

Local Economy Fund

Guidance

ISSUED BY THE DEPARTMENT FOR ENTERPRISE

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Introduction and Background

The Local Economy Fund (“the Fund”) provides financial assistance to those seeking to undertake activities and initiatives that contribute to the achievement of the Local Economy Strategy’s Strategic Goals.

The Fund supports the implementation of the [Local Economy Strategy](#) (The Strategy). The Strategy provides a blueprint for strengthening the retail, hospitality, and leisure sectors in the Isle of Man. Within the Strategy, guiding principles, scope, and priorities are defined. Furthermore, strategic goals, objectives, and actions are categorised under one of three pillars: Infrastructure & Place management, Enterprise & Consumer experience, and Local Empowerment & Partnerships. The Strategy was produced following extensive research and consultation with private and public sector stakeholders and the wider public.

The initiatives and objectives detailed within applications submitted to the Fund should be consistent with the principles and objectives of the Strategy. The full Strategy and summarised information can be found on the Business Isle of Man website [here](#).

The Fund is intended to improve the wellbeing of Island residents by creating public environments that are pleasant to frequent, enabling activities that foster strong communities, and catalysing investment.

The Fund is enabled by the [Town and Village Regeneration Scheme 2024](#) under the [Financial Provisions and Currency Act 2011](#).

The Fund opened on 1st April 2025 and will remain open to new applications for a 3 year period. During this period the Fund may close to new applications temporarily if the annually allocated funding is fully utilised prior to the end of a given financial year.

Further details regarding the Fund, can be found [here](#).

Note that the Department for Enterprise provides other forms of grants and financial assistance, details of which can be found [here](#).

For further advice and guidance regarding the Department’s grants and financial assistance schemes and the criteria for eligibility, including the Fund, potential applicants are encouraged to complete the online enquiry form hosted [here](#).

Disclaimer

The information contained within this document is intended to be general in scope and should not be relied upon as advice.

Provision of financial assistance is discretionary and a decision to provide assistance is based on the merits of the particular case. Any offer of a financial assistance is also subject to availability of Department funds.

The Department may amend the Fund Guidance from time to time. While every effort has been made to ensure that the content is correct and up to date at the time of publication, the Department does not accept any responsibility, legal or otherwise, resulting from any errors or omissions and shall not be liable for any losses or damage that anyone may suffer as a result of relying on the information contained herein.

The Department cannot provide assistance for any projects commenced prior to the submission of the Local Economy Fund application form.

1. The Local Economy Fund

1.1 Purpose and Scope

The purpose of the Fund is to empower local authorities and other eligible organisations, via access to financial resources, to:

- improve, or assist in the improvement of, the quality, appearance or amenity of an area; and / or
- increase the footfall or reduce the number of unoccupied premises in that area.

The scope of the Fund covers any works, project or initiatives proposed by an eligible organisation that demonstrates an enhancement that is in line with the objectives of the 2024 Local Economy Strategy and the objectives of the Isle of Man Economic Strategy 2022.

The list below provides examples of projects that could be financed by the Fund: -

- Town and Village Regeneration Scheme Footfall Stimulus Projects;
- Financing of schemes to bolster the character and distinctiveness of a local area;
- Launching of schemes to encourage or incentivise increased local spending;
- Contracting of event companies, marketing agencies project planners or co-ordinators etc;
- Purchase or hire of re-usable event equipment (barriers, lighting, screens etc);
- Regeneration of waste or unkempt land into attractive dwell or leisure zones;
- Creation of incubator hubs within repurposed local buildings;
- Production of materials and assets that promote local areas and businesses;
- Production of visitor related promotional materials and visitor information services;
- Trialling of alternative transportation projects (e.g. park and ride, active travel etc);
- Installation of signage and technology that maximises the benefit or enables the use of parking facilities; and
- Creation of spaces to enable improved transportation.

Important note: This is not an exhaustive list. If you are interested in completing a project not listed above, please contact the Department to discuss.

1.2 Overview of Available Support

A) Local Economy Fund Projects

The Fund can provide up to 100% grant assistance to works, projects and initiatives that meet the Fund's criteria. Applications can be submitted as Standard Applications or Major Applications, the differences in these applications are detailed below.

Standard Applications:

- Standard applications are required for projects whose total value is less than £100,000.
- Applicants may apply for funding of up to £100,000 per works, projects or initiatives.
- This funding may apply to a single initiative / project or an ongoing project that lasts up to 3 years.

Major Applications:

- Major Applications are required for work, projects or initiatives in excess of £100,000.
- Applicants may apply for funding in excess of £100,000 per year per works, projects or initiatives.
- All Major Applications will necessitate a more comprehensive approval process and will require the completion of an extensive business case.
- There is no standardised decision period for Major Applications.

B) TVRS Footfall Stimulus Projects

The Fund can provide in exceptional circumstance enhanced support towards Town and Village Regeneration Scheme (TVRS) projects which meet the aims of the Strategy e.g. provide significant increase in footfall, provide

benefits for the wider area/community and not just the applicant. Please refer to the TVRS Guidance for further details.

1.3 Eligibility

A) Potential Applicants

Organisations that may apply to the Fund include: -

- Local Authorities (Commissioners / Council);
- Local trade organisations;
- Limited companies, partnerships, sole traders; and
- Charities or not for profit organisations.

B) Eligible Areas

The Fund is intended to support the increase of footfall and the reduction of vacant units in regeneration areas in a manner consistent with the Strategy. For the purposes of the Fund, “Regeneration area” means any area in the Isle of Man which is used for the following purposes: -

- Mixed use (including town centre);
- Retail;
- Tourism;
- Office;
- Local Authority premises; or
- Commercial use (includes industrial estates, business parks and factories, exclude agricultural buildings and those premises not accessible by the public highway).

C) Eligibility Requirements - Criteria for Financial Assistance

Local Authorities (Commissioners / Council)

Research undertaken during the development of the Strategy included the undertaking of Town Audits in 8 local areas. Local authorities that have received a Town Audit Report are considered eligible to apply to the Fund. It is not a requirement that these Town Audit Reports form the basis of an application, however, Town Audit Reports should inform applications.

Local Authorities that have not received a Town Audit are encouraged to engage with the Department for Enterprise before applying. In preparation for submitting an application, the local authority concerned must identify and define the key strengths and challenges their areas face in the context of the Strategic Goals detailed in the Local Economy Strategy.

Local Trade Organisations

If the majority of members of a local trade organisation are retail, hospitality, and leisure businesses the organisation will, in principle, be eligible to apply to the LEF.

If the organisation serves an area that has received a Town Audit Report, the organisation is eligible to apply to the LEF.

If a local trade organisation represents an area that has not received a Town Audit Report, the organisation should engage with their local authority and the Department for Enterprise. Prior to submitting an application, the applicant, or local authority concerned, must identify and define the key strengths and challenges their areas face in the context of the Strategic Goals detailed in the Local Economy Strategy.

Applying organisations must seek the approval of the local authority that represents their town, district, village or parish prior to submitting an application. If an applying organisation is unable to attain written support from their local authority, the organisation should engage with the Department for Enterprise to discuss the matter.

Such organisations must be able to demonstrate their formal status as a condition of eligibility, for example by providing their charter, deeds, or certificate of incorporation. Any trade organisation that is unable to meet these requirements, but are eager to effect change in their local area, are encouraged to engage with the Department. Support is available to help organisations formalise and potentially become eligible in the future.

Limited Companies, Partnerships, Sole Traders, Charities or not for profit organisations

Businesses and not for profit organisations may apply to the Fund for works, projects or initiatives that have objectives that are consistent with the Strategy, generate footfall, and/or decrease commercial vacancy rates in a given area. In such cases, applicants must be acting for the betterment of the wider local and business community and not exclusively for the benefit of the applying organisation.

If the locality the applicant's proposed works, project or initiative relates to is not within a local authority area for which a Town Audit Report has been produced (see Local Authorities section above), the organisation should engage with their local authority and the Department. Prior to submitting an application, the applicant, or local authority concerned, must identify and define the key strengths and challenges their areas face in the context of the Strategic Goals detailed in the Strategy.

Applying businesses and not for profit organisations must seek the approval of the local authority that represents their town, district, village or parish prior to submitting an application. If an applying organisation is unable to attain written support from their local authority, the organisation should engage with the Department to discuss the matter.

D) The Applicant

- The activities of the applicant must be conducted lawfully in the Island;
- Applicants must declare to the Department whether they are in compliance with the law in relation to Income Tax, NI and VAT;
- The applicant must provide a full list of all beneficial owners of the company or organisation;
- The applicant must not be an undischarged bankrupt or subject to an outstanding money judgement;
- The Fund is not available to Government Departments; and
- The Fund is open to local authorities, charities, not for profit organisations, town partnerships as well as sole traders and limited companies (please see section above for additional details).

Important note: Financial Assistance is offered entirely at the Department's discretion. Even if an applicant is eligible via the criteria set out above, applications are reviewed on a case-by-case basis on their own merits with no guarantee of financial assistance being offered.

E) Eligible Costs

Important note: Payments to Government Departments, Statutory Board or Local Authorities are eligible for support.

F) Ineligible Costs

Support is not available for: -

- The cost of labour provided by the recipient or by persons employed by the recipient;
- New builds;
- One-off events as these are support by the Domestic Event Fund (DEF); and
- General repairs and maintenance works which do not improve the appearance and amenity of the area.

1.4 Application Process

All applicants are encouraged to engage with the Department for Enterprise before submitting the application form. This is achieved by completing the brief online enquiry form which can be found [here](#).

A member of staff from Business Isle of Man and/or the Enterprise Support Team will discuss the application process with the potential applicant prior to the applicant submitting the application.

A) Information to Be Submitted

The Department must receive a completed application form and all supporting paperwork before the work, project or initiative commences.

All applicants must complete all sections of the application form and provide the following information: -

- Contact and business/organisation details;

- Location of the premises/site to be upgraded/supported;
- An overview of the project;
- Project timescales;
- Quotes (if relating to building works, quotes over £10,000 require a CIOM contractor to be used). Three quotes are not required for each element of works/projects/initiatives, however recommended to ensure value for money;
- Planning approval (If required);
- A declaration regarding Tax/ NI/ VAT status (if relevant); and
- A project business case (see below).

A project business case should include the following: -

- A project plan detailing the specific works, projects or initiatives and articulating how the initiative will operate;
- The estimated upfront cost of the works, projects or initiatives;
- The estimated recurring cost of the works, projects or initiatives;
- The time-period for which the works, projects or initiatives will operate or be utilised;
- The expected short-term outcomes of the works, projects or initiatives support, both tangible and intangible outcomes, including impact on footfall and vacancy rates;
- The expected long-term outcomes of the works, projects or initiatives support, both tangible and intangible outcomes, including impact on footfall and vacancy rates.
- How the outcomes of the works, projects or initiatives will be measured against the expected outcomes and what key performance indicators will be used to measure success;
- How these outcomes relate to the Pillars of the Strategy and which specific Strategic Goals and actions the outcomes relate to;
- How these outcomes relate to the recommendations of the Town Audit or agreed Town Plan for the area, the enhancements, and/or the challenge mitigations, the initiative will provide;
- A statement which explains how the goals and targets specified in the Isle of Man Climate Change Plan have been considered when planning the initiative or resource use.
- The support provided by the commissioners responsible for the local area regarding the proposed initiative.
- The support provided by the local trade group responsible for the local area (if a formal one exists) regarding the proposed initiative.
- Evidence of consultation with local businesses that will be impacted (positively or negatively) by the proposed initiative.

Applicants submitting Major Applications, as opposed to Standard Applications, will be required to provide more extensive and comprehensive information regarding the points above. This information includes more detailed quotations, additional data, greater cost benefit analysis, increased scrutiny and further questions at each stage of the approval process etc.

Repeat/Similar Applications

Where an applicant wishes to submit another project which is similar to a previously supported project, the applicant must provide further information, as detailed below: -

- An evaluation report submitted following the conclusion of the last project.
- Clear articulation of any changes/enhancements that will be made based on the findings of the evaluation report(s).
- Evidence that the need for the project or initiative still exists and that the project will continue to support the achievement of the strategic goals and objectives of the Strategy, as detailed in the original application.

B) Assessment Criteria

The Department will assess each application based on the following criteria: -

- The impact the proposed initiative will have on: -
 - Footfall figures for the regeneration area;
 - Vacancy rates of commercial properties;
 - Local economy sector (retail, hospitality, leisure) employment figures;
 - Future Town Audit scores for the regeneration area;
 - Survey scores and consultation feedback regarding an area's attributes; and
 - Vibrancy and variety of retail, hospitality, and leisure available in the regeneration local area.
- The extent to which the tangible and intangible outcomes the initiative results in, are commensurate with the level of investment.
- The extent to which the impact of the project or initiative is measurable.
- The potential for the applicant to collect and provide data to evidence that the project or initiative is operating in

alignment with the objectives of the Local Economy Fund, including data related to footfall and vacant commercial premises.

Important note: The extent to which the proposed project meets the above criteria will determine the percentage of support offered.

C) Approval Process

Standard Applications

Following the initial assessment, a report will be prepared for consideration. Reports will be reviewed and commented on by the Chief Executive of Business Isle of Man and the Political Member for Business Isle of Man prior to the commencement of the decision making process. The Head of Enterprise Support or the Director of Policy and Strategy, under delegated authority, from the Minister for Enterprise, will then consider the report and determine whether financial assistance will be provided.

The applicant will then be advised of the decision in writing. If approved, the applicant will be supplied an offer letter to be signed and returned to the Department confirming their agreement to the offer, including the amount of financial assistance and the contractors which must be used based on the quotes supplied and any terms or conditions etc.

The Department aims to provide written notification of the decision within 3 weeks of receipt of all required information.

Normally, all works, projects, or initiatives must commence within 3 months of approval, with all projects being completed within the timeframe defined in the application and stated on the offer letter.

Major Applications

If an application is considered to be consistent with the objectives and criteria of the Fund by the Head of Enterprise Support or the Director of Policy and Strategy, a report will be produced. This report will be reviewed and commented on by the Chief Executive Officer of Business Isle of Man and the Political Member for Business Isle of Man.

The report will then be submitted to the Department for Enterprise Board for decision. If the Department for Enterprise Board supports the application, the report will be submitted to the Isle of Man Treasury for consideration.

The Department for Enterprise will seek Treasury's decision regarding: -

- whether they consider the application to be suitable for approval; and
- if additional funding would be released to finance the project if required.

For the Department for Enterprise to provide an offer letter regarding Major Applications, an extended period of time will be required due to the more complex approval process.

D) Pre-payment Checks

On completion of the project, the Department will usually conduct an on-site inspection of the finished works, project or initiative or review of the project which may require a visit to the area concerned. Only once this has been successfully completed can the payment process begin.

The Department may also require clarification from the applicant how the project has performed against its stated aims made during the application process.

E) Payment Process

The applicant will be required to pay for the work in full and provide evidence to the Department that the payment(s) has been made. Phased payments are not usually possible.

In exceptional circumstances the Department can make payment to the contractor/ supplier following acceptance of their offer and confirmation the work is complete.

Payments will then be made directly into the applicant's bank account approximately 2-3 weeks later.

F) Declined Applications

Where the application for the financial assistance has been refused, the applicant will be informed in writing of the Department's decision. Reasons for rejection or suggestions as to how the rejection may be rectified will be provided. The applicant has 1 month to request, in writing, a review of the decision by the Department. The review will be completed by a Department officer who was not involved in the original decision making process.

1.5 Public Disclosure

It is a statutory requirement that the names of businesses and organisations which have received financial assistance provided under the Fund are published in an annual report prepared by the Department which is laid before Tynwald (the Isle of Man's Parliament).

Applicants should also be aware that both parliamentary and freedom of information questions may be asked about particular applications or applicants. The Department will seek to answer all parliamentary questions and freedom of information requests in accordance with the Freedom of Information Act 2015 and the Data Protection Act 2018.

The Department may also request photographs and information for case studies, media and PR opportunities. This is optional and not a mandatory requirement for Scheme eligibility.

1.6 Application Form

To apply for the Fund please follow the link [here](#).

Application forms are completed online, any queries or supporting documentation in relation to applications can be emailed to enterprisesupport@gov.im

Alternatively supporting documentation can be sent to:

Local Economy Fund
Department for Enterprise
St Georges Court
Upper Church Street
Douglas
Isle of Man
IM1 1EX