

Senedd Cymru
Pwyllgor yr Economi, Seilwaith a Sgiliau
Effeithiau COVID-19: Galwad Agored am
dystiolaeth a phrofiadau
EIS(5) COV – 09
Ymateb gan: British Veterinary Association

Welsh Parliament
Economy, Infrastructure and Skills Committee
Impacts of COVID-19: Open Call for evidence
and experiences

Response from: British Veterinary Association

BVA Welsh Branch response to Welsh Parliament’s Economy, Infrastructure and Skills Committee open call for evidence and experiences on the impacts of Covid-19

Who we are

1. The British Veterinary Association (BVA) is the national representative body for the veterinary profession in the United Kingdom. With over 18,000 members, our primary aim is to represent, support and champion the interests of the United Kingdom’s veterinary profession. We, therefore, take a keen interest in all issues affecting the profession, including animal health and welfare, public health, regulatory affairs and employment matters.
2. BVA Welsh Branch represents members in Wales, bringing together representatives of specialist and territorial divisions, government, academic institutions and research organisations in Wales. The branch advises BVA on the consensus view of members in Wales on Welsh and UK issues.
3. We welcome the opportunity to respond to provide evidence on the impacts of covid-19 on the veterinary profession.

Introduction

4. The financial package that the UK and devolved governments have made available to businesses and workers during this time is unprecedented and largely welcomed. However, in many ways, this package does not cover the unique circumstances of veterinary practices, and this is a significant concern.
5. Veterinary practices have a professional and ethical responsibility to operate to maintain the food supply chain, ensure the health and welfare of animals and protect public health. The obligation to continue to take steps to deliver 24/7 emergency first aid and pain relief is enshrined in the Royal College of Veterinary Surgeons (RCVS) Code of Professional Conduct.
6. In recognition of the vital role performed by veterinary surgeons in maintaining animal health, animal welfare, public health and the food chain, the UK government exempted veterinary practices from the requirement to close during the lockdown.¹
7. As with the rest of the UK’s 8.6 million key workers, vets are likely to be more exposed to the health risks of coronavirus than others, by continuing to work outside of the home where there will be an increased potential for exposure to the virus even where social distancing measures are in place.

¹ HM Government, Guidance Closing certain businesses and venues

8. The BVA² and RCVS³ issued guidance to support the profession. BVA guidance noted:

“During this period veterinary professionals can continue to work, in line with the UK government’s advice to business, but must only provide in-person services that are needed to maintain the food supply chain, or which are essential for animal health and welfare or public health, including to relieve pain and suffering.

These services must also be provided in a manner that supports social distancing, including avoiding all unnecessary in-person contact with clients, maintaining a safe physical distance, and ensuring that animals are only seen face-to-face where absolutely necessary.”

9. Consequently, veterinary practices have been experiencing a profound loss of income. Their workload was massively scaled back, and will continue to be affected by the necessary changes to how work is carried out in order to comply with the Covid secure guidelines. All non-essential cases that can be delayed were being postponed. In line with the easing of restrictions across the UK, many veterinary practices are now able to begin transitioning towards providing as full a range of veterinary services as possible in a safe manner. However, during the pandemic it will not be a return to pre-Covid ‘business as usual’. Much of this work will need to be carried out in the future for animal health and welfare reasons, we therefore need to maintain businesses and a workforce that can carry out this work once the lockdown measures are eased.

10. In the first week of April, the RCVS ran a survey to assess the immediate impact of Covid-19 on veterinary clinical practices.⁴ The survey was developed to gather key information about how the Covid-19 pandemic has affected veterinary practices in the UK, specifically from a business and economic perspective. The survey received responses from 532 veterinary businesses. This revealed that 2 in 3 veterinary practices saw a decrease in turnover of over 50 per cent and almost a quarter of all practices saw turnover fall by over 75 per cent. A second survey in the first week of May⁵ showed that, following new guidance from RCVS and BVA issued in April, practices had been able to expand their caseload to include some non-urgent or emergency procedures, but over a quarter of all practices had still seen turnover fall by over 50 per cent. The table below shows the impact on turnover practices have endured:

To what extent has your weekly practice turnover changed?		
	Since social distancing measures were put in place (i.e. 23 March 2020) Results from April survey	Since the guidance was updated on 14 April, compared with pre-covid-19 Results from May survey
Not reduced at all	1%	7%
Reduced by less than 25%	4%	12%

² British Veterinary Association, Guidance for veterinary practices in providing essential veterinary care during the Covid-19 pandemic <https://www.bva.co.uk/media/3434/bva-guidance-for-veterinary-practices-on-covid-19-from-14-april-2020-final.pdf>

³ Royal College of Veterinary Surgeons, Flowchart - guidance for clinical practices during COVID-19 <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/coronavirus-covid-19/flowchart-guidance-for-clinical-practices-during-covid-19/>

⁴ Royal College of Veterinary Surgeons, Results from RCVS survey #1 (carried out between 3-7 April 2020) on the economic impact of Covid-19 on veterinary clinical practices 17 April 2020 <https://www.rcvs.org.uk/news-and-views/publications/coronavirus-economic-impact-on-veterinary-practice/>

⁵ Royal College of Veterinary Surgeons, Results from RCVS survey #2 (carried out between 1-5 May 2020) on the economic impact of Covid-19 on veterinary clinical practices 13 May 2020 <https://www.rcvs.org.uk/news-and-views/publications/rcvs-survey-2-on-the-economic-impact-of-covid-19-on-veterinary/>

Reduced by 26%-50%	29%	47%
Reduced by 51%-75%	42%	29%
Reduced by more than 75%	24%	6%
	n=497	N=236

11. The impact on business has been felt across all sectors. Small animal practices across the UK are an integral part of our high streets and town centres. Ensuring our high streets and town centres rebound from this period of restrictions will require support for veterinary businesses. It is also important to note that the provision of veterinary services under covid secure guidelines is more resource intensive, so, although turnover has improved for many practice, it is likely that profitability of services will still be affected.
12. The figures below from the April show the reduction in turnover by sector. Of note, is the impact on equine practice. In the April survey, nearly 2 in 3 practices reported having seen a reduction in turnover of over 75%. This was because only services that are essential for animal health and welfare or public health had been going ahead. Decisions taken during that time will also have reduced work in the medium term, for example, reduced reproductive services this year will mean less work next year. The equine industry in the UK contributes £8 billion a year to the economy. With around 1m horses, the sector has a gross output of £4.3bn a year and is the second-largest rural employer after agriculture.⁶ Without a viable equine veterinary sector to ensure horses are healthy and productive, this economic contribution will be at risk.

Reduction in turnover broken down by practice type (April Survey)			
	Small animal	Mixed	Equine
Not reduced at all	1%	2%	0%
Reduced by less than 25%	3%	5%	2%
Reduced by 26%-50%	30%	47%	9%
Reduced by 51%-75%	48%	33%	24%
Reduced by more than 75%	19%	14%	65%
	n=346	n=66	n=55

13. The figures for mixed practice in the table above will capture a significant proportion of farm animal work in the UK. We have also received the input from BVA farm animal divisions to add more qualitative information from those sectors. At this time, farm animal practice can continue to provide services which are vital for the continuation of food production. There has, however, been a reduction in other services, such as herd health planning, which will have an impact on animal health and welfare, and ultimately farm profitability, in the longer term. The profitability of farm animal practice is inextricably linked to the wider

⁶ Equine Sector Council for Health and Welfare, Equine Sector 2017 General Election Manifesto for the Horse, https://www.bef.co.uk/repository/EquineDevelopment/Mid_Term_Review_Manifesto_for_the_Horse_V7_Jan_2017.pdf

livestock industry, which is seeing huge disruption, particularly in sectors that have been affected by the shutdown of the foodservice industry as well as restaurants, cafes and coffee shops.

14. In the May survey, a low response rate in some categories made it inappropriate to report the data in the same format. It was however notable that the most frequent response had improved for small animal and equine practices, but not mixed practices, where it had stayed the same. The table below shows the most frequent response for each practice type:

Reduction in turnover broken down by practice type						
	Small animal		Mixed		Equine	
	April	May	April	May	April	May
Not reduced at all						
Reduced by less than 25%						
Reduced by 26%-50%		X (51%)	X (47%)	X (48%)		
Reduced by 51%-75%	X (48%)					X (53%)
Reduced by more than 75%					X (65%)	
	n=346		n=66		n=55	

15. Vets will also be concerned about the potential impact of the contact tracing programmes introduced across the UK, including the [Test Trace Protect](#) scheme in Wales. These could have a significant impact on the provision of veterinary services as the nature of veterinary work means members of the veterinary team are in close contact with their colleagues in order to work safely with animals. If a member of the team tests positive, this could impact on their ability to staff a full rota to maintain 24/7 care. This is of particular concern to small practices and to those in remote rural areas which cover wide geographical regions, as contact tracing could result in temporary closure of the practice if the whole team is forced to self-isolate. It is vital that vets are able to ensure full geographical cover for veterinary services, and we have significant concerns about the impact on animal health and welfare if practices are unable to do so.
16. Veterinary teams are continuing to work in fixed pairs or small teams as much as possible to reduce their contact with different individuals, and to support affected neighbouring practices, but this will not always be possible. In rural regions, the temporary closure of a practice could lead to a significant delay in accessing veterinary treatment from a neighbouring practice providing cover.
17. We do not yet know the full details for how the [Test Trace Protect](#) scheme will work in Wales, and whether the system will have the scope to consider the specific nature of veterinary practice. In England we understand that most people will be contacted by a Tier 2 contact tracer, who will have had some basic training, but their calls are very much led by a computer that takes them through a set of questions. This doesn't really allow for nuanced questions which will be relevant to veterinary teams, eg "what if I and the people I've been in contact with were all wearing PPE?" For those working in certain settings (ie schools, health and social care, prisons) the Tier 2 contact tracer hands the calls to Tier 1 contact tracers who are local public health experts, who can discuss more nuanced situations and give advice. So, in England,

we're calling for veterinary settings to be one of the triggers that bumps a call up to Tier 1. We're also asking for the veterinary sector to be one of the priority areas for any additional testing roll out to help get self-isolating vets and veterinary nurses back to work quicker. If the scheme in Wales is to operate on a similar basis, we ask that the same considerations are taken into account.

Grant support and rates relief

18. 100% Business rates relief has been announced for businesses in retail, hospitality and leisure in Wales. [Welsh government guidance](#) notes that veterinary practices are not considered as retail, leisure or hospitality use for the purpose of rates relief in Wales⁷. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed for Wales' Non-Domestic Rates relief scheme. veterinary practices "to be an eligible use for the purpose of this relief." notes that veterinary practices are not included within this relief scheme. This is largely replicated in England⁸ and Scotland⁹. Thankfully, in Northern Ireland all businesses including veterinary practices will pay zero rates for three months (April, May, June).¹⁰
19. A grant of £25,000 is being made available for retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000 in Wales. This grant is currently unavailable to veterinary practices. Similar schemes are operational in England, Scotland, and Northern Ireland.
20. According to the Office for National Statistics,¹¹ in March 2020, the monthly retail sales volume fell by 5.1%. Within the retail sector, clothing store sales saw a fall when compared with the previous month, at negative 34.8%. Food stores and non-store retailing saw growth in the monthly volume series in March 2020, with food stores seeing the strongest growth on record, at 10.4%. The modal drop in the veterinary clinical sector turnover was between 51%-75% according to the RCVS survey data.¹²
21. Medical services, including veterinary practices, have been excluded from both of the schemes. This is despite the significant drop in turnover in veterinary practices that far exceeds that experienced in much of the retail sector.
22. Amongst the vast challenges facing our profession at this time, such an exclusion places many of our members at a great disadvantage compared to other industries. We are concerned that this action may devastate the income of veterinary practices, placing thousands of households at risk of debt and the negative consequences of such a predicament, when other industries have been given Government relief. This may lead to the permanent closure of practices particularly in more remote parts of the country. This will have serious implications for animal welfare and the potential to cause animal suffering is very real.

⁷ COVID-19 Support for Business <https://businesswales.gov.wales/coronavirus-advice/covid-19-support-business>

⁸ Ministry of Housing, Communities and Local Government, Business Rates Expanded Retail Discount 2020/21: Coronavirus Response – Local Authority Guidance https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/877758/Expanded_Retail_Discount_Guidance_02.04.20.pdf

⁹ Help for non-domestic rate payers in Scotland during coronavirus (COVID-19) <https://www.mygov.scot/non-domestic-rates-coronavirus/grants-to-help-businesses-during-coronavirus/>

¹⁰ Coronavirus (COVID-19): business and employers <https://www.nidirect.gov.uk/articles/coronavirus-covid-19-business-and-employers>

¹¹ Office for National Statistics, Retail sales, Great Britain: March 2020 <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/march2020>

¹² Royal College of Veterinary Surgeons, Results from RCVS survey #1 (carried out between 3-7 April 2020) on the economic impact of Covid-19 on veterinary clinical practices 17 April 2020 <https://www.rcvs.org.uk/news-and-views/publications/coronavirus-economic-impact-on-veterinary-practice/>

23. We recognise that financial support is available to veterinary businesses, which can be used in some situations. For example, Small Business Grant Scheme¹³ funding is available to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs. Welsh Government is working in partnership with local authorities to deliver the grants to qualifying businesses, however, the majority of veterinary practices will not be able to access this support as the rateable value of premises will exceed the threshold for SBRR.
24. We also note that the [Wales Economic Resilience Fund](#) reopens at the end of June, which some veterinary practices may be eligible for. However, the eligibility criteria include a 65% reduction in turnover, which is challenging due to the imbalance between turnover and margins. Vets have been required to continue providing emergency and out-of-hours services, which are both more costly and less profitable than routine work. They also currently need more staff to provide the same service, for example small animal vets are working in teams to avoid clients entering building or consulting room, rather than being one to one with clients. Vets must also employ a core number of staff to provide sufficient cover for emergency services, which is disproportionate to fee income. The unique nature of veterinary practice means that many will be ineligible for the grants being provided.

Staff costs

25. According the RCVS Survey of the Profession 2019,¹⁴ 80% of vets who responded work wholly, mainly or partly in clinical veterinary practice.
- 52% are employees,
 - 26% are principals/directors/partners,
 - 15% are independents (locums, independent veterinary service providers or independent consultants/peripatetic specialists),
 - 7% are in other roles.
26. Therefore, support for employees, employers and the self-employed are all of great significance to the veterinary profession to support individuals and the businesses that provide essential services.
27. Working within veterinary practices alongside veterinary surgeons there is a team comprising a range of individuals with different training and skills that all contribute to the success of the practice. Support for veterinary businesses will protect the jobs of veterinary nurses, practice managers, support staff, laboratory technicians and a range of allied professionals.

Employees: Coronavirus Job Retention Scheme

28. We support furloughing as a means to reduce staff costs at this time of vastly reduced turnover for veterinary practices. Veterinary practices are making use of the scheme.
29. According the RCVS May survey data, 66% of practices who responded had furloughed or intended to furlough veterinary surgeons and veterinary nurses, and 75% for other support staff. The modal response as to the percentage of staff furloughed was 26-50% for veterinary surgeons and veterinary nurses and

¹³ Coronavirus (COVID-19): business support grant funding - guidance for businesses <https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses>

¹⁴Royal College of Veterinary Surgeons, The 2019 Survey of the Veterinary Profession <https://www.rcvs.org.uk/news-and-views/publications/the-2019-survey-of-the-veterinary-profession/>

more than 75% for 'Other support staff'.¹⁵ Those responding that they had chosen not to furlough staff were given tick-box options as to the reasons for not furloughing. The most frequent responses were:

- Staff were still needed to cover the workload (31%)
- Working in singlehanded or very small practices (17%)

30. In the April survey¹⁶, respondents had been given a free text box for their answers, and the other most common reasons included splitting shifts or reduced wages instead, waiting to decide, considering furlough a last resort and not furloughing due to concerns about sickness or absence.
31. Those that had furloughed staff were given options as to the issues furloughing created. The most frequent response in the May survey was that the furlough had put significant stress or impacted on the mental health of the teams continuing to work (64%). Other common issues included loss of nurse or administrative support / other expertise (47%), concerns about sickness or absence in teams continuing to work (44%), difficulties creating an acceptable rota (43%) and impact on mental health of those furloughed (42%). Veterinary practices have a particular requirement to provide 24/7 emergency care and this is usually shared throughout the whole team. At this time, many veterinary practices have met social distancing requirements by splitting staff into teams and rotating them in and out in order to avoid unnecessary contact. A minimum 3-week furlough period places a very significant burden on the reduced team that must still provide 24/7 emergency care. Therefore, for veterinary practices to meet the two essential requirements of effective social distancing and 24/7 emergency care, either their ability to make use of the Coronavirus Job Retention Scheme is limited or remaining staff must accept inappropriate and unacceptable working hours.
32. Creating a workable rota becomes even more difficult if working staff need to self-isolate. Practices need to be able to bring back people from furlough without losing access to the scheme. The RCVS survey data shows the impact of self-isolation and/or Covid-19 cases on veterinary practices, with approximately 30% of practices in April and 20% in May having been impacted by veterinary surgeons and veterinary nurses self-isolating or with Covid-19.
33. The clarification of minimum 3-week periods for furloughing staff was welcomed, but for veterinary practices to make greater use of the scheme, in line with the level of decreased turnover and requirement to provide 24/7 care, the veterinary profession would have needed more flexibility to manage their rotas and teams. Shorter minimum periods of furlough would have been of particular benefit to the profession, veterinary businesses and the vital service they provide.

Support for the self-employed

34. As can be seen from the RCVS survey data, a significant proportion of vets are self-employed either as locums or as practice owners (principals/directors/partners).¹⁷ It was therefore welcome when the Chancellor of the Exchequer announced the coronavirus (COVID-19) Self-employment Income Support Scheme.¹⁸ However, there are concerns that many vets will fall through the gaps in this support.

¹⁵ Royal College of Veterinary Surgeons, Results from RCVS survey #2 (carried out between 1-5 May 2020) on the economic impact of Covid-19 on veterinary clinical practices 13 May 2020 <https://www.rcvs.org.uk/news-and-views/publications/rcvs-survey-2-on-the-economic-impact-of-covid-19-on-veterinary/>

¹⁶ Royal College of Veterinary Surgeons, Results from RCVS survey #1 (carried out between 3-7 April 2020) on the economic impact of Covid-19 on veterinary clinical practices 17 April 2020 <https://www.rcvs.org.uk/news-and-views/publications/coronavirus-economic-impact-on-veterinary-practice/>

¹⁷ Royal College of Veterinary Surgeons, Results from RCVS survey #1 (carried out between 3-7 April 2020) on the economic impact of Covid-19 on veterinary clinical practices 17 April 2020 <https://www.rcvs.org.uk/news-and-views/publications/coronavirus-economic-impact-on-veterinary-practice/>

¹⁸ Claim a grant through the coronavirus (COVID-19) Self-employment Income Support Scheme <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

35. Many veterinary surgeons are directors or joint venture partners within their practices, and their take-home pay is derived from the practice income. As noted above, practices are experiencing a significant financial loss, leading to significantly reduced income for those vets. The package announced for the self-employed explicitly excludes those who derive income from dividends which will have an hugely detrimental impact on their personal finances. Furthermore, a failure to support these vets will affect the sustainability of their business, potentially disrupt essential veterinary services both during this period of restrictions and going forward. Consequently, it could endanger the jobs of employees in that practice.
36. The Self-employment Income Support Scheme is only open to those with trading profits of no more than £50,000. This seems inequitable compared with the employed scheme for which there is no income cap on eligibility. People earning over this cap still have bills to pay and have seen their incomes drop rapidly without sufficient time to prepare. It is simply not fair to assume that they can call upon their savings, when employed people can access a welcome safety net.
37. According to BVA Voice of the Veterinary Profession Survey data,¹⁹ there has been a significant increase in the proportion of vets doing locum work between 2016 and 2018 (from 8% to 12%). This did drop in 2019 to 9% of vets working in clinical practice claiming to be working as a locum. This data shows a significant churn in the number of veterinary locums each year. In particular, recent graduates cannot access the support scheme.
38. Consequently, there will be vets who are self-employed but will not have submitted the required Self-Assessment tax return for the tax year 2018 to 2019. Their ability to find work during this time will be severely limited by the constrained turnover in clinical practice. We would urge the government to review this criterion. It would be reasonable, given the circumstances, to consider the 19/20 tax year return for these individuals and others who had not previously submitted a return.

Conclusions

39. Veterinary businesses are working to safeguard animal health, animal welfare, public health and maintenance of the food supply chain. At the same time, they stepped up to support the NHS by lending ventilators, monitors and anaesthetic machines, as well as donating much needed PPE.
40. Veterinary practices must be able to provide their vital services during this period of restrictions and into the future. Although practices are now transitioning towards providing a normal range of services, they will continue to face significant challenges as they adapt to the new way of working. The loss of veterinary practices would have a significant long-term impact on animal health, animal welfare, public health and food production. The financial impact is already being felt, with 2 in 3 veterinary practices having seen a decrease in turnover of over 50 per cent and almost a quarter of all practices seeing turnover fall by over 75 per cent.
41. The economic effect of losing veterinary practices will not be limited to the veterinary profession. Veterinary practices underpin strategically important economic sectors. Official statistics put the value of UK livestock outputs at £14.8bn, not a penny of which could be realised without the input of the veterinary workforce.²⁰
42. A package of support is needed that meets the unique circumstances of veterinary practices, particularly because, unlike businesses in other sectors who can mothball their businesses and furlough all their workers, veterinary practices must continue to take steps to deliver 24/7 emergency care. We would ask government to:

¹⁹ BVA Voice of the Veterinary Profession, Spring Survey 2019

²⁰ Defra, DAERA, Welsh Government, Scottish Government, Agriculture in the United Kingdom 2018, 2019 <https://www.gov.uk/government/statistics/agriculture-in-the-united-kingdom-2018>

- Allow veterinary practices to access the 100% business rates relief currently available to businesses in retail, hospitality, leisure, and nursery sectors.
- Extend the Retail and Hospitality Grant Scheme to support veterinary practices.
- Allow self-employed vets who receive payment through dividends to access support through the Self-employment Income Support Scheme.
- Remove the £50,000 cap from the Self-employment Income Support Scheme.
- Support new locum vets who will not have submitted the required Self-Assessment tax return for the tax year 2018 to 2019. Please consider the 19/20 tax year return for these individuals and others who had not previously submitted a return.