CONSULTATION ON A NEW INDEPENDENT BODY FOR ANIMAL HEALTH

A modern governance and funding structure for tackling animal discussions

RESPONSE FORM

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Are these responses to be kept confidential?

No

Question 1
Views are invited on the assumptions and estimates in the Impact Assessment

The British Lead Body for Performance and Sport Horses and Ponies (PSHP) wishes to emphasise that it is essential when setting up the proposed body for animal health and drafting the supporting legislation and funding structure that those responsible recognize that where equines are kept for leisure and sport this will also impact on the wider economy of the equine industry, much of which lies outside the normal boundaries of the agricultural industry. The proposed levy for owners of equines (whether imposed on the owner or keeper or any other nominated person or organization) is sadly viewed as a direct 'Horse Tax' (tax on horse ownership) by the majority of those within the industry and its wider leisure base and whilst this is obviously not actually true this perception carries with it a belief that the introduction of such fees much carry with them the related compensation of designating the equine as an agricultural animal, along with the considerable development grants, support structure and funding that goes with this. Whilst the PSHP recognizes that this is not currently possible, it is firmly of the belief that unless an effective, well-funded and widespread enforcement system is put in place as soon as possible so that – unlike the situation of Trading Standards lack of resources when attempting to enforce passport legislation – those paying the levy feel that they are receiving value for money. A high profile, well-resourced and targeted research programme (e.g. to develop an effective vaccination for AHS and a vector inhibitor for WNV) is also essential in order to gain the support of all sectors of the horse world as well.

More specifically, the PSHP is concerned that although it has been established by easily accessible research date generated by BETA that horse / pony numbers in the UK are likely to be in the region of 1.3 million but those developing the proposal for the animal health body quote a figure of about 650,000 thus significantly increasingly the levy cost per horse. Even allowing for the fact that the 1.3 million includes those based in Wales, Scotland and Northern Ireland the number in England is unlikely to be less than 900, 000 so a great deal more research should be undertaken into this aspect of the proposal.

The PSHP is also of the opinion that the need for considerable expenditure in setting up an equine-dedicated database to maintain the Animal Health data for this sector, plus it's of equines already exists? The PSHP therefore asks why it should be necessary for Animal Health to set up a separate database with all the major initiating costs that this will incur when a satisfactory data collecting system already set up paid for and running on Debra's behalf already exists.

Finally, the PSHP is also concerned that:

(i) There appears to have been little or no prior consultation with the equine industry either through the UK Consultative Forum on Responsibility and Cost Saving, BHIC or BEVA and that as a result some worryingly inaccurate estimates appear to have been made about numbers of equines in the UK and the financial, human and natural resources involved in their care and control. In effect, much of the income for this scheme would come from levies from single horse owners or small breeders whose animals are kept on a hobby / non-commercial basis.
(ii) the fact that equine insurance policies exclude cover for exotic diseases, many equines are not insured (or are uninsurable) by their owners and the maximum government compensation for slaughter for equines suffering from an exotic disease is £1 (one pound) does not seem to have been taken into account in the draft proposal
(iii) the two major equine exotic diseases West Nile Virus and African Horse Sickness do not appear to have been identified as the significant threats in the current proposals, which is very worrying as

both have quite a high probability of arrival via vectors in the next 5 years and one is a major zoonoses disease whilst the other is invariably fatal to infected equines but not very contagious, even when the necessary vector is present.

Question 2
Comments are invited on the proposals for a new body, including its scope, governance and working arrangements
If this Body is to extend its activities to the equine and related sectors of the industry, the Board should have some knowledge of non-commercial / leisure / sport activities in so far as they relate to animal keeping (especially equidae and small animals / pets)

Question 3
Will the proposed arrangements ensure that our animal welfare objectives continue to be taken into account when tackling disease? If not, what further mechanisms should be included?
Links need to be formalized between the new body and the Department of Culture, Media and Sport to address the needs of the leisure / sport owning registered sector.

Question 4
Views are invited on whether the new body should be set up as a Non-Ministerial Department (NMD) or Non-Departmental Public Body (NDPB)
An NDPB would possibly be the better choice as it could call on Treasury Contingency resources where necessary. However, the PSHP does not feel competent to comment on this question more comprehensively, but it stresses that whatever type of body is selected it must be both cost effective and sensitive to all the needs of the equine industry and the demands the introduction of such a levy makes upon the equine world, both professional and leisure.

Question 5
Views are invited on the proposed delivery arrangements to be established when the new body is set up. Are there any specific changes to the current organizational structures that would improve delivery of animal health policies for the businesses affected?
The EIG does not contain any representation from the equine industry sector. If the regulations / fee collecting functions are to be expanded to the equine sector this must be rectified in the new Board.

Question 6
Views are sought on the ways in which the Animal Health regulatory framework could be further simplified in order to reduce policy and administrative costs and improve customers' / stakeholders' experience its operation in practice.
Set-up costs could be greatly reduced as far as equines are concerned if the potential offered by NED is utilized as a registry

Question 7
Views are invited on the proposed funding framework including:

- **(a) The activities to be initially co-funded between government and revenue payers**
- **(b) Proposals for distribution of costs between sectors according to the gross sector output or on alternative ways of distributing costs**
- **(c) Proposals for the levy-funded share of the costs to be co-funded or alternative suggestions and their justification**
- **(d) The use of an insurance requirement as a basis for the industry contribution to the costs of exotic disease outbreaks.**

The PSHP's main concern in all of this is that it would appear that not only is the levy calculated at a very high rate (because of the small estimated number of equines used as a basis for the formula) but horse owners / keepers would also appear to be expected to pay an additional insurance fee which will not cover their own individual animals but rather the bureaucracy involved in setting up and running an animal health body on which they have no representation and receive no direct input if the current proposals are adopted unchanged. As most owners / keepers of equines are also tax payers (and some are also VAT-registered) they will also be providing indirect funding through the initial set-up funding provided by the government, they re also aware that in some cases they will be providing income sources to the Body through four separate streams. As quite a significant proportion of those providing this multi-funding (especially those in the sports horse and pony sector) will be doing it as a result of their leisure / hobby interests the PSHP is concerned that although the proposed Body has a very valid purpose, which the PSHP supports, the hostility such a funding structure will generate in the industry will severely limit the recognition of the positive role it will play in equine health in the future.

Question 8

Views are invited on these proposals for the levy mechanism and in particular on:

(a) The species to be covered initially (and whether horses should be included)

The PSHP believes that if horses are to be included they should be included only when the statistical basis on which their input has been far more accurately calculated than it is in this current proposal. Furthermore, it is also vital that all funds generated by the levy can be proven to be directed to research on effective vaccinations and other preventative measures designed to combat new exotic diseases affecting the equine sector, the arrival of which is predicted to be very near. Funds collected by the levy, whenever introduced, must not be used to subsidize other sectors of the animal health programme and all equine-industry sourced funding must be ring-fenced to this effect.

(b) Whether minimum thresholds for payment should be set and, of so, on what basis

A maximum threshold would be preferable to a minimum payment across the board in a sector where a majority of the animals are kept for leisure rather than economic gain

(c) Whether there should be one rate for all cattle or different rates for beef and diary based upon the values of the gross output of each sector

Not applicable to the equine industry

(d) How the impact on the viability of the industry of a particular levy could be assessed and taken into account in setting the levy.

The PSHP feels that the following points must be addressed when setting the levy for equines:

(i) Where animals are kept on behalf of an owner living elsewhere will the keeper be liable to collect registration fees from the owner or be liable outright because the animals are in the keepers care?

(ii) A standard date of payment (say 31 December) would be best for the equine industry because horses change ownership (sometimes more than once a year|) throughout the year and the breeding season begins officially on 1 January each year.

(iii) Enforcement must be effective. If it is to be through TSOs they must receive extra funding to do this.

(iv) Fixed financial penalties, recovery procedures etc would be more effective than non-payment of slaughter compensation because of the low levels of this compared to the actual value of equidae slaughtered.

(v) £8 million to set up the system for horses seems to be a totally excessive cost, especially as properties of the existing NED system can be easily utilized and expanded

(vi) Again, £2.5 million for annual costs for horse registration is very excessive as NED could be used for this much more economically.

(vii) The illustrative costs in Annex 12 are very inaccurate and do not take into account the actual number of equines in the UK -- or more specifically England and Wales – or of the potential of an extended NED system.

(viii) As horses move far more frequently across internal and external borders than do cattle, sheep or pigs, this could well have a major effect on the funding structure and distribution of payments / registration fees for this sector of the industry. The equine sector must be involved in the consultation structure of devolved administration if equines are to be involved in the Animal Health levy provisions for Wales, Scotland and Northern Ireland as well.

Question 9
Views are invited on the proposal for an animal health strategy board, its role and composition.

Wider stakeholder groups must include the BHIC and / or the Lead Bodies for the specific sectors of the equine industry as specified in Defra's Strategy for The Horse (2006).

General conclusion comment
The PSHP is supportive of all proposals that will improve the biosecurity of the equine in the UK, and especially those that will provide increased protection for the industry in the face of a future outbreak of exotic disease. However, this support is always conditional on proven funding sources being allocated solely to the research into – and development and enforcement of -- effective prevention against diseases likely to affect the equine sector (either through zoonoses, insect vectors or other forms of infection) combined with an effective method of insurance and compensation for individual and herd loss (through destruction or loss of economic / leisure / sports use) should an outbreak occur.