

<b>Title: Impact Assessment for the Legislative Reform Order to amend the constitution of the Royal College of Veterinary Surgeons Preliminary Investigation Committee and Disciplinary Committee</b>  <b>IA No: Defra 1404</b>  <b>Lead department or agency: Department for Environment, Food and Rural Affairs</b>  <b>Other departments or agencies: Royal College of Veterinary Surgeons</b>	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 21/05/2012		
	<b>Stage:</b> Final		
	<b>Source of intervention:</b> Domestic		
	<b>Type of measure:</b> Secondary legislation		
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<b>Summary: Intervention and Options</b>			<b>RPC:</b> GREEN

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
-£0.45m	-£0.45m	£0.04m	Yes   IN

**What is the problem under consideration? Why is government intervention necessary?**

The Royal College of Veterinary Surgeons (RCVS) governs the veterinary profession through its Council and system of committees, including those that deal with disciplinary proceedings. Council both sets the standards for the profession and deals with possible breaches of them. There is insufficient independence in such cases, and public pressure for reform. RCVS needs to separate these functions to balance public and professional interests. Current legislation restricts the size of the committees making it difficult to manage the caseload. Government intervention is necessary to change the specific provisions concerning the committees in the Veterinary Surgeons Act 1966.

**What are the policy objectives and the intended effects?**

The means by which the objective will be achieved is to amend the constitution of the RCVS Disciplinary Committee (DC) and Preliminary Investigation Committee (PIC) in a number of ways. This will ensure proper independence and impartiality when dealing with disciplinary cases, thus maintaining public confidence in the RCVS and compliance with the Human Rights Act 1988 (primarily Article 6 of Schedule 1 – right to a fair trial). The amendment will promote regulatory principles and reduce burdens on the RCVS Council, and enable the disciplinary caseload to be managed both now and in the future.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

**Three options** were considered at the **consultation stage**

Option 1: Do nothing – This will not remove the statutory constraints which prevent the RCVS from introducing more transparent disciplinary arrangements.

Option 2a: introduce a new Act that will include new disciplinary arrangements

Option 2b: make a new Act on the principles of ‘Big Society’ i.e. using non-regulatory measures to establish the disciplinary committees

Option 3: use an LRO to amend the provisions of the VSA that deal with the constitution of the disciplinary committees. This is the preferred option we will implement.

**Will the policy be reviewed?** It will be reviewed. **If applicable, set review date:** 07/2018

Does implementation go beyond minimum EU requirements?	N/A				
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> No	<b>&lt; 20</b> No	<b>Small</b> No	<b>Medium</b> No	<b>Large</b> No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	<b>Traded:</b> n/a		<b>Non-traded:</b> n/a		

**I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.**

Signed by the responsible SELECT SIGNATORY: \_\_\_\_\_ Date: \_\_\_\_\_

# Summary: Analysis & Evidence

# Policy Option 3

**Description:** Introduce a LRO to amend the constitution of the RCVS disciplinary committees

## FULL ECONOMIC ASSESSMENT

Price Base Year 2013/14	PV Base Year 2013/14	Time Period Years 10 years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: -0.45

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0.05	0.45

### Description and scale of key monetised costs by 'main affected groups'

Recruitment costs for the disciplinary committees (DC and PIC) are deemed to be in the region of £100K<sup>1</sup>. These costs will be incurred by the RCVS in the first 3 years when 29 new members will be appointed to the committees. Following this, it is estimated that £25K will be spent each year on average for years 4 to 10 during which time up to 8 new committee members may be appointed each year. Training cost of £10K a year and Appraisal costs of £14K a year have been estimated to be incurred, on average, each year for 10 years.

Since these costs will recur over the years, none has been classified here as transition costs.

### Other key non-monetised costs by 'main affected groups'

There are no non-monetised costs for this option. New members will volunteer to join the committees and will be remunerated for loss of earnings.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

### Description and scale of key monetised benefits by 'main affected groups'

We are confident that the benefits will outweigh the costs of the new reform but they cannot be readily monetised.

### Other key non-monetised benefits by 'main affected groups'

- Compliance with Article 6 of Schedule I to the Human Rights Act 1998 on the right to a fair trial, to the benefit of all involved in the process (through separation of responsibilities between those who set the standards of the profession and those who investigate and adjudicate on those standards).
- Legal requirement for involvement of lay and non-RCVS Council veterinary surgeons to disciplinary committees will modernise and bring independence to the disciplinary processes and will look and be fairer. This will increase confidence in the disciplinary system and more generally in the RCVS as a regulator because complainants will have the additional assurance that consideration of a case will be by an independent and impartial group.
- Increase in the size of committee members will result in case-loads being managed better so that burdens are reduced on RCVS Council members.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	3.5
Key assumption is that the new system will reduce the number of complaints from the public about the procedure and maintain or increase confidence in the fairness of the disciplinary process. It has also been assumed that sufficient people will apply for selection to the newly constituted committees.		

## BUSINESS ASSESSMENT (Option 1)

<b>Direct impact on business (Equivalent Annual) £m:</b>	<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>
Costs: 0.05      Benefits: 0      Net: -0.05	Yes	IN

<sup>1</sup> Costs have been provided by the RCVS following estimates provided by three recruitment agencies.

## Evidence Base

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### 1. Introduction

This is the final Impact Assessment (IA) for the amendment of Schedule 2 Part I, of the Veterinary Surgeons Act 1966 (VSA), which lays down the constitution of the disciplinary committees. Part II deals with the procedure of the Disciplinary committee. The IA sets out in detail Government's reform of the legislation governing the regulation of the veterinary profession. As these provisions are laid down prescriptively in the statute, there is no means of changing the size and membership of the committees without amending the relevant parts of the Act. Government will make the changes by means of a Legislative Reform Order (LRO) under sections 1 and 2 of the Legislative and Regulatory Reform Act 2006 (LRRRA). The IA updates the consultation IA. Notably:

- a. Updates evidence from the RCVS
- b. Separation of Council responsibilities
- c. Presents the new reform (preferred option 3)

### 2. Background

2.1 The veterinary profession is regulated by the RCVS under the provisions of the VSA. The purpose of the Act is to protect the public and to prevent unqualified practice in order to protect animal welfare. The Act provides for:

- the registration of veterinary surgeons and veterinary practitioners;
- the regulation of their professional, education and professional conduct; and
- cancelling or suspension of their registration in case of misconduct.

In addition to the Act, the RCVS Guide to Professional Conduct identifies the key responsibilities of veterinary surgeons to their patients, clients, the public and professional colleagues, as well their responsibilities under the law.

2.2 Only those veterinary surgeons whose names are entered on the register held by the RCVS, after having satisfied certain qualification requirements are allowed to practise veterinary surgery in the UK or use the title 'veterinary surgeon'. RCVS also hold a supplementary register (a legacy from older legislation – Veterinary Surgeons Act 1948). The 1948 Act for the first time restricted the practice of veterinary surgery to members of the RCVS, but with some exceptions. One of these was for persons of

good personal character who during at least seven out of the last ten years had earned their living by diagnosing diseases of animals and giving medical or surgical treatment to animals. These individuals are known by the title 'veterinary practitioner'. As at the end of September 2011<sup>2</sup> there were eight remaining registered veterinary practitioners who were all declared as non-practising.

2.3 The College award fellowships and Diplomas under the provisions of the Royal Charter and supports the RCVS Trust – (a separate charity established to promote and advance the study and practice of the art and science of veterinary surgery and medicine). Both the statutory and Royal Charter duties of the RCVS are governed by a Council of 42 members which meets three times a year – March, June and November.

2.4 Council is supported by a system of committees, including those that deal with disciplinary proceedings i.e. the Preliminary Investigation Committee (PIC) and the Disciplinary Committee (DC). The functions of these committees are to investigate (PIC), consider, - and determine (DC) disciplinary cases brought to their attention.

2.5 Council members set the professional and ethical standards for the veterinary profession, and may be involved in policy debates which are relevant to cases coming before PIC and DC. Vigilance is necessary to ensure that the impartiality of Council members sitting on PIC or DC is not compromised. Removing the overlap of functions would reduce the risk of legal challenge against a decision of the PIC and DC. At the same time, the small committee of 12 DC members and 6 PIC members elected by and from the Council is not sufficient to deal with the current workload.

### **3. Current Disciplinary Process**

3.1 The VSA lays down the procedures that the disciplinary committees must follow when a veterinary surgeon is accused of disgraceful conduct in a professional respect<sup>3</sup>. These procedures are necessary to protect the interests of animals and animal owners from any professional misconduct by members of the veterinary profession, to maintain the reputation of the profession, and to protect the wider public interest.

3.2 When a complaint is received by the College, it is passed on to the Professional Conduct Department and goes through initial case examination. On average, about 700 complaints are passed on to the Professional Conduct Department in a year of which 80% are screened out at the initial review stage. The veterinary profession conducts tens of millions of consultations each year; therefore, receipt of the College of these 700 or so complaints represents only a very small percentage of the total number of veterinary consultations. The PIC decides whether or not to refer a case to the DC by considering whether the complaint is within the RCVS jurisdiction, whether there is an arguable case against the veterinary surgeon and whether there is a realistic prospect of proving the case.

3.3 The only sanction that the DC has is to remove or suspend a veterinary surgeon from the register and only if:

- the vet has committed an offence which in the DC's opinion renders him or her unfit to practice; or
- the vet has been guilty of 'disgraceful conduct in a professional respect'
- the individual has fraudulently registered their name on the RCVS register

Suspension of a vet from the register is usually for a specific period (usually not exceeding two years). The vet then has to wait for at least ten months before applying for his/her name to be restored to the register. If a vet has their name removed from the register, it means that they will be unable to practice veterinary surgery. The VSA ensures that the DC has rules of procedure<sup>4</sup> that are of a judicial nature thus charges must be proved to the highest standard of proof so that the DC is 'sure'. There are about a dozen cases referred to the DC each year.

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<sup>2</sup> The annual Register data was taken on 27 September 2011

<sup>3</sup> This is the term used in the Veterinary Surgeons Act 1966 for the term commonly described as professional misconduct

<sup>4</sup> Veterinary Surgeons and Veterinary Practitioners (Disciplinary Committee) (Procedure and Evidence) Rules Order of Council 2004

3.4 A veterinary surgeon who has been given a DC decision that their name will be removed or suspended from the register has a right of appeal to the Judicial Committee of the Privy Council (now part of the Supreme Court), but there is no statutory appeal mechanism for the complainant. The appeal is a full-rehearing of the case, but usually on the basis of the evidence heard by the DC. In the case of an appeal, the DC direction does not take effect unless and until upheld by the Privy Council.

3.5 Under the VSA, special provision is made for the constitution of the DC in the case of proceedings relating to 'veterinary practitioners' (those whose names are entered in the supplementary register under section 8 of the VSA). Currently if a disciplinary case relating to a veterinary practitioner were to come before DC, an additional four persons from the supplementary register, appointed by Ministers would need to be added to the committee. A specially constituted DC in relation to veterinary practitioners was provided for, to ensure a fair hearing for the individual.

3.6 The Act requires the members of PIC to be elected annually, at the first Council meeting after the Annual General Meeting. It is also the practice for Council to appoint all other committees annually as well, because the composition of Council and the identity of the Presidents and Vice-Presidents changes each year. The DC and PIC report to Council but only on the basis of providing information. Council does not and cannot alter decisions by these statutory committees. Although there is general expectation that members of both committees will serve a 4-year 'term of office', within the confines of the annual elections, there is no requirement legally or otherwise restricting the number of terms that may be served by an individual.

#### **4. Problem under Consideration and Rationale for Government Intervention**

4.1 The provisions of Schedule 2 Part I of the Veterinary Surgeon's Act 1966 (VSA) (constitution of the disciplinary committee) requires that members of the two statutory committees that deal with disciplinary matters (PIC and DC) must be members of Council, elected from among themselves. In addition, the PIC members must include the President and two Vice-Presidents of the College (who again have been elected by Council from their own members). In reality, this means that Council both sets the standards for the profession and deals with possible breaches of those standards.

4.2 The current system as laid down in statute is inflexible and out of date when compared with the 'best practice' in other professions as it is deemed that there is insufficient independence and impartiality when considering disciplinary cases. Best practice requires separation of responsibilities between those who set the standards (Council) and those who investigate and adjudicate possible breaches of those standards (PIC and DC). The report 'Veterinary Surgeons Act 1966' published by the Environment, Food and Rural Affairs Committee of the House of Commons in May 2008 included a recommendation that there was pressing need for the disciplinary process for veterinary surgeons to be updated. There is also a certain amount of public pressure for reform. RCVS needs to separate Council's current functions of both setting and enforcing standards, thus reflecting better its role in balancing public and professional interests.

4.3 In addition to all these, the College reports that the RCVS Council members who are elected to the Disciplinary Committee are now overstretched as Council members struggle to find time for the increasing DC sitting days. For instance, there were 16 sitting days in 2008, 32 in 2009, 36 in 2010 and 40 in 2011. RCVS has projected 68 sitting days for DC this year (2012). These figures represent a growing trend. Reliance on this limited resource to devote sufficient time to consider and make judgements on important disciplinary matters would be detrimental to the effectiveness of the RCVS and unsustainable for the future due to the current statutory limit on the number of DC members.

4.4 In 1999, RCVS Council voted to allow lay people to sit as observers with PIC. Lay observers are not veterinary surgeons and are independent of the RCVS. Whilst lay observers are not voting members of the committee, they take part in discussions and comment on the procedure and merit of the complaints. The current statute allows for lay members of DC, as they can be drawn from the Privy Council and university appointees to Council. However, there is nothing in the statute insisting that the DC must have lay membership.

4.5 Government intervention is necessary because there is no means of changing the size and membership of the committees without amending the relevant parts of the Act. Defra will amend the Act through a Legislative Reform Order (LRO) under sections 1 and 2 of the Legislative and Regulatory

Reform Act 2006 (LRRRA). The powers in the LRO will allow the RCVS to change the size and membership of PIC and DC.

## 5. Policy Objective

5.1 Following recommendations from the report of the Environment, Food and Rural Affairs Committee, the RCVS as well as public pressure, the statutory framework for the investigation and disciplinary system for the veterinary profession needs a complete overhaul. Best practice requires separation of responsibilities between those who set the standards (RCVS Council) and those who investigate and adjudicate possible breaches of those standards (PIC and DC) – statutory committees constituted from members of Council. The LRO will modernise the legislative framework under which PIC and DC operate and remove unnecessary burdens on these committees.

5.2 The objective is to maintain professional and public confidence in the RCVS by making the disciplinary procedure more independent – as those setting professional standards will be removed from the disciplinary system – and more sustainable – through the increase in the membership of both the DC and PIC to allow for cases to be heard more quickly and to ease caseloads. Ensuring in statute the involvement of lay people mitigates any perceived veterinary bias as the new system will ensure that committees have at least one-third lay and at least one-third veterinary surgeons appointed. Also, using a system of open/public appointments means that those serving on the committees will be the best-fit against a specific job description as this would demonstrate that an objective and rigorous approach has been taken. The aim is to improve the balance between public perception and professional interests.

## 6. Description of Options and Proposal

Three different options were considered in the Consultation IA:

6.1 Option 1 – Do Nothing: The do nothing option would entail no changes being made to the Veterinary Surgeons Act and continuing with the current system where the RCVS Council would have the dual responsibilities of setting the standards for the profession and dealing with disciplinary matters arising from breaches of those standards. This option has been rejected because it is not in line with the principles of good governance (lacks transparency as well as insufficient independence and impartiality when cases are considered). It does not also comply with the Human Rights Act 1998 (primarily Article 6 of Schedule 2 – right to a free trial). This option was not supported in consultation

6.2 Option 2a – Replace the current Act with a new modern Act: }  
Option 2b – New modern Act that would allow self-regulation }

Options 2a and b would require making a new Act to replace the Veterinary Surgeons Act 1966, which would encompass modern day expectations and provide a regulatory framework that could be extended to include the wider veterinary team: veterinary technicians and veterinary nurses. Going down the route of option 2a would mean that more than one single policy objective would be achieved as it would consider more problems than can be achieved with a restrictive LRO. This option would cover a wide range of issues that deal with the modernisation of the regulation of the veterinary profession. Replacement of the existing Act with a new modern Act would improve public confidence further and that of the profession, beyond that achieved through an LRO. However, in achieving the single objective which we state that we seek i.e. ‘separating the overlap of functions between the RCVS and the disciplinary committees’, we believe that at this stage, there will be no advantage in having a new Act.

The advantages to option 2b are as above, including giving the profession greater responsibility towards setting their own detailed governance rules which will be in line with the principles of self-regulation and Government’s ‘big Society’ agenda. This would provide flexibility for the future, as the detailed elements of the various provisions would not be contained in primary legislation. This option would allow future changes to be made in a more timely and responsive manner to demand and modern day expectations.

6.3 Both options have been discounted at this stage because they would require a complete revamp of the current primary legislation (Veterinary Surgeons Act 1966) which could take at least 3 years from now before the new legislation is enacted. In addition to this, only one response out of the 32 we received specifically asked that we use this option. Few other responses made recommendations for things that could only be done in the context of wider reform.

6.4 Furthermore, we have been in discussions with officials in the department and across Whitehall to discuss the possibility of making a new Bill that will cover the full range of veterinary services. We have been informed that the next session of Parliament for which we could consider making a legislative bid for a new Bill would be the fourth session (2014/2015). The making of such a Bill would be dependent upon Departmental and Government priorities. In order to make the bid we would have to have a well developed policy in terms what we want the Bill to cover. In September 2010, Ministers invited the RCVS to prepare proposals, for Government consideration, recommending changes to the Veterinary Surgeons Act 1966, including provisions for providers of veterinary services such as nurses and technicians. The RCVS has indicated that it is not clear when this report will be submitted. Full consideration will be given to the recommendations once they are received.

6.5 Option 3 – Chosen Option: Change the constitution of the RCVS' disciplinary committees through a Legislative Reform Order (LRO): The LRO option will allow direct amendment to be made to the Veterinary Surgeons Act 1966. The amendment will change the composition of the disciplinary committees (PIC and DC). The reform will ensure proper separation of responsibilities between those who set the professional standards and those who investigate and adjudicate those standards, as well as allowing for independence and impartiality to be shown in proceedings. The RCVS will appoint an adequate mix of both veterinary surgeons and lay people (with minimum proportions of one-third lay and one-third veterinary surgeons) to the committees.

6.6 The RCVS will have a larger pool of committee members to draw from therefore committees will be able to meet more often, which will allow cases to be heard sooner. Under the new arrangements, membership and chairmanship of both PIC and DC will no longer be drawn from, and elected by, Council. Following appointments through an open, transparent, and independent recruitment process, appointees will be formally ratified by Council. There will be a job specification to underpin performance management to ensure that committees have the right people to discharge their functions. Though the RCVS does not currently appraise committee members, under the new arrangements committee members will be appraised annually. There will also be mechanisms in place that will allow RCVS to terminate the appointments of committee members if their performance (and general fitness for the job) is not up to standard. Feedback on performance will be provided following appraisal.

## **7. Consultation and Outcomes**

**This IA confirms option 3 as preferred option and the one to implement**

### **Within Government**

7.1 There have been various discussions between Defra and the RCVS on this proposal. Other Government Departments including the Cabinet Office and the Better Regulation Executive have been consulted in the preparation of this IA. The outcome of these discussions is that there will be no negative impact arising from this proposal as it is consistent with the principles of better regulation

### **Public Consultation**

7.2 The Government published a consultation document on 16 January 2012 accompanying the Consultation IA, setting out option 3 as the preferred option. The Consultation IA contains details of how the LRO provisions will be introduced. The consultation closed on 10 April 2012. Thirty two responses were received to the consultation and respondents were overall in support of option 3. The Government intends to publish a summary of the responses in the summer of 2012.

7.3 The veterinary profession have been highly supportive of the LRO since they believe that transparency and public confidence is a central issue. The 'Action Group' of pet owners, Animals Deserve Better, which was the main anticipated opponents to the proposals gave their support to the LRO as they see it as a stepping stone in terms of the separation of the RCVS Council from the disciplinary committees and the increase in the number of lay members. The group also believes that the Government should endeavour to bring in a new Act regulating the veterinary profession in the longer term. Its main criticism of the proposal is, as expected, that an LRO does not, and cannot, address sufficiently their main concern i.e. a fundamental reform of the VSA. We expect that the LRO will make a material change to the RCVS disciplinary processes and to how they are perceived. Our post

implementation review will assess this. As mentioned in paragraph 6.3, the RCVS has been invited to prepare proposals for a fundamental reform of the Act.

7.4 As a consequence of the responses we received during consultation on the part of the proposal regarding the overall size of the committee and the quorum size, we have decided that the RCVS should maintain the existing quorum size of 5 for any one meeting of the DC and not 3 as proposed in section 4.5 (ii) of the consultation document and section 9.7 of the Consultation IA. The quorum of 3 will remain for PIC.

7.5 Additionally the consultation sought information to refine the IA. The following questions were asked:

***Do you agree that the proposed changes do not have a significant financial impact as set out in the Impact Assessment?*** A range of responses were provided on this. Some felt that although costs of extra committee members and new training requirements initially fall on the RCVS, they would ultimately be passed on to veterinary surgeons. Others believe that moderate increase in costs is necessary, proportionate and justified by the objectives of the proposed changes. At the moment we do not project that the new system will have a significant financial impact on the profession. However, there may be small additional costs imposed on veterinary surgeons or practices in the future through an increase in retention fee that they pay to RCVS.

***Do you broadly agree with the cost estimates, assumptions, and conclusions of the Impact Assessment?*** Only 20 people answered this question out of the 32 responses received; of these, 3 did not agree. One person felt that Council members had not been consulted on cost estimates so therefore he does not believe that the estimates are valid. The second person felt that there was no need to increase the size of committee members so there would not be any need for increase in costs. The third person felt that the actual costs of bringing in the new reform will exceed estimates. The remaining 17 were in agreement. In light of this, and on account of confirmation of estimates provided by RCVS, changes have not been made to the estimated figures.

***Can you provide evidence to help quantify the costs estimates in the accompanying Impact Assessment?*** No respondents felt in a position to provide further cost estimates and that it was up to the RCVS to provide the evidence. In their response to the consultation, RCVS confirmed that cost estimates for recruitment were based on quotations provided by the three recruitment consultants they approached in June 2011. Estimates for training and appraisal are based on current RCVS figures.

7.6 During the consultation exercise, Defra officials issued an invitation to interested stakeholders to further discuss the LRO proposals. Only one veterinary organisation took up the invitation and we had a meeting with them on 23 February 2012. Their views along with the views of other respondents have been taken into account in the development of the final policy.

The rest of the IA updates previous information on option 3; options 2a and 2b are not discussed further. Compared with the Consultation IA, the figures are almost identical but the implementation is a year later so the first costs arise in 2013/2014.

Sections 8 – 24 below considers the details of the proposal and our assessment of costs and benefits

## 8. Specific Changes

The grid below sets out the new provisions and its objectives.

No	New Provisions	Objective
1	Change the criteria for membership of the PIC and DC	The new members of the disciplinary committees (PIC and DC) will be appointed by Council rather than elected by and selected from Council.
2	Change the membership and chairmanship of PIC and DC from Council to non-Council	Appointment to both committees will follow an open, transparent, and independent recruitment process. This will ensure proper separation of powers between those setting the standards (Council) and those who adjudicate on those standards (PIC and DC). This will be in line with



		best practice as seen in other comparable regulated professions.
3	Increase the size of the DC and PIC with 1/3 lay and 1/3 registered veterinary surgeons	<p>Both PIC and DC will be comprised of registered veterinary surgeons and lay persons, with a minimum proportion of one-third lay persons required to serve on each committee. Though the current Act does allow for lay members of DC there is no provision that insists upon it. Although the consultation proposals did not include having the fixed proportion of 1/3 registered veterinary surgeons on the committees. Responses to the question of quorum size reflected that there a wish to ensure that the committees were not biased towards either veterinary surgeons or lay persons. In parallel, we were advised by Parliamentary Counsel during the approval of the draft instrument that it would be sensible to make provisions for this. The LRO will therefore mitigate any perceptions of bias. Increasing the size of both PIC and DC will demonstrate a removal of an obstacle to efficiency. This will maintain professional and public confidence in the RCVS and support the principles of transparency and accountability.</p> <p>The number of <b>DC</b> will <b>increase</b> from 12 to <b>20</b> and <b>PIC</b> from 6 to <b>9</b>. This will ensure that there is a larger pool of people available to sit for case-hearings.</p>
4	Mix of lay and veterinary surgeons in the quorum. Quorum of PIC maintained at 3; quorum of DC retained at 5	<p>Having a mix of lay and registered persons in the quorum will mitigate the risk of a challenge. If the committee was barely quorate at the outset then a risk of a challenge based on some conflict of interest could bring the whole proceeding to a halt.</p> <p>The proposal to reduce the quorum of DC to 3 in line with other comparable professions is no longer proposed in light of responses to the consultation exercise.</p>
5	Provisions will be made for conditions of office for PIC and DC. This will include 'length of term' and fitness for membership. The specifics of these conditions will not be set out in the LRO. There will be a statutory limit placed on the number of terms of office that can be held, whether or not consecutive	The term of office that committee members can hold will be set by RCVS and detailed in their Byelaws made under the Royal Charter. It is expected that the normal term of office will be 4-years. There will be a requirement that members will be able to serve no more than two-terms of office on each committee, whether or not these are consecutive terms.
6	Committee members will not be eligible to sit on a DC case hearing if they were part of the PIC for the same case.	This provision is in current legislation. Retention of this important provision is_in keeping with good judicial principles, ensuring there is no risk of bias in DC's deliberations.
7	Remove the current special provision for supplementary register.	Veterinary practitioners will be subject to the same procedure as veterinary surgeons. This measure supports better regulation principles by removing unnecessary and outdated provisions through simplification and streamlining.
8	Flexibility in committee appointments	The current provision relating to prescribed timing of elections to the PIC will be removed.

	The RCVS will have the flexibility of setting the timings of recruitment and appointments
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## 9. Costs and Benefits of Option 3: LRO

The costs fall into three types that are set out in Table 1 below:

- Recruitment
- Training, and
- Appraisal

All information in the IA regarding RCVS costs was provided by the RCVS.

### Recruitment Costs

9.1 In June 2011 RCVS contacted and engaged with various recruitment agencies about assisting with the application and selection exercise for potential PIC and DC committee members, receiving estimates from three. The average quote provided by these recruitment agencies for the whole exercise was in the region of £100K. The recruitment agency that finally gets the contract will advertise for candidates and provide RCVS with a list of suitable candidates to interview. In line with the principle of good governance, RCVS Council members will no longer be eligible to serve on the disciplinary committees. As the key change is in the **number** and **method** of appointment of the committees, there will be cost implications for **recruitment** as well as on **training** and the new **appraisal** system. Although joining the committee is voluntary, members will be recompensed for loss of earnings.

### Changes in Committee Constitution

9.2 The number of man-days spent on future hearings will be determined by the case-load, and the cost of PIC and DC hearings will not be affected by the changes in the constitution of the committees. The number of Disciplinary Committee members will increase from 12 to 20 and the Preliminary Investigation Committee from 6 to 9. This change will emerge over a transition period and will then fall into a pattern of retirement/replacement as shown in the tables in the Annex. Transitional arrangements are necessary to enable the committees to be fully constituted and trained as well as ensuring continuity for those cases that are already in the system, which may have been adjourned.

In the Annex, Tables 2 and 3 show the gradual changes of membership of PIC and DC and explain the pattern of recruitment over the 10 year period of this IA, and Table 4 shows the derivation of appraisal costs of normal members.

### Recurring Recruitment Costs

9.3 The additional costs, following the introduction of the proposed reforms relate to the selection and appointment of members to both of the committees, training provision for the additional members of the DC, and the appraisal of all committee members. These additional costs are explained below and summarised in table 3. The RCVS Council will be formally responsible for appointments to PIC and DC, but it will be advised by a selection committee in line with the implementation plan in paragraph 14.7.

9.4 The recruitment costs have been estimated to be in the region of £100K following RCVS contacting three recruitment agencies for quotes. We assume that most of the cost is incurred upfront for the first two years' recruitment, some in year 3. The exact timing of expenditure will depend on the contract signed between RCVS and the recruitment company.

9.5 As noted in paragraph 25.2 and 25.3 in the Annex, it is not possible to predict just what level of recruitment will be necessary following the transition period in order to keep PIC and DC at 9 and 20 members respectively, but for the purpose of estimating costs, the assumption has been made that 5 new members will be needed for DC each year. For PIC the assumption is that 3 new members will be needed each year for three years followed by one inactive year before the four-year appointment cycle begins.

9.6 In order to minimise costs, RCVS will probably hold a recruitment exercise every other year, with some of the successful candidates having their appointments deferred until the following year. Taking the initial recruitment costs as a rough guide, it is reasonable to assume costs of the order of £25K a year on average for continuing appointments.

9.7 Appointed members of the committees will have the option of standing for appointment for a second term. In addition to this, committee members having served 2 terms on one committee (PIC) will be able to apply to serve on another committee (DC) and will still be eligible to serve for a second term of office in that committee and vice-versa.

9.8 For the purpose of this IA the average cost of recruitment over the 10 year period appraised will be in the region of £30K per annum.

## Training

9.9 We envisage that three types of training will be provided for the 8 additional members of the Disciplinary Committee only, and these costs are included in the IA as they are additional to current costs.

- Induction training – this is a one-day training session given to members of both committees in the first year of their term of office only.
- Annual training – this is a two-day training session held annually for members of both committees, to cover issues relevant to the respective committee. PIC training takes place at a regular monthly meeting, possible because all members of the committee attend each meeting. For DC, members must meet specifically for the training event because generally only a limited number of DC must assemble in order to hear each case.
- Ad hoc training – this is an annual training session for members of both committees and covers topical issues. As with the two-day annual training, PIC training takes place at a regular monthly meeting, possible because all members of the committee attend each meeting. For the DC, the members must meet specifically for the training event because generally, only a limited number of DC members assemble in order to hear each case.

9.10 In line with current RCVS cost, the following will be payable to members of the committees for attending training:

£300 loss of earnings will be paid daily: average travelling costs of £75 and overnight allowance of £175.

A one-day training session will therefore incur a cost of £375 per person (one day loss of earnings plus travel). A two-day training session will be at a cost of £850 (two days loss of earnings plus travel and overnight allowance). There is no additional cost of providing the training to members of the committees under this option compared to the baseline. The training will be provided by the RCVS in conjunction with external providers and costs will remain the same regardless of the number of delegates attending.

## 9.11 Additional Training Costs Following Reforms

- Induction – in the transition period, this cost will only apply to those members of the DC who are both new and additional to the committees (see column E of Table 3 in the Annex). The cost is £375 per person for four people in year 1, two people in year 2 and two people in year 3. Under the current (pre-reform) system, there is already a general pattern of retirement/replacement of the 12 members of the DC, with the replacement members needing induction training. We have assumed this to be 3 individuals each year in a 4-year cycle. From year 4 post-reform, this cycle of replacement will be 5 individuals each year in a 4-year cycle. Therefore, the **additional** cost of induction training after the LRO for years 4-10 is for 2 additional individuals each year (compared with the turnover and induction costs today) i.e. £750 per annum. There will be a system of retirement/replacement of the 9 individuals who sit on the PIC meetings, with the replacement members needing induction training. As the change to PIC is in the status of individuals and not in the numbers, for this IA we assume that there will be no increase in induction training costs over those incurred for PIC under the current system. In terms of this IA, we have assumed that that the turnover rate in the future will be the same as under the current system.
- Annual training – 12 members of DC already receive the two-day annual training session. Addition costs therefore relate only to reimbursing the additional/increased membership of DC at a rate of

£850 per head. This will be payable for four people in year 1, six people in year 2 and eight in years 3 and onwards. As the three lay observers and the 6 committee members all currently receive training, the total number attending the annual training on the work of the PIC will remain unchanged.

- *Ad hoc training* – 12 members of the DC already receive the one-day annual ad hoc training session. Additional costs therefore relate only to the costs of reimbursing the additional/increased membership of the DC at a rate of £375 per person. This will be payable for four people in year 1, six people in year 2, and eight people per year for year 3 onwards. There will be no additional costs required for PIC because there will be no overall increase in the number of people sitting on PIC meetings and because this training will be conducted during normal PIC meetings.

Under the new system an annual average of £10K has been estimated for training purposes over and above current costs of training.

## Appraisals

9.12 Appraisals for all members of the committees (both current Council members and externally recruited and appointed members) will commence from the beginning of the transition period (taking place – and the costs incurred – at the end of each year). RCVS's intention is for each Chairman to carry out the appraisals for the members of their committee and is likely to manage up to four appraisals on any one day. The costs incurred are reimbursement to the individual for attending their appraisal (up to £375 daily rate made up of the £300 loss-of-earnings and the £75 travel components) as well as a daily rate reimbursement to the Chairman (appraisal) for each day that they attend to hold the appraisals. For the purpose of this IA, we have assumed that appraisal sessions will not be held on consecutive days and therefore the overnight rate pay will not apply.

9.13 From year 3, both committees are at full membership of 20 +9 members including the Chairmen. Therefore, there will be 27 'normal member' appraisals to be held, with a reimbursement cost of £375 x 27 = £10,125. These 27 appraisals could be held in 7 days with a reimbursement cost (paid to the appraiser) of £375 x 7 = £2,625. This gives a total annual cost of appraisal for normal members of the committees at £12,750. This is all additional as there is no appraisal in place today.

9.14 In years 1 and 2 the DC will not have reached its full membership so there will be fewer appraisals to be carried out. In year 1 there will be 16 + 9 members, meaning that there are 23 'normal members' appraisals to be held which will take up to 6 days to conduct. This is a total reimbursement cost of 29 daily rates (29 x £375), which is £10,875. In year 2, there are 18 + 9 members, meaning that there are 25 'normal member' appraisals to be held which will take 7 days to conduct. This gives a total reimbursement cost of 32 daily rates (32 x £375), which is £12,000. The appraisal costs for normal members are set out in Table 4 in the Annex.

9.15 RCVS is proposing to carry out the appraisals of the Chairmen through a legally trained person. In the case of the PIC Chairman, this would likely be an external solicitor or barrister. In case of the DC Chairman, this could be a legal assessor. The costs incurred are reimbursement to the two individuals for attending their appraisal (£375 daily rate made up of the £300 loss of earnings and the £75 travel expense). There will also be the cost of the two legally trained assessors. For assessment purposes, RCVS has proposed to use the daily rate of a DC legal assessor as an indicative figure. This is set at £583<sup>5</sup>.

9.16 Under the current system, there is no appraisal. Therefore all the costs that have been estimated are additional to the existing system. On average, during the decade, the IA estimates an annual average cost of around £14K for appraisal.

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<sup>5</sup> Rate approved by the Lord Chancellor in accordance with the para 6(5) of Sch 2, Part II of the VSA (information supplied by the RCVS)

## Summary of Costs

9.17 The annual average costs over the decade the new system brought in through the LRO exceed today's costs approximately as below:

£30K – Recruitment	}	totalling £54K average per year: see Table 1 below.
£10K – Training		
£14K – Appraisal		

9.18 Although we have stated in paragraph 9.2 that we assume for the purposes of this IA that the number of man-days spent on hearings in future will not change, RCVS recognises that over the coming years, there could be a need to further increase the number of members of both committees if the trend for an increase in workload continues. Provision is to be made for this in the legislation. It is proposed that as well as increasing the DC from a fixed 12 to a minimum of 20 members, flexibility will be introduced to increase the number of members up to a maximum of 40 members. Similarly, it is proposed that PIC will change from its fixed 6 members plus 3 observers to a minimum of 9 full members, but with the flexibility to raise this to a maximum of 15 members. This flexibility will be provided for in the legislation though there are no indications at this stage that the RCVS will need or want to use it during the period covered by the IA.

**Table 1 – Additional costs of the LRO:**

<b>Year No</b>	<b>Year</b>	<b>Cost of recruitment of committee members (both DC and PIC)</b>	<b>Additional numbers of DC beyond current 12 – requiring annual and ad hoc training</b>	<b>Cost of annual training for additional DC members (unit cost £850)</b>	<b>Cost of ad hoc training day for additional DC members (unit cost £375)</b>	<b>Number of members of DC who are both new and additional – requiring induction training</b>	<b>Induction training for new additional DC members (unit cost of £375)</b>	<b>Cost of appraisal of normal members of both committees (see Table 4 in Annex)</b>	<b>Cost of appraisal of the two Chairmen of the committees (unit cost of £375)</b>	<b>Cost of external lawyer/barrister to carry out appraisal of the two Chairmen (unit cost of £583)</b>	<b>Total cost</b>
<b>1</b>	2013-2014	£75,000	4	£3,400	£1,500	4	£1,500	£10,875	£750	£1,166	£94,191
<b>2</b>	2014-2015	£25,000	6	£5,100	£2,250	2	£750	£12,000	£750	£1,166	£22,016
<b>3</b>	2015-2016	£0	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£50,216
<b>4</b>	2016-2017	£50,000	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£75,216
<b>5</b>	2017-2018	£0	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£25,216
<b>6</b>	2018-2019	£50,000	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£75,216
<b>7</b>	2019-2020	£0	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£25,216
<b>8</b>	2020-2021	£50,000	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£75,216
<b>9</b>	2021-2022	£0	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£25,216
<b>10</b>	2022-2023	£50,000	8	£6,800	£3,000	2	£750	£12,750	£750	£1,166	£75,216

## **Non-Monetised Benefits of Option 3: LRO**

9.19 The main benefit of the LRO will be a visibly improved fairer and uncompromised system. This means that justice will be done and seen to be done. This will in turn maintain or even lead to increased public confidence in the veterinary profession – which is considered as a valuable benefit in its own right. We assume that candidates will perceive value in joining the committees and see it as justifying their time because it is of benefit to the veterinary profession. Other benefits of this option are set out below.

### Benefits for Animal owners:

9.20 The risk of complainants feeling that the RCVS disciplinary system is protecting veterinary surgeons will be reduced as there will be a legal requirement to include lay people (non-veterinary surgeons) on the committees. The proposed reform will thereby increase public confidence in the RCVS as a regulator and the veterinary profession in general because of the increased independence of the PIC and DC, in common with other professions.

### Benefits for veterinary surgeons:

9.21 Having a larger pool of people to call upon opens up the possibilities of holding more frequent case hearings or holding concurrent case hearings, so cases could continue to be dealt with in a timely manner – this will reduce stress for those waiting for their cases to be heard. It will also remove burdens falling on RCVS Council members in attending DC and PIC meetings. The proposal will reassure those complained against that the people who set the rules are not the same as the people who consider their cases.

## **10. Risks and Assumptions**

10.1 The major risk of the LRO is that the proposed reforms are deemed to be insufficient to address the concerns of those who are dissatisfied with the current way in which RCVS handles complaints. As stated in paragraph 6.3, Ministers have invited the RCVS to prepare proposals, for Government consideration, recommending changes to the Veterinary Surgeons Act 1966, to include provisions for providers of veterinary services such as nurses and technicians as well as continued governance of veterinary surgeons. This comprehensive review of the VSA may be the only way to satisfy the concerns identified.

### Assumptions

10.2 The following assumptions have been made for the LRO:

The LRO will enable better regulation of the veterinary profession through separation of responsibilities. This will allay concerns of partiality raised by stakeholders as members (veterinary and lay) appointed to both Committees are not RCVS Council members, thus creating more confidence in the regulatory framework. This will:

- maintain public confidence in the RCVS
- reduce the risk of appeal by the respondent on any particular case on Human Rights grounds
- ensure that there are enough committee members to deal with the hearing days demanded by caseloads.

## **11. One in, One out**

11.1 There are costs associated with this proposal which, although initially fall on RCVS are likely to be passed on to veterinary surgeons through an increase in their retention fees in future years. This means that the changes to be made to the legislative framework are 'in scope' of One in, One Out. All the costs estimated in the IA will fall onto the RCVS, are inevitable or unavoidable consequences of the regulatory changes to be made. The EANCB calculation gives the net cost of around £0.04m per annum. This appears as a net cost because we are unable to monetise the expected benefits which will arise to some extent for veterinary practices (businesses) as well as for animal owners (mainly businesses and the public).

## 12. Description of Implementation Plan and Monitoring

12.1 The proposed coming into force date is 6 April 2013. We propose to introduce the reform by means of a Legislative Reform Order (LRO) under sections 1 and 2 of the Legislative and Regulatory Reform Order 2006 (LRA). Appointments of Committee members will be managed and overseen by the RCVS both initially and on an ongoing basis.

12.2 From full implementation date of June 2015 members of RCVS Council will no longer be able to serve on PIC and DC. From then, PIC will be required to have a minimum of 9 and a maximum of 15 members, and DC will have a minimum of 20 and a maximum of 40. Following an open and transparent selection exercise, RCVS Council will appoint people to the disciplinary committees. There will be a transition period running from the first non-Council appointments to the committees in July 2013 until July 2015.

### Transition Period

12.3 RCVS committees are normally appointed by Council annually, with a calendar year running from one Annual General Meeting (beginning of July) to the next. The transition period will therefore begin in July 2013. Current Council members will follow a gradual process of phasing out and non-Council members will be phased in, in July 2013, July 2014, and July 2015. The reform will require PIC to go up to 9 members from the beginning but the new minimum size of 20 for DC will not be reached until after 30 June 2015.

12.4 It will be necessary to appoint a total of 13 non-Council members to serve on both committees from July 2013, 8 more to take office in July 2014, and 8 more to serve from July 2015 – this will provide 29 new members in total over the three tranches of appointments. In order to reduce the costs of recruitment, RCVS has proposed to run a recruitment exercise in 2013 to find members to take office in that and the following year, with further recruitment in the first half of 2015.

12.5 Council will be invited in November 2012 to set up a small, independent selection committee to advise it on the appointment of external members of PIC and DC. The external recruitment agency will advertise the vacancies, receive and sift applications, interview an initial selection of candidates (long list) and recommend and provide shortlisted candidates for interview by RCVS selection committee. It is intended that the first list of successful candidates will be given to Council for ratification in June 2013.

12.6 The costs for all of these stages of the recruitment process have been accounted for in the overall figure of £100K recruitment costs. The intention is that selection committee will meet at different stages to conduct the various stages of the interview process.

### 12.7 Outline Proposed Implementation Plan

Action	End date
RCVS sets up independent selection committee	Beginning November 2012
Invite tenders from various recruitment agencies	Late November 2012
RCVS appoints recruitment consultant	Early December
Recruitment consultants launch advertisement	Early January 2013
Closing date for applications	Late January 2013
Selection procedure (agents report responses and recommends long list to selection committee; selection committee approves long list)	Mid February 2013
Selection procedure ongoing (recruitment consultants interviews long-list candidates)	Late February 2013
LRO in force	6 April 2013
Recruitment consultants report results of interviews and recommends short-listed candidates to selection committee; selection committee approves short list	Early April 2013
Selection committee interviews short-listed candidates	Mid May 2013
Council approves recommendations	Early June 2013



## **13. Post Implementation Review**

13.1 In line with the current moratorium policy, Defra and the RCVS will carry out a review of the Regulations within three years of full implementation, and every five years thereafter, to ensure that it is operating in a reasonable and proportionate manner. The review will look at the effectiveness of the disciplinary process and whether it meets the expectation of stakeholders. RCVS will make public the findings of the review once it is completed.

13.2 The RCVS intend to establish liaison groups with animal owners similar to assess the effectiveness of their complaints and disciplinary procedures, and consider whether they meet the expectations of stakeholders.

13.3 The success criteria for the new measure will be that the RCVS is in compliance with the Human Rights Act 1998 and the Preliminary Investigation and Disciplinary Committees maintain the confidence of the public and the profession. Other criteria for success include the RCVS having ongoing interest from members of the public to sit on the Committees and being able to appoint and keep excellent external people on the committees, which will in turn allow DC cases to be heard promptly.

## **14. Enforcement**

14.1 A legislative reform Order (LRO) is by definition deregulatory. Each proposal for a LRO must therefore satisfy the preconditions set out in section 3 of the LRA. All the measures this LRO contains are deregulatory, have met the preconditions and have been developed following extensive consultation with the profession as well as other interested parties. The measures will be enforced in the same way as the existing disciplinary system. The new reform will comply with Human Rights Act 1998 – primarily Article 6 of Schedule 1 – right to a fair trial. Our view is that this new arrangement will further enhance the effectiveness of the disciplinary process.

## **15. Wider Impacts**

15.1 The LRO will provide the mechanism to ensure that those selected to serve on the committees have the necessary skills and experience to discharge the functions required of them. It would also provide the opportunity to appoint a mix of veterinary surgeons and lay people which should remove any perceived bias within the profession.

## **Specific Impact Tests**

### **16. Small Firms Impact Assessment**

16.1 For the purpose of Impact Assessments, 'small firms' mean fewer than 20 employees and micro firms mean fewer than 10 employees. All those involved in animal health and veterinary surgeons on the register of the RCVS will be affected by this proposal. The main impact that the preferred option would have on the veterinary profession including small businesses is improved disciplinary processes and professional standards. There are no new requirements or direct compliance costs falling on members of the veterinary profession. However, there may be additional costs imposed on veterinary surgeons or practices in the future through an increase in the retention fee they pay to the RCVS. However, we do not anticipate this being very large or that it will have an adverse impact on the profession or its clients. This reform will have the same impact across the profession irrespective of the size of the business. There are therefore no adverse effects anticipated by the Government on small businesses.

### **17. Competition Assessment**

17.1 A detailed competition assessment is not necessary for this measure as it has no effect on the ease or difficulty with which businesses can enter the market. The reform will affect all veterinary surgeons registered with the RCVS in the same way and is highly unlikely to directly affect the market structure or change the size or number of veterinary practices. Any nominal direct or indirect impact will

be to increase rather than restrict the number of veterinary practices that can be set up. In view of this the impact of the proposal is not significant on competition.

17.2 Also, the proposed reform does not:

- Directly limit the number or range of suppliers (or providers);
- Indirectly limit the number or range of suppliers (by altering demand);
- Limit the ability of suppliers to compete;
- Limit suppliers' incentives to compete vigorously.

Since the new measure will not do any of the above, there is no requirement to undergo a detailed competition assessment.

## **18. Carbon Assessment**

18.1 The proposal will have no significant effect on carbon emissions.

## **19. Other Environment**

19.1 The reform will not:

- Lead to a change in the financial cost or environmental and health impacts of waste management;
- Impact significantly on air quality;
- Involve any material change to the appearance of the landscape or townscape;
- Disturb or enhance habitat or wildlife;
- Affect the number of people exposed to noise or the levels of exposure.

## **20. Health Impact Assessment**

20.1 The reform will not have any adverse impact on human health therefore this assessment is not applicable for this proposal.

## **21. Human Rights**

21.1 We do not believe that the reform will result in any disproportionate negative impact on, or disadvantage to, any particular social or ethnic group. Indeed, a more standardised and transparent approach to the disciplinary process within the veterinary profession is likely to aid correction of any bias in the new system. The reform is therefore compliant with the principles and seeks to ensure RCVS disciplinary procedures deliver the Human Rights Act 1998.

## **22. Justice Impact Test**

22.1 There is no impact on Legal Aid or on the wider justice system (e.g. courts and tribunals, prisons and offender management) since the reform creates no new criminal sanctions or civil penalties.

## **23. Rural Proofing**

23.1 The proposal is applicable to all veterinary surgeons irrespective of whether they are in the rural areas or not, so it has no disadvantageous impact on rural areas specifically.

## **24. Sustainable Development**

24.1 The Government is committed to the five principles of sustainable development:

- Living within environmental limits
- Ensuring a strong, healthy and just society
- Achieving a sustainable economy
- Promoting good governance
- Using sound science responsibly

This reform is in line with the principle of good governance as has been highlighted throughout the document.

## Annex

**Table 2 – Changes to PIC membership from 6 Council members (plus 3 lay observers) to 9 non-Council members**

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Year No	Year	Existing Council members	Existing lay observers	Transition replacement members (non-Council)	Transition additional members (non-Council)	'Steady State' replacement of members (following reform and transition years)	Total number of PIC members in that year
<b>Pre-reform</b>	2012-2013	6	3				6
<b>1</b>	2013-2014	4		2	3		9
<b>2</b>	2014-2015	2		2 (plus the 2 from yr 1)	(plus the 3 from yr 1)		9
<b>3</b>	2015-2016			2 (plus the 4 from yrs 1 & 2)	(plus the 3 from yr 1)		9
<b>4</b>	2016-2017					0	9
<b>5</b>	2017-2018					3	9
<b>6</b>	2018-2019					3	9
<b>7</b>	2019-2020					3	9
<b>8</b>	2020-2021					0	9
<b>9</b>	2021-2022					3	9
<b>10</b>	2022-2023					3	9

### 25. Explanation of Table 2

25.1 Under the current system, the PIC has 6 members elected by and from the RCVS Council and as stated in paragraph 4.1, these members must include the President and two Vice-Presidents of the College. Three Lay Observers also sit with PIC (in accordance with the 1999 vote of ruling by RCVS Council). In the new system, a total of 9 full members will constitute PIC and at least one-third of them must be lay (not vet) members.

25.2 There will be three sets of annual appointments to reach the full complement of 9 non-Council members and then an ongoing 'steady state' replacement of members who have served their term of office on the committee. The plan is to have the transition from the current position of 6 Council members and 3 Lay Observers to the full reform of 9 non-Council members over three years. There will be immediate expansion of committee size to 9 with the recruitment of 5 non-Council members in year 1 followed by the gradual removal and replacement of the existing Council members with non-Council.

25.3 In the 'steady state' membership of the PIC remains at 9 but individuals on the committee will change as members leave and are replaced by newly-appointed members. The normal term of office for both PIC and DC is expected to be four years. If all committee members served one four-year term of office, PIC could be kept up to strength by appointing 3 new members for three years running and then having a fallow year. This is the pattern that has been assumed for the purpose of estimating recruitment costs. Some members will stand down after four years (or even less depending on circumstances) and as members stand down, replacements will need to be appointed. Caseloads may also require an interim increase in the size of committees but the numbers needed each year are liable to vary. In practice however, it may prove possible to manage with rather fewer new recruits following the transition period. The LRO will allow committee members to serve two terms of office subject to performance.

**Table 3 – Changes to DC membership from 12 Council members to 20 non-Council members**

Column A Year No	Column B Year	Column C Existing Council Members	Column D Transition – replacement members (non-Council)	Column E Transition – additional members (non-Council)	Column F 'Steady State' replacement of members (following reform and transition years)	Column G Total number of DC members in that year
<b>Pre-reform</b>	2012-2013	12				12
<b>1</b>	2013-2014	8	4	4		16
<b>2</b>	2014-2015	4	4 (plus the 4 from yr 1)	2 (plus the 4 from yr 1)		18
<b>3</b>	2015-2016		4 (plus the 8 from yrs 1 and 2)	2 (plus the 6 from yrs 1 and 2)		20
<b>4</b>	2016-2017				5	20
<b>5</b>	2017-2018				5	20
<b>6</b>	2018-2019				5	20
<b>7</b>	2019-2020				5	20
<b>8</b>	2020-2021				5	20
<b>9</b>	2021-2022				5	20
<b>10</b>	2022-2023				5	20

## **26. Explanation of Table 3**

26.1 Following the reforms, there will be annual appointments to reach the full complement of 20 non-Council members and then the ongoing 'steady state' replacement of members who have served their terms of office. In each of the first three-years, 4 of the existing Council members will be replaced by 4 newly appointed non-Council members, and other new recruits will increase the total number on the DC.

26.2 As noted in paragraph 9.5 in relation to PIC, it is not possible to determine in advance what level of recruitment will be necessary in order to maintain DC at a steady 20 members, but if all members served one 4-year term and then stood down, it would be necessary to find an average of 5 new members each year (compared with an average of 3 new members each year under the current system). This has been assumed for the purpose of cost estimates.

**Table 4 – Derivation of appraisal costs of normal members of both Committees**

	Total number of people on PIC and DC	Number of normal members to be appraised  (i.e. excl. the two Chairmen)	Number of appraisal days  (assume 4 people to be appraised each day)	Reimbursement of members	Reimbursement of appraisers  (Chairmen)	Total cost
<b>Year 1</b>	9+16 = 25	23	6	23 x 375 = £8,625	6 x 375 = £2,250	£10,875
<b>Year 2</b>	9+18 = 27	25	7	25 x 375 = £9,375	7 x 375= £2,625	£12,000
<b>Year 3</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 4</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 5</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 6</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 7</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 8</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 9</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750
<b>Year 10</b>	9+20 = 29	27	7	27 x 375 = £10,125	7 x 375= £2,625	£12,750

**27. Explanation of Table 4**

27.1 Table 4 shows how the appraisal costs of normal members arise during the 10 year period of the Impact Assessment. Along with the appraisals of the Chairmen, appraisal costs average out at about £14k per year.