 and 10 out of 10. Board and ELT average scores are similar at 8.8 and 8.5 respectively

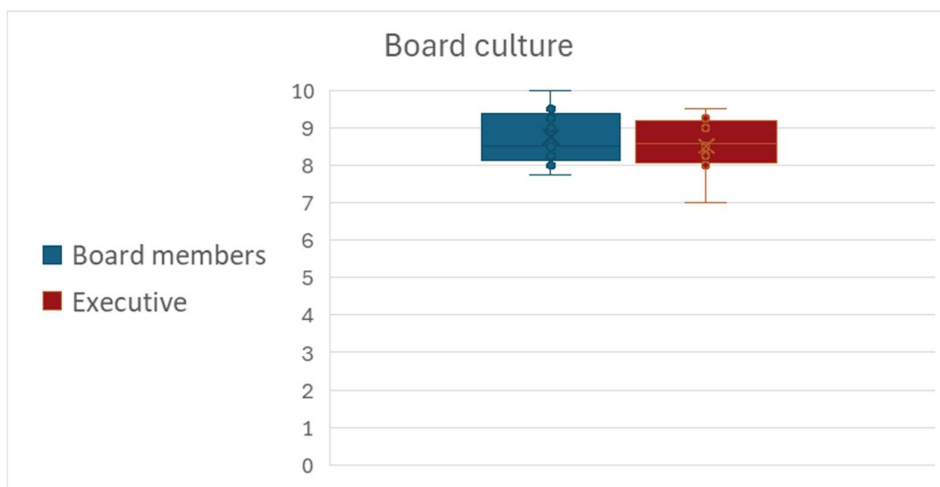


Figure 4: Self-assessment scores for board culture theme – Board and ELT scores

Looking at the self-assessment scores overall, we found much greater similarities between board and executive members scores for board culture than in other organisations. We view this as positive.

3.4.2. Effective relationships and inclusiveness

Many board members highlighted their enjoyment of being part of the ORR board and the collegiate environment that is encouraged and maintained. We noted high average scores of 8.8 for questions around board meetings being “conducted in a manner which encourages open discussion, healthy debate and allows each member to add value to discussion and decisions” and that “all Board members (including executive directors) are able to engage equally and contribute effectively in discussion and decision making in Board meetings” .

Meetings are effective and inclusive with plenty of opportunity offered by the Chair to contribute on each item.
Board member

Another respondent reflected that they feel the Board has the right balance between working well together and avoiding group think.

We were impressed by the time commitment which board members are willing to dedicate to the role, given that there are a significant number of board meetings, committees and additional commitments. We found them to be enthusiastic, engaged and committed to their roles.

3.4.3. Relationships between executive team and board members

In our view, board relationships between ELT and board members are both positive and respectful.

Respondents were asked how well they felt that board members and the executive team work effectively in partnership together. Board members’ average score and ELT average score were high at 8.7 and 8.4 respectively.

We heard about some “highly successful and productive partnering” between board members and the executive around specific topics and/or committee membership.

Trust was seen as high, both between board members and with the executive. Some board members felt that Board/Exec relationships had improved in the last years, though one person felt they had worsened. The positive relationship between the Chair and CEO was highlighted as a key factor.

The following areas, which required strong collaboration between the executive and non-executive board members, were highlighted as positive performance by board and/or executive members:

- The Periodic Review process;
- The Board’s approach to making difficult and potentially contentious major decisions;
- Support and constructive challenge to the Railway Safety Directorate;
- Engagement with stakeholders;

- Providing challenge and support around rail reform.

We acknowledge that given the external context for ORR, the executive have been operating in an uncertain environment. Now that transformation will be starting in earnest, the Board will need to maintain an appropriate balance of support and challenge for the organisation, in order to continue to add value and hold ORR to account, both in its existing form and in its future role.

When we spoke to executive directors, their view of the board was that it added value and that this was through the appropriate level and respectful nature of challenge from board members. One person cited engagement and dialogue as positive traits within board meetings.

Very good and constructive relationship across the table with constructive challenge and healthy but respectful response.

Executive Director

Whilst the board meetings which we observed were successful, a board atmosphere can change quickly, and there is no reason to be complacent.

Trust can be fragile within an organisation, so it is important to always ask the question about whether the key facts are being shared with the board. We heard some anecdotal evidence that the executive may have not always been willing in the past to share bad news with the Board.

We found there to be a collaborative atmosphere, but each issue can bring its own challenge, so we would advise as much transparency and honesty as possible between the ELT and the board members, particularly at a time of uncertainty and transition within the organisation.

3.4.4. Challenge and support

Although the board environment feels very collaborative in terms of the relationship between board and ELT, we would guard against avoiding *any* conflict in the future. It is important that board members feel comfortable to challenge the executive and that there is a spirit of constructive dialogue. Conflict can be creative. We would advise keeping a watching brief on whether there is ‘too much’ agreement around the table.

3.4.5. Recommendations

Board culture and dynamics

R5. At a strategy day or other setting, consider dedicating time to build relationships between NEDs and ELT. This could be externally facilitated.

R6. Keep a watching brief on board culture (through dedicated sessions at one of the strategy days), including whether there is ‘too much’ agreement around the table.

3.5. Monitoring organisational performance and committees

A key role for the Board is that of monitoring organisational performance. Committees have a role in this monitoring therefore this section addresses organisational performance monitoring alongside the relationship between the Board and its committees. ARC and risk management specifically are covered in the next section.

We found that the board has comprehensive measures for understanding the performance of their regulated industries. We recognise that the quarterly business review is effective in terms of understanding progress against corporate and business objectives but it does not necessarily inform the board on progress at a higher level. We recommend exploring a mechanism for median level KPIs which enable the Board to understand progress against ORR's strategic objectives (both internal and external). We recognise that this exercise will need to be tailored to a) the transition work and b) to the new organisational model.

The strategic objectives of the organisation will be adapting to the new regime. So, once the KPIs have been developed, we recommend that they are reviewed every 12-18 months to ensure they remain relevant and appropriate.

3.5.1. Meaningful performance reporting

The Board's role in relation to monitoring performance is expressed in the Draft Framework Document, highlighting the following activities: reviewing management performance and ensuring the Board 'receives and reviews regular financial and management information concerning the management of ORR'.

One area which is vital for all boards, but also can be quite a difficult journey, is to decide on a set of measures that the board members collectively feel will give them visibility of whether the organisation is succeeding against its stated plan, aims and objectives. Since organisational performance monitoring is enhanced where there is a clear connection between this monitoring and the strategic aims of the organisation, this is particularly difficult during times of uncertainty where the strategic objectives will need to be refreshed as ORR's future focus and role is confirmed. One person who is on another board noted that the ability to consider ORR's success against its strategic objectives is challenged because of this need to wait for more clarity around ORR's role within rail reform before refreshing ORR's strategic aims. For a regulator, performance measurement is further complicated since the primary role is to hold other organisations to account.

Current ORR internal performance reporting is done through a number of mechanisms: quarterly business reviews (including resource expenditure, business plan commitments and service standards) and the quarterly people pack. In terms of holding others to account, there is health and safety reporting and highways performance documentation at each board meeting, plus quarterly reviews of Network Rail and other performance reporting as relevant.

Most board members reported that they feel they have sufficient understanding of ORR's performance in order to hold the organisation to account. One board member suggested that "evolution of target setting" was an area that the Board needed to put more focus on.

Some comments which focused on potential improvements included:

- Providing more context/comparisons to aid interpretation e.g. not just '29 licenses issued' but positioning this metric so board members can understand where this sits in terms of expected performance;
- Giving consideration to future measures which indicate the overall impact/value of ORR via its regulatory actions.

We believe that our recommendation to explore a mechanism for future-focused median level KPIs will help the Board to understand organisational progress against strategic objectives.

3.5.2. Committees overview

There are four permanent committees to the ORR board. We were asked to review only the ARC and observed one ARC meeting. Clearly the sub-committees and their Chairs play a vital role and are critical to the effectiveness of the ORR Board. Committees play an active role and are well-attended and well-organised. The ORR Board Rules of Procedure has clear terms of reference for all committees.

ARC and PeCo have only non-executive members, plus ELT representatives who attend. HSRC and Highways Committees have non-executive and executive members. The board Chair generally attends all committees as an observer. Committee work was the area cited where board and executive members have the best chance to work together and develop trust and understanding. It is important that there is sufficient input from board members to ensure they are able to carry out their assurance role. This can be encouraged by focusing on papers of appropriate length and direction on the key elements for consideration.

3.5.3. Self-assessment results

The Committees' performance is an area where board members and executive scores differed a little: the average score from board members was 8.3 and from ELT was 7.0. We do not see this as a significant difference in perception of performance.

In general, the ELT members scored committee performance a little lower than board members – the greatest difference was for the question on whether the "board committees, as now established, help the Board to perform effectively and provide the right level of scrutiny". Board members scored an average of 8.2 as compared to 6.7.

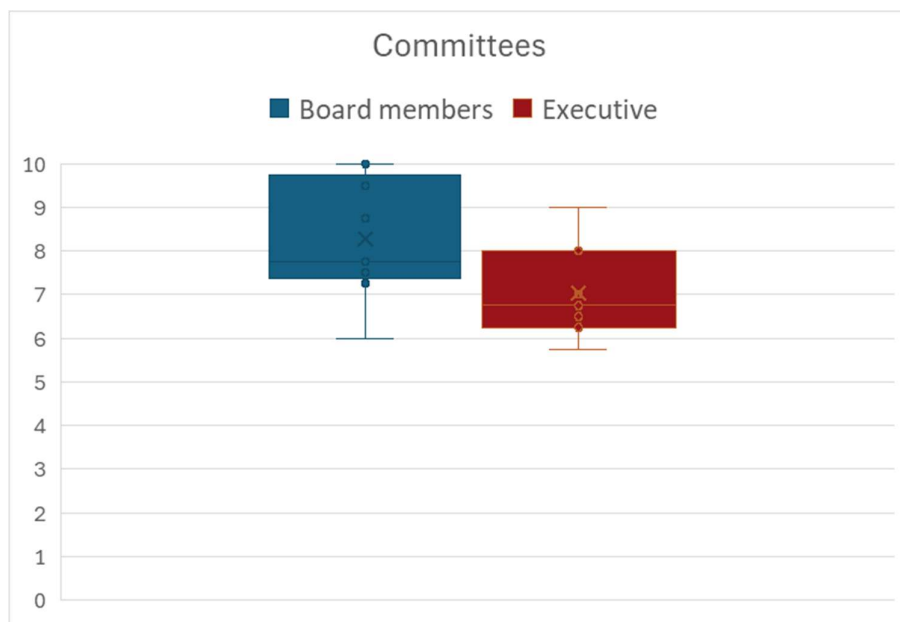


Figure 5: Self-assessment scores for committees – board and ELT scores

Comments referenced the transition to a new Chair of ARC (see more discussion of ARC below) as well as mention of the potential for duplication between the committee updates at the Board as they relate to the other agenda items. One person suggested a separate review of committees might be helpful, whilst another person mentioned the need to avoid committees ‘creating unnecessary work’.

We also heard of a small number of historic examples where executives felt that non-executives had strayed into operational matters in committee work. We were told that whilst these situations had been appropriately resolved, there had been potential for a loss of trust between NEDs and executive members.

3.5.4. Coordination between committees and the Board

The mechanism for sharing committee business with the main board is a report from the committee chair and an agenda item, usually towards the end of the board meeting, where committee chairs share key information. Members feel this is a good arrangement, but some noted that there can be some unnecessary duplication between this item and earlier standing items such as the Chief Inspector’s report (ref Health and Safety Regulation Committee). One board member suggested that the interface arrangements between committees on cross-cutting issues is an area for improvement. We believe that this could be supported by bringing the committee chairs together to meet with the board chair two to three times per year for co-ordination purposes

Whilst the committee updates often fall naturally towards the end of a meeting, we recommend that if there is a significant issue in a specific committee, that this item is taken earlier in the meeting, to ensure that it receives the appropriate time and focus.

3.5.5. Recommendations

Monitoring organisational performance and committees

- R7.** Explore a mechanism for median level KPIs to help board understand progress against strategic objectives. This would need to be future-focused in light of organisational change.
- R8.** Review these KPIs every 12-18 months to ensure they remain relevant and appropriate.
- R9.** Consider bringing the committee chairs together to meet with the board chair two to three times per year for co-ordination purposes, especially relating to cross-cutting issues.
- R10.** If there is a significant issue in a specific committee, consider taking this item earlier in the meeting, to ensure that it receives the appropriate time and focus.

3.6. Monitoring organisational risk and the Audit and Risk Committee

A key role for the Board is that of monitoring risk. In this section, we consider both the roles of the Board and the ARC in relation to risk management and the interdependency of the Board with ARC.

We found that Audit and Risk Committee (ARC) are looking at organisational and external risks from a variety of angles (e.g. corporate and strategic risk). We recommend that the Board continue to consider the strategic risk register once a year, alongside a discussion regarding horizon scanning. This could be at a strategy day to allow more time for big picture thinking. The corporate risk register is included below the line at Board on a regular basis (quarterly, following each ARC meeting). ARC is an advisory committee, and the responsibility for risk management is therefore retained by the main Board.

3.6.1. Self-assessment

Self-assessment scores in relation to whether “the Audit and Risk Committee have sufficient expertise, support, time and access to key staff to discharge its monitoring and oversight role effectively” were 8.3 (Board members) and 7.0 (Executive).

In relation to risk management, we have the following self-assessment scores.

Question	Average score
To what extent do you consider the process for identifying and managing risks enables risks to be mitigated?	8.6
How satisfied are you that the Board and ARC structure and activity ensures proportionate risk management and challenges excessive risk aversion?	8
To what extent are you satisfied that no substantial, unexpected problems have emerged which the Board should have been aware of earlier.	7.9

For these questions, board member and executive scores were very similar.

3.6.2. Board’s role in managing risk

The Board ToR does not currently mention an explicit role in relation to risk, but the draft framework document provides some clarity regarding the Board’s role to:

- ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control;
- make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk;
- assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

Each year there is an annual review of strategic risks at Board – other risk management activity is led out of ARC and shared below the line with Board.

Within a board structure, the main board retains the responsibility for risk management, normally through the lens of strategic risk management. **We recommend that the Board continues to take ‘risk’ as at least an annual agenda item and continues to carry out an annual review of the strategic risk register, which feeds into the board strategy day.**

We propose that the Board maintain their active role in risk management through formal review at board annually. The main board needs to retain overall responsibility since ARC is advisory. The corporate risk register is included below the line at Board on a regular basis (quarterly, following each ARC meeting).

Previous board reviews have highlighted the need for a clearer risk appetite from ORR. **We agree with this recommendation and suggest that the Board regularly reviews the organisational risk appetite in the context of significant sectoral-related organisation change.**

These elements would best be addressed in an extended session such as the upcoming strategy day. This will align well with a horizon-scanning session focused on future, strategic risks for the new ORR context.

3.6.3. Monitoring organisational risk and the Audit and Risk Committee (ARC)

We looked at the work of ARC. ARC has a key role in assessing, monitoring and highlighting risk within ORR (on an advisory basis to the Board).

Our assessment is that the ARC understands and carries out its role appropriately in terms of audit and assurance, but that there is room for additional focus and clarity about the role and priorities of ARC.

At the ARC which we observed, there was commitment and energy towards all the items, but a sense that there is some fogginess regarding the respective activities in terms of the corporate risk register and the strategic risk register which aims to capture external and internal risks. There is a continual challenge for audit and risk committees regarding the breadth and depth they should adopt when assessing risk, and how many ‘external’ risks should be included if they have little chance of influencing those risks.

We also note that ARC is in a forming phase, with a new Chair. ARC has spent some recent time developing and changing the reporting mechanisms to meet committee member requirements. Some members felt that the current reporting mechanism is strong, others felt that it is still not quite fit for purpose.

There is still potential for greater maturity in the approach to risk management in the ORR. The approach is not fully embedded. There is a tactical rather than strategic approach which possibly fails to leverage opportunities as well as being less efficient in dealing with issues. This is partly excused by the very dynamic situation in which the ORR finds itself.

Board member

In order to provide further clarity, we recommend that ARC:

- Clarifies the relationship between top-down and bottom-up risk processes to reduce confusion;
- Assists the board in developing a risk appetite framework.

We noted some useful discussion around how the assurance map and the internal audit plan could be better linked with the business strategy, the strategic risks and the corporate risk register.

We recommend that ARC look at the synergies between the two risk registers, the assurance map and the internal audit plan, so that ARC can see how these activities relate to each other. ARC should also look to incorporate the ‘transition’ risks (identified by the new transition work) into the existing risk registers.

3.6.4. Recommendations

Monitoring organisational performance and risk

R11. ARC to assist the Board to regularly review the organisational risk appetite in the context of significant sectoral-related organisation change.

R12. ARC to look at the synergies between the two risk registers, the assurance map and the internal audit plan, to see how these activities relate to each other. ARC should also look to incorporate the ‘transition’ risks into the existing risk registers.

3.7. Stakeholder and staff engagement

As part of the interviews and online survey we focused on board member engagement with staff and wider stakeholder groups. Board members and ELT gave very similar, high, scores for this area.

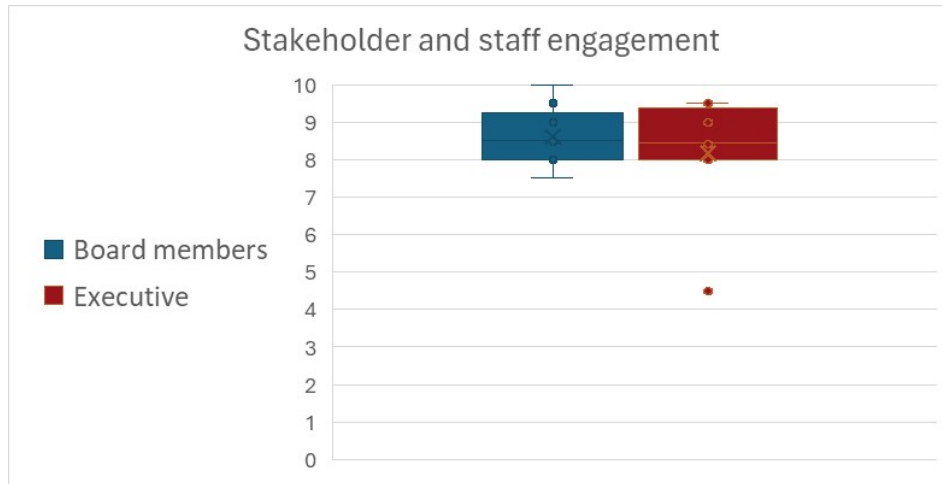


Figure 6: Self-assessment scores for stakeholder and staff engagement – board and ELT scores

3.7.1. Stakeholder engagement

Engagement with stakeholders was highlighted by members as an area of high performance for this Board. The importance of constructive relationships with key stakeholders, and recent successes in this area, was highlighted in board meetings. This ongoing dialogue enabled board members to remain up to date on key relationships and related risks. Maintaining these stakeholder relationships and increasing the visibility of the board will be particularly important in the coming months. We note that the Board regularly invites attendees from DfT, both ministers and officials. This is critical to consider, especially during this time of transition.

In terms of external stakeholder engagement by the Board, much of the contact is between the ORR CEO and their equivalents across the relevant organisations. The Chair and the relevant Executive Directors also meet with their counterparts. The ORR Board has a biannual workshop with the National Highways Board and two to three board meetings per year are held outside London and tend to include a stakeholder visit along with a stakeholder dinner. These stakeholder visits were seen as critical for maintaining an honest and frank relationship with key stakeholders and also raise the Board’s visibility. Some board meetings (five in 2025 and six in 2024) have a slot for an external speaker.

Board members found the programme of stakeholder visits useful and purposeful.

“... when we visit operations/have stakeholder events is excellent and enables insight and engagement.”
Board Member

As part of this review, we sought external stakeholder views of the Board. This included interviews with the Chair of National Highways and the Chief Executive of Network Rail alongside a short online survey to other key stakeholders.

External stakeholders highlighted that most of their engagement was with individuals (especially the CEO) as opposed to the Board as a whole. Some felt that, especially in these times of uncertainty, that the Board would benefit from being more visible and demonstrating their value.

Some external stakeholders spoke about relationships improving and that there was clearly a desire on both sides to have a less confrontational approach – stakeholders felt that closer, collaborative relationships are especially needed at this time.

Stakeholders who had attended Board, noted the Board’s willingness to listen and have open conversations. Attendees felt that the Board are clearly well prepared and appear to be a cohesive group – one stakeholder felt that this was more visible than previously.

National Highways value the regular workshops which bring their boards together and felt that this has significantly improved their working relationship with ORR.

Board members generally feel that the Board is open to feedback from external stakeholders, but some noted that this does not happen on a regular basis.

3.7.2. Staff engagement

This was not a key area of focus within this review. It is a common challenge for boards to know how much they need to and should engage with staff outside of the usual board meetings and relationships with Executive Directors. Board members are invited to some all-staff events and staff members present papers at Board. There were a range of different views around whether NEDs have the right level of engagement with ORR staff. Some board members felt they would benefit from a closer understanding of what the less senior staff do in order to better understand the organisation. Others felt that the level of engagement is right and that attendance (potentially more attendance) at key staff events such as the staff conference and some staff network events is helpful.

Specifically, there has been feedback from the executive that senior managers/deputy directors) should be encouraged to make greater contribution when they are present at the board.

The board is conscious of the benefits this would have to the individuals (recognition, experience, direct insights) and to the board itself (e.g. hearing insights and questions first hand).
Board member

3.7.3. Recommendations

Stakeholder and staff engagement

R13. Continue to consider how senior managers/deputy directors are able to provide more input to the Board when presenting.

3.8. Board operations

Cabinet Office guidance on board effectiveness reviews⁴ highlights that board operations should be part of a review. Quality and timing of papers and presentations to the Board are specifically mentioned.

We were extremely impressed by the Board Secretariat, and this was reflected in the comments we received during the review. During our work with Boards over a number of years, this was the best secretariat operation we have worked with.

In particular, we note that:

- Meetings are well-chaired, structured, and supported by high-quality board packs;
- Work over recent years to improve board packs was praised by board members;
- Secretariat support is consistently described as excellent;
- The use of pre-briefs and dedicated sessions for complex decisions are seen as appropriate and best practice – this enables a higher volume of content (and complexity) in board meetings.

3.8.1. Self-assessment results

The self-assessment questions relating to board operations covered a number of topics, encompassing meeting logistics, board packs, chairing and the secretariat. Both board and ELT member respondents gave high scores for this area.

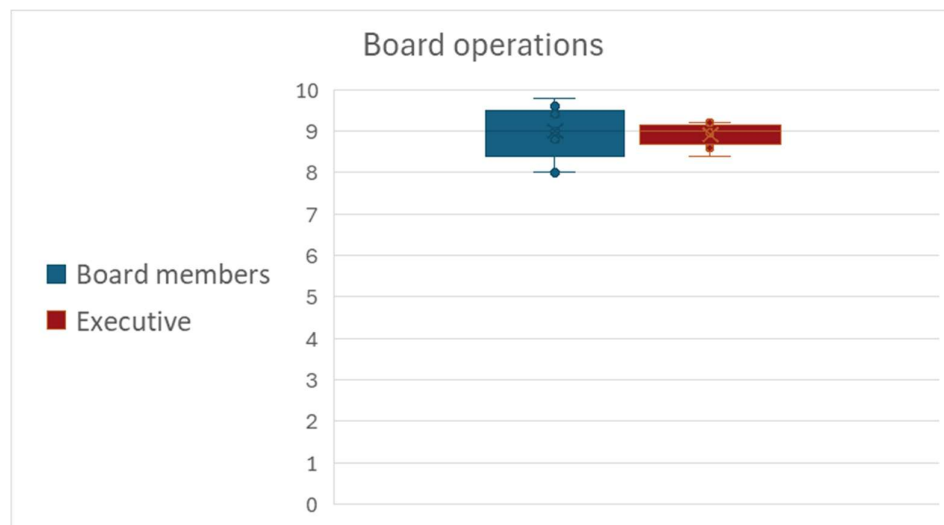


Figure 7: Self-assessment scores for board operations theme – board and ELT scores

⁴[Board effectiveness reviews: principles and resources for arm's-length bodies and sponsoring departments](#)

3.8.2. Board meetings

The current arrangement is for the Board to hold 10-11 board meetings per year (monthly apart from August and occasionally December). Two to three of these meetings are held in regional locations and are combined with stakeholder visits. There is also an additional annual strategy day in February. Where needed, there are pre-briefing meetings in between, so that all board members are fully prepared for board decisions – this especially relates to the technical nature of many of the decisions. The secretariat is also focused on ensuring that unnecessary items are not included or are only included as an annex in the CEO's report.

Eleven is a high number of annual meetings, and involves significant preparation time for the organisation. We explored whether there is opportunity to reduce the number of meetings somewhat. Respondents (both NEDs and executive) felt that the number of meetings has been necessary, given the volume of structural work that needs to take place such as periodic reviews. Given the rapid transformation that rail reform will require, most respondents questioned if this would be an appropriate time to reduce the number of meetings. The question "Are you satisfied that (the number of) board meetings per year is about right?" scored 8.7 out of 10, demonstrating that a significant change is not sought.

However, our recommendation is that ORR review whether one or possibly two of the Board meetings could be removed from the annual calendar. This could then provide capacity for an additional one or two strategy days, given your current context.

We note that the Board is in the process of creating its transformation governance, and deciding whether that will be a sub-section of existing board meetings, or a group of stand-alone transformation/culture change board meetings. We note that there is the option to establish a transformation sub-committee.

3.8.3. Strategy days

Board performance tends to be partially linked to the willingness to have strategy days which are not just for mopping up business, but are also the opportunity to sit back and look at the bigger picture, and to plan for the future.

We commend the ORR for having strategy days within the annual calendar. We recommend having two per year during this time of significant change. We recommend that one of those events includes the strategic risk register and horizon scanning as part of the agenda.

3.8.4. The secretariat, agenda setting and board packs

Responses to "How satisfied are you with the level and quality of secretariat support to the Board?" were extremely high with an average score of 9.4. We found the secretariat to be highly effective.

In general, the forward planning and agenda setting appear to be well organised and appropriately detailed.

The high quality of board packs was noted by a number of board members and this question also scored highly (average 8.4). Work has clearly been done to focus both the agenda and the papers to ensure that they provide what board members need for a productive discussion. Board members felt that the packs avoid unnecessary operational information and provide appropriate technical detail.

Papers are shared with sufficient time for board members to engage with them, and it is clear that board members do prepare well for board meetings.

We mentioned above the potential for duplication between the committee updates and earlier reports and have made a suggestion to consider this in agenda preparation.

3.8.5. Chairing

There was widespread agreement that the Chair leads the Board well, promotes debate and discussion, and understands the experience of the Board members. **We agree that he sets a clear and empathic tone and maintains timekeeping in meetings.** His strong relationship with the CEO was also highlighted as a key factor of success for this Board.

In the self-assessment survey, we asked “How well do you consider the Chair leads the meetings with a clear focus on the key issues facing the organisation and allows full, open discussion before major decisions are taken?” Board (9.2) and Executive members (9.3) scores were excellent.

The Chair’s positive role in attracting suitable people to join the Board was highlighted. He was also praised for holding relationships together whilst the Board and organisation have experienced a significant uncertainty over recent years.

We found the Chair to be fair and inclusive, and very keen to do the best for his board members, the Department and the Government’s agenda.

We note that the Chair carried out formal feedback meetings with NEDs and also has mid-year check-ins. We believe that these are working well. The Chair holds annual appraisals with board members and all those who commented found them to be valuable. We suggest that formalised 360 feedback could enhance this process.

3.8.6. Logistical arrangements for meetings

In our experience of reviewing board effectiveness, we believe that the optimum arrangement is your current practice – that of having in-person meetings where possible. This is more likely to allow for equal levels of engagement and enables board members and attendees to engage in more informal ways during breaks. Your committee meetings are also held in person, accommodating virtual attendance when necessary.

At the board meeting, where the table was a wide rectangular shape, we observed that the Chair did not always notice when board members on the same side of the table as him wanted to speak. We also observed this at ARC. Some small adaptations could be made to improve the physical arrangements:

- ensuring the room has good audibility in all parts (when we observed the Board meetings and ARC face to face, the sound did not carry well within the room);
- Assist the Chair in knowing who wants to speak within the meeting;
- Providing name plates for all board members and attendees, so that roles are clear – especially for those attending for the first or only time.

3.8.7. Recommendations

Board operations

R14. Review whether one or possibly two of the Board meetings could be removed. This could then provide capacity for an additional one or two strategy days, given your current context.

Ref **R2** Consider an increase in the number of strategy days to two per year to allow for planning, assessing the big picture, and prioritising the next steps.

R15. Consider the use of formalised 360 feedback for the Chair and NEDs on an annual basis.

R16. Consider how to improve the audibility in meetings – Board and committee meetings.

R17. Provide name plates for all board members and attendees.

3.9. Skills, experience and board composition

The skills and experience of board members are a critical element of board effectiveness. **We noted that the quality and level of engagement of your NEDs is high and that they have a good range of skills and experience.**

We found this board well prepared and well-placed in terms of dealing with future change, and the Government’s regulatory reform agenda.

We also found them to be a board who are suitably outward facing, with a keen interest in the sectors which they regulate, and an enthusiasm for feeding this knowledge back to the executive.

3.9.1. Self-assessment results

We asked survey respondents how satisfied they were that “the Board has the right blend of skills and expertise and the appropriate degree of diversity to enable it to face current and future challenges successfully.” The average score was 7.7 with no respondents scoring this question lower than 6. Clearly, the current board membership brings a wide range of relevant skills and expertise, as well as experience in senior leadership. We found that all board members are highly committed to the ORR and its strategic objectives.

3.9.2. Board make-up

ORR was established under the provisions of the Railways and Transport Safety Act 2003 of which Schedule 1 sets out that:

- The Board will consist of a chairman, and at least four other members.

The Draft Framework Agreement with DfT outlines the following in relation to the Board:

- The Board will consist of a chairperson, and at least four other members together with the Chief Executive, that have a balance of skills and experience appropriate to directing ORR’s business.
- The Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.

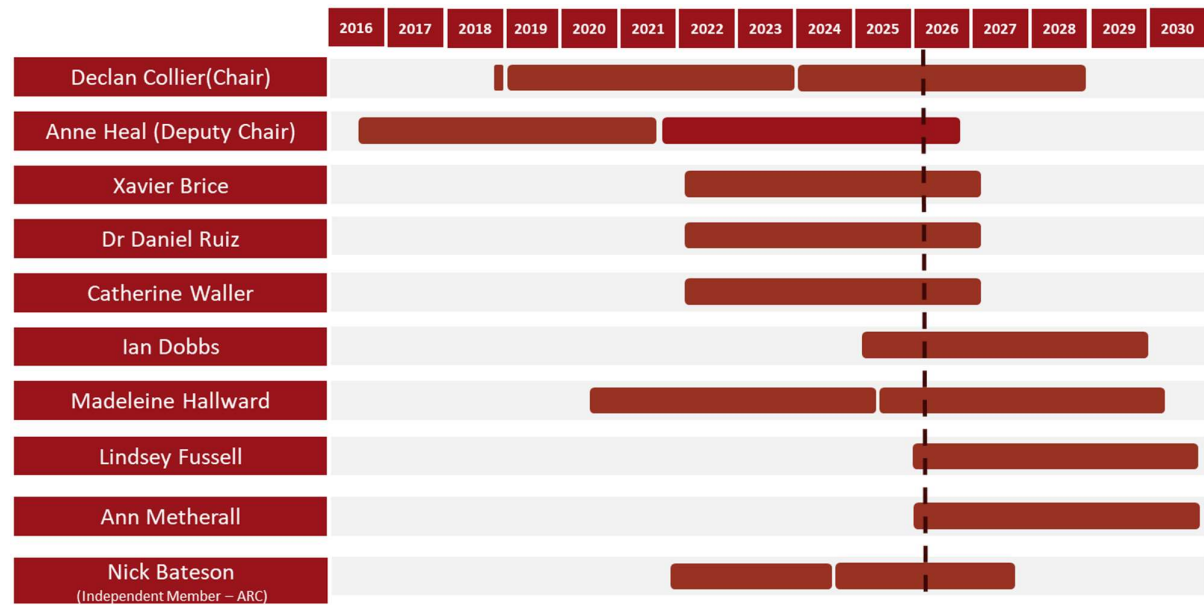
The current board (Dec 2025) meets these requirements with 11 board members, including the Chair and CEO and a majority of NEDs (9 NEDs, 2 executive members). This is significantly more than the minimum. Term lengths are five years with a possible second term. The number of board members should be kept under review as the organisation transitions to its new state.

Two NEDs were appointed during this review as the terms of two long-standing members came to an end.

3.9.3. Succession planning

Given that the NED appointments process is run within Whitehall, there is not always a locus for control of succession planning (and key criteria) within the ORR. The Chair and secretariat have a good handle on appointment terms and proactively prepare to recruit in a timely manner.

Non-executive board members tenures, as at Nov 27 2025, are shown below:



We note that there will be significant changes to the board composition in 2026. The CEO has announced his retirement in April and the Deputy Chair’s term will end soon. The Board will be focussing on senior executive succession planning, and refreshing the Board membership, at the same time as a likely significant change in the role of the organisation.

Discussion of board member development can be found below in section [3.10 Board induction and development](#).

3.9.4. Board skills and experience

As part of our review, we asked board members to carry out a self-assessment of their skills and experience to further support succession planning. They were asked to rate themselves with one of the following ratings for a list of relevant skills:

- **Expert** - Specialist, up-to-date knowledge and experience in this area gained through significant work, volunteering or other experience, and/or relevant professional qualification. Ability to use this skill immediately to challenge and add value at board.
- **Proficient** - Ability to use knowledge to understand the detail of a board paper and to challenge and add value at board.
- **WK=Working knowledge** – Basic overview knowledge or ability in relation to the skill, ability to question appropriately in the skill area, sufficient understanding to be able to evaluate options and appreciate the implications of a board decision.

- **L/N=Limited/None** - Limited or no experience in relation to the skill area.

The table below outlines our results. The final column indicated * shows **the number of Board members** (out of 9) who rated themselves as having either expert or proficient knowledge of this area.

Skill area	Specific skill	Expert or proficient knowledge *
Board and leadership skills and experience	Setting the strategic direction of an organisation	9
	Understanding and management of strategic risk	9
	Understanding of change and transformation in large organisations	9
	Governance / non-executive leadership	9
	Chairing meetings (e.g. committee experience)	9
	Ability to challenge in a constructive manner	9
ORR specific areas	Understanding of public policy making	9
	Establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers)	9
	Appreciating the contribution of the public body to cross-government requirements and over-arching priorities	9
	Understanding the role of Ministers or parliamentary process within the policy making process	9
	Experience of operating in a regulatory environment	9
	Cyber security	5
	Corporate use of big data and/or AI	5
	Railways	8
	Highways	7

Skill area	Specific skill	Expert or proficient knowledge *
Communications & stakeholder engagement	Understanding of relevant audiences and use of different media and communication approaches to positively influence behaviours that impact on your strategic ai	9
	Ability to represent the organisation with key external stakeholders	9
	Ability to build connections with the public body's relevant stakeholders/networks and the wider system	9
Corporate governance, including audit and financial oversight	Ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department	9
	Understanding/experience of complex corporate governance	9
	Monitoring the veracity and adequacy of the financial and other information reported to the public	9
	Probity, integrity and a commitment to achieving value for the taxpayer	9
	Using high quality management information to meaningfully monitor progress against objectives and efficiency and effectiveness	9
	Overseeing the development and review of key performance targets, including financial targets	9

As the table demonstrates, this is a highly skilled board with the appropriate breadth of skills needed.

3.9.5. Skills gaps

The following areas (highlighted above in bold) were those where the fewest board members or fewer rated themselves as being expert or proficient:

- Cyber security
- Corporate use of big data and/or AI

At this time, these skills are often in short supply on boards, so the fact that five members do have at least proficient skills puts the Board in a better position than many.

Some board members suggested that, given the current context, the Board would be strengthened by more experience of:

- running rail services;
- digital transformation;
- corporate leadership through major organisational transformation.

We recommend that ORR consider these potential areas, as well as the upcoming transformation, as you prepare to recruit for new board members in 2026.

3.9.6. Board diversity and supporting next generation boards

In terms of diversity of thinking around the table, we thought there was a reasonable spread of experience and expertise.

The test of diversity in terms of board thinking tends to be whether they are hearing from diverse stakeholder groups and getting a range of views. One of our respondents suggested a greater voice for the consumer panel. Another raised concerns about a 'monoculture' in terms of board membership.

We did not find any significant concerns in these areas, but would recommend that the Chair and CEO maintain a watching brief on the diversity of thought and experience around the table, and that they consciously review whether the Board is hearing from a relevant range of stakeholders.

UK Regulators Network Next Generation Non-Executive Director (NED) scheme

ORR hosts three Next Generation (Next Gen) board members and some ORR staff are part of this programme. We understand that the ORR will continue with this programme next year. Next Gen members attend committee meetings and also board meetings (if a particular item continues to the board). Next Gen members have a Board member mentor, review committee papers and discuss them with their mentor and attend as observers. Some board members mentioned that conversations with their Next Gen board member were helpful to expand their review and preparation for board meetings.

ORR does not have any plans to join a board apprenticeship scheme at this point.

3.9.7. Recommendations

Skills, experience and board composition

- R18.** Consider which of these identified skills gaps you should aim to fill in the next round of board recruitment.
- R19.** The number of board members should be kept under review as the organisation transitions to its new state.

3.10. Board induction and development

Given that there is always change in board membership, both the board induction and the ongoing development of members are critical to maintaining high performance.

3.10.1. Induction for board members

ORR have a tailored induction programme which pays attention to the existing skills and experience and where they may have gaps in knowledge that are important for their role as an effective board member. All board members who answered, said that they were satisfied with the induction process.

Given that two board members started in November 2025, and the Deputy Chair will end her term in 2026, effective induction will be particularly important. Whilst the current board is high performing, the challenge will be to maintain this level of high performance whilst the external context and role of ORR are rapidly changing and new NEDs join.

In order to maintain high performance, we recommend the following:

- Tailored onboarding of new NEDs to ensure new board members can quickly understand both the organisation as it is, and also the desired future state for ORR;
- Provide mentoring/buddying for new NEDs;
- Helping new and established NEDs to navigate between which elements of policy regarding the new organisation are within/without ORR's control (i.e. a Whitehall/parliamentary choice);

It will also be important that there is sufficient opportunity for informal interactions as new NEDs join so that new appointees can quickly be integrated. **Our recommendations are that the board invests in relevant induction for the new board members, which helps them to understand the current and likely future working model of ORR. We also propose that the strategy meeting in February would allow some time for 'team building' to integrate the new members.**

3.10.2. Develop board members knowledge and skills

Given the significant transition in board members in the coming period alongside the change within ORR, there may be additional knowledge that the current (and new) board members need in order to maintain the current high levels of performance.

Current board members highlighted a number of areas which would support their understanding better:

- More understanding of the wider system as it relates to the future role of ORR;
- Spending more time with teams in their day to day to understand the challenges they face and their immediate context.

It will be critical for ORR to proactively provide board learning for members as new areas of development become clear.

3.10.3. Recommendations

Board induction, performance and development

Ref **R3** Onboarding of new NEDs will need to be holistic in the sense of the 'now' organisation and the 'to be' organisation

Ref **R5** At a strategy day or other setting, consider dedicating time to build relationships between NEDs and ELT. This could be externally facilitated.

4. Conclusions

We found the Board of ORR to be highly effective from a range of perspectives.

The Board has been required to navigate a series of complex challenges and decisions over the last two years, often related to the decision by Government to bring the rail industry into public ownership and to establish Great British Railways.

This has added considerably to the workload of the Board, but has also had the effect of creating a focal point around which the board members and ELT have needed to focus, whilst delivering business as usual within the organisation.

The structure of holding regional meetings and meeting with stakeholder organisations, followed by a dinner, has also served to keep a positive culture around the board table.

The intensity of this workload, and the lack of policy/legislative clarity about what the future model of the ORR will be, has had a galvanising effect on the Board and has helped to create a common purpose and a sense of strong team working around the table.

We found the relationships between the board members and the executive leadership team to be strong and positive, and the debate around the board table to be inclusive, clear and respectful.

We found that the Chair is effective, well liked and regarded, and that he has a strong commitment to developing the existing and new board members during their time with the ORR.

We found that the Secretariat is of an extremely high quality, particularly when compared to other organisations which we have reported on.

We have made recommendations regarding risk, performance management, the number of board meetings, the onboarding of new members, and some logistical issues.

We are aware that next phase of ORR's development will probably be even more intense than the last 18 months, as it creates a new focus and purpose around the proposed rail legislation. We believe that our recommendations will stand the Board in good stead to maintain and build on its current high level of performance.

Appendix 1 Full list of recommendations

Section	No.	Recommendation	Priority
Clarity of the Board's role	R1	Dedicate board resource via the Transformation Committee (and/or board time) to support ORR in transitioning to the new role. Give due regard to the new responsibilities (and necessary skills/knowledge) of the Board.	1
	R2	Consider an increase in the number of strategy days to two per year to allow for planning, assessing the big picture, and prioritising the next steps. We think this will be particularly helpful for new board members.	2
	R3	Onboarding of new NEDs will need to be holistic in the sense of the 'now' organisation (and its roles and responsibilities) and the 'to be' organisation.	1
Strategic foresight and horizon scanning	R4	Consider extending strategy day attendance to all the ELT as appropriate.	3
Board culture and dynamics	R5	At a strategy day or other setting, consider dedicating time to build relationships between NEDs and ELT. This could be externally facilitated.	2
	R6	Keep a watching brief on board culture (through dedicated sessions at one of the strategy days), including whether there is 'too much' agreement around the table.	2
Monitoring organisational performance and committees	R7	Explore a mechanism for median level KPIs to help board understand progress against strategic objectives. This would need to be future-focused in light of organisational change.	2
	R8	Review these KPIs every 12-18 months to ensure they remain relevant and appropriate.	2
	R9	Consider bringing the committee chairs together to meet with the board chair two to three times per year for co-ordination purposes, especially relating to cross-cutting issues.	2

Section	No.	Recommendation	Priority
	R10	If there is a significant issue in a specific committee, consider taking this item earlier in the meeting, to ensure that it receives the appropriate time and focus.	3
Monitoring organisational risk and the Audit and Risk Committee	R11	ARC to assist the Board to regularly review the organisational risk appetite in the context of significant sectoral-related organisation change.	2
	R12	ARC to look at the synergies between the two risk registers, the assurance map and the internal audit plan, to see how these activities relate to each other. ARC should also look to incorporate the 'transition' risks into the existing risk registers.	2
Stakeholder and staff engagement	R13	Continue to consider how senior managers/deputy directors can interact more with the Board when presenting, to gain more Board experience	3
Board operations	R14	Review whether one or possibly two of the Board meetings could be removed. This could then provide capacity for an additional one or two strategy days, given your current context.	2
	R15	Consider the use of formalised 360 feedback for the Chair and NEDs on an annual basis.	3
	R16	Consider how to improve the audibility in meetings – Board and committee meetings.	2
	R17	Provide name plates for all board members and attendees.	2
Skills, experience and board composition	R18	Consider which of these identified skills gaps you should aim to fill in the next round of board recruitment.	2
	R19	The number of board members should be kept under review as the organisation transitions to its new state.	2

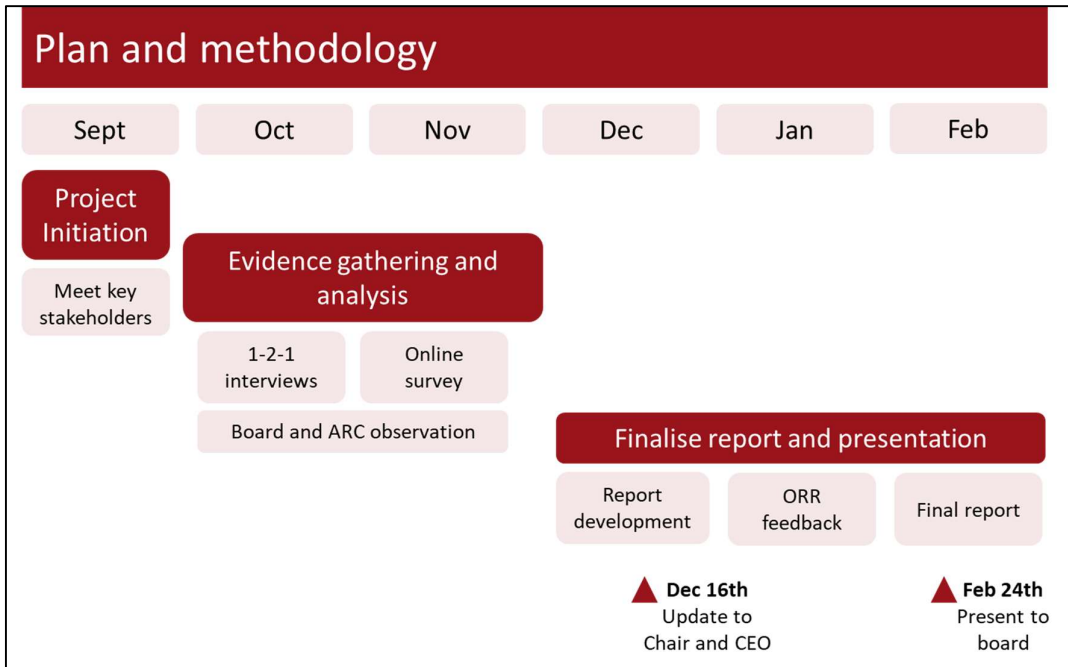
High priority recommendations

For ease, we have extracted the two highest priority recommendations in this table:

Section	No.	Recommendation
Clarity of the Board's role	R1	Dedicate board resource via the Transformation Committee (and/or board time) to support ORR in transitioning to the new role. Give due regard to the new responsibilities (and necessary skills/knowledge) of the Board.
Clarity of the Board's role	R3	Onboarding of new NEDs will need to be holistic in the sense of the 'now' organisation (and its roles and responsibilities) and the 'to be' organisation.

Appendix 2 Plan and methodology

Our approach is summarised in the diagram below:



Appendix 3 Engagement and review

List of documentation reviewed

- Board agendas July 2024 to Oct 2025
- ARC agendas July 2024 to Oct 2025
- Board papers May 2025 to Oct 2025
- ARC papers Jan 2025 to Oct 2025
- Board strategy event papers 2023,2024, 2025
- Board forward planner
- ORR Board Rules of Procedure
- Previous reviews
 - External BERs - 2019-20 and 2022-23
 - 2021-22 Internal Governance review
 - 2023-24 Internal BER and Review of Committees
 - 2024-25 Internal BER
- Board member appointments and committee memberships
- ORR Annual Report and Accounts
- ORR Business Plan
- Candidate packs for Finance and Health & Safety NEDs
- ORR Corporate Environmental Strategy
- ORR Diversity and Inclusions Strategy
- ORR Technology Strategy
- PeCo People survey and culture audit results and presentation
- Draft Framework Document

List of interviewees and focus group attendees

Interviewee	Role
Declan Collier	Chair
John Larkinson	Chief Executive
Justin McCracken	Deputy Chair (to September 2025)
Richard Hines	Director, Railway Safety
Anne Heal	Deputy Chair (Current)
Catherine Waller	Board member
Daniel Ruiz	Board member
Ian Dobbs	Board member
Madeleine Hallward	Board member
Nick Bateson	Board member
Xavier Brice	Board member
Liz Herridge	Chief Operating Officer
Liz Thornhill	General Counsel
Stephanie Tobbyn	Director of strategy, policy and reform
Will Godfrey	Director of economics, finance and markets
Fiona Bywaters	Board Secretary
Jeremy Westlake	Chief Executive of Network Rail
Sir Gareth Rhys Williams	Chair of National Highways

Appendix 4 Interview framework

Our one-to-one interviews with board members focused on the following topics:

- What works well at Board level
- What could be improved at Board level
- Clarity of Board Role
- Working relationship between Board members and ELT
- Balance of operational/strategic focus at Board level
- Time for strategic thinking/horizon scanning
- Ability of the board to measure performance of the agency against key metrics
- Relationship between committees and the board
- Current skills mix and whether there are any gaps
- Culture of the Board, relationships, the quality of listening and inclusivity
- NED training/induction

For executive directors not on the board, we also discussed the ways in which the board adds value.

Appendix 5 BER self assessment questionnaire

- How satisfied are you that board members, both individually and collectively understand what is expected of them?
- To what extent do you feel that the Board operates as a collective group with a common purpose?
- To what extent do you feel that the Board combines being supportive of management with providing appropriate challenge?
- To what extent do board members understand the respective roles of the sponsor department/Ministers and the role of the Board?
- To what extent do you feel you have sufficient understanding of the organisation in order to carry out your role as a Board Member?
- What additional understanding would assist you?
- Please provide any further comments on this section
- How satisfied are you that the number of board meetings per year is about right?
- How satisfied are you that board meetings allow sufficient time for discussion of substantive matters?
- How well do you consider the Chair leads the meetings with a clear focus on the key issues facing the organisation and allows full, open discussion before major decisions are taken?
- How satisfied are you with the level and quality of secretariat support to the Board?
- How satisfied are you with the quality and focus of the Board packs?
- Please provide any further comments on this section
- Were you appointed in the last 12 months?
- Were you satisfied with the induction process?
- Please share comments about your induction
- How satisfied are you that board meetings are conducted in a manner which encourages open discussion, healthy debate and allows each member to add value to discussion and decisions?
- How satisfied are you that all Board members (including executive directors) are able to engage equally and contribute effectively in discussion and decision making in Board meetings?
- What could be done/changed which would make Board meetings more effective?
- How open is the Board to feedback from external stakeholders?
- In your view, how well do the Board members and the Executive team work effectively in partnership together?
- Please provide any further comments on this section
- How satisfied are you that an appropriate amount of the Board's time is spent on issues related to strategic direction and not day to day management responsibilities?

- To what extent do you consider Board members bring the right balance between strategic and operational discussion?
- To what extent does the Board have sufficient time/information to do horizon scanning?
- How satisfied are you that the Board has sufficient Board/Board and Executive strategy events?
- Please provide any further comments on this section
- To what extent do you feel the board committees, as now established, help the Board to perform effectively and provide the right level of scrutiny?
- To what extent do you feel the board committees, as now established, provide the appropriate degree of assurance and are fulfilling their Terms of Reference?
- To what extent do you feel that the split of responsibilities between committees and board is clear and the right reports considered in each, plus appropriate issues are escalated to the Board?
- To what extent does the Audit and Risk Committee have sufficient expertise, support, time and access to key staff to discharge its monitoring and oversight role effectively?
- Please provide any further comments on this section
- To what extent do you consider the process for identifying and managing risks enables risks to be mitigated?
- How satisfied are you that the Board and ARC structure and activity ensures proportionate risk management and challenges excessive risk aversion?
- To what extent are you satisfied that no substantial, unexpected problems have emerged which the Board should have been aware of earlier.
- Please provide any further comments on this section⁵
- Do you (as a Board member) undergo annual appraisals with the Chair?
- To what extent do you find these annual appraisals contribute positively to the overall effectiveness of the Board?
- In the past year, what areas has the Board performed most effectively?
- In the past year, what areas has the Board performed least effectively?
- Please provide any further comments on this section
- To what extent do you feel that non-executive Board meetings held around the Country and the relevant engagement with local stakeholders is useful?
- Given your experience over the last 12 months, to what extent do you feel that non-executive board members have the right level of engagement across the organisation?
- Please provide any further comments on this section
- How satisfied are you that the Board has the right blend of skills and expertise and the appropriate degree of diversity to enable it to face current and future challenges successfully?

- Given the organisation's forward strategy, what additional skills and expertise are needed in the Board?
- To what extent does the Board have effective succession plans in place (including in relation to committee membership)?
- Please provide any further comments on this section

Appendix 6 Stakeholder questionnaire

- What interactions/relationship do you commonly have with the ORR board?
- To what extent do you feel that the Board operates as a collective group with a common purpose?
- To what extent do you feel that you and/or your organisation have appropriate opportunity for engagement with members of the ORR board?
- From your perspective, is there anything the board should be doing differently?
- Can you share an example where you had a positive experience and/or interaction with the Board/board members?
- What could be done/changed to make your interactions with the Board, or Board members more effective?
- Please provide any further comments