

# The UK Veterinary Sector: Corporates and the Ever-changing Face of Veterinary Medicine

The UK veterinary practice landscape is changing rapidly: undergoing innovation, changes and challenges, from the rise of the corporate to the increasing shortage of qualified and experienced veterinary staff in practice. The traditional independent veterinary practice is becoming less common whilst well-known global brands are investing in the veterinary practice area.

Furthermore, the purchasing behaviour of customers and the way they interact with services is changing, choosing to interact increasingly with an online platform, necessitating veterinary practice having to adapt accordingly. This all adds up to significant, rapid change over the past 10 years and current challenges are likely to cause further changes in the next 10 years. The current developments in the UK, such as corporate acquisitions, more universities providing veterinary degrees and the challenges in the veterinary practice workplace will be highlighted below.

## Corporate Landscape in the UK

### Companion Animals

The animal industry is growing in many aspects, with new niche markets and innovation, as well as consolidation of large stakeholders in the animal health sector. Interestingly, pet ownership in the UK hit a peak in 2013 with the population being recorded as 69 million pets; however, since then it has been on a steady decline, with only 51 million pets being recorded in 2018<sup>1</sup>. However, the recorded spend on pets and related products in the UK has continued to rise, begging the question of whether pet owners are willing to spend more on their pets, or if owning a pet has become more costly<sup>2</sup>. Further statistics show that approximately 25% of the UK population has dogs and 17% has cats<sup>1</sup>.

In the beginning of 2018, about 35% of veterinary practices were owned by corporate businesses rather than the traditional stand-alone independent business<sup>3</sup>. It is now estimated that about 50% are corporate-owned, with expectations that this will rise to 70% by 2027. Some of the largest veterinary corporate companies in the UK are Independent Vetcare (IVC), CVS Group, Vets4Pets, Medivet, VetPartners and Linnaeus Group.

CVS Group was one of the first veterinary corporates to be established, in 1999. They now own 500 veterinary practices and associated businesses in the UK, the Netherlands and Ireland, as well as veterinary laboratories, crematoria, an online dispensary and a recruitment agency. IVC was established in 2011 and owns 900 practices in the UK, with about 90% of these practices offering small animal services. Medivet owns 280 companion animal practices in the UK with eighteen 24-hour emergency practices. Vets4Pets have 450 practices across the country and work with a Joint Venture Partner system, allowing veterinary surgeons and nurses to be part-owners of practices within the group.

Mars Petcare, a USA based company which currently employs 50,000 veterinary professionals and takes care

of more than 10 million pets annually in North America, has expanded its veterinary reach to the United Kingdom and Europe<sup>4</sup>; firstly, with its acquisition of Linnaeus from Sovereign Capital Partners in the UK, and four days later the acquisition of AniCura in Europe. Linnaeus Group at the time had 87 veterinary practices within its portfolio, five of which were referral centres. Since the acquisition, Mars has also acquired Davies Veterinary Specialists, a companion animal referral practice near London, in the beginning of 2019<sup>5</sup>. AniCura originally started in the Nordic region but has grown to 270 clinics, employing 2000 veterinary surgeons in Austria, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden and Switzerland.

Mars Petcare's portfolio is better known for its range of pet foods such as Whiskas, Pedigree, Royal Canin and Eukanuba. However, as well as expanding their portfolio to veterinary practices, they have also acquired other animal-related companies such as Wisdom Panel which provides canine DNA tests, and Whistle, a pet-tech brand, manufacturing GPS trackers and activity monitors<sup>6</sup>.

The rapid consolidation in the UK took a small pause at the end of 2018, when Pets at Home reported that 55 of their 471 practices were struggling and that 30 of them were likely to be closed<sup>7</sup>. CVS around the similar time also reported lower profit margins, causing a decrease in shares by 13%<sup>7</sup>. Both Pets at Home and CVS shares have, however, seen a resurgence in 2019<sup>8</sup>.

### Farm Animals

On the livestock side, changes are being seen in the way in which veterinary surgeons and farmers interact. There is a shift towards pre-planned health checks and herd/flock health planning rather than emergency visits, as these become less economical and as farmers embrace healthcare plans often as part of farm assurance requirements. With the world's population growing to an anticipated 9.6 billion by 2050, an increase of 70% in food production will be needed<sup>9</sup>. Vets can play a greater role in tackling global challenges, such as sustainable farming, reducing production losses and improving animal health and welfare, with a fundamental focus on One Health.

Although acquisitions were initially noted in the small animal practice sector primarily, farm animal and equine practices are also being bought by corporate veterinary groups. VetPartners, who previously acquired Origin, a production animal vet group operating across the farm, pig and poultry sectors, have further branched out to Northern Ireland, purchasing Parklands Veterinary Group which has a small animal, dairy, sheep, pig and poultry service<sup>10</sup>. IVC has around 100 mixed practices across the UK, and CVS approximately 22 practices, ranging from mixed to large farm specific practices.

### Workforce

According to the UK regulatory body, the Royal College of Veterinary Surgeons (RCVS), there are currently 29,407 veterinary surgeons registered in the UK and 22,009 are practising, in the 5606 practice premises<sup>11</sup>.

Retention of staff is one of the biggest concerns for independent and corporate veterinary practices in the UK. There are various hypotheses for this, mostly cited as being due to poor work environments, poor rotas, compassion fatigue, increased client expectations, poor mental health and Brexit uncertainty<sup>12</sup>.

For example, a recent Vet Futures survey carried out by the British Veterinary Association (BVA) and RCVS found that half of the vets who have been qualified for eight years or less reported that their careers had not matched their expectations. Vets who had been qualified for five years or more were the least optimistic about the future, finding career progression a downfall. Ten per cent of respondents were planning on leaving veterinary practice as soon as possible, with the most common reason being dissatisfaction with veterinary work, relating to hours or stress<sup>13</sup>.

Brexit could bring new concerns to the UK veterinary workforce, as it is made up of approximately 25% veterinary surgeons with EU qualifications, and a further 6% with commonwealth qualifications<sup>11</sup>. Around 95% of vets carrying out critical public health work and animal welfare monitoring in abattoirs come from overseas, predominately the EU<sup>14</sup>. Each year, approximately half of the veterinary surgeons who register with the RCVS have foreign qualifications<sup>14</sup>. As such, a significant amount of the workforce is made up of foreign vets. Brexit brings further concerns about the current recruitment difficulties.

Most recently, the UK Migration Advisory Committee has recommended to the Home Office that veterinary surgeons should be placed on the shortage occupation list. This will make it easier for UK employers to recruit vets from outside of the European Economic Area<sup>15</sup>.

Corporate practices are working to improve retention and recruitment, with the introduction of graduate programmes to help transition veterinary students into work life, giving support, mentoring and help in the first year or two of their careers. CVS has recently increased salaries for both veterinary nurses and new graduates, with the aim of attracting and retaining staff. For their vets in practice between three and 10 years, they reviewed salaries and increased pay by 10%, as well as developing career opportunities<sup>16</sup>.

The RCVS launched the 'Mind Matters Initiative' which focuses on addressing mental health and wellbeing issues across the veterinary team, by encouraging a culture of talking about<sup>17</sup>. The British Veterinary Association (BVA) alongside the Royal College of Veterinary Surgeons (RCVS) have also started the Vet Futures project to address issues that the veterinary team will face in the future. The project hopes to encourage the profession to take charge of its own future, with ambitions such as making the veterinary profession valued in society, confident, resilient, healthy and well-supported, whilst offering a range of diverse and rewarding career paths<sup>15</sup>.





With a significant increase in female veterinarians, with 78% of students graduating in 2014 being women compared to 57% in 1994, the workplace will need to adapt to this gender shift<sup>13</sup>. Questions could be raised as to why the attractiveness of veterinary medicine to men has decreased in recent years.

### Veterinary Schools

There are currently seven Universities in England which offer veterinary degree courses, and two in Scotland. The Royal Veterinary College (RVC) has been rated the top veterinary university worldwide, with University of Cambridge rated number four, University of Edinburgh number six and University of Liverpool sharing ninth place with the University of Sydney<sup>18</sup>.

In the latest RCVS Facts and Figures document published in 2017, 929 veterinary students obtained a veterinary degree in 2016. There is, however, never a shortage of applicants each year, as 8203 students applied for the limited admission slots. University of Surrey welcomed their first 48 students from across the UK and Europe in 2015, and are working closely with the RCVS to gain full accreditation by 2019<sup>19</sup>. The newest veterinary school is Harper and Keele University which is being built and is expected to welcome its first students in 2020<sup>20</sup>.

The increase in universities, and even numerous intakes at veterinary schools, will help to counter the shortage of veterinarians in the workplace, which is reported by some employers. However, it is argued by some that the problem in the veterinary profession is currently retention and not lack of new graduates<sup>12</sup>.

### The Changing Client

Client expectations are rising in the veterinary profession and with a general cultural movement towards online services, pet owners expect the same<sup>21</sup>. A recent BVA survey revealed that 82% of veterinary surgeons found their diagnosis, recommendation or professional opinions were challenged by clients based on information found online<sup>22</sup>. As information online becomes more extensive and easier to access, it makes sense that 'Dr Google' has become the first point of call; however, there are concerns within the veterinary profession over the lack of evidence-based resources being used. In particular, online forums and social media outlets are being used by owners to share information with one another and ask for veterinary advice. Incorrect information can lead to a delay in correct diagnoses and treatment<sup>23</sup>. Veterinary telemedicine companies can impact the presence of the veterinary services online; these advancements offer the opportunity to improve delivery of veterinary care, however they also present new challenges for the veterinary profession. The extent to which telemedicine can be used in practice is currently under debate at the RCVS<sup>24</sup>.

### Conclusion

The future will continue to challenge the veterinary profession and the animal health industry, which provides the profession with the products and services it needs. However, these challenges also lead to opportunities for innovation and growth, with the possibility of improving the wellbeing and mental health of veterinary staff, enhancing veterinary technology, further refined diagnostics and treatments, improving the retention of veterinary surgeons and nurses in the UK veterinary workforce and, possibly, embracing the integration of telemedicine in veterinary medicine.

### REFERENCES

1. Pet Food Manufacturer's Association, Pet Population 2019 and Historical Pet Population Statistics. <https://www.pfma.org.uk/statistics>
2. Statista, Consumer spending on pets and related products in the United Kingdom (UK) from 2005 to 2018. <https://www.statista.com/statistics/308266/consumer-spending-on-pets-and-related-products-in-the-united-kingdom-uk/>
3. Vet Times, 2018, Big 6- Rising corporatisation
4. Veterinary Record, 2018, 182 (681), Mars Petcare expands into veterinary business in Europe
5. Insider Media Limited, Veterinary Group sold to Mars Petcare division, 16th June 2019
6. Mars Petcare <https://www.mars.com/made-by-mars/petcare>
7. VinNews, 2018, Pace of UK veterinary consolidation stutters
8. London Stock Exchange, Pets At Home Group and CVS Group <https://www.londonstockexchange.com/home/homepage.htm>
9. Food and Agriculture Organisation of the United Nations, 2009. 2050: A third more mouths to feed.
10. The Irish News, 5th of June 2019. British vet group VetPartners makes first move into Northern Ireland with acquisition of Parklands.
11. RCVS Facts 2017 <https://www.rcvs.org.uk/news-and-views/publications/rcvs-facts-2017/>
12. Vet Times, 2019. Staff retention double or quits
13. Vet Futures, 2015. Vet Futures – Taking charge of our future: A vision for the veterinary profession for 2030.
14. BVA, 2018, Migration Advisory Committee: Call for Evidence
15. Veterinary Record, 2019, 185 (28), Campaigning pays off with Shortage Occupation List recommendation
16. Veterinary Record, 2018, 182 (313-315), 'It's now time for me to speak out'.
17. RCVS News, 2014. Mind Matters: new mental health initiative launched. <https://www.rcvs.org.uk/news-and-views/news/mind-matters-initiative-new-veterinary-mental-health-and/>
18. QS World University Rankings <https://www.topuniversities.com/university-rankings-articles/university-subject-rankings/top-universities-veterinary-science-2019>
19. Veterinary Record, 2014, 175 (338), University of Surrey welcomes its first veterinary students
20. Vet Times, 2018. Veterinary school to open in 2020.
21. Telegraph, 2017. Ten ways the veterinary profession is changing.
22. BVA, 2019. Beware of replacing vet visit with "Dr Google" <https://www.bva.co.uk/news-campaigns-and-policy/newsroom/news-releases/beware-of-replacing-vet-visit-with-dr-google/>
23. BVA, 2014. 98% of small animal vets say owners consult 'Dr Google' with 80% seeing pets brought in too late <https://www.bva.co.uk/news-campaigns-and-policy/newsroom/news-releases/98--of-small-animal-vets-say-owners-consult-dr-google--with-80--seeing-pets-brought-in-too-late/>
24. Veterinary Record, 2019, 184 (752), RCVS pushed to defend telemedicine decision.



### Tessa Plagis

Tessa Plagis works at the National Office of Animal Health (NOAH) as a Technical Policy Assistant part-time; she further works as a Small Animal Veterinary Surgeon and has co-authored a Veterinary 'Cookbook' for Client enthusiasm. Tessa is originally from South Africa, however she moved to the Netherlands to study Veterinary Science at the University of Utrecht, which she completed with a Master's degree, before moving to the United Kingdom.

Email: [t.plagis@noah.co.uk](mailto:t.plagis@noah.co.uk)