BEVA Response to the CMA Consultation on the Proposed Funding Order and Funding Undertakings

Who We Are

BEVA represents some 4,000 equine veterinary surgeons and nurses, providing clinical, educational, and professional leadership for the equine veterinary sector. While the CMA's review focuses on the companion-animal market, its recommendations and proposed regulatory reforms would—if implemented—have consequences across the entire veterinary profession.

Clarification on Scope

BEVA's primary observation relates to the scope of the proposed arrangements and, in particular, which veterinary businesses will be subject to the levy and associated obligations.

The consultation documents state that the remedies are intended to apply to the market for veterinary services for household pets and that **horses are excluded** from the definition of a household pet.

However, we would welcome further clarification regarding how the proposals will apply to:

- Mixed practices providing both household pet *and* equine services.
- Equine practices that occasionally provide treatment to household pets.

In particular, it would be helpful to understand whether levy liability will be determined by the primary activity of a practice, the services offered at an individual site, or simply by the provision of any household-pet services irrespective of scale. This clarification is important in understanding the extent to which equine and mixed-species veterinary businesses fall within the scope of the proposed arrangements.

We would also welcome clarification on the definition of a "veterinary business" for the purposes of the levy, particularly where practices operate within larger corporate groups or have multiple branch premises. Greater clarity is needed on whether liability will attach at business, premises or group level, and on how the levy will apply to practices of different sizes. A flat per-premises charge may disproportionately affect smaller practices and may not adequately reflect differences in turnover, staffing or regulatory oversight.

General Comments

Subject to clarification on scope, BEVA notes that the proposed Funding Order and Funding Undertakings establish a mechanism for funding the implementation and monitoring of the CMA's remedies through a levy on veterinary businesses rather than through fees paid by individual veterinary professionals. We support this principle and welcome the intention to ensure transparency and accountability in the use of levy funds.

BEVA strongly supports the development of a national electronic prescription system and believes the CMA remedies provide an important opportunity to accelerate progress in this area. Such a system could substantially reduce prescription fraud, improve efficiency for veterinary teams and provide a more streamlined experience for clients. Given the likelihood that the CMA remedies will increase prescription writing across the profession, investment in secure digital prescribing infrastructure will become increasingly important. Consideration should also be given to future interoperability with a national digital equine identification system, which would further enhance traceability, regulatory compliance and patient safety.

Proportionality and Cost Control

BEVA notes that the estimated cost for the initial period is approximately £1.76 million, resulting in an anticipated levy of around £400 per First Opinion Practice or Out-of-Hours Centre. While we recognise the need for sustainable funding of the CMA remedies, we question whether a flat per-premises levy is the most equitable approach. Consideration should be given to a model that reflects both the fixed costs of regulation and the scale of the business being regulated.

We note that estimated levy costs have increased substantially from earlier indications of approximately £150 per premises. We therefore welcome further clarification on:

- How future levy levels will be set and reviewed.
- Whether any upper limit or cap on levy increases is envisaged.
- Whether the £400 estimate applies only to the period ending March 2027 or represents an indicative annual cost.
- The extent to which digital infrastructure and systems-development costs are one-off or recurring expenditures.

Given the significant investment proposed in IT and digital systems, robust oversight will be essential to ensure value for money and measurable outcomes.

Governance, Funding and Delivery

BEVA welcomes the proposed safeguards, including consultation on future funding estimates, independent assurance of projected costs, publication of expenditure and audit reports, and ring-fencing of levy income. These measures should provide confidence that funds are being used appropriately.

We would welcome further explanation of whether existing RCVS reserves could support initial implementation of the remedies before an ongoing levy is introduced. We also encourage the RCVS to demonstrate that opportunities to avoid duplication with existing functions have been fully explored.

In particular, the consultation refers to funding an Alternative Dispute Resolution (ADR) provider. As the Veterinary Client Mediation Service (VCMS) already exists, clarification would be helpful on how the proposed arrangements differ from current provision and how any additional costs have been calculated.

Finally, we would welcome further detail on how the success of the funded activities will be measured, including the key outcomes and reporting mechanisms that will be used to demonstrate benefits for consumers, veterinary businesses and animal welfare.

Conclusion

BEVA broadly supports the proposed Funding Order and Funding Undertakings and the principle that implementation costs should be funded through an accountable and transparent framework. However, further clarification is required regarding:

- The scope of businesses subject to the levy.
- The definition of a veterinary business.
- The proportionality and future calculation of the levy.
- The use of existing RCVS resources.
- The measurement of outcomes and value for money.

Subject to these points being addressed, BEVA has no fundamental objections to the proposed funding arrangements.