

Animal Health and Veterinary Laboratories Agency (AHVLA)

Corporate and Business Plan 2011-2012



Table of Contents

Introduction	4
Part A: The Corporate and Strategic Framework	6
What we are here for	6
The Agency's purpose	7
The Agency's vision	7
Strategic objectives	7
Who we are	7
What we do	8
Policy drivers	8
PART B: Business Plan for 2011-12	11
Themes for our work	11
Confirm and detail the responsibilities of the Agency - Define business strategy and ongoing delivery model for the future	11
Deliver the savings required as part of the 2011/12 spending review settlement through improvements in ways of working and close working on prioritisation with policy customers	12
Complete transition activities	12
Continue to improve delivery of the key functions of the business	12
How we will measure achievement: key outcomes	12
Finance and commercial detail	14
SLAs	15
Strategic risks	15
Annex A: AHVLA senior management team	17
Annex B: More detailed description of the Agency's functions	18
Annex C: High level influences	20
Annex D: Delivering efficiency and savings	22
Annex E: Merger transition plans	24
Annex F: Top risks	25

FOREWORD FROM THE CHIEF EXECUTIVE

I am delighted to introduce the Corporate and Business Plan for the newly established Animal Health and Veterinary Laboratories Agency (AHVLA).

In June 2010 the Secretary of State said that having critically examined Defra's arm's-length bodies she was bringing together Animal Health and the Veterinary Laboratories Agency into a single body.

"These two agencies both work to combat animal diseases, and by bringing together their services, expertise and scientific capability, we will improve our resilience and create a strong organisation that provides a range of services from on farm advice and emergency response to the world-class laboratory work and science for which we are rightly recognised." Caroline Spelman, Secretary of State.

The Agency is being launched in a challenging environment which will require a flexible and innovative response. For example, in the first year we will need to respond to the Spending Review outcome, the Defra science laboratories review, the reports on Responsibility and Cost Sharing in England and Scotland, the report from Farming Regulation Task Force and other initiatives designed to reduce the regulatory burdens on business, the Kinnaird Surveillance Review for Scotland and the outcome of devolution of budgets to Wales and Scotland.

This Agency provides services crucial to the well-being of the livestock industry and related sectors of the economy. It has been created to maximise the resilience of those services to these challenges. The merger provides a new, wider opportunity to change the way we do things - to provide a more cost effective service and to create more flexible and robust working methods.

This is a significant programme which cannot be achieved overnight, so the first year is crucial. The body that leaves its first year will look very different to how it was at the start of the year. By the end of the year we will have integrated many of



the Agency's operations and set out a clear vision for further reforms to both deliver the strategic objectives of our governmental customers across the United Kingdom and make further savings. This will be captured in a new corporate plan for the remaining three years of the Spending Review period.

I look forward to leading the organisation through this exciting and challenging period.

Catherine Brown



Introduction

The decision to merge the Veterinary Laboratories Agency (VLA) with Animal Health was announced in June 2010. It brings together field services, regulation, expertise and scientific capability on animal health and welfare into one agency. The key reason for doing this was to make both the delivery of these important services and the ability to respond to disease outbreaks more resilient in the current difficult economic situation.

The announcement of the merger was therefore very positive news for both the Agencies and their customers. The Agencies have always worked closely with each other, but the merger is an opportunity to find new ways of sharing expertise and infrastructure, and reducing the impacts on outcomes of the significant financial savings that we are all going to need to make.

The combination of these financial and organisational changes means that this year will

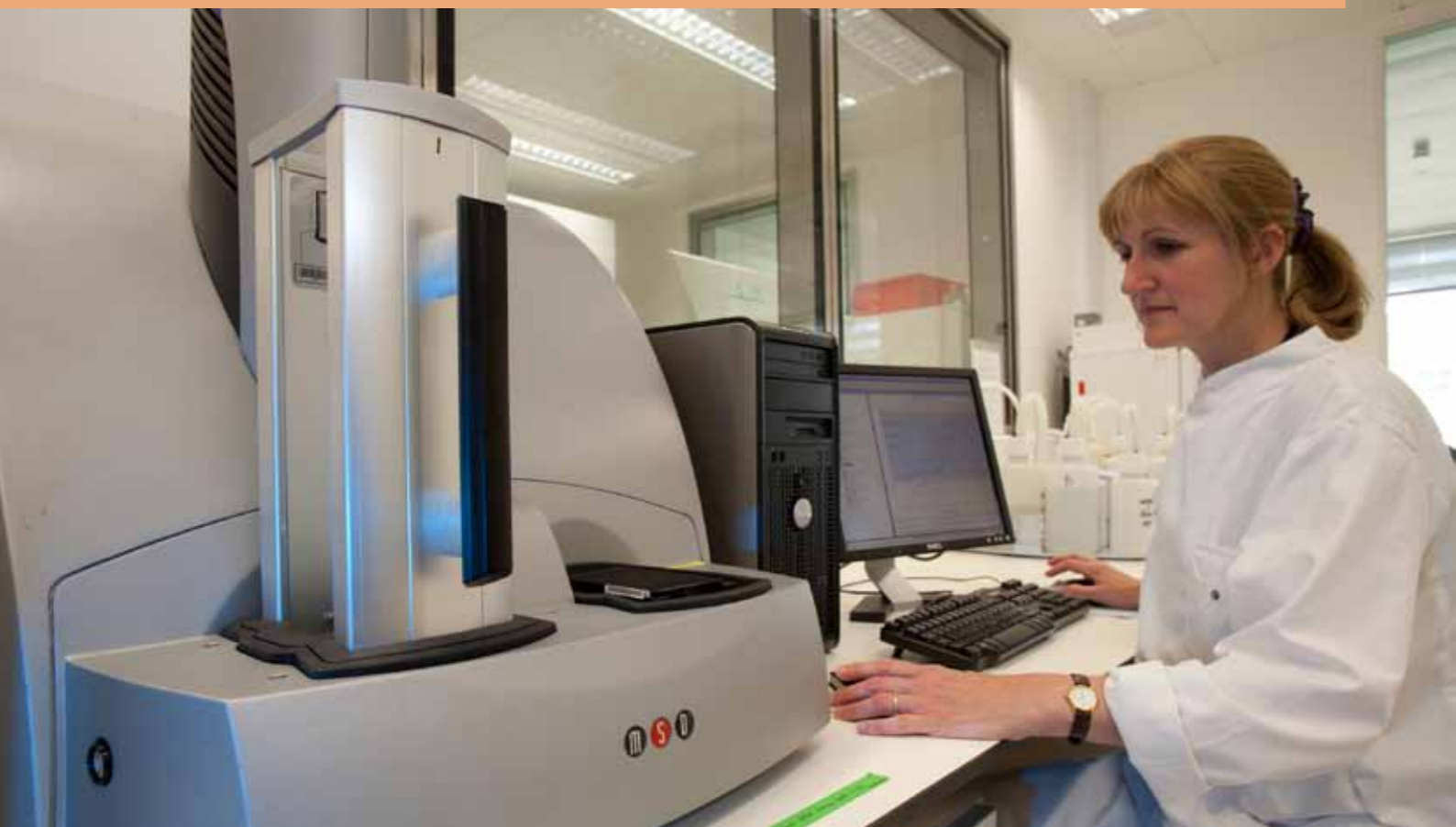
be a challenging one for the Agency: meeting our commitments with reduced resources, contributing effectively to planning for a very different future, and remaining ready to step up to our emergency role should there be any outbreak of exotic disease.

The interim structure of the senior management team has been defined to ensure stability and appropriate retention of knowledge and the key posts are in the process of being filled. This is shown at Annex A.

This organisation will take forward both business as usual and change work in year one to deliver the programme set out in Part B of this document. It will also produce a revised corporate plan for the remaining three years of the spending review period (i.e. 2012/13 – 14/15). That plan will take account of the emerging thinking on how to operate in future in light of the strategic drivers for the Agency set out in Part A of this document.



Part A: The Corporate and Strategic Framework



What we are here for

Animal Health and Veterinary Laboratories Agency (AHVLA) is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra).

We operate across Great Britain on behalf of Defra, Scottish Government, the Welsh Government, and the Food Standards Agency, and provide services to other Government Departments, official international bodies and commercial customers. We also provide some functions for the whole of the UK, notably the UK reference laboratory function and the Wildlife Licensing and Registration Service (WLRS).

Supporting the strategic direction of Government

England

AHVLA supports Defra's priorities in the "Business Plan 2011-2015" (published November 2010), in particular structural reform priority 1:

"Support and develop British farming and encourage sustainable food production:

- Help to enhance competitiveness and resilience of the whole food chain to help ensure a secure environmentally sustainable and healthy supply of food with improving standards of animal welfare."

AHVLA also supports Defra's Coalition priorities. Specifically:

"Prepare for and manage environment risk from animal and plant disease"

Wales

AHVLA supports the Welsh Government's aims and priorities – specifically:

- Promote animal health and welfare
- Deliver the TB eradication programme
- Deliver sustainable farming, food and fisheries industries

Scotland

The work of AHVLA supports the strategic themes of Greener and Wealthier and Fairer, through supporting the industries that underpin the rural economy (and contributing to the Healthier theme by reducing risk to human health by zoonotic disease).

General

The work of the Agency is driven by five principles:

1. A clear understanding of cost and benefits of animal health and welfare
2. A clear understanding of roles and responsibilities
3. A new partnership approach
4. Promotion of animal health and welfare - prevention is better than cure
5. Effective delivery and enforcement.

The Agency's purpose

In the context of the strategic goals above, our purpose is:

To help safeguard animal health and welfare and public health, protect the economy and enhance food security through research, surveillance and inspection.

The Agency's vision

The current visions of the merging agencies cover the following themes

- To be the leading national and a key international source of quality evidence-based scientific and technical advice, services, support and leadership on surveillance, epidemiology and laboratory sciences for animal health and zoonoses including functions to support UK surveillance and resilience to disease threats;
- To be recognised and respected as a leader in informing and delivering the objectives of the Animal Health and Welfare strategies for Scotland, England and Wales. We will work closely with others to reduce risks to animal health and welfare and public health whilst delivering excellent value for money and reducing as far as possible the burden of regulation on our customers. Our industry customers will see us as the authoritative provider of guidance to help them comply with relevant regulations;

- To ensure that our people are developed, valued for their skills, experience and professional judgement, and supported by fit for purpose systems and information.

These visions will be re-visited in the light of the creation of the new Agency and the changing environment to ensure that they reflect customer needs and priorities, and provide a sound basis for strategic planning.

Strategic objectives

The main strategic objective of the new Agency in its first year is to develop the business strategy and plan to ensure that it best delivers its responsibilities and the objectives of the merger – to protect the UK's resilience to outbreaks of disease through a period of reduction and devolution of budgets.

During year one the Agency will

- Confirm and detail its responsibilities;
- Deliver the savings required as part of the Spending review settlements through improvements in ways of working
- Define the business strategy and ongoing delivery model for the future
- Deliver sound and robust evidence to its policy customers underpinned by excellent science
- Maintain on-going business functions including exotic disease emergency response capacity and capability to respond appropriately to new and emerging disease threats.

Who we are

AHVLA operates from many sites across Great Britain providing centralised delivery functions and field and laboratory services. As at April 2011 the Agency employs approximately 3,000 staff.

The corporate centre is split between the Worcester and Weybridge sites. The Agency also has specialist service centres which manage a range of centralised delivery functions:

- International Trade – Carlisle and Chelmsford
- Tracings – Cardiff
- Wildlife Licensing and Registration Service – Bristol
- Business Support – Worcester.

The main laboratory site is near Weybridge in Surrey including five farms; but we also have laboratories in Scotland and Wales, a regional network of laboratories across England and two surveillance centres at the Liverpool and London veterinary colleges. In addition, our regional field services currently operate from about 60 sites across Great Britain, a few of which are shared with the laboratories.

Through the distributed network and our relationships with private vets across Great Britain the Agency works with farmers and producers in their own locations, those involved in animal by-products, international trade and other parts of the livestock industry. This enables a quick and flexible response to emergencies wherever they occur.

The Agency also works closely with fellow Defra agencies and other parts of government across Great Britain, sharing sites and collaborating on science or science facilities with others (eg. the Centre for Environment, Fisheries and Aquaculture Science, the Food and Environment Research Agency, SEARs partners in Scotland and the AfBI in Northern Ireland). In addition collaboration with, and work for, other national bodies (e.g. the Health Protection Agency on zoonoses, the Institute for Animal Health on exotic diseases and the Food Standards Agency), and overseas agencies is a part of the business.

What we do

AHVLA provides laboratory and field services for a wide range of customers, both in government and in farming and other industries, including facilitating trade in animals and animal products. Our integrated business covers field activity on-farm and at markets through to specialist laboratory and scientific services across Great Britain. This includes – amongst a great many others – functions such as research and consultancy, surveillance and the management of disease controls (e.g. TB testing, imports and exports, PETS). There are several other UK functions – notably our reference laboratory responsibilities for certain exotic and zoonotic diseases.

As well as delivering our routine work we maintain a key capability to respond to animal disease emergencies both in the field in Great Britain but

also, through our reference laboratory function, to support management of disease in Northern Ireland, the EU and world-wide.

Our range of integrated activities including high quality veterinary research, surveillance, consultancy and assurance are firmly linked to Defra's Evidence Investment Strategy and overarching objective to support a strong and sustainable green economy with particular reference to sustainable food production, the environment and biodiversity.

More detail on the Agency's role in managing disease outbreaks, and on the Agency's other wide-ranging functions is set out in Annex B.

Policy drivers

(a) Responsibility and Cost Sharing

On 26 April the Minister of State for Agriculture and Food announced his intention to set up a new Animal Health and Welfare Board for England before the end of 2011. The Board will have a majority of external members and an independent chair. It will make recommendations to the Minister based on joint decisions and the Minister expects such advice, or if not, to undertake to explain his reasons.

The Board will develop strategic policy recommendations and take an overview of delivery arrangements in relation to all animal health and welfare matters in England. The Board will also review contingency plans for disease emergencies.

The Board will establish a new way of working, allowing external experts to have a greater influence over the development of animal health and welfare policy in England.

The Scottish Government is developing a partnership approach with industry to animal disease prevention and control and is seeking to influence the European Commission's developing approach to its Animal Health Strategy.

(b) Bovine TB

Work on bovine TB is comfortably the largest single area of the Agency's business. We will continue to work with colleagues in the Welsh Government on the "One Wales" programme of bovine TB eradication in Wales.

The Agency will continue to deliver the major part of the TB surveillance and control regime.

In 2010, the Coalition Government committed, as part of a package of measures, to develop affordable options for a carefully-managed and science-led policy of badger control in areas of England with high and persistent levels of bovine TB. Following a public consultation at the end of 2010, a balanced and comprehensive TB eradication programme for England will be expected in July 2011. We will support the development of actions arising from this and in particular any changes to cattle controls.

Scotland is Officially Tuberculosis Free and the Agency will work with the Scottish Government to develop and then implement an agreed risk-based surveillance system based on the most recent scientific evidence, enabling resource to be deployed to their other animal health priorities.

(c) European legislation

Funding of the Agency's TSE programme is driven almost wholly by statutory (EU) TSE requirements. Over the Spending Review period this budget will fall further, which may prompt Defra to review how the service should be provided. The demand for statutory TSE services is projected to decline.

(d) Government disease control policies

Contingency plans for managing outbreaks of exotic diseases are also driven in part by the requirements of EU legislation. However, they also set out how an outbreak will be managed. They have been developed with policy colleagues and the wide range of key delivery partners. Regular exercises are carried out to ensure they work well and are effective. A key element of the plans is the establishment of National and Local Disease Control Centres to ensure a co-ordinated response across Great Britain.



We will innovate in the way we provide the veterinary scanning surveillance service which will reliably detect new and emerging diseases and unusual incidents (those not found by the statutory reporting arrangements) of Notifiable Diseases. While financial constraints may mean that we have to survey fewer animals, we will ensure that surveillance activities continue to provide information which truly represents the types and spread of the relevant animal populations.

Statistically-based, targeted surveillance to confirm the presence or absence of specific diseases and conditions, and to monitor the efficacy and progress of control measures, will remain a high priority. This will be particularly so for those diseases with public health or international trade implications.

In Scotland, there is an ongoing review into veterinary surveillance, chaired by John Kinnaird, and the Agency intends to work with Scottish Government to develop a modern surveillance strategy once the review is published.

(e) The Farming Regulation Task Force (England Only)

The Farming Regulation Task Force chaired by Richard Macdonald, reported in May 2011. It reviewed regulation affecting farming and food processing businesses and recommended that Defra, its agencies and delivery partners should establish an entirely new approach to culture and regulation. Of particular relevance to AHVLA are the recommended changes to inspection and enforcement arrangements. We will work closely with Defra on preparing and implementing a Government's response to the report's recommendations.

Cross-Government policy influences

In addition to these drivers the Coalition government is committed to a programme of reform. These reforms are particularly relevant as the new Agency develops the future strategy and delivery model.

Key influences include:

- (a) Government's Strategies for ICT, Estates, Procurement in the context of shared services (eg. The Scottish Environmental and Rural Services Programme – SEARS)

- (b) Sustainability Agenda

- (c) Reducing the burden of regulation

- (d) Spending Review

- (e) Increased Transparency to ensure that the Government is accountable to the public

- (f) To increase the use of joint working and partnerships to make best use of resources and increase collaboration.

More influencing factors that will affect the direction of the Agency are detailed in Annex C.

Working with customers across United Kingdom

The Agency works for four national policy customers, but in particular delivers major field and laboratory functions across the UK.

The three GB administrations have different priorities which are driven by factors such as the prevalence of important statutory endemic diseases, primarily bovine tuberculosis. The Framework Document for the Agency, along with associated concordats, SLAs and the disease contingency plans form the basis for resolving any differences between the relevant governments on what the Agency should be asked to do.

PART B: Business Plan for 2011-12



Themes for our work

This will be a challenging year for the new Agency. It needs to identify and implement those changes that will maximise the Agency's resilience – the key objective of the merger – within the context of the financial situation in Great Britain.

Preparatory work was done before the Agency vested, but much still remains to do to create a fully integrated body able to meet the challenges and deal with the uncertainty over the next four years.

We will also be planning how we will deliver the Spending Review reductions to 2014/15. At the same time we must ensure we continue to deliver day to day functions and are able to respond fully to any disease outbreak. These 'business as usual' activities are covered in Annex B. Indeed we will continue to run a programme of exercises to help improve the quality and effectiveness of our response to outbreaks ongoing through the year.

In this first year we will take forward the following objectives and during year one the Agency will:

- Confirm and detail its responsibilities
- Complete transition activities

- Deliver the savings required by the 2011/12 spending review settlement
- Define the business strategy and ongoing delivery model, producing plans to meet increased savings targets in the later years of the settlement
- Continue to deliver and indeed improve delivery, of the key functions of the business including business as usual activities.

The rest of this document sets out how we plan to achieve this. It is structured around the themes identified above, followed by sections on priorities, performance metrics, finance and control, and strategic risks.

Confirm and detail the responsibilities of the Agency - define business strategy and ongoing delivery model for the future

During the course of 2011/12 the Agency will take advantage of the opportunities that have arisen through the merger to develop a new business strategy and operating model.

Top level objectives

- Agree the future functions of the Agency and put in place a new vision and mission based on this

- Ensure the new delivery model addresses the needs of the Agency's customers in the most cost effective way
- Define the business strategy and ongoing delivery model for the future.

Supporting objectives

- Support the launch of any responsibility sharing initiatives e.g. the new Animal Health and Welfare Board for England
- Agree with Defra and RPA, BCMS' future home Work with the four policy customers to deliver effective service in the context of devolved budgets and their priorities
- Support further development of service level agreements which reflect fully the costs of different activities and enable clear and rational judgements on priorities to be made. This will include substantial progress in integrating the SLAs from the former Animal Health and VLA parts of the Agency.

Deliver the savings required as part of the 2011/12 spending review settlement through improvements in ways of working and close working on prioritisation with policy customers

Top level objectives

- Review and implement options for re-engineering processes or activities which involved both Animal Health and VLA to deliver greater efficiency
- Support the responsibility and cost sharing agenda, the operation of the Agency as a net-controlled body and the devolution of budgets by ensuring that accurate costs are available for services to enable charging and better prioritisation of resources and activities
- Ensure the delivery model takes into account the scope for extending the risk based approach to compliance, inspection and surveillance work and the appetite for risk in each area of work.

Supporting objectives

- Support Defra in assessing scope for increased charges, or new charges for statutory functions, and implement systems changes as required;
- Maximise opportunities for obtaining income from commercial activities, as appropriate;
- Identify and agree options to reduce the proportion of the Agency's costs that are fixed in the short term and support the most efficient and

effective field effort and laboratory service. This will include:

- Reviewing the estates holdings of the Agency, in the light of the wider work being undertaken across the whole government network, agreeing a medium term strategy and implementing the early changes agreed
- Implementing a costed and specific roadmap for changes to the field delivery model
- Realise benefits from key changes affecting the organisation as quickly and cheaply as possible.

Complete Transition Activities

The Agency will complete any transitional activities and organisational changes that are in line with the future strategic direction. Current activities are outlined in Annex E.

Continue to improve delivery of the key functions of the business

As AHVLA transitions, it is important to ensure that the ongoing functions, as described in Part A of this document and Annex B, continue to be the focus of the Agency. The organisational change required in 2011/12 to ensure ongoing delivery in an efficient way will mean an ongoing support of key services for our customers.

How we will measure achievement: key outcomes

By the end of Q1 2011/12 the Agency will define a performance measurement framework cascading from the key outcomes for year one defined below. The performance metrics need to be informed by the emerging Strategy and Business Plan.

Operational efficiency and value for money

- As the Agency will transfer to a net running cost agency, the Agency's financial performance target is to ensure break even. This is set for the end of the financial year 2011/12
- The Agency will achieve savings in line with the CSR settlement in 2011/12 and produce plans to achieve savings required in later years. It will prioritise achievement of back office savings, balancing the potential need to maintain resource levels to deliver the merger changes
- By the end of Q4, the Agency will implement and harmonise clear SLAs with all its customers

reflecting their priorities. The Agency will measure the achievement of the service levels on a regular basis. Through consultation with achievement of the service levels on a regular basis. Through consultation with policy customers, it will implement the supporting governance arrangements

- The Agency will drive sustainability through carbon reduction and water usage reduction.

Capability, resilience and outbreak management

- The Agency will seek as far as possible to safeguard resilience in the face of reducing funding levels and will continuously work to improve outbreak management – efficiency as well as effectiveness, through learnings from the structured programme of exercises. The exercise programme in 2011/12 will focus on testing and refining arrangements for resource sharing across GB, in the light of budget devolution
- The Agency will develop a Scanning and Surveillance Model which will optimise investment in staff, estate and technology, maximise the use of external providers and the farming industry, to deliver the greatest benefit in the prediction of new and recurring threats
- The Agency will implement release 6 of the Business Reform Programme and deliver the benefits in the business case associated with efficiency savings and capability enhancements, ensuring that resilience is protected (see Annex D for detail).

Customer satisfaction

- The Agency will strive to maintain and develop excellent relationships with the Devolved Administrations in Scotland, Wales and Northern Ireland, and the new Animal Health and Welfare Board for England when it is established
- The Agency will implement a customer insight programme that will provide the baseline from which, in consultation with customer groups, an improvement plan will be driven for key segments.

TB

- TB is the Agency's largest programme of work. It will pull together the joined capabilities on research, evidence generation, analysis and delivery to offer innovative options to policy and industry customers to support delivery of the TB eradication programmes for England and Wales, and the risk-based testing approach for Scotland.



Finance and Commercial Detail

AHVLA FINANCIALS (EM) 2011/12					
	England and non-devolved	Scotland	Wales	Total	
INCOME					
Ex Animal Health activities	90.98	14.01	16.01	121.00	
Research & Surveillance	71	1.76	1.68	74.44	
Sub Total				195.44	
Other government/EU				8.1	
Commercial				8	
TOTAL INCOME				211.54	
Pay costs				98.42	
Non pay				71.23	
OVs				21.15	
Depreciation				20.74	
TOTAL EXPENDITURE				211.54	
VLA Scientific	2007/08	2008/09	2009/10	2010/11	2011/12
Income	4.6	5.4	6.2	7.1	8
Surplus	0.65	0.76	0.75	0.85	0.9
SR ALLOCATIONS		AH	VLA*	Total	
2011/12		121	71.8	192.8	
2012/13		116	66.2	182.2	
2013/14		110.9	60.9	171.8	
2014/14		105.8	55.8	161.6	
* Note as the research allocations element include a with holding amount the figures shown are the minimum expected but could increase if bids for work are successful.					
NB: Difference between SR allocations (192.8m) and total budget (195.44), covers Seedcom, other defra agencies and RADAR amounts - income that will be received by AHVLA.					

SLAs

The commissioning of the Agency will be governed by a suite of SLAs and underpinning detailed contracts. Producing full detailed costed SLAs is a fundamental part of operating as a net running costs agency – it ties the funding provided to the activities to be delivered.

The move of the former Animal Health parts of the agency to operating as a net running costs agency (as part of the merger) should act as a driver to deliver a better understanding of costs in a resource constrained environment and improve the quality of management information. Capturing the costs and outputs of services in SLAs will ensure requirements from Defra, Wales and Scotland for the merged agency are clearly articulated – to the benefit of all parties.

In year one, given the significant change happening in the first few months of 2011 (in particular devolution of budgets), a pragmatic approach is being followed and the SLAs for the former VLA and Animal Health parts of the agency will be kept separate. Where budgets have been devolved, each administration will have their own SLA with the merged agency.

For retained spend in former VLA services (be it at GB, or UK level-for example, access to the reference laboratories), the SLA will be between Defra (as the budget holder) and the new agency but all administrations to which that spend relates will have a role in agreeing the tasking - this will be achieved through the new governance arrangements for the agency.

Strategic risks

The Agency’s risk management framework is designed to ensure that the Agency identifies and manages risks to an acceptable level. This framework will address operational and strategic risks that may prevent it meeting its stated outcomes (including protecting against animal disease) with a proportionate management response.

Risk management within the Agency will be continually reviewed to ensure that emerging risks are identified and managed effectively. A critical

The largest contribution to income from non-Government sources is from testing, the second from research and third from product sales. Most of the surplus is generated from biological product sales, research and royalties respectively. Approximately one third of VLA Scientific income is from outside the UK.

Surpluses are used to improve expertise and capability (e.g. test development projects, PhD students, fellowship posts) and to further develop VLA Scientific.

It is not expected that work previously carried out by Animal Health will present major opportunities for growth of profit-generating commercial work. However there are opportunities which the Agency will seek to explore.

The income that we traditionally receive from Defra now reflects the agreed outcome of devolution of budgets for 2011/12. Separate SLAs will be in place with the different administrations in order to receive the income. As agreement of these figures was only reached in March the budgets have been set on a pre-devolution basis and we will review these during the financial year. The main cost areas are:

- Staff costs to deliver the range of services to our customers
- Running/maintenance costs for locations and facilities, in particular specialised laboratory capability
- Costs of work placed out to external parties such as OVs (official veterinarians) and other scientific providers
- Depreciation that relates to our land and buildings and IT assets.

Capital Allocations - 2011/12	
Estates (VLA)	£3.3m
BRP	£6.3m
Scientific equipment	£0.4m
RADAR	£0.44m

aspect of these reviews will be ensuring the ongoing ability of the Agency to respond appropriately to an emergency while maintaining critical business as usual activities.

In addition we recognise health and safety, and biosecurity risks as high priority and we will seek to address the mitigation activities as a matter of urgency.

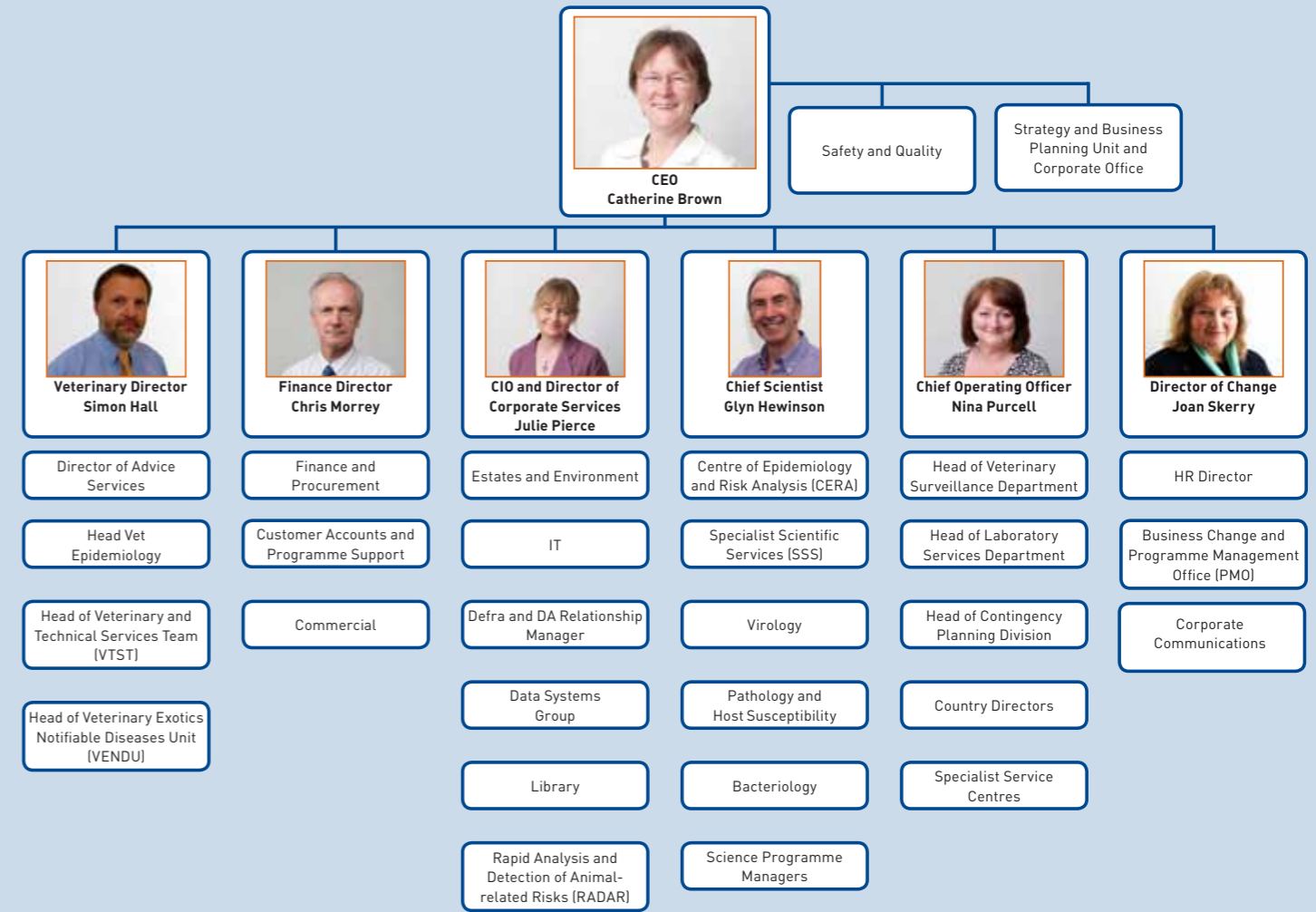
Operational and strategic risk will be formally reviewed on a quarterly basis across each of the Agency's business areas, updating local risk registers as appropriate.

The agency Internal Audit function will develop an audit strategy and plan that reflects the key AHVLA risks and provide assurance on the effectiveness of risk management, internal control and governance to the Agency's Accounting Officer and the Audit Committee, the latter being chaired by an independent non-executive director.

Ensuring that Agency's business operations can continue in the event of an emergency is an area where we must focus our attention. We have in place a Business Continuity Plan and there are Disaster Recovery Plans in critical areas.

The top 12 risks are set out in Annex F.

Annex A: AHVLA senior management team



Annex B: More detailed description of the Agency's functions



Managing exotic disease outbreaks

We work to prevent outbreaks of exotic disease, which are diseases not usually present in livestock in Great Britain. These include foot and mouth disease, avian influenza, classical swine fever and rabies. We are responsible for making sure that should such an outbreak occur we are ready to respond effectively.

To do this, we have to work closely with our policy colleagues, operational partners, and industry to ensure that together we are ready to deal with any outbreak of notifiable exotic disease that might occur. Our contingency plans have been developed with policy colleagues and key delivery partners, and we carry out regular exercises to ensure they work well and are effective. A key element of the plans is the establishment of National and Local Disease Control Centres to ensure a co-ordinated response across Great Britain.

Co-ordinated support is essential from delivery partners such as local authorities, the police, the Health Protection Agency, the Institute for Animal Health, and the Environment Agency, as well as representatives from industry and private veterinary practices. As resources are stretched more thinly across all publically funded organisations it will be more important than ever to work effectively together to minimise and manage risks.

Investigating reported cases of possible exotic disease forms a significant part of our routine

activity – most are negative, but we put our comprehensive contingency plans into action when they are confirmed positive. We provide National Reference Laboratory services for some diseases for the whole of the UK and are the reference laboratory for the EU or the world for some diseases such as avian influenza, rabies and TSEs.

Business as usual

Our day-to-day activity covers a wide range of tasks for diverse customer groups. These include:

- Carrying out surveillance and testing to detect endemic notifiable diseases such as bovine tuberculosis (bTB) and salmonella
- Detecting cases of exotic disease, managing the outbreak, testing samples and, where necessary, taking action to remove infected animals
- Delivering veterinary research, surveillance, consultancy, laboratory testing and epidemiology
- Visiting and testing imported livestock to check for disease being brought into the country
- Working with Official Veterinarians (OVs) to test and certify animals before they are exported
- Checking compliance with animal by-product legislation to help minimise the risk of potentially dangerous substances entering the animal and human food chains
- Conducting an annual risk-based programme of welfare inspections under the EU Cross Compliance regime, responding to reports of welfare problems in livestock on farms, in markets and protecting the welfare of animals during transport and at slaughter (outside slaughterhouses)

- Dealing with incidents of other notifiable diseases such as TSEs
- Registering and licensing the imports of endangered wildlife and products in relation to the Convention on International Trade in Endangered Species (CITES)
- Inspecting the facilities and processes used in dairy and egg production to assure the safety of the human food chain and that eggs meet quality and traceability standards
- Overseeing the Pet Travel Scheme (PETS) which allows pet dogs, cats and ferrets from certain countries to enter the UK without quarantine as long as they meet the requirements of the scheme.

The Laboratories work for the FSA is mainly in surveillance activities with the main contract being determining the environmental levels of radioactivity in the food chain. Other surveillance contracts are on-farm food safety incidents and trichinella. The division also has a small number of research projects as part of the Food and Environmental Safety Programme.

VLA Scientific

VLA Scientific® is the brand name under which we offer our commercial scientific work. A commercial programme was formed in 2006 and was rebranded VLA Scientific in April 2010. It covers all work not carried out for the UK Government, the EU Commission, Research Councils or disease surveillance work carried out in the Emerging Diseases and Welfare Programme.

VLA Scientific has five main aims:

- To deliver profit for reinvestment in the development of key areas of the Agency
- To secure work to maximise the utilisation of under-utilised resources and help offset overhead costs
- To ensure intellectual property generated during publicly funded work is exploited to generate profit and becomes relevant in the field
- To enhance the reputation of the Agency within the global network of veterinary excellence
- To work collaboratively with customers, commercial companies and other organisations to ensure the Agency's science is informed of technological and market trends and thereby help to ensure the relevance of our science and services.

Food Standards Agency (FSA)

The Agency also carries out work for the Food Standards Agency (FSA). The Agency's Dairy Hygiene and Egg Marketing inspectors carry out inspections to monitor and improve compliance with the Food Hygiene Regulations in force in England and Wales.

Annex C: High level influences



a) Sustainable farming sector

The food and farming industry is changing. The increase in small holding and hobby farming and the simultaneous increase in large-scale enterprises with many linked locations change the nature of the end-user customers and the risks to which they are exposed. We will work closely with the food and farming industry to deliver a joined-up service to our customers. This means we need to be more sophisticated and targeted in the way that we communicate messages to our stakeholders and customers.

Increasing food prices and concerns over the impact of climate change have raised public awareness of food security issues. It is assumed that today's population of about seven billion is most likely to rise to around eight billion by 2030 and probably to over nine billion by 2050. Food prices, dietary changes including increasing meat consumption will result trade-offs between maximum productivity and animal welfare and environmental impact.

New and emerging animal diseases and zoonoses as a consequence of increasing globalisation and climate change will also impact on the business objectives of the Agency.

(b) People (skills etc)

Changing workforce demography, mobility, succession planning and a requirement for changing skills sets will be have to be accommodated by the Agency.

(c) Technology

The development of increasingly affordable tools and technology platforms for more sophisticated laboratory investigation, data handling and management as well as practical pen-side testing and remote sensing devices will increasingly have an impact on how our services are delivered and the added value from that delivery.

More generally, the Agency shall continue to take up opportunities to make further investments in efficiency in its field services.

The Agency will be driven by the emerging Government ICT strategy. It will work to collaborate across the Defra network and with Scotland and Wales. It will exploit recent investments in new technologies.

(d) Translating science into practice

Translating research into practice is recognised across Government Departments as a priority. Defra's Science Advisory Council has highlighted the importance of integrating social sciences in translational research that offers optimum practical solutions to ensure a sustainable farming sector contributing to long-term food security for the nation.

Specific influences facing the Agency from major stakeholders

(a) Private sector

The market for Government/statutory testing is opening up to private laboratories and so will result in more immediate competition. However, the open market approach provides greater opportunities for the Agency to participate in the competitive private market. Increasing consolidation of farm animal veterinary practices into larger conglomerates with changing service requirements will also provide some further opportunities to provide specialist and focused services.

(b) Other bodies' scientific needs

Health Protection Agency: Increased strategic fit between the HPA and the AHVLA in relation to national public health and zoonoses will provide new opportunities for shared activities in areas such as emerging zoonotic diseases and microbiological and chemical food safety.

Food Standards Agency: The Laboratories' work for the FSA is mainly in surveillance activities with the main contract being determining the environmental levels of radioactivity in the food chain. Income from the FSA is following a downward trend with a shift to shorter term projects accompanied by increased consultancy.

Their influence is increasing by leading the UK's strategy on improving safety of feed and food; and they remain an important stakeholder.

Home Office: There is a continuing requirement for specialist services via the National Network of Laboratories to ensure optimum preparedness and response to biological threat.

(c) Need for contingency planning

We recognise that delivery partners such as local authorities, the police, the Health Protection Agency, the Institute for Animal Health and the Environment Agency are fundamental to an effective and efficient response to disease outbreaks.

The Agency will continue to foster these relationships to ensure a fully joined-up response to outbreaks of disease and aim to build closer links with industry representatives and private veterinary practices to ensure they are appropriately engaged

during incidents. The Agency will continue to undertake exercises both locally and nationally and involving other delivery partners and stakeholders to ensure the maximum levels of preparedness are maintained.

Annex D: Delivering efficiency and savings



Business Reform Programme (BRP)

The Business Reform Programme delivers Standard Operating Procedures and IT systems across all field delivery. Better automated, generic systems and processes reduce operating cost significantly (releasing cash savings of £7.5m p.a. from 2013/14) and provide the foundation to handle new diseases as they emerge. It enables a reduction in the regulatory burden on keepers, by supporting moves towards a risk based system of regulation.

It improves the quality of service, satisfaction of farmers and other industry, and increased responsiveness and accountability to policy customers. With a single system (IT and processes), BRP:

- Removes reliance on multiple ageing legacy systems e.g. Vetnet runs on obsolete hardware from the 1980s and is supported on a reasonable endeavours basis only - each system was built for each disease type as they occurred
- Mitigates the risk of associated data quality errors and operational inefficiency resulting from different ways of working between and during outbreaks; good quality data at start of outbreak is critical
- Improves resource utilisation through intelligent allocation and management of work
- Provides a single up to date view of keeper information when contact is made
- Delivers standardisation and consistency to enable future change initiatives required in the

Agency operating model e.g. centralise work into specialist service centres, share work across boundaries; support different policy requirements of England, Wales and Scotland.

BRP delivers systems enabling the implementation of Responsibility and Cost Sharing / increased Service Charging through provision of an evidenced cost effective service.

In 2011/12, the next approved Release (R6) of the Business Reform Programme and its IT system Sam consists of two Projects:

1. Data Capture Infrastructure Project -provides a new generic data capture infrastructure within Sam through which the bTB RF project and subsequent releases will leverage improved capability and process efficiencies.
2. bTB Remaining Functionality - the BRP module that provides automation and improved system support for the priority, high volume bTB processes*. Functionality will be developed generically with test and implementation for bTB only.
 - The Visit Management project has been subsumed into the bTB RF project
 - The Sample Management project has been significantly simplified and hence incorporated into the bTB RF project

*Sample Management and Visit Management –will not roll out for exotics until Release 7.

Release 6 will continue to improve Sam functionality by introducing an end to end process for TB (though this will not be fully system supported). It will also enable test data to be captured directly in Sam. An online portal is being developed to allow OV's to access relevant areas of the system and capture their own test results electronically and for FSA to directly capture post mortem examination results.

To the Agency this will mean:

- Staff efficiencies
- VetNet bTB function will transfer to the Sam system; OV's will have internet access to parts of Sam. Legacy systems –TBIS, TBIC, TBDW and VeBus –will be retired
- Much reduced admin effort, some high volume activities (e.g. test entry) are removed, other activities that took 1-2 hours should now take less than 10 minutes (e.g. Reactor removal processing and paperwork)
- Improved single view of the customer
- Single system, reduced data re-key

To Official Veterinarians this will mean:

- Improved access to worklists
- Improved off-line working capability
- Reduced time to input test results
- Simplified arrangements for notifying 'test arranged' date
- Improved speed of results submission to AHVLA
- Reduced use and handling of paper.

Annex E: Merger transition plans

A series of workstreams were established to prepare for vesting day. Given the short time prior to vesting, and that a new CEO had not been appointed to give strategic direction, the workstreams concentrated on the essential issues needing to be completed so that the Agency can function on 1 April 2011.

Contingency planning

The Defra Contingency Plan for Exotic Diseases of Animals and the Agency's field Operations Manual has been revised in the light of the merger and the recent national exercise of our arrangements for managing a very large outbreak of foot and mouth disease, conducted in November. The Government will be consulting on the Defra Plan together with a new overarching GB and Northern Ireland Plan during the first part of 2011/12, but should any outbreak occur during that period the new plan will be the one used to manage it.

Back office

Essentially the approach taken for the merger is to ensure business continuity on 1 April. There are significant opportunities in integrating Animal Health and VLA finance, IT activities and systems. This will only be achieved by 1 April for the highest priority areas. Substantive design of unified functions will only proceed in 2011-12. The new Agency will work towards the use of shared services, in line with government strategy. In addition technical direction will be influenced by emerging Government ICT Strategy. Harmonisation of contracts and systems will form part of the transition during 2011/12.

HR

Work on harmonisation of HR related contracts and pay and grading terms will take place through the transition year 2011/12. Again measures are in place to ensure business continuity and to ensure that new employees from 1 April are catered for.

Initial line management and organisational changes will take place as at 1 April, but there will be further work on organisational design to take place as the delivery model is defined. Staff will be engaged throughout the merger process ensuring that

the Trade Unions are informed and consulted of changes required.

Data security and protection

In the first year the workstream will critically review all services, whether required and alternative methods of delivery. This will then lead to an examination of all systems and processes to identify key risks, look for best practice, and target quick wins. The new SIRO has been appointed and the responsibilities for data protection are understood.

Office services

Interserve supplies a Facilities Management service. This is part of a 15 year facilities management contract that was let by Core Defra starting in April 2008. Following the merger this service will continue to provide all core office services under one management structure and initially will follow the existing level of service for each site.

Estates

The Agency's estate portfolio owned by Defra, will be reviewed with a view to preparing plans to maximise accommodation levels and rationalise the overall footprint. In doing so we will be ensuring that our plans are in accord with wider government Estates Strategies.

Health and Safety and biosecurity

A policy statement will be in place for 1 April, but further work needs to be taken forward in the first year of operation to create a single management structure for health and safety and biosecurity. There needs to be a harmonisation of biosecurity management across the current organisations and performance management measures aligned, within a new governance structure.

Quality accreditation

The VLA currently has several accreditations which are needed for 'business as usual' At present there is a need to consider as a new agency which parts of the organisation need to be accredited and whether to extend accreditation in some areas.

Annex F: Top risks

Category	Risk Name	Description	Probability	Impact
Performance	Customer requirements	The complexity, volatility and diversity of customer requirements combined with required efficiency savings and the high fixed cost base adversely impacts on ability to deliver objectives.	M	M
Performance	Agency expertise	Loss of expertise, skills, corporate memory and knowledge through staff departing adversely affects the ability to deliver objectives.	M	H
Outbreak	Disease outbreak	Disease/multiple disease outbreaks impact on the agency's ability to deliver against its SLAs and potentially some commercial contracts.	L	H
Outbreak	Resilience	Agency fails to deal swiftly and effectively with a major or concurrent disease outbreak.	L	H
Outbreak	Delivery partner funding cuts	Funding pressures adversely affects the enforcement landscape increasing the risk of disease outbreak and reducing our capability to deal with it.	H	H
Business case	Merger	Benefits from the merger are not realised.	L	L
Business case	Busines Reform Programme	Failure to deliver the business case benefits from the programme within the available budget.	M	M
Health and Safety	Safety	Failure to deliver safe working practices and systems could result in injury to staff, HSE censure and reputational damage.	M	H
Health and Safety	Biosecurity	Biosecurity failure due to system, process, human or maintenance failure.	L	H
Financial	Income	The amount and volatility of income streams adversely impacts on capability to deliver objectives.	M	M
Financial	Efficiency	Failure to deliver the required efficiency savings results in the budget not being met.	M	H
Financial	External income	External income targets not met due to delay or reduction in charging and/or commercial work decreases.	H	M



© Crown copyright 2011

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/, or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at:

Animal Health and Veterinary Laboratories Agency (AHVLA),
C Block,
Government Buildings,
Whittington Road,
Worcester,
WR5 2LQ