



Board Effectiveness Review

Food Standards Agency

27th November 2008

EXECUTIVE SUMMARY

- This document records the findings of a Board Effectiveness Review carried out in the autumn of 2008 by KAM Strategy on behalf of the Food Standards Agency. Based largely on the thinking behind the Public Services Productivity Panel's paper Building Effective Boards, the review covered areas both generic to public sector bodies and those specifically related to the FSA. The latter were the issues surrounding its relative independence from government and those pertaining to its policy of transparency. The study also examined the Board's ability to work as a team and its success in grasping Agency strategy. In the course of the study, KAM conducted 36 interviews, including all the Board members, the Chief Executive, members of the Executive Management Team, Heads of Division and External Stakeholders.
- In many if not most respects, the study revealed that the Board is performing well above average. It is clear about its function and position, is generally fit for purpose in terms of its composition, is more than effectively led, is more than reasonably effective in its decision-making, has good relationships externally and internally (with one or two significant exceptions), and is regularly evaluated both on an individual and collective basis. It also appears to be efficient as well as effective, with a strong Secretariat and a rigorous Board Process.
- The Board also effectively ensures that the FSA treads the knife-edge between autonomy from and subservience to the Government. The principle of independence both from Government and the food industry is virtually a *raison d'être* of the FSA. It inevitably makes for some difficult choices. It appears that the Agency has made judicious decisions on the majority of the sometimes delicate and often conflicting issues with which it has been faced. On these grounds the Agency is generally succeeding in squaring the circle of being part of Government and independent from it.
- The policy of openness and transparency appears to be entirely justified and should continue to be pursued. Although it is quite widely and understandably felt that such practises could hamstring efficient and effective Board decision-making, it is also believed that the Agency and its remit are very well served by this pioneering approach. It is a policy through which it exposes the decision-making process to the scrutiny of interested parties and sidelines suggestions that the FSA is susceptible to interests that are vested. Accordingly the Board viewed itself as both appropriately and sufficiently transparent.
- These findings are largely in line with the 2006 Board Effectiveness Study, and they represent a state of affairs that is – in our experience - the exception rather than the rule either in the public or private sectors. On these grounds it is a performance that should be regarded as closely approaching first class. The real challenge lies less in remedial work

than in transforming a first class Board into one which is a world class. To do this the following points should be borne in mind.

- If the Board is clear about its function and purpose in theory, it is perhaps rather less so in practice. As a non-executive board its responsibilities lie in policy, strategy, and in ensuring that these are duly executed by the management. NEDs often stray into executive territory and the FSA is no exception. Policy – in so far as it is genuinely under the Agency's control - and strategy need to appear more on Board agendas and should spread further beyond the annual Board retreat than they currently do.
- In terms of composition, the Board is rather too large for the purposes of effective decision-making. Little can be done to remedy this situation within the constraints of the Food Standards Act, but consideration should be given to evolving the type and depth of knowledge possessed by Board members. Wider, shallower knowledge of food, food science, consumer pressure groups and the food industry may serve a non-executive board better than knowledge that is deep but narrow. Board members should possess 'naive intelligence' as much as 'expert knowledge' - and apply it in Board meetings.
- One of the principal responsibilities of the Board is to monitor through its various relationships the external and internal environments. Given the current dynamism of the external environment – in Europe, in national politics, with OGDs – the Board in future needs to place greater stress both on its sensitivity to this flux and the Agency's response to it. The study undertaken in 2006 identified weaknesses in this area, and these still exist. Although the Board appears to have evolved markedly over the last two years, it is questionable whether it is yet a 'Learning Board,' sensitively steering the Agency in the face of the ever-changing seas on which it voyages.
- There is some sense of a Board in office but not in power. It is the function of the Board to – at most – set the Agency's direction and – at least - identify the parameters within which it operates. In this way the Board needs to be pro-active. In its own view it is not quite sufficiently so. Neither literally nor metaphorically does it set its own agenda. This situation could beneficially be addressed.
- The Board must also be sensitive to the challenges to policy and strategy posed on the one hand by its food safety brief and on the other by its remit in diet and nutrition. These areas are related rather than co-extensive, and the latter is open-ended. Moreover, food safety matters are more a matter of fact, less a matter of opinion. There is a sense that the Board handles the former with greater conviction than the latter. The challenge lies in due prioritisation, the realistic deployment of limited resources, and clarifying policy and strategy on diet and nutrition.

- Effective organisations are in themselves in a constant state of evolution demanded by changing internal and external circumstances. The FSA had its beginnings virtually a decade ago in circumstances greatly different to those that now obtain. Its *raison d'être*, remit, staffing structure and processes were of their time. The Agency's story is one of considerable success. The challenge for the Board now lies in adapting the organisation – and itself - to the world in which it now exists and the world which will exist in 2010 and beyond. That will be the true measure of the Board's effectiveness. It will also be a measure of the Agency's ability to develop from the first class regulator that many already regard it to be to a regulator of acknowledged world class.