

Farm diversification new business ideas – Services

Boarding Kennels

Key points to consider

- Peak demand coincides with school holiday times.
- There are around 86,000 licensed dogs in Northern Ireland.
- Compliance with animal boarding regulations is a must.
- Planning permission is required from your local Divisional Planning Office.
- Boarding kennels rates are assessed on commercial, not agricultural scales.



Market overview

There are already some 81 licensed boarding kennels in Northern Ireland providing various types of service. There seems to be reasonable demand from dog owners for boarding kennel services, especially near large towns. Prospects for entering the market are improved if there are no boarding kennels in your vicinity.

Some facilities provide add-on services such as shampooing, training and dog grooming. The retailing of pet accessories also adds value to the service and increases the potential for profit. Peak demand occurs at holiday times.

Service delivery requirements

Buildings

As the welfare of animals must be given a high priority at all times, good facilities are required so that the customer's first impression is favourable. If facilities are sited on a farm, new or adapted buildings should preferably be situated away from the noise and bustle of daily farmyard activities. Consultations with your local Divisional Veterinary Officer will be needed for guidance on layout, design and suitability of building materials in accordance with the provisions of the Welfare of Animals Act (NI) 1972 and the Animal Boarding Establishment Regulation (NI) 1974.

The statutory requirements can be met cost-effectively with modifications to unused farm buildings. The extent and cost of the modifications will depend on the structure of existing facilities, the size of the conversion required, and the skilled farm labour available.

Labour

The time required to manage a facility of 20-25 dogs is estimated to be about 3-4 hours per day. As peak demand for boarding kennels coincides with school holidays, labour costs can often be reduced by making use of family help.

Food

Feeding is generally carried out with a selection of cereal-based concentrate materials, fed to manufacturers' recommendations. Other approved dried and tinned dog foods are also used. Dog owners usually have strong preferences on feeding which need to be taken into consideration.

Service contract

A simple contract is normally drawn up between the dog and kennel owner to ensure a harmonious working relationship and clarify what each expects of the other.

Advertising and promotion

Adequate promotion of a new facility is essential for success. Promotional expenses can be reduced if it is possible to organise a free press launch in the local paper, perhaps accompanied with advertisements from firms associated with the enterprise. An insertion in Yellow Pages is desirable, as this is where many dog owners turn to in the first instance when seeking to have their dog boarded. It would be useful to have business cards and leaflets distributed. Good service should generate word of mouth recommendation, often the most significant promotional factor in attracting new clients.

It is advisable to consult the local planning authority before erecting signage.

Legal issues

Obtaining a licence

Contact your local Divisional Veterinary Officer who will inspect your premises and facilities. When provisions contained in the Animal Boarding Establishment Regulations, (Northern Ireland) 1974, have been met, a licence will be issued. Details of licensing fees are available from your local Divisional Veterinary Office

Planning

Planning permission is required for new buildings and for change of use of an existing farm building. Contact your local Divisional Planning Office for advice on requirements and an application pack. Advice on fire precautions should also be obtained from Fire Authority personnel.

Environmental health

It is advisable to discuss issues such as removal of waste and noise pollution with a local Environmental Health Officer, who can be contacted through your local council.

Rateable value

Boarding kennels are rated at commercial rather than agricultural rates. For covered accommodation the rateable value can vary between £20 and £30 per sq. metre depending on location in the province. For a 15-20 dog space kennel this would amount to about £750 per annum.

VAT

If the annual turnover from this activity is below the VAT registration threshold of £54,000 you do not need to register for VAT. However, you can choose to register below this threshold.

Insurance

It is essential to have public and employers' liability insurance to cover accidents occurring on the premises. In addition, cover to replace buildings and possible loss of dogs in the event of an outbreak of fire is required.

Financial considerations

Income from kennels varies depending on the following:

- Location
- Accommodation on offer
- Quality of service
- Number of dog places
- Occupancy rate
- Competition between providers
- Variable costs in particular labour
- Number of years established

Good profit margins depend on a high occupancy rate during the peak season, which is normally concentrated over a 16-week period in the summer. Easter, Christmas and mid-term are also important peak times. Prices charged may vary from £4.50 - £6.00 per day, depending on location and size of dog.

The estimated gross margin for this type of enterprise is calculated by subtracting the direct costs of providing the boarding kennel service from the total money received from customers. Direct costs include the variable costs such as food and miscellaneous expenses.

Where the average price charged is £4.50 per day over a 16-week boarding period, a typical gross margin for this kind of enterprise is around £250 per dog place. This assumes an occupation rate of 60%.

Further contacts

For more information and advice get in touch with:

The Veterinary Service, DARD
Dundonald House
BELFAST BT4 3SB
Tel: 028 9052 0100
Fax: 028 9052 5012
E-mail: david.irwin@dardni.gov.uk
Or contact your local Divisional Veterinary Office

The DOE Planning Service
Clarence Court
Adelaide Street
Belfast, BT2 8GB
Tel: 028 9054 0540
Fax: 028 9054 0665
E-mail: planning.service.hq@nic.gov.uk

Contact your environmental health officer through your local council for details of requirements.

This information sheet has been compiled by Rural Enterprise Advisers.

For advice and guidance on your farm diversification idea contact your local Rural Enterprise Adviser. For details of the adviser in your area:

Tel: 028 9052 4406.
E-mail: ruralenterprise.afds@dardni.gov.uk
Website: www.ruralni.gov.uk/farmdiversification

Note: the information provided herein is for general information only. It is not necessarily complete and is not intended to address the specific circumstances of any proposed enterprise. The market and circumstances may change substantially. Further research will be required before embarking on any new enterprise.

ISBN 1 85527 495 7
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The Agri-Food Development Service is an integral part of the Department of Agriculture and Rural Development

