XLVet UK Ltd
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30th July 2026

Dear CMA Vets MI Team

Response to CMA Consultation on the draft Funding Order and Undertakings

XLVet UK Ltd (XLV) is a company owned by 71 independent veterinary practices based throughout the UK. Each veterinary practice is an autonomous and separate legal entity owned by veterinary professionals working in that practice, and each practice provides services to their local communities. XLV provides support to these practices and the people working within them.

We thank the CMA team for their considerable work in their Market Investigation (MI) and for the opportunity to respond to this consultation.

We broadly agree that the draft Funding Order and Undertakings are appropriate and justified, and we recognise the need for an effective mechanism to fund the RCVS activities arising from the Market investigation. However, we would welcome further consideration in three areas:

1. Alignment with the final report
2. Proportionality of the proposed levy
3. Clarification on the application of the levy to OOH service models

1. Alignment with the final report

The Final Report envisages the RCVS undertaking a range of levy-funded activities that extend beyond the regulation of First Opinion Practices and include Referral Centres. However, the proposed Funding Order and Undertakings would not require Referral Centres to contribute towards the levy.

We believe there should be alignment between the scope of the activities being funded and the businesses required to fund them. Where businesses are expected to comply with the remedies and associated RCVS activities, they should contribute proportionately towards the cost of delivering them. We therefore believe the levy should also apply to Referral centres.

2. Proportionality

While we recognise the CMA's desire to adopt a simple and administratively efficient funding mechanism, we have concerns about the proportionality of a flat per-site levy. We acknowledge the practical challenges associated with alternative approaches based on factors such as turnover, employee numbers or FTEs, particularly where these would require the collection, validation and ongoing maintenance of additional data.

However, the proposed approach does not adequately reflect the operating models of many independent veterinary businesses. Many independent practices operate a structure comprising a main site and one or more small satellite branches that are staffed by the same team, have a shared infrastructure, and function as extensions of a single practice rather than as autonomous business units. Under the proposed model, these satellite sites attract the same levy as a fully resourced standalone practice, despite placing significantly less demand on the systems, monitoring and regulatory activities being funded. We question whether it is proportionate to apply the same levy to a small branch that is open for consultations on three afternoons a week and shares its team and infrastructure with a main site as is applied to a large standalone hospital employing dozens of veterinary professionals.

While we do not suggest there is an easy or perfect denominator, the current approach risks disproportionately increasing the burden on practices that provide additional local access and client choice through smaller branch locations, without recognising the difference between these arrangements and businesses operating multiple independently staffed and managed sites. A small branch surgery operating as an extension of a main practice is unlikely to require the same level of monitoring, engagement or compliance activity as an independently managed practice operating from a separate site. Applying an identical levy to both therefore risks disconnecting the funding mechanism from the regulatory activity it is intended to support. In our experience, this operating model is more commonly used by independent practices. We believe the proposed levy would disproportionately affect those businesses financially, which are already going to bear a greater relative administrative burden (as acknowledged by the longer timescales independent practices have been given), and therefore cost in implementing the remedies,.

Equally, we note that some businesses that will be subject to the remedies would not contribute towards the levy at all. Taken together, this suggests that the proposed funding mechanism does not yet fully align either with the scope of the final report or with the relative regulatory effort required.

3. **Clarification on the application of the levy to OOH service models**

We are unclear how the proposed Funding Order is intended to apply to out-of-hours providers. Having reviewed the draft Order and Explanatory Note, we believe there is scope for differing interpretations of how dedicated out-of-hours providers and hybrid First Opinion Practice/out-of-hours models should be classified for the purposes of the levy. We would therefore welcome clarification of the intended policy to ensure the Order is applied consistently.

In particular, we would welcome clarification on the treatment of veterinary businesses that operate a First Opinion Practice during normal working hours, provide OOH services for their own clients, and also provide OOH services on behalf of neighbouring practices.

Summary

Overall, we support the principle of the proposed Funding Order and the need to fund the RCVS activities. We believe, however, that the proposed funding mechanism could be strengthened by ensuring it better reflects both the scope of the final report and the regulatory effort required. We encourage the CMA to consider whether the current approach appropriately captures Referral Centres, reflects the diversity of veterinary business models, and provides sufficient clarity for practices operating hybrid OOH arrangements. We hope these comments are helpful and thank the CMA for the opportunity to contribute to this consultation. We would be delighted to talk through any aspect of this response.

Thank you for giving this matter careful consideration and attention.

Best wishes

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Kerrie Hedley

CEO

XLVet UK Ltd

On Behalf of the XLVets Community