



VLA Annual Business Plan 2009/2010

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

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1. INTRODUCTION

This annual business plan must be read in conjunction with the VLA strategic and corporate plan 2009/10-13/14. The latter sets out the strategy for the next five years and this annual plan describes the first year of that plan.

An integral part of the annual plan is the corporate scorecard at Annex B. The scorecard translates the strategy into meaningful measures and targets. This plan and the scorecard also include the key targets set by Defra Ministers.

The plan also includes financial projections for the year at Annex A.

2. WHO WE ARE

VLA is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra) and is well recognised as a centre of scientific excellence. For over 100 years, we have been delivering research, surveillance and laboratory services for animal and public health.

We operate from 16 main sites across the UK, which includes a headquarters near Weybridge in Surrey including five farms; a laboratory facility at Pentlands Park in Scotland; two regional laboratories in Wales and a regional network of 12 laboratories across England. We also have two surveillance centres operated via sub contracts with the Liverpool and the London veterinary colleges.

The primary aim of the VLA is to help deliver the UK's requirements for animal and public health and sustainable agriculture and food industries by delivering excellent and value for money knowledge, evidence and services. In doing this we support Defra's overall purpose, their public service agreement and departmental strategic objectives (DSOs). The specific DSOs that VLA's work underpins are:

- DSO4 – An economy and society that are resilient to environmental risk
- DSO6 – A thriving farming and food sector
- DSO7 – A sustainable, secure and healthy food supply

In meeting these objectives we collaborate extensively with our fellow Defra agencies. We currently do this in terms of sharing estate (Veterinary Medicines Directorate and Animal Health), sharing a purchasing, supply and reagent production service (Animal Health) and collaborating on scientific services (Centre for Environment, Fisheries and Aquaculture Science & the Food and Environment Research Agency). We will continue to work with them to identify further opportunities, particularly to maximise use of specialist scientific skills, equipment and facilities.

3. OUR MISSION & VISION

Our Mission is:

To safeguard public and animal health, protect the economy and enhance food security through world-class veterinary research and surveillance.

Looking ahead through the life of this plan:

Our vision is to be recognised as the leading national source 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. We want to make a difference and to be recognised by all as an organisation that provides benefit at the local, regional, national and international level.

4. OUR SERVICES

In broad terms we deliver veterinary research, surveillance, consultancy, laboratory and epidemiology services as well as an emergency response capability mainly to the UK, the EU and the private sector. We do this by working with other Government delivery partners as well as via collaborations with veterinary and scientific organisations in the UK and overseas.

Our services comprise a wide range of interrelated core functions and capabilities grouped under the headings:

- Disease prevention and control
- Epidemiology and surveillance.
- Emergency preparedness and response.
- Environmental and public health protection.
- Reference and specialised testing.
- Supporting regulation and policy development and quality improvement.

- Supporting international trade.
- Animal health related research.
- Expert advice and consultancy.
- Enabling partnership and communication.
- Training and education.

Our services are currently delivered to customers via a series of integrated science programmes:

- Emerging Diseases and Welfare (EDW)
- Food and Environmental Safety (FES)
- Statutory and Exotic Bacterial (SEB) and Viral (SEV) Diseases
- Transmissible Spongiform Encephalopathies (TSE)
- International Trade
- Commercial
- Strategic Research

We also operate an internal development programme and fellowship initiative that underpins and enhances our scientific capability.

More information about the VLA and the services it provides can be found at www.vla.gov.uk.

5. OUR STRATEGIC FRAMEWORK

A detailed five-year strategy for the Agency is set out in the strategic and corporate plan 2009/10 -13/14. This strategy shows a clear alignment between:

- The issues identified in the environment in which we operate
- Our mission and vision.
- A series of key drivers.
- A set of measureable objectives.
- The outputs from these objectives and the benefits that they will deliver to our stakeholders.

Our strategy is written in recognition that there are many changes and consequent decisions that are far reaching and over which VLA has limited control. As a result our overriding strategy is based on the development of a flexible and agile

organisation that can respond quickly to changed circumstances. Within this context the strategy is constructed around a series of key drivers with underpinning objectives:

Profile, Influence and Customer Responsiveness

- Raise VLA's profile with key stakeholders, improve image and increase influence proactively with Defra, the EU and other Government Departments.
- Understand customers, their needs and values and the changing market.
- Develop a strategic alliance with Animal Health and define areas for collaboration and alignment.

Excellent Scientific Knowledge and Services

- Produce and implement the VLA R&D plan 2009-14 to ensure VLA is the leading national source and a key international source of scientific evidence, advice and services for animal health and zoonoses.
- Embrace new technology.
- Strengthen our PhD programme.
- Continue to improve health and safety.

Sustainability, Efficiency and Flexibility

- As an output from raising our profile and understanding the needs and values of our customers we will protect, develop and increase revenue from all possible resources and maximally exploit intellectual assets with the intent of becoming less dependent on Defra funding.
- Maintain a sustainable and sufficiently sensitive surveillance capability for 2009-2014.
- Make efficiency savings over the period 2009-2014 by streamlining common cross cutting processes.
- Optimise utilisation of the VLA estate.
- Develop a strategic HR agenda.

6. FINANCIAL FOCUS

Our financial situation is challenging as we will have an underlying deficit position from 2008/09, which we will need to recover in 2009/10. This must be achieved against the back-drop of flat levels of income from Defra and inflationary pressures on our costs. Whilst higher income is shown under FFG – non programme (see annex A), this is effectively passed through to cover higher facilities management and capital charges.

In order to address the financial challenge we are looking to increase our non-Defra sources of income by around 10% and hold down our pay costs through controls of staff numbers and associated pay costs.

The numbers shown in Annex A are draft as we are still assessing the results of the quinquennial revaluation exercise on our land and buildings, which will affect our 2008/09 outturn. However, there is likely to be little net effect for subsequent years but it will affect capital charges and non programme income.

Capital expenditure will reduce as the final phase of the redevelopment of the Weybridge site is concluded. It is now anticipated that some expenditure on site will be required following the decision not to co-locate our virologists at the Institute for Animal Health. Work on quantifying this is still on-going so only estimates are included in the projections.

Looking forward, the financial outlook is uncertain as pressures on public sector spending require Defra to return savings in 2010/11 and to continue at that reduced level thereafter. The actual impact on VLA is unclear at present but we will be required to make some contribution to these savings. The forward projections assume that our Defra income will remain at 2008/09 levels although this could be an optimistic assumption against the economic back-drop. We will continue to increase our non-Defra income and hold down our costs to ensure we achieve our targeted break-even position.

7. DELIVERING RESULTS

Our strategy is translated into measures and targets using the balanced scorecard. Each measure is owned by a senior member of staff responsible for delivery.

The corporate scorecard cascades through the agency to divisional and functional scorecards and then through to personal objectives. This ensures that we are collectively working towards achieving the strategy and ultimately meeting our

mission and vision. The scorecards also provide a mechanism for clear communication of the strategy to colleagues across the Agency. The corporate scorecard for 2007-08 is attached at Annex B.

The corporate scorecard also includes specific targets to address our commitment to wider Government and Defra initiatives as well as the key agency targets set by Defra Ministers:

Quality of Service Delivery

- Deliver 90% contracted research milestones.
- Deliver 85% of research final reports on time.
- Deliver 85% of contracted surveillance deliverables to time.
- Maintain appropriate third party quality accreditations.
- Achieve a score of 85% on a three year rolling average in the VLA customer satisfaction survey.

Value for Public Money

- Achieve full cost recovery.

Capacity & Capability

- Conduct one table top notifiable disease simulation exercise to test current laboratory response capability, identify gaps and implement action plan.

Safety

- To improve the VLA's safety record using 2007/08 as a comparator.

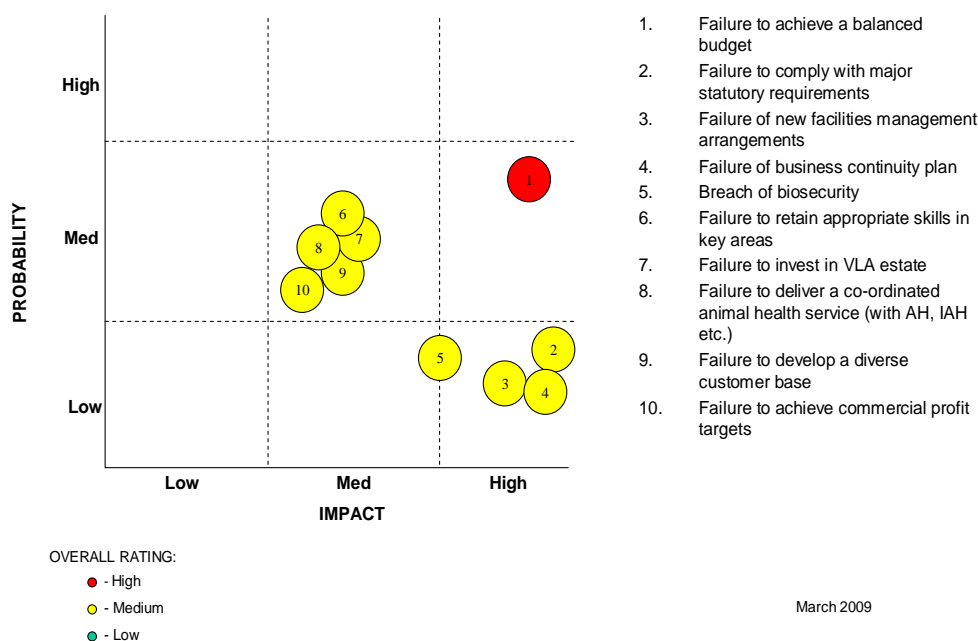
8. RISK MANAGEMENT

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.

Each Division within VLA has its own risk register, which is regularly reviewed each quarter. The responsibility for overseeing this process is vested in the Business Director as Risk Co-ordinator. The corporate risk register is reviewed monthly and each quarter a summary is forwarded to Defra for inclusion in their Risk Framework. The top ten risks are set out below.

Ensuring that VLA'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. During this plan we will enhance these plans through scenario testing and ensure robust arrangements are in place to ensure operations can continue.

VLA's TOP TEN RISKS 2009/10



1. Failure to achieve a balanced budget
2. Failure to comply with major statutory requirements
3. Failure of new facilities management arrangements
4. Failure of business continuity plan
5. Breach of biosecurity
6. Failure to retain appropriate skills in key areas
7. Failure to invest in VLA estate
8. Failure to deliver a co-ordinated animal health service (with AH, IAH etc.)
9. Failure to develop a diverse customer base
10. Failure to achieve commercial profit targets

March 2009

ANNEX A – FINANCIAL PROJECTIONS (DRAFT)

	ESTIMATE 2008/09	PLAN 2009/10	Projection 2010/11	Projection 2011/12
<u>INCOME</u>	£,000	£,000	£,000	£,000
FFG : Contracts	35,200	35,200	35,200	35,200
Non -Programme	38,970	42,400	41,400	41,400
Research	19,100	19,100	19,100	19,100
OTHER	500	500	500	500
TOTAL DEFRA	93,770	97,200	96,200	96,200
FSA	1,675	1,675	1,675	1,675
OTHER GOVERNMENT	505	550	600	650
COMMERCIAL	8,250	9,075	10,000	11,000
EU etc	2,400	2,600	2,900	3,200
<u>TOTAL INCOME</u>	<u>106,600</u>	<u>111,100</u>	<u>111,375</u>	<u>112,725</u>
<u>EXPENDITURE</u>				
PAY	-40,800	-40,900	-41,750	-42,700
NON PAY	-30,200	-32,200	-32,525	-32,925
PROJECT SPECIFICS	-12,650	-12,100	-12,100	-12,100
NOTIONAL	-1,000	-1,000	-1,000	-1,000
RUNNING COST TOTAL	-84,650	-86,200	-87,375	-88,725
IMPAIRMENTS/WRITE DOWNS	0	0	0	0
CAPITAL CHARGE	-23,050	-24,900	-24,000	-24,000
<u>TOTAL EXPENDITURE</u>	<u>-107,700</u>	<u>-111,100</u>	<u>-111,375</u>	<u>-112,725</u>
SURPLUS/(-DEFICIT)	<u>-1,100</u>	<u>0</u>	<u>0</u>	<u>0</u>
Staff employed FTE (avge)	1,182	1,170	1,170	1,170
CAPITAL EXPENDITURE				
Land and Buildings	10,000	4,000	6,000	2,000
Scientific Equipment	2,000	1,700	1,800	1,800
IT	100	200	200	200
New technologies	200	400	300	300
TOTAL CAPITAL	12,300	6,300	8,300	4,300

ANNEX B - VLA CORPORATE SCORECARD 2009/10

Business Driver		Measure	Q		Target Date	Status	Comments
	Customer						
Profile, Influence and Responsiveness	C1.1	Produce a Stakeholder Analysis & Relationship Management Plan			31/03/10		
	C1.2	Actively influence content of future European Framework Programmes			31/03/10		
	C1.3	Apply quantitative publication measures to support science profile			31/03/10		
	C1.4	Raise profile through VLA annual conference			04/09/09		
	C1.5	Produce & implement VLA marketing plan			31/12/09		
	C1.6	Score 85% (3 year rolling average) in customer satisfaction survey	Q		30/11/09		
	C1.7	Sign an MoU for a strategic alliance with Animal Health			Medium Term		
	C1.8	Develop strategic alliances with the academic community			31/03/10		
Excellent scientific knowledge and services	C2.1	Produce a VLA R&D plan			31/03/10		
	C2.2	Score an excellent rating in the next quinquennial Science Audit			Medium Term		
	C2.3	Annual review of post graduate training programme			31/03/10		
	C2.4	Deliver 90% contracted research milestones	Q		31/03/10		
	C2.5	Deliver 85% of research final reports on time	Q		31/03/10		
	C2.6	Deliver 85% of contracted surveillance deliverables to time	Q		31/03/10		
	C2.7	Conduct one table top notifiable disease simulation exercise to test lab response capability, identify gaps & implement action plan	Q		31/03/10		
	C2.8	Conduct one VLA expert contactability exercise			31/03/09		
	C2.9	Maintain emergency preparedness			31/03/10		
	C2.10	Develop a shared VLA/HPA vision for delivery of zoonoses control			31/03/10		
	C2.11	Develop a shared VLA/IAH vision for delivery of animal health research & surveillance across the two organisations			31/03/10		
	C2.12	Develop & implement a safety improvement plan					
	C2.13	Improve VLA's safety record using 07/08 as comparator			31/03/10		
	C2.14	Comply with health & safety & dangerous pathogens legislation			31/03/10		
	C2.15	Maintain appropriate third party accreditations	Q		31/03/10		

Sustainability, Efficiency and Flexibility	Financial					
	F1.1	Achieve full cost recovery	Q		31/03/10	
	F1.2	£52m programme income from Defra customers	Q		31/03/10	
	F1.3	10% increase in commercial income (£9m total)	Q		31/03/10	
	F1.4	10% increase in income from other Government customers (£4.8m total)	Q		31/03/10	
	F1.5	Plan & agree response to the scanning surveillance options appraisal	Q		30/09/09	
	F1.6	Implement response to the scanning surveillance options appraisal			Medium Term	
	F1.7	Produce scoping study to improve efficiency of high priority processes			31/03/10	
	F1.8	Implement business process review			Medium Term	
	F1.9	Ensure Sustainable Workplace Management delivers service as specified			31/03/10	
	F1.10	Prepare business case for next phase of investment for Weybridge site			30/11/09	
	F1.11	Pay 90% suppliers invoices within 30 days	Q		31/03/10	
	F1.12	Set priorities for allocation of capital equipment			30/06/09	
	F1.13	Develop a plan to deliver 5% cash releasing savings			31/03/10	

	Internal					
	I1.1	Review VLA's BCP & produce action plan			31/03/10	
	I1.2	Conduct simulation exercise to test BCP & produce action plan to address any issues			31/03/10	
	I1.3	Carry out quarterly management review updates and an annual management review	Q		31/03/10	
	I1.4	Comply with Animal Scientific Procedures legislation			31/03/10	
	I1.5	Ensure effective measures are in place to mitigate top ten corporate risks & undertake quarterly reviews	Q		31/03/10	
	I1.6	Key IT service availability greater than 95%	Q		31/03/10	
	I1.7	Implement the Sustainable Development Action Plan			31/03/10	
	I1.8	Comply with Access to Information legislation	Q		31/03/10	
	I1.9	Conduct an annual review of VLA committee structure			31/03/10	
Learning						
L11	Produce an HR strategy			Medium Term		
L1.2	Implement the Have Your Say 2008 Action Plan			31/03/10		