



House of Commons
Environment, Food and Rural
Affairs Committee

**Vets and Veterinary
Services: Government
Reply to the
Committee's Report**

Eleventh Special Report

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The Environment, Food and Rural Affairs Committee

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ELEVENTH SPECIAL REPORT

The Environment, Food and Rural Affairs Committee reported to the House on *Vets and Veterinary Services* in its Sixteenth Report of Session 2002–03, published on 23 October 2003 as HC 703. The Government's Reply to the Report was received on 19 July 2004.

Government response

Introduction

Defra welcomes the contribution that this report has made to the development of the Animal Health and Welfare Strategy. Defra has used the report to encourage a very important and wide ranging debate across Great Britain with the veterinary profession and the farmed livestock industry.

The Committee kindly agreed to allow the Department time to collect further evidence of the quite complex supply and demand issues surrounding the large animal veterinary sector. We have worked very closely with veterinarians and their customers to explore these issues in some detail and to agree consider what action needs to be taken.

The clear message that has emerged is that whilst there is much concern expressed about the closure of some rural practices and the future availability of veterinarians, there is also very clear evidence that many graduates are attracted to large animal practice, and to working in the rural community. There are opportunities as well as threats to the profession in the variety of challenges they face, as indeed is the case for their client base. It is a time of change but there is much that the veterinary profession can do to ensure that it has a sustainable future. There are also key roles for Government and the livestock industry. This simply underlines the fact that solutions must be sought following the partnership principle which is so central to the successful implementation of the Animal Health and Welfare Strategy.

The Committee have already been sent the report commissioned by Defra, from Westley Consulting on *The Supply of Large Animal Vets*. This concluded that there appears to be no shortage of veterinary students and that most of these are willing to give large animal work a try as part of mixed practice as part of their first job. There is, however, a problem in retaining vets in this area. The report argued that more targeted research was needed into the motivation of graduates and young vets.

This work has now been completed by the Institute of Employment Studies and a copy of their report is attached to this response. The main conclusions are that there was no evidence to suggest that students and new qualifiers do not want to work with large

animals; in fact quite the reverse. However, early bad experiences of some new qualifiers—particularly those working in mixed practices where there are only one or two large animal practitioners—are resulting in a drift towards small animal work, which offers better support to inexperienced veterinary surgeons.

The Committee recognised the Government's commitment in the outline animal health and welfare strategy to set up a working group to consider their report on Vets and Veterinary Services. The working group met five times at the veterinary schools in London, Edinburgh, Liverpool, Bristol and Cambridge. It discussed a different theme on each occasion and covered many of the issues identified by the Committee. The workshops were facilitated by Organisation Consulting Partnership (OCP) and a copy of their report and analysis of the issues discussed is also attached to this response.

The Chief Veterinary Officer recently met with the Presidents of the RCVS and the BVA and other key stakeholders to bring the working group discussions to a conclusion and agree a way forward. They considered an outline action plan which is intended to identify broad areas of work needed to secure a sustainable future for large animal veterinary practice. The plan remains in a very early draft form and we will work with the veterinary profession and the farming industry over the summer to further develop the plan and agree governance arrangements to oversee its implementation.

There are clearly some fundamental issues facing large animal veterinary practice, in particular the need to provide the types of services required by a changing livestock industry and issues around the retention of new graduates in large animal work, and the economic viability of some practices. We fully recognise concerns expressed about the future of rural veterinary practice and do not rule out intervention should a clear case be made. . However, there is currently no evidence of market failure – we are training more veterinarians than ever, and there is clear evidence that they want to be involved in large animal work. . There are, however, issues of retention and supply support of new graduates in their first experience of large animal work which we must address with the profession, and the veterinary colleges.

A copy of the Working Group report, the report by Westley Consulting, the final report from the Institute of Employment Studies and a summary of responses to Defra's consultation on the EFRA will be placed on Defra's website and will be supplemented with progress reports on the development and implementation of the action plan which we are developing with the veterinary profession and the livestock industry.

The working group discussions have been conducted on a Great Britain basis and the Scottish Executive and Welsh Assembly Government will be working with Defra and stakeholders to take the conclusions forward.

Recommendation 1

We recommend that Defra, in conjunction with the RCVS, make projections of the number of practising large-animal veterinary surgeons, taking into account data on graduates' preferences and practitioners' retirement plans. If robust enough data is not available, such data should be collected. Defra should also conduct a risk analysis of the consequences of not having enough large animal vets in the country against the background of the costs to the taxpayer of not being able to deal adequately with either the threat or an outbreak of a serious animal disease. (Paragraph 13)

We accept this recommendation in part. We reviewed the data available from various studies already carried out on behalf of the veterinary profession but concluded it was not sufficient to compile a response to this recommendation. Defra therefore commissioned a study on the supply of large animal vets by Westley Consulting, a copy of which has already been circulated to the EFRA committee. The report concluded that there appeared to be sufficient numbers of vets but suggested that a study on the motivation of veterinary students and newly qualified vets would be advantageous. Defra subsequently commissioned the Institute of Employment Studies (IES) to investigate the motivation of final year students and newly qualified vets (up to 5 years after graduation).

Now that further evidence is available, we agree that projections on the number of practising large animal veterinary surgeons can and should be made. These projections should will be developed in partnership with the RCVS and will be used by Defra to help ensure that the veterinary profession can play a full and effective part in the implementation of the animal health and welfare strategy.

We continue to be concerned about the impact serious animal disease could have on the national and rural economies and we need to ensure that we can engage sufficient trained professionals to deal with any future outbreak. Plans to recruit and train local veterinary practitioners for this purpose are supported by arrangements with other EU Member States and the International Animal Health Emergency Reserve, under which additional vets would be provided during a disease outbreak. Numbers could be further augmented by calling on equine and small animal vets and retired vets. We must be prepared to react to a disease outbreak but this does not mean we need to have vets physically present in these numbers in peacetime situations. The current disease prevention and emergency preparedness regime has been established to minimise the impact of a major outbreak.

Given that these arrangements are in place and that there is no evidence to suggest that there is a supply problem in the number of large animal vets, there are no immediate plans to carry out a detailed risk analysis as recommended by the Committee. The Government is, however, committed to regularly monitoring the supply and retention of large animal veterinary surgeons in partnership with the RCVS and ensuring these conclusions are available to the Animal Health and Welfare Strategy Steering Board.

Recommendation 2

If the animal health and welfare strategy is not ambitious it will not be worth signing up to. (Paragraph 25)

We accept this recommendation and believe that the animal health and welfare strategy is ambitious and sets a challenging target for Government, animal owners, the veterinary profession and other stakeholders. Implementation of the strategy will encourage new ideas and ways of working. To be able to achieve real improvements to the standards of animal health and welfare, all interested parties need to remain clearly focused on the vision contained in the Strategy. The individual livestock sectors need to be prepared to challenge the status quo and draw up their own plans for a sustainable future. The Strategy for British Pig Health and Welfare launched by the British Pig Executive, the National Pig Association, the Pig Veterinary Society and the Meat and Livestock Commission is a good example of the partnership approach in action. As this initiative, and the others that we expect to follow become established, the opportunities to set ambitious targets will increase. Government is currently developing a range of indicators to measure the effectiveness of the strategy and will use the annually updated Implementation Plans for England, Scotland and Wales to progressively refine and improve its objectives.

Recommendation 3

It is important that all those involved - the Government, vets and farmers and farming organisations - take responsibility for 'championing' an animal health and welfare strategy. As well as wider economic, social and environmental benefits such a strategy will directly help the farming community. Defra should be willing to make the case to the livestock industry, assisted in this process by the evidence of farmers who already benefit from such schemes. (Paragraph 26)

We accept this recommendation and agree that all interested parties need to take responsibility, individually and collectively, for championing the strategy. Government has announced that we will be setting up an implementation steering board under an independent chair as it is essential that the strategy is led by stakeholders and not micromanaged by Government. Defra is developing a Communications Plan to promote the Strategy. It is extremely important that prominent members of the different livestock farming sectors promote the importance of high standards of animal health and welfare, and highlight examples of good news stories where farm health planning can result in cost savings and higher productivity. Defra envisages that the veterinary profession has an extremely important role to play in encouraging farmers to achieve higher standards, and providing advice on how they can be achieved in a cost effective way.

Defra accepts that it has an important role in facilitating the process of championing the objectives of the strategy and in encouraging a partnership approach. Defra agrees that a stronger case needs to be made to livestock owners about the costs and benefits of

higher standards of disease prevention and animal welfare and is taking forward a programme of work to increase understanding of costs and benefits.

To help communicate what can be done examples of industry initiatives, good practice or Government activity were highlighted in the animal health and welfare strategy and will be featured in future editions of the implementation plan for England.

Recommendation 4

We welcome Defra's assessment of the use it can make of targeted surveillance. We believe that there are considerable merits in the NADIS approach and, rather than 're-invent the wheel', there appears to be scope for Defra to work with NADIS to overcome concerns about consistency of reporting and to develop a useful dataset that would record farm-level occurrences of a whole range of livestock diseases and conditions. With appropriate development, the system could provide very valuable early warning of developing trends in both animal disease and welfare problems. (Paragraph 34)

We accept this recommendation. Government acknowledges the initiative shown by the participating practices in establishing the NADIS network and is exploring whether there is scope to develop an approach along the lines outlined by the Committee. A pilot study is already underway with NADIS and other collaborators looking to provide robust, representative clinical data to Government for veterinary surveillance purposes. This study is gathering detailed clinical information from cattle which undergo casualty slaughter on farm and is due to conclude in July.

For surveillance to be fully effective it is essential that both the animal populations under surveillance, and the sensitivity of the surveillance required for those populations, are clearly defined. In turn, this will determine the required location of the sentinel practices; the overall size of the network, and the nature of the reporting required to meet Government's information needs. Equally, there are important legal and technical matters to resolve concerning the sharing of data.

More broadly, Government is exploring with a wide network of surveillance partners through the Veterinary Surveillance Strategy's Business Assurance Groups what our surveillance information needs are and how best to meet them. NADIS are represented on one of these Groups.

Recommendation 5

We believe that equating the introduction of licensing for livestock farmers with putting 'sanctions' on them is not helpful. It is conceivable that a system of licensing might one day have to be introduced but for rather more positive reasons than as a way to 'punish' errant farmers. (Paragraph 40)

We accept this recommendation in so far as the potential arguments for and against introducing the licensing of farmers need to be balanced. The Animal Health and Welfare Strategy, published on 24 June 2004, said that animal keepers have a responsibility to be vigilant, report any suspicion of disease early on and maintain good disease prevention and bio-security practices. Noting the need for keepers to meet their legal obligations and employ private veterinary surgeons, the Strategy adds that if keepers cannot fulfil their obligations in this way then people should not keep animals and that sanctions need to be considered against those who abuse this position. Licensing is one of a number of options that Government could employ as a sanction. What is essential is that effective incentives and sanctions are in play to ensure improved animal health and welfare standards.

There is a real incentive to comply with animal health and welfare legislation as risk based enforcement means that inspections are targeted towards those who are less likely to meet their responsibilities, or where failure to comply will have the greatest impact. However, a clear, firm and well-enforced system of sanctions must be in place for those that are not found to be fully meeting their responsibilities or complying with legislation. For example, a failure to meet minimum animal health and welfare standards will affect EU subsidy payments under the arrangements for cross compliance. Animal health and welfare legislation provides essential protection for the economy, environment, animals and society as a whole and must be properly observed. Farmers also face a powerful economic incentive to look after the health and welfare of their animals as failure to do so could have adverse consequences for their business.

Recommendation 6

The introduction of some form of scheme of registration of livestock keepers is probably now inevitable. A database listing the location of all such keepers would of course be immensely valuable in combating animal disease. We recommend that Defra develop one without delay—and we note that we recommended such a database nearly two years ago in the aftermath of foot and mouth. (Paragraph 44)

We accept this recommendation. Certainly the new Food Hygiene regulations will bring registration to farmers as food producers as the farm to fork principle is extended. In addition, Defra is undertaking 3 major programmes aimed at radically transforming the way the Department holds its corporate information. These will rationalise information on customers, land, and livestock currently held in the myriad of existing systems. This will have a positive effect on the quality of information available, enhancing the Department's ability to quickly respond to requests for information, both for day-to-day business and in emergencies. Information such as the location of keepers will be an important resource for applications like veterinary surveillance and we expect to use this as one of the feeds into the proposed information and management system, RADAR (Rapid Analysis and Detection of Animal related Risk).

Recommendation 7

It may be that a registration scheme might in future evolve into a licensing scheme, but before that we recommend that Defra undertake an analysis of licensing, looking at the conditions which might be attached to a licence, the cost, particularly for smaller or hobby farmers, and the likely benefits. (Paragraph 44)

There are no current plans to introduce licensing and it would therefore be premature at this stage to carry out an analysis as recommended by the Committee. Any activity being licensed would have to be very clearly defined to ensure satisfactory control and enforcement. Furthermore, withdrawal of a licence creates the problem of what is done with the premises and stock and may not itself fully address the concerns it seeks to remedy. However, if licensing were to be considered on animal health and welfare grounds, then we agree that a detailed analysis of the practical and economic consequences that may be involved in a licensing system would have to be made. The Animal Health and Welfare Strategy sets out the principles that would guide Government's decision making process. Any licensing scheme would also be the subject of a Regulatory Impact Assessment, and extensive public consultation prior to introduction, which would include an analysis of the costs to industry, the benefits to be gained and the conditions to be attached to a licence. There are a number of less bureaucratic and less burdensome approaches available to encourage improved practice. Examples are assurance schemes and the development of a more integrated approach to regulation, the provision of compliance information and sharing best practice that we intend to achieve through the whole farm approach.

Recommendation 8

If Defra is determined to proceed without a licensing system, it should now detail how it envisages a herd health-planning scheme could operate. It should also say whether it intends animal health plans to cover all livestock, including all pets, or restrict them to commercially farmed livestock. Defra should undertake a cost benefit analysis of a compulsory herd health planning programme for all livestock keepers. (Paragraph 44)

We accept this recommendation and are currently working with industry following. During consultations on a draft Positive Animal Health Action Plan last year, it became clear that Government needed to take a diverse approach to promoting farm health planning. Whilst we have received there was broad support for the proposed partnership approach set out in the Action Plan, it has become clear that no one scheme will address the diverse needs of the different livestock farming sectors. At this stage the focus is on commercially farmed livestock. Our target is that by 2014 (ten years after the launch of the Animal Health and Welfare Strategy), 90% of farms will be implementing farm health planning.

Defra has previously considered mandatory veterinary visits on farms, but a number of difficult practical issues needed to be overcome if there were to be real benefits from

such an approach. Government's favoured approach, in accordance with the direction set out in the Animal Health and Welfare Strategy, is to take a partnership approach with a broad range of interested parties to encourage a change in attitudes and behaviours. A Working Group has now been established to put this approach into practice.

There are two key issues that affect the uptake and active implementation of farm health planning; firstly, livestock keepers have to be convinced of the real benefits it can bring to the farm business, and secondly, vets must be willing and able to provide the expertise and advice that farmers need. During discussions in the Government/industry working group on vets and veterinary services, there was broad agreement among vets that farm health planning was the future way forward for both the veterinary profession and the livestock industry. However, it was difficult to identify any quick solutions to overcoming existing barriers to the use of farm health planning by both the veterinary profession and the livestock industry.

The Working Group is currently assessing what interventions are necessary. A large component of the Working Group's initial activities will be to develop more effective communications methods to promote farm health planning and to facilitate effective knowledge transfer. Work has started to develop a greater understanding of the costs of certain animal diseases and the financial benefits to a farm business gained by preventing or controlling a disease through farm health planning. Best and good practice in disease prevention is also being reviewed so that consistent and helpful advice can be provided.

The Working Group will also explore how other levers such as farm assurance schemes and the Food Hygiene Regulations will encourage farm health planning. We envisage the veterinary profession having a major role to play in this, and there are potential business opportunities for large animal practices.

At this stage the priority of the working group is to focus on commercially farmed livestock. Our target is that by 2014 (ten years after the launch of the Animal Health and Welfare Strategy), 90% of farms will be implementing farm health planning.

Recommendation 9

Defra has outlined its ideas on partnerships: it needs to consider how it can ensure that these are developed between vets and all livestock farmers, especially those who, in the past, have not called the vet out. The Chief Scientific Adviser's suggestion of random checks may need to be considered. If it is not, Defra, farmers and vets will need to work together to determine how surveillance data is collected. They will need to address the following questions:

- **Can vets collect surveillance data when invited to a farm or should it be the subject of a specific pre-announced visit?**

- **In both cases, how and who should the vet charge for this activity?**
- **How should evolving international disease risks which have implications for British farmers be communicated to vets and farmers? (Paragraph 45)**

We accept this recommendation in part. We agree with Professor Sir David King's suggestion that random checks on farms are needed to identify those livestock keepers who do not observe good standards of animal health and welfare. The Animal Health and Welfare Strategy identifies the importance of risk-based enforcement through 'inspections targeted towards those who are less likely to meet their responsibilities or where failure to comply will have the greatest impact'. This is already being put into practice by local authorities who through a framework agreement developed with Defra, base their inspection programme on a common risk assessment. Local Authorities routinely inspect farms for a range of animal health legislation. In addition they respond to welfare complaints and will follow up, on farms, problems found in markets or at slaughterhouses. Welfare concerns arising from routine inspections or complaints are dealt with in conjunction with the State Veterinary Service.

We also agree with the Committee that all interested parties need to work together to determine how surveillance data is collected: this is a key strand of the Veterinary Surveillance Strategy launched last October. Veterinary surgeons are paid for their clinical work by their clients. In the course of this work they inevitably and incidentally gain information which may be of value to surveillance. One strand of the surveillance strategy involves developing means of ensuring the onward transmission of relevant parts of this "intelligence" in a way which adds value for all concerned, and is in accordance with data protection requirements. When the veterinarian submits diagnostic material to a laboratory, this enables the capture of surveillance information, but we are actively exploring how to improve the information flow when no laboratory is involved.

Random surveys, which are normally carried out by the State Veterinary Service and the Meat Hygiene Service, and on occasions by Veterinary Laboratories Agency and are a powerful means of securing precise information about particular diseases in a defined period or, for example, assessing the uptake of particular management practices. Surveys also provide a means of monitoring and encouraging conformity to legislative requirements (as in the case of random welfare visits). Professor King's evidence to the Committee recognised the benefits of an approach beyond random surveillance operations. We agree. Our view is that random checks are of little value in two of the primary aims of a surveillance system: detecting the first appearance of new or exotic conditions, or in monitoring changes in the prevalence or effects of existing conditions: for this we need a more widely based approach to surveillance.

Specific pre-announced visits are unlikely to capture the same sort of (mainly disease occurrence) data available to a veterinary surgeon through routine clinical work, although they may provide useful supporting or background information (such as

numbers of stock, management practices) if this cannot be gathered in other ways (such as via statutory records or other inspections or returns).

There is clear potential for Farm Health Planning to be of benefit in this area. A plan could incorporate a description of the current disease situation on the farm concerned, as well as an “average” for comparable farms. This could be used as a basis for targets for improvement, for monitoring disease, and for setting intervention levels for investigating deteriorating performance. Defra officials are working with interested parties to identify how the benefits of Farm Health Planning can be realised.

Defra already makes available regular and ad-hoc information on the international disease situation. Quarterly international disease surveillance reports are published in the Veterinary Record. Qualitative risk assessments are published promptly on the Defra website whenever there is an outbreak of a List A disease in an EU member state or another trading partner. These explain the routes by which disease may enter the UK and the measures taken to mitigate the risk. They will be included within RADAR at the appropriate time in its development. Within the Business Assurance Groups Defra will work with the profession and the industry to develop improved communications as part of the overall strategy.

Recommendation 10

Defra should examine with farmers and vets the extent to which the animal health and welfare strategy, the veterinary surveillance strategy, and the requirements of the food safety rules can be 'rolled-up' to bring the benefits to farmers and society without causing too much inconvenience to farmers or placing too heavy a burden on large animal vets. (Paragraph 46)

We accept this recommendation. As reflected in our Implementation Plan published on 24 June, the Animal Health and Welfare Strategy covers a wide range of activities that impact the farmer and large animal practice. One of the five strategic outcomes included in the Strategy is the need for improved delivery. This includes the broader delivery of the whole strategy by all of its stakeholders. For its part, Defra will work closely with stakeholders to ensure that the delivery of key, far reaching programmes like surveillance, new areas of work such as the food hygiene rules, cross cutting issues such as the reform of the CAP and new initiatives to improve disease prevention and welfare standards are managed at the strategic level. The way that the delivery of the different programmes join together will be one of the issues that the Strategy Steering Board pays particular attention to.

Recommendation 11

Using the results of the assessment we have proposed, Defra should determine how many additional large animal vets are needed to deliver its animal health and welfare and veterinary surveillance strategies. It should also assess the veterinary input that

will be required to implement farm-level food safety rules and any consequent reduction on the requirement for vets in slaughterhouses. (Paragraph 47)

We accept this recommendation in so far as we accept the need to more clearly assess the impact of policies on delivery bodies, such as the veterinary profession. In addition, we will provide the veterinary profession with a regular review of the longer-term trends, and provide a more detailed analysis of specific areas of demand where appropriate.

It is impractical, however, to identify a specific number of additional large animal vets needed to deliver the animal health and welfare strategy, not least because of the number of intangible elements but also because much depends on the extent to which private veterinary profession can exploit the commercial possibilities of providing services aimed at identifying and managing risk. Furthermore, under the Veterinary Surveillance Strategy, if the surveillance information we need cannot be obtained from the available large animal practice network, then we will seek to develop alternative sources of information or mechanisms for collecting it.

For most established programmes of work under the strategy, we do not expect to see a significant change in the level of veterinary demand. For example, work associated with the animal movements regime is not expected to change for the foreseeable future. We are also undertaking a strategic review of the National Scrapie Plan and it is not clear what impact this may or may not have on private veterinary practices in future years. The main issue is the veterinary profession's capacity to deliver for TB testing. Should the incidence of TB continue to rise, LVI surveillance might also be expected to increase. The possible introduction of lay TB testers is another factor which may affect the level of demand for veterinary services.

The Department has consulted on the development of a new GB strategy for the control of bovine TB, including seven firm proposals for the prevention of geographic spread of the disease in the short term. The one proposal that could theoretically impact on the demand for veterinary services is the proposal that herd owners would be required to pre-movement test all cattle moving from 1 and 2 year testing herds to any other herd. We have yet to calculate the likely additional testing demands and would need to discuss this with the profession, along with likely charges for testing.

In the area of export certification, the introduction of web-based management systems should provide veterinary practices with increasing opportunities to diversify by developing a potential role as agents for exporters.

Under the Veterinary Surveillance Strategy, if the surveillance information we need cannot be obtained from the available large animal practice network, then we will seek to develop alternative sources of information or mechanisms for collecting it.

We also acknowledge that in future it is important that impact assessments are made for all new policies taking into account their influence on key delivery agents such as veterinary practitioners.

The Animal Health and Welfare Strategy Implementation Plan for England, issued on 24 June, shows the range and diversity of the veterinary services provided by Government or on Government's behalf. This dynamic area is constantly changing and it is imperative that Government and the veterinary profession carry out a regular strategic review of the contribution made by large animal veterinary practice.

Recommendation 12

We urge the Government to invest in education to make large animal work more attractive to students. Some of the initiatives that Mr Scudamore mentioned are a start but more would be needed. It is imperative that the Government is proactive. (Paragraph 48)

Defra accepts this recommendation. Whilst Government agrees that the education provided to students is important and an appropriate area for targeted Government support, the evidence we have collected suggests that large animal veterinary work is already viewed as attractive. The problem appears to be in the retention of graduates in the large animal sector. This which may well have implications for educators to consider in how they better prepare students for the realities of work in this sector. A wide range of contributory issues have emerged from our discussions and through the study carried out by the Institute for Employment Studies. We are now seeking the agreement of the veterinary profession as to how these issues should be taken forward through the proposed action plan.

Where gaps in education are identified such as concerns over numbers of vets in research and science, Government will act. Veterinary education is important and the Chief Veterinary Officer announced on 5 April that the Government has invested £21.5m over the next five years in research projects with a strong training component for developing capacity within veterinary research into infectious disease. This offers opportunities for vets to embark on careers in research in a diverse field of interests.

Unnumbered recommendation

We recommend that, in conjunction with the veterinary colleges and farming organisations, Defra and other sponsors of veterinary research should review veterinary research programmes, in the light of data gathered by the surveillance programme, to ensure they reflect the health and welfare problems faced by the industry. If a disease levy is introduced, one 'dividend' from it could be additional funding for research into the disease it covers. (Paragraph 49)

We accept this recommendation and indeed Defra carries out regular reviews of all its research programmes involving external independent reviewers and stakeholders

including other funders. The veterinary surveillance programme will highlight changes in risk posed by animal diseases/infections, as well as any gaps in current knowledge. This will contribute to the identification of research priorities - for example, work to characterise new/emerging diseases or the need for development of new diagnostic tests.

Defra is currently looking at how the costs of all animal health work is shared between the taxpayer and the industry. Government expenditure on research will be included in this review, and it is possible that some future research will be funded from monies raised from the industry.

Recommendation 13

Offering extramural placements, an important element of veterinary training, to students would be a clear way of Defra demonstrating its commitment to partnership with the industry. We recommend that Defra explore with the veterinary schools and the RCVS not only how such placements might work but also the possibility of staff exchanges and secondments to provide opportunities for continuing professional development for both teachers and Government vets. (Paragraph 51)

Defra accepts this recommendation and agree that extramural placements are a very important element of veterinary training. It will be appropriate for the RCVS and veterinary colleges to take this forward in partnership with Defra. The State Veterinary Service in particular support any move to ensure that veterinary students appreciate the range of work that comprises modern state veterinary medicine and the career opportunities that are available.

We also welcome the idea of staff exchanges and secondment opportunities for continuing professional development and would suggest that this is investigated further by the RCVS with Government as part of the proposed action plan.

Recommendation 14

Defra may need to intervene directly in the market to ensure that veterinary practitioners are paid appropriately for the services they provide, and that all livestock keepers are within the ambit of the strategies. (Paragraph 51)

Payment of vets by clients is a private contractual matter and therefore not for Government to intervene in. Government employs vets as Local Veterinary Inspectors and here, rates have just been reviewed. If livestock keepers for any reason cannot provide basic levels of care for their animals, and that includes the cost of necessary veterinary care, then they need to consider carefully whether they should remain responsible for keeping animals.

Nonetheless, Government remains concerned to monitor We agree that we need to keep the impact of changes to farm incomes through CAP reform, and the impact of animal health and welfare policies strategies on the veterinary profession under review. We would need to be clear whether or not that there is a market failure in the provision of veterinary services, and if so whether there is a case for Government intervention, but we would not rule out action if a case can be made. to be addressed and consider the case for possible Government intervention against. Here we will be guided by the principles established in the Animal Health and Welfare Strategy and will . be particularly concerned to ensure that the wider implications for rural communities are taken into account.

Recommendation 15

We are concerned that neither Defra nor the Competition Commission appear to have obtained a clear picture of how veterinary practice income is derived, and what the economic impact of the proposals would be on the provision of large animal services (Paragraph 55)

Recommendation 16

We are also concerned that the Competition Commission's recommendations could lead to a reduction in the number of practices providing large animal veterinary services which could, in turn, affect Defra's ability to achieve the objectives of its animal health and welfare strategy and its surveillance strategy. (Paragraph 55)

The Competition Commission, and the Marsh Report, did undertake an assessment of where veterinary practice derived income from. They looked at Prescription only Medicines (POMs) through the whole supply chain from manufacturer to client. They both found that the veterinary profession tended to understate the true cost of their professional services and to cross subsidise this with money earned from sales of POMs. Unfortunately, the Commission found that this practice is not simply a harmless mis-posting of costs, because it has resulted in inadequate pressure on POM drug prices and their manufacturing and supply chain. The resulting high prices - for instance compared with those available in neighbouring countries - impact on animal owners and also potentially on the welfare of their animals. Owners may be inhibited from presenting their animals for examination because of cost with consequent implications for prompt control of disease and welfare conditions. It is worth emphasising that the overall thrust of the Competition Commission recommendations, which are not solely aimed at veterinary practices, is to secure an overall reduction in the total cost to animal owners and an increase in choice, not simply a redistribution of costs.

Government is concerned that the impact of necessary changes is fully understood. That is why The Competition Commission in its report Government has not yet been implemented the Competition Commissions recommendations. Concerns have been raised by the professional bodies and Government has been discussing with them how best to take forward did make an analysis of the market in veterinary services these recommendations, whether through regulatory measures or through changes to industry codes of practice. The Department of Trade & Industry, who lead on this implementation, will need to fully assess the economic impact on businesses also be making as part of a Regulatory Impact Assessment (RIA), before implementing any of the recommendations. They will invite contributions from veterinary organisations and individual veterinary surgeons in drawing up the RIA.

The Commission Report may well be cited as a factor in decisions by vets to withdraw from the provision of large animal veterinary services. However we believe this is likely to be very much a marginal factor.

Recommendation 17

We recommend that Defra urgently assess the likely implications of the Competition Commission's remedies on its ability to deliver the animal health and welfare strategy, the surveillance strategy and potential future food safety obligations. It should report the results of its analysis in time for them to be taken into account in the animal health and welfare strategy due to be published in March 2004. (Paragraph 58)

The Animal Health and Welfare Strategy and the Implementation Plan for England were published on 24 June. Although there is currently thought to be no immediate shortage of vets in large animal veterinary practice, Defra agrees that it should work closely with the veterinary profession to monitor future trends within the profession and to predict the potential impact of changes within the profession on its ability to implement the Animal Health and Welfare Strategy.

Recommendation 18

We therefore recommend that Defra not only use the review to revise relationships with LVIs but also to discuss what lessons can be learned in its relations with those private vets who do not undertake LVI work but who are likely to be involved in the delivery of the animal health and welfare and surveillance strategies. (Paragraph 64)

We accept this recommendation in part. All private vets have a role to play in delivery of the strategy. The extent to which they become involved is for them to decide, depending on their business priorities. The veterinary profession enjoys the trust of livestock keepers and Defra will look for opportunities for vets to help raise standards, taking a more proactive approach, to promote best practice, provide training and disseminate research. Whether we seek to achieve higher standards through regulation or a

voluntary approach depends to a great extent how stakeholders respond to the need for higher standards.

Recommendation 19

Once the LVI review is over, Defra should assess the staffing requirements of the State Veterinary Service. The assessment should consider the implications of the animal health and welfare and surveillance strategies on current working practices and the demands on the service of a future large-scale animal disease outbreak, as well as taking into account the needs of the revised contracts with LVIs. (Paragraph 67)

Changes to the relationship with LVIs, and potential new duties arising from the development of the Animal Health and Welfare Strategy, are two of the factors which will affect the State Veterinary Service' workload as it moves towards Agency status in 2005. It is vital that the State Veterinary Service both maximises its internal resources, through a rigorous programme of improvement to its business processes, and achieves transparent and workable processes for matching the demands placed on it to resources. Defra is tackling both these tasks as a matter of priority.

Recommendation 20

We recommend that this working group considers the advice that vets need to provide statutory animal health planning services:

- **the standardisation of data for a veterinary surveillance system;**
- **the subsequent sharing of information among vets;**
- **the training requirements of large animal vets on graduation and throughout their careers;**
- **information systems to highlight changing international disease patterns to practising vets; and**
- **the research needs of practitioners who are having to deliver the strategies across the country.**

At its conclusion the working group should also weigh the cost implications of the proposed new animal health and welfare strategies against the cost to the nation if disease control fails. (Paragraph 68)

We accept this recommendation. The working group held five meetings across Great Britain between 27 February and 26 May 2004 and covered a wide range of issues. A copy of the working group report is attached to this response and together with the other evidence collected by Defra over recent months, will form the basis for an ambitious action plan for a sustainable large animal veterinary sector.

The action plan will be developed in partnership with the veterinary profession and the livestock industry. It is likely to develop around four distinct areas covering the demand for veterinary services, the supply and retention of veterinary graduates, the viability of veterinary practice and the implementation of the animal health and welfare strategy. We have held initial discussions with key stakeholders on the scope and direction of the action plan and will press ahead, as a matter of urgency, to reach agreement on the way forward.

Responsibility for implementing the action plan will be shared between Government, the veterinary profession, veterinary schools and the livestock industry. We will be seeking agreement with stakeholders on the arrangements for implementing, monitoring and reporting on progress against the action plan.

Expectations within the veterinary profession will vary as to the extent to which Government should intervene in ensuring the provision of large animal veterinary services. The Animal Health and Welfare Strategy sets out for the first time the rationale for Government's involvement in this area and identifies the principles that will govern Government's decision-making process.

There are many issues which are fundamental to a thriving veterinary profession. The large animal veterinary sector is going through a period of transition, as indeed are its clients, for example through CAP reform. Government needs to track these changes and ensure that wider implications for sustainable rural communities are taken into account. Should a case be made for Government intervention, we will explore with the profession, options to ensure the necessary provision of veterinary services. The work we have undertaken this spring with the profession has given Government a sound basis on which to build to work in partnership with the profession to ensure that measures are taken to fulfil the needs and aspirations of veterinary students, of practising vets, and to ensure a sustainable future for the profession.

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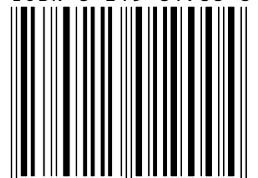
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