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# VLA Corporate Plan 2006 – 2011

An Executive Agency  
of the Department for  
Environment, Food and  
Rural Affairs

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# 1. EXECUTIVE SUMMARY

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- 1.1 Veterinary Laboratories Agency (VLA) is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra). It was launched as an Agency on 1st October 1995 and was established through the merger of the Central Veterinary Laboratory (CVL), already an Agency since April 1990, with the Veterinary Investigation Service (VIS), formerly part of the State Veterinary Service.
- 1.2 The overall purpose of VLA is to provide a specialist veterinary resource to Government. We may also provide commercial services to the private sector.
- 1.3 We currently employ around 1,400 staff with an estimated income in 2005/06 of £100m. We operate through a network of regional laboratories in England, Wales and Scotland, supported by a central facility near Weybridge in Surrey. We have two additional surveillance centres operated via subcontracts with Liverpool University and the Royal Veterinary College, London.
- 1.4 This plan describes VLA's strategy for the next five years - 2006 to 2011 - including financial projections up to 2009. The latter show that our income will be broadly static during this period with possible reductions in some areas offset by higher income in others. The strategy itself was thoroughly reviewed in 2002 and since then has been rolled forward as new issues arise. The strategy will undergo a further thorough review in 2007
- 1.5 Our broad strategy is to remain as a key delivery body for the UK Government, delivering a high-quality wide-ranging service. In doing this we will:
- Provide a 'one-start-shop' of veterinary laboratory services for Defra by delivering a service direct or via our extensive collaborative network
  - Continue to deliver our work through seven science programmes that are underpinned by detailed externally challenged science strategies
  - Continue to provide national and international reference laboratories
  - Continue to provide a service to the European Commission where it supports our business
  - Ensure that our skills base and facilities match the need to deliver world-class science.
  - Work with Defra and the BBSRC on an Options Appraisal Study, which is investigating possible options for closer integration between VLA and the Institute of Animal Health.
- 1.6 A key part of our strategy is to continue to progress the VLA Science Development Programme to make sure that we drive our science

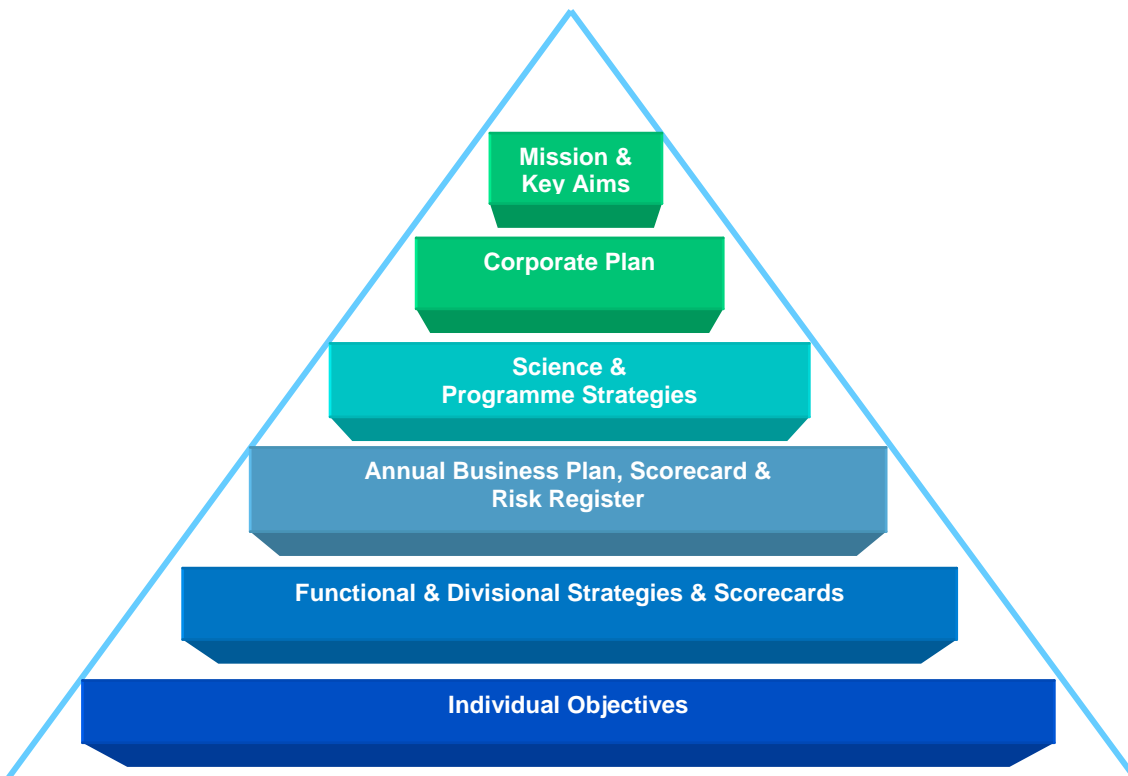
forward in response to the many scientific and technological advances going on in the world. The Programme comprises four main projects:

- Developing Science
- Delivery of Science
- Knowledge Management
- Organisational design

1.7 A new direction in this plan is to take a proactive approach on the commercial front using the profit from this work to sustain key areas in our established science programmes and to develop new areas that are important to VLA's future business. Added impetus for us to increase our commercial work is provided by our commitment to make efficiency savings as part of the Civil Service-wide Gershon Efficiency Review.

1.8 The strategy is translated into meaningful measures via a corporate scorecard, and is supported by the VLA risk management framework. Further details on the scorecard and risk register can be found in VLA's Annual Plan, which also provides further details on how the first year of this five year plan will be implemented. The diagram below shows how these documents fit together.

1.9 Publication of this plan is a requirement in the Agency's Framework Document. It is also a useful tool in communicating our strategy to key stakeholders, including VLA staff.



## 2. WHAT WE DO & WHY

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### **Our Mission:**

**We safeguard public and animal health through world-class veterinary research and surveillance.**

### **Our key aims:**

- ❑ We provide our customers with the highest quality scientific data and advice to support evidence-based policymaking while providing best value for money.
- ❑ We work collaboratively to deliver leading edge veterinary research, surveillance, consultancy and laboratory testing services through a series of integrated science programmes.
- ❑ We maintain an emergency response capability for animal health and public health threats.
- ❑ We develop colleagues to their full potential and recognise their individual and collective contribution.
- ❑ We work by a set of principles and values that underpin our behaviour:
  - Be open to constructive criticism and external challenge
  - Develop leadership to promote shared vision and values
  - Demonstrate rigour and responsibility in relation to our science
  - Share knowledge and communicate openly at all levels
  - Strive for excellence whilst confronting poor performance
  - Treat everyone fairly and recognise their views and contributions
  - Treat everyone with dignity and respect
  - Work together to turn problems into solutions

2.1 As an Executive Agency VLA's mission and strategy are linked to the Government's overall aims and objectives for veterinary public health and sustainable agriculture and food industries (annex A). As a member of the Defra family we support Defra's aims and objectives, its Five Year Strategy (*"Delivering the Essentials of Life"*) as well as the department's vision for its science agencies (annex A). VLA scientists and veterinarians recognise Defra's Chief Scientific Adviser and Chief Veterinary Officer as their respective Heads of Profession.

2.2 We are a key delivery agent for the Chief Veterinary Officer in tackling her top priorities – 'to avoid an animal health crisis' and to deliver Public Service Agreement (PSA) 9 (annex A). We will also play an active part in helping Defra and the devolved administrations in the

implementation of the Animal Health and Welfare (AH&W) Strategy for Great Britain. This strategy seeks to 'develop a new partnership in which we can make a lasting and continuous improvement in the health and welfare of kept animals while protecting society, the economy, and the environment from the affect of animal diseases'. Part of that 'partnership' is our provision of veterinary investigation and laboratory diagnostic services for private veterinary practices at subsidised prices, reflecting the surveillance value to Government of the information so gathered.

- 2.3 We provide top quality scientific knowledge and advice for Defra as specified in its new Evidence and Innovation Strategy (E&IS). In turn the E&IS will define Defra's science procurement requirements over the period 2005-08, which we will look to fulfil in our areas of expertise.
- 2.4 VLA contributes to the public health objectives (annex A) of Defra and the Food Standards Agency (FSA) through our knowledge and expertise of zoonoses and food chain related threats.
- 2.5 We also play a key role in the international veterinary and public health arena, largely through our status as an internal reference laboratory for a wide range of infectious and non infectious diseases. As part of this we help the World Organisation for Animal Health (OIE) meet their objectives (annex A).

### 3. SERVICES

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- 3.1 Reflecting our Mission, we provide the following veterinary-related services to our customers:
- Disease emergency response
  - Surveillance
  - Laboratory Services
  - Research
  - Consultancy
- 3.2 We deliver these services to our customers via the following science programmes:
- Emerging Diseases and Welfare
  - Food and Environmental Safety
  - International Trade
  - Statutory and Exotic Bacterial Diseases
  - Statutory and Exotic Viral Diseases
  - Transmissible Spongiform Encephalopathies
  - Commercial
- 3.3 We also operate internal programmes of seedcorn research and test development that underpin and enhance our scientific capability.

## 4. STAKEHOLDERS

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4.1 VLA has a number of stakeholders – all those people, groups or organisations that have an interest in, or benefit from, the work that VLA carries out. As well as our staff our main stakeholder groups are:

### 4.2 Our Customers

- **Defra:** Our main customer is the Chief Veterinary Officer (also the Director General of Animal Health and Welfare). Over half our income is generated from providing this group with surveillance, consultancy and supporting laboratory and related services; and around a quarter from research projects.
- **Devolved administrations of Scotland and Wales:** We work in partnership with Defra to provide them with services in their respective countries.
- **FSA:** We provide them with a wide range of surveillance, research, laboratory services and consultancy.
- **EU:** A small proportion of research and some reference laboratory functions are funded through European grants.

**Other government departments:** Although a relatively small component of our total income we provide specialised services for other government departments and agencies including the Home Office, Health Protection Agency and Biotechnology and Biological Sciences Research Council (BBSRC).

- **Private sector:** Principally veterinary practitioners and pharmaceutical companies. This currently accounts for around 10% of our total income. The service to private veterinary practices is also a key component of veterinary surveillance, and is not therefore operated on a simple commercial basis but as a partnership between Defra, VLA and the practices.
- Dialogue is maintained and developed with all our customers via regular formal and informal meetings, presentations, seminars and workshops. We also carry out and respond to regular customer satisfaction surveys.

### 4.3 Our Collaborative Partners

- We collaborate with a large number of scientific organisations nationally and internationally in order to increase the pool of professional knowledge, skills and facilities available to

Government and the public. A number of formal collaborative agreements have been signed and we also maintain a wider network of individual informal collaborative activities.

- As a research laboratory we are also part of an extended network of public sector research establishments. Within this context we work closely with the Institute of Animal Health (IAH), the Moredun Research Institute, the Health Protection Agency and others in areas of mutual interest and benefit to Government and the animal health industry.
- We work closely with State Veterinary Service (SVS), a new agency of Defra, as key delivery agents of Defra's Animal Health and Welfare Strategy (section 2.2), including the Veterinary Surveillance Strategy.
- We also provide some teaching support for UK veterinary schools through specialist lectures and opportunities for extramural studies for veterinary students. We are also developing a close working relationship with the new Nottingham veterinary school adjacent to our Sutton Bonington laboratory.

#### **4.4 Our Owner**

- As well as being our main customer Defra is also our owner. With our sister agencies the Central Science Laboratory (CSL) and the Centre for Environment, Fisheries and Aquaculture Science (CEFAS) we provide Defra with a sound science base and specialist facilities.
- As an executive agency we must respond to Government and Defra initiatives and targets. These are wide ranging and often resource intensive, the most recent of which have included the Developing Defra Programme, Freedom of Information, the Lyons and Gershon Reviews and Professional Skills for Government.

#### **4.5 The Public**

- The Freedom of Information legislation means that we must allow access to as much information as possible.
- Our regional laboratories have long-standing relationships with all the private veterinary surgeons in their locality. This recognises that they are key to us delivering a surveillance service to Government. Regular face-to-face meetings, visits and open evenings are held and each laboratory produces regular customised newsletters and reports to assist in herd and flock health planning.
- As a significant local employer we have an obligation to raise awareness and general interest in science in young people and

encourage them to consider a career in science. We foster links with local schools, colleges and universities through sponsorships, work experience, staging regular open days, and sharing our experience by providing personnel for their governing bodies.

## **5. KEY ISSUES IMPACTING ON VLA IN THE NEXT 5 YEARS**

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5.1 We regularly look at issues, both inside and outside the organisation, that are likely to impact on us in the short, medium and long term. The broad strategy (section 8) and the science strategy (section 9) seek to address these issues.

### **5.2 Financial**

- As a Department with wide ranging responsibilities on climate change and sustainable development, Defra faces increasing pressure on its budget. In the short term it is likely that additional income will be forthcoming from Defra for work on avian influenza and tuberculosis. At the same time there may be reductions in other areas of work undertaken by VLA. It is anticipated that overall these factors will even themselves out and with additional commercial income being sought the financial situation looks relatively stable.
- The Treasury has initiated a Comprehensive Spending Review for 2007 (CSR2007) which involves a zero based analysis of the Department's main spend areas. One of these areas is Animal Health and Welfare and so this may impact on our income figures from 2008/09, which have been assumed in this plan as static.
- There is the on-going need for VLA to produce efficiency savings in line with the Defra response to the Gershon Efficiency Review. These savings continue until 2007/08 although indications from initial paperwork on CSR2007 is that this requirement is likely for a further three years. The high fixed costs of operating the VLA will present a significant challenge in meeting this requirement .

### **5.3 Science & Technology**

- Veterinary and biological sciences, pathology, epidemiology, risk analysis, and mathematical modelling are central to VLA science and the demand continues to increase. We need to increase our capabilities in these areas and to ensure that these skills are widely available across the agency.
- The post-genomic era has changed the way many areas of science are undertaken. Significant investment is required to introduce this technology and to develop the new skills base. In the longer term it has the potential to deliver the science more efficiently. We need to ensure that current specialists working at VLA work together to establish the critical mass essential for developing this area of

science and network effectively with others in this rapidly developing field.

- The general shift from ‘wet’ to ‘dry’ science has resulted in an increased demand for effective data and information management supported by information technology and systems. Today, investment in IT infrastructure and systems is equally, if not more important than investment in building infrastructure. We need to ensure this is fully recognised at VLA and in the wider scientific community.
- The Treasury’s Science and Investment Framework 2004-2014 considers climate change and non-fossil forms of energy as the top priorities for funding. Defra recognise this in their Science Forward Look with a progressive shift in funds to environmental priorities. This could provide opportunities for VLA to explore with respect to affect of climate change on animal and public health.
- Defra will be conducting a full independent scientific audit of VLA in 2007.

#### **5.4 Government/Defra**

- Defra’s Laboratories Strategy Programme (LSP) is examining the long-term sustainability of its three science agencies – VLA, CSL and CEFAS. As a result of this work a joint Defra/BBSRC study was conducted at the end of 2005 to look at the synergies between VLA and the IAH at Pirbright. Following this a further options appraisal study will be conducted during 2006.

#### **5.5 Workforce**

- Professional Skills for Government is a new programme to develop and improve the Civil Service. The programme is being rolled out in stages across Government to make sure the right skills and expertise are in place to enable every part of the Service to deliver its services effectively. This will impact on VLA directly and also through the various Heads of Professions within Defra and the Government Veterinary Surgeons (GVS).
- The changing nature of science outlined in paragraph 5.3 presents a number of challenges over the coming years and we need to respond by examining the scientific skills required to lead and support the science. Like any organisation we also must respond to HR legislation and general demographic changes.
- There is a growing requirement for people with combined skills sets, able to be aware of not just in depth science and veterinary matters but also the political, legal, economic, environmental,

social, technological and financial factors that govern farmed animal livestock and wildlife. We also need technical staff that can communicate effectively with the public and with specialists in fields other than those pursued at VLA.

- Regular staff opinion surveys are conducted across the agency. Overall the level of staff satisfaction is good and compares favourably with Central Government Departments and other organisations across a wide range of sectors. A recurring issue in the surveys is that staff are less satisfied with the total reward and benefits package. This is not uncommon in the public sector although the situation at VLA is made more difficult by the comparison with Defra's pay remits over the last three years - particularly since the Weybridge site is co-located with a Defra agency without delegated pay.

## 6. BROAD STRATEGY

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### 6.1 Status

- We firmly believe that VLA should remain a key delivery body for the UK Government. We are, and will continue to play an active part in the ongoing Laboratories Strategy Programme to ensure that we deliver the best possible service to Defra, other Government customers and our customers in the private sector.
- We are prepared to discuss alternative business models if suggested by the ongoing reviews and will work with Defra and the BBSRC with respect to the VLA/IAH options appraisal study.

### 6.2 Services

- A key strength for VLA is to continue to provide a ‘one-start-shop’ of veterinary laboratory services for Defra. This will be by providing the service direct or by sourcing the work through our collaborative network. We will continue with the current 25:75 split between research and surveillance work. We acknowledge that much of our scientific development concentrates on the smaller research area but this reflects the role of research in underpinning surveillance and laboratory services.
- We will continue to deliver our work to customers via seven science programmes with detailed strategies updated annually. These include the specific issues they face, development opportunities and markets (summaries are included in section 7.4). Internal and external experts inform and challenge the strategies.
- We will continue as the national and international reference laboratories for a wide range of infectious and non-infectious diseases in farm animals. We will look to strengthen the veterinary input into each of these reference laboratories.
- Data and information systems are our key strength. To exploit this further we have focussed our efforts on developing our data sciences area as well as implementing an overarching knowledge management strategy. This will involve additional investment in IT/IS in the short to medium term.
- We are internationally recognised as providing a ‘quality’ service. Quality is expensive and it is even more apparent at VLA where costs are already high due to the need to maintain and develop unique specialist facilities and skills. We need to remind our customers of this and assure them that we are committed to

identifying efficiency gains while providing a quality service that gives real value for money.

### **6.3 Customer base**

- Our main customer will continue to be the UK Government – Defra and to a lesser extent the FSA. We will continue to provide a service to the European Commission where it supports our business and subject to affordability given that the Commission does not provide income for full cost recovery. We will also pursue funding by bidding for work direct from the BBSRC following their recognition of VLA as an Academic Analogue.
- We will pursue the opportunity to address the Government's environmental priorities particularly the impact that climate change may have on animal health/welfare and the development of a sustainable food supply chain. This will be addressed in the individual science programme strategies, particularly Food and Environmental Safety, Statutory and Exotic Viral Diseases and Emerging Diseases and Welfare.
- We will take a proactive approach on the commercial front by actively seeking opportunities in the private sector and investing the profit from this work in Test Development Projects, VLA Fellowships etc. Further details on our commercial programme strategy are set out in section 7.4.

### **6.4 Efficiency**

- Increasing our commercial work will assist, but not totally address the funding difficulties ahead of us. We face the requirement to deliver on-going efficiency savings as our contribution to the Defra response to the Gershon Efficiency Review. We have established an efficiency plan that we will keep under regular review and includes:
  - A reduction in payroll costs to be achieved through a combination of an early retirement programme, not filling all vacancies that occur, and a targeted reduction in overtime.
  - Increasing the use of government framework contracts and introducing e-procurement to make savings in materials expenditure.
  - Reviewing the appropriateness of the redevelopment programme and use of our existing building stocks to identify any underutilised assets and possible rationalisation.
  - Reviewing our capital equipment investment strategy to ensure the levels are consistent with business need.

- Reviewing the provision of support services and the organisations assets following the outcome of the options appraisal study of VLA/IAH Pirbright.

## **6.5 Workforce**

- We employ some of the country's, if not the world's, leading experts in veterinary science. To broaden this pool of knowledge and innovation we collaborate extensively and will look to enhance this network further, both in the UK and overseas. A new direction that we have recently taken is by participation in the Networks of Excellence Initiative funded by the EU. These currently include MED-VET-NET, Neuroprion, Venomyc and Epizone.
- Our scientists provide leadership to the wider scientific community through:
  - publishing their work in a range of media
  - contributing to meetings and conferences world wide
  - representation on various expert committees
  - teaching at colleges, universities and veterinary schools
  - running courses and providing specialist training 'at the bench'
- There will always be new areas of work that the agency wants to move into and where the agency needs to develop its skills base. To facilitate this process VLA fellowships have been introduced. These fellowships will be funded centrally allowing the appointment of supernumerary staff to work on key development areas of the business. The first appointments will be made early in 2006.
- Our experts make up only a part of the agency's skill-set. They are complemented and supported by people with a wide range of skills, both practical and intellectual. We recognise and value the individual and collective contribution of our entire workforce and will continue to be recognised as an investor in our people.
- In 2006/7 we will introduce a new competency based appraisal system. This reflects the competency base for the agency and will take on board the competencies identified in the Professional Skills for Government Programme.
- We will develop a Workforce Planning Strategy to map out our overall approach to staff and organisational development. This will bring together the work outlined in this section of the Plan, which essentially is to ensure that the agency has the necessary skills and capabilities to deliver its services in the long term.

- We recognise that the overall benefits package, including pay and reward, is closely linked to overall staff satisfaction. In 2003/04 we introduced a new progression pay and reward system that values performance and the delivery of objectives as well as the acquisition and use of competencies. The key to its success is the provision of sufficient funding to support it each year, which obviously must take into account Treasury guidelines on public sector pay as well as affordability. We will continue to look closely at pay and reward by participating in Defra's Coherence agenda and by our continued discussion with the Trades Unions.

## **6.6 Capital Investment**

- Our network of laboratories and many of our specialist buildings are unique. They will be further enhanced by the current Weybridge redevelopment, which aims to replace older buildings that no longer meet modern needs. Further phases of redevelopment were put forward in the Government Spending Review for 2004 and beyond.
- We will continue to work with Defra, the BBSRC and the Institute of Animal Health (IAH) to establish a joint VLA/IAH Virology facility at the IAH Pirbright site in Surrey. This will enable the two organisations to maintain a critical mass of virological expertise as well maximising the use of specialist facilities.
- Taking into account the two bullet points above, we will also review our long term strategy for the entire VLA estate.
- We will also take advantage of longer-term capital funding so that a more strategic approach can be taken on maintaining and purchasing new capital equipment.

## **6.7 Sustainable Development**

- As part of the Defra family we must work with Defra on their overarching aim of sustainable development. A VLA sustainable development action plan was drawn-up in 2005-06 and will be implemented during the life of this plan.

## 7. SCIENCE STRATEGY

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7.1 We must ensure that the science we deliver provides real benefit to our customers. Therefore, we aim to provide:

- knowledge for advice and evidence to inform policy development
- sophisticated science facilities to support policy implementation
- analysis and interpretation to enable policy evaluation and refinement

7.2 We have considered the anticipated future needs of our customers and have drawn up a corresponding vision for our science.

**Our vision is to be acknowledged as:**

- innovators in a global network of veterinary excellence
- working collaboratively with other suppliers of veterinary and public health science
- applying new technology and other scientific advances throughout the agency
- using our network of laboratories to provide the best possible services

### 7.3 Scientific Development Programme

7.3.1 We need to maintain the best features of our science today whilst shaping the science of the future. In 2002/03 we set ourselves four main initiatives brought together into a development programme. This work is still ongoing.

- **Developing Science** – to re-examine the focus of our science and ensure we have core expertise and facilities in the key areas of data sciences, biomics and veterinary sciences. It includes reviewing the veterinary career path and establishing a VLA strategy in response to Defra's Animal Health and Welfare Strategy. It includes the development of a veterinary public health strategy.
- **Delivery of Science** – to improve science communication and the delivery of science through project and programme management. To re examine the scope of the collaborative network; and maintain ISO9001 certification across the agency.

- **Knowledge Management** – to develop and implement an overarching knowledge management strategy across the organisation that ensures that our corporate wealth of knowledge, experience and information is available to every individual within VLA.
- **Organisational Design** – to examine the structure of the organisation and re-focus around the main science programmes.

7.3.2 The programme is being led by Steve Edwards, the Chief Executive and each project is taken forward as a discrete but integrated development project led by a VLA Director. Details on the individual work packages are included at annex B. The programme started in 2002 and many of the work packages have finished or are well advanced, however, they are all included in annex B for completeness. Specific details on the overall aims and objectives of the programme are published in a separate document - 'VLA Development Programme – A Summary of the Projects'.

#### 7.4 Science Programmes

Science Programme	Top level strategy
The Statutory and Exotic Viruses Programme will:	<ul style="list-style-type: none"> <li>❑ consolidate our position as a recognised world class knowledge centre for avian influenza and Newcastle disease</li> <li>❑ continue to strengthen European bat lyssavirus capabilities in-house</li> <li>❑ continue to strengthen expertise in classical swine fever, West Nile virus fever, Aujeszký's disease and rabies through collaboration</li> <li>❑ expand portfolio to include zoonoses of wildlife and maintain a core response capacity</li> <li>❑ ensure the relocation to the new facilities at Pirbright is successful, and ensure that a robust contingency plan is in position if required</li> </ul>
The Statutory and Exotic Bacteria Programme will:	<ul style="list-style-type: none"> <li>❑ consolidate our position as a recognised world class knowledge centre for bovine tuberculosis</li> <li>❑ continue to increase expertise in <i>Mycobacterium bovis</i> by improving diagnostic test development, molecular epidemiology and vaccine development for cattle and badgers</li> <li>❑ Provide the leadership to establish VLA as a recognised centre for the use of post genomic and bioinformatics research to solve veterinary problems</li> <li>❑ sustain emergency response capability for brucella, mycoplasma, anthrax, glanders and contagious equine metritis</li> </ul>

<p>The International Trade Programme will:</p>	<ul style="list-style-type: none"> <li>❑ continue to improve service delivery through a co-operative relationship with Defra's Veterinary International Trade Team</li> <li>❑ improve VLA's competitive position by maximising test efficiency and abolishing test subsidies</li> <li>❑ maintain current quality systems including ISO9001 compliance in the Laboratory Testing Department and ISO17025 accreditation for all tests undertaken</li> </ul>
<p>The Emerging Diseases and Welfare Programme will:</p>	<ul style="list-style-type: none"> <li>❑ rapidly identify and characterise new and emerging diseases and produce initial risk assessments for government and other policy customers</li> <li>❑ provide expert advice and consultancy to promote the health and welfare of farmed livestock and wildlife in England and Wales</li> <li>❑ control the cost of the VLA Emerging Diseases and Welfare scanning surveillance network</li> <li>❑ maintain an emerging disease research programme and improve the commissioning process linking identification of a new disease with further research funding</li> </ul>
<p>The Food and Environmental Safety Programme will:</p>	<ul style="list-style-type: none"> <li>❑ deliver a comprehensive structured ongoing and targeted surveillance package to Defra and FSA.</li> <li>❑ undertake strategic applied research on foodborne zoonoses of public health significance underpinned by focused fundamental studies.</li> <li>❑ refocus collaborations on strategic national and international alliances and partnerships.</li> <li>❑ use National and International Reference Laboratories activities to raise our international profile.</li> <li>❑ extend our influence along the food chain by participation in Foodchain Zoonoses Liaison Groups across England and Wales</li> </ul>
<p>The Transmissible Spongiform Encephalopathies Programme will:</p>	<ul style="list-style-type: none"> <li>❑ focus on maintaining an international knowledge centre for TSE</li> <li>❑ strengthen and increase expertise in prion molecular biology making use of VLA biomics specialists</li> <li>❑ maintain experimental sheep capacity in house and work towards the withdrawal of in house cattle studies</li> <li>❑ direct surveillance testing but reduce capacity in line with demand</li> <li>❑ develop current epidemiologists, use VLA's CERA for modelling and develop links with preferred universities for surge capacity</li> <li>❑ increase the role of transgenic models within a consolidated bioassay programme</li> </ul>
<p>The Commercial Programme will:</p>	<ul style="list-style-type: none"> <li>❑ formulate an agreed strategy for commercial work within the Agency, identifying areas of high potential and possible risk</li> <li>❑ establish a commercial team to maximise commercial potential in scientific services, testing, products, proficiency testing, intellectual property, test development and test validation</li> <li>❑ ensure there are mechanisms for incentivising staff to exploit commercial opportunities</li> <li>❑ continue to work with CSL, HPA and Dstl within the InterAct partnership to develop commercial work and identify synergies</li> </ul>

## 8. IMPLEMENTATION

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- 8.1 We will continue to use the Balanced Scorecard to help us translate this plan into meaningful measures and targets. The corporate scorecard will be monitored at the Strategy Management Group's (SMG) monthly performance meetings.
- 8.2 The corporate scorecard is produced annually and is included in VLA's annual business plan. The scorecard cascades down through the organisation to divisional and functional scorecards and to individual's objectives.
- 8.3 The development and delivery of the individual scientific programme strategies is led by the Director of Science Strategy. This Director chairs the SMG Science Committee that manages the implementation of the critical success factors set out in each of the strategies.

## 9. FINANCIAL SUMMARY

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- 9.1 A summary of the estimated three-year financial plan is attached at Annex C. The income projections at this stage are only indicative as discussions are still in progress with our customers.
- 9.2 We expect our income to be broadly stable with possible reductions in Defra survey work being balanced by higher commercial income. The increased AHWG non-programme income reflects the additional amounts necessary to cover the capital charges. Expenditure, excluding capital charges, shows a decline from current (05/06) levels..
- 9.3 Any surpluses generated by our commercial work will be re-invested in the business to:
- Fund Test Development Projects in order to maintain an up to date responsive test portfolio and generate future efficiency savings.
  - Fund the establishment of the VLA Fellowship Initiative (see section 8.5).
  - Cover collaborative work that does not fully cover its costs but from which there is scientific benefit to the VLA.
  - To further increase revenue and profit from commercial work
- 9.4 The capital building programme for phase 1a of the Weybridge site redevelopment was completed in 2005 and the preparation work for the next phase 1b is underway. It is expected that this phase will be complete in early 2008.

## 10. RISK MANAGEMENT

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- 10.1 VLA's Risk Management Framework ensures that the Agency identifies and manages the risks that might prevent it meeting its overall objectives and scorecard measures. The Internal Audit Plan is built around the VLA risk register to provide assurance to the Accounting Officer and to the Audit and Risk Committee. The Committee is chaired by an external adviser.
- 10.2 Each VLA division within VLA has its own risk register, which is reviewed quarterly. The responsibility for overseeing this process is vested in the Business Director as Risk Co-ordinator. The VLA risk register is reviewed monthly and twice a year a summary is forwarded to Defra for inclusion in their Risk Framework.

## **Annex A – Key objectives that influence VLA’s overall strategy**

### **Defra’s aim**

Sustainable development, which means a better quality of life for everyone, now & for generations to come, including:

- A better environment at home and internationally, and sustainable use of natural resources;
- Economic prosperity through sustainable farming, fishing, food, water and other industries that meet consumers’ requirements;
- Thriving economies and communities in rural areas and countryside for all to enjoy

### **Defra objectives 3 and 6:**

To promote a sustainable, competitive & safe food supply chain which meets consumer’s requirements

To protect the public’s interest in relation to environmental impacts & health and ensure high standards of animal health & welfare

### **Defra’s public service agreement 9**

To improve the health and welfare of kept animals and protect society from the impact of animal diseases, through sharing the management of risk with industry, including:

- A reduction of 40% in prevalence of scrapie infection by (from 0.33% to 0.20%) by 2010.
- A reduction in the number of cases of BSE detected by both passive and active surveillance, to be less than 60 in 2006, and the disease being eradicated by 2010.
- A reduction in the spread of Bovine TB to new parishes to below the incremental trend of 17.5 confirmed new incidents per annum by the end of 2008.

## **Defra's Five Year Strategy – Sustainable Farming & Food, including Animal Health and Welfare**

Over the five years Defra will be aiming to create a sustainable food and farming supply chain serving the market and the environment; putting in place systems to reduce risks of animal diseases, and being ready to control them when they occur. Key outcomes are:

- More customer focused, competitive and sustainable farming.
- More competitive and sustainable food industry.
- Further Common Agricultural Policy (CAP) reform.
- Animal health and the welfare of kept animals improved, and society, the economy and the environment protected from the impact of animal diseases, through sharing the management of risk with industry.

### **Defra's vision for its agencies:**

To provide Defra and other customers with effective and sustainable world-class scientific services to meet government's expressed needs.

### **The FSA's objectives include:**

- Decrease food borne illness further
- Decrease the risk to consumers from chemical and radioactive contamination
- Deliver proportionate BSE/TSE controls based on the latest scientific knowledge

### **The AH&W strategy aims to:**

Develop a new partnership in which we can make a lasting and continuous improvement in the health and welfare of kept animals while protecting society, the economy, and the environment from the affect of animal diseases.

**The objectives of the OIE are:**

- To ensure transparency in the global animal disease and zoonosis situation
- To collect, analyse and disseminate scientific veterinary information
- To provide expertise and encourage international solidarity on the control of animal diseases
- Within its mandate under the WTO SPS agreement, to safeguard world trade by publishing health standards for international trade in animals and animal products
- To improve the legal framework and resources of national veterinary services
- To provide a better guarantee of the safety of food of animal origin and to promote animal welfare through a science based approach

## Annex B - Development programme projects & work packages 2002-2006

***NB. The work in some work packages has finished. However, they are included for completeness.***

### Developing our science

- Establish external scientific input in to science programmes. **Complete.**
- Decide which specialisms will be provided in-house and develop strategies for services not provided directly by VLA. **Complete.**
- Develop and establish a Biomics Centre. **Complete.**
- Develop and establish a Data Sciences Centre. **Complete.**
- Develop and establish a veterinary sciences strategy. **Complete.**
- Develop Data Sciences. **Complete.**
- Develop veterinary sciences. **Complete**
- Develop a veterinary public health strategy.
- Develop a veterinary career path.

### Delivering Science: key objectives

- Establish 3<sup>rd</sup> party certification across the agency. **Complete**
- Develop a science communications strategy. **Complete.**
- Develop and set standards for project planning and delivery. **Complete.**
- Implement efficient programme support, project support and contract management. **Complete.**
- Establish a process of annual internal review of each science programme. **Complete.**
- Agree scope of the formal collaborative network. **Complete.**
- Establish efficient project planning, management and delivery.

### Knowledge Management: key objectives

- Develop a knowledge management strategy. **Complete.**
- Pilot key areas by January 2004. **Complete.**

### Organisational Design: key objectives

- Implement recommendations from the Administration Review. **Complete**
- Establish the Food and Environmental Safety Programme (FES) and the Statutory and Exotic Bacterial Diseases (SEB) Programme as separate 'programme/resources' centres. **Complete.**
- Produce an organisational design based on programme delivery.
- Review roles, responsibilities and constitution of the Strategy Management Group (SMG).
- Review administration at the regional laboratories.
- Review administration at Weybridge.

## Annex C – Financial projections

REVISED 14th March 2006

	ACTUAL 2004/05	ESTIMATE 2005/06	PLAN 2006/07	PLAN 2007/08	PLAN 2008/09
	£,000	£,000	£,000	£,000	£,000
<b>INCOME</b>					
AHWG: Contract~	31,700	35,000	32,700	32,700	32,700
Surveys	7,071	7,000	7,000	6,000	6,000
Non-Programme	26,129	33,100	35,600	37,200	38,000
VRD	19,500	19,600	19,500	19,000	19,000
OTHER	393	400	400	400	400
SVS	170	200	200	200	200
TOTAL DEFRA	84,963	95,300	95,400	95,500	96,300
FSA	4,248	4,300	3,800	3,525	3,500
OTHER GOV'T	688	600	500	500	600
COMMERCIAL	3,783	3,800	4,300	5,000	5,500
EU etc	900	1,000	1,000	1,000	1,000
<b>TOTAL INCOME</b>	<b>94,582</b>	<b>105,000</b>	<b>105,000</b>	<b>105,525</b>	<b>106,900</b>
<b>EXPENDITURE</b>					
PAY	-37,237	-38,300	-39,500	-39,200	-39,500
NON PAY	-35,763	-38,500	-38,800	-38,000	-38,200
NOTIONAL					
Build mtce	-3,725	-3,725	-3,725	-3,725	-3,725
Defra O/H	-744	-765	-765	-765	-765
Early Retire Etc	169	-110	-125	-135	-150
RUNNING COST TOTAL	-77,300	-81,400	-82,915	-81,825	-82,340
ASSET DEMOLITION PROVISION		-3,500			
CAPITAL CHARGE					
Interest Payable	-7,613	-9,200	-9,800	-10,400	-10,700
Depreciation	-9,634	-11,400	-12,285	-13,300	-13,860
TOTAL CAPITAL CHARGES	-17,247	-20,600	-22,085	-23,700	-24,560
<b>TOTAL EXPENDITURE</b>	<b>-94,547</b>	<b>-105,500</b>	<b>-105,000</b>	<b>-105,525</b>	<b>-106,900</b>
<b>SURPLUS/(-DEFICIT)</b>	<b>35</b>	<b>-500</b>	<b>0</b>	<b>0</b>	<b>0</b>
*Valuation write down/back	-4,534	2,500			
Self employed (avge)	1,246	1,208	1,175	1,100	1,100
Note	-figure is inclusive of PVS income				
	* excluded from financial target calculation				

**CAPITAL EXPENDITURE**

	CHECH A/C <b>ACTUAL</b> <b>2004/05</b> £,000	<b>ESTIMATE</b> <b>2005/06</b> £,000	<b>Plan</b> <b>2006/07</b> £,000	<b>Plan</b> <b>2007/08</b> £,000	<b>Plan</b> <b>2008/09</b> £,000
<b>LAND &amp; BUILDINGS</b>					
Main Programme	2,800				
Redevelopment	18,000	21,200	20,500	16,000	10,000
<b>TOTAL</b>	<b>20,800</b>	<b>21,200</b>	<b>20,500</b>	<b>16,000</b>	<b>10,000</b>
<b>EQUIPMENT ETC.</b>					
Scientific Equipment	1,400	1,400	1,500	1,500	1,500
IT	375	200	300	300	300
Other	100	100	200	200	200
New Technologies	300	300	300	300	300
<b>TOTAL</b>	<b>2,175</b>	<b>2,000</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>
<b><u>TOTAL CAPITAL</u></b>	<b>22,975</b>	<b>23,200</b>	<b>22,800</b>	<b>18,300</b>	<b>12,300</b>