

GD 2024/441



The Enterprise Act 2008  
**ANNUAL REPORT FOR  
2023/2024**

December 2024



**Isle of Man**  
Government  
*Reillys Ellan Vannin*

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## **1. Introduction**

### **To: The Hon L Skelly, President of Tynwald, and the Honourable Council and Keys in Tynwald assembled;**

Under Section 6 of the Enterprise Act 2008 (“the Act”) the Department for Enterprise (“the Department” “DfE”) is required to lay an annual report before Tynwald as to the provision of assistance under the Act, including a list of the names of those businesses which have received financial assistance from the Department during the previous financial year ended on the 31<sup>st</sup> March 2024. This is consistent with Government’s intent to act transparently by providing information on the use of the public funds for Tynwald scrutiny where possible.

The annual report includes details of grants offered and payments made under the Financial Assistance Scheme (FAS) and a summary of loans and grants paid by a number of other schemes administered by the Department.

The report does not include details of payments made through support schemes of a more minor nature, such as the Micro Business Grant Scheme (MBGS) and the Business Improvement Scheme (BIS), as typically the amounts paid under these schemes are much smaller and are in many cases paid to individuals.

The Financial Assistance Scheme remains an important driver for inward investment and the expansion of local businesses with an export focus. It places an emphasis on job creation and importantly provides Government with a return on the grants provided, paid via Income Tax and National Insurance contributions.

In the previous financial year, the Financial Assistance Scheme and associated employment incentive grants, the Employee Relocation Incentive (ERI), Graduate Role Incentive (GRI) and Seasonal Worker Incentive (SWI), have committed c. £1.78 million towards starting and growing businesses in the Isle of Man.

The average number of jobs this funding will support within the Island, inclusive of the employment incentives, is 161. These jobs will contribute an estimated exchequer benefit to the Island of over £1.5 million per annum. In addition, this support will leverage over £5.17 million of private investment that businesses will contribute back into the local economy.

When combined with the Economic Recovery Group initiatives administered under the FAS appendices, approximately 2,797 existing Isle of Man jobs have been protected which contribute c.£44.26 million in tax each year.

In addition, across the full range of funding and support schemes that the Department administers, all areas of the Economic Strategy and the Island Plan are supported. In the 2023/24 financial year the Employee Relocation Incentive and the Seasonal Worker Incentive have assisted local businesses to relocate 90 individuals to the Island to fill key roles within their organisations, which aligns with one of the key aims within the Economic Strategy to grow the Island’s economically active population.

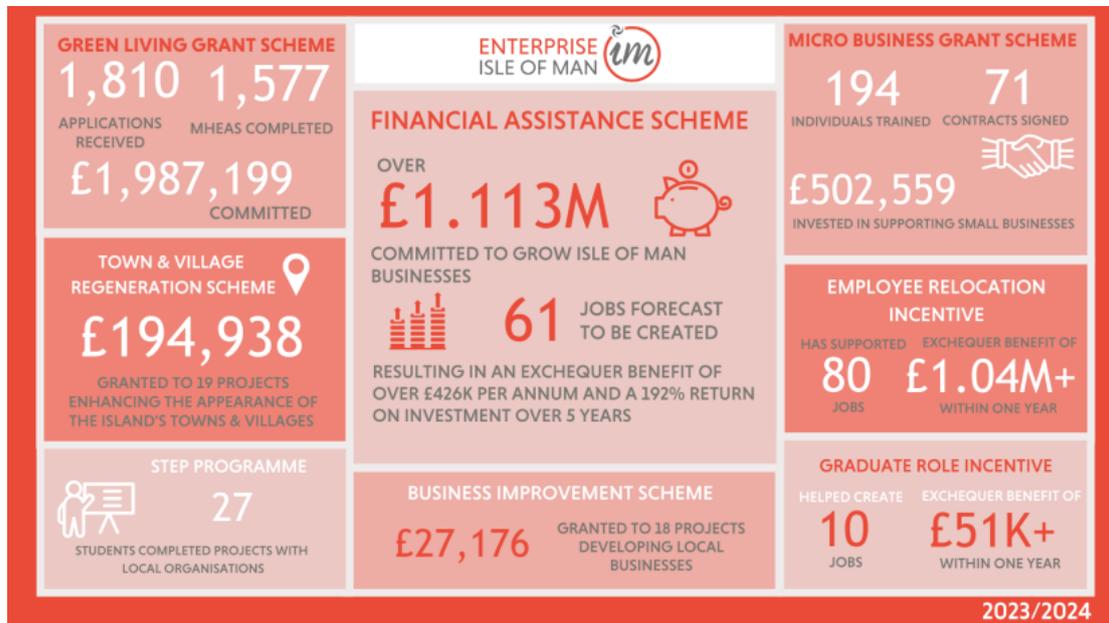
The Department’s policy level of business risk will lead on occasion to financial assistance given to businesses which do not progress beyond the start-up phase, or fail. Other jurisdictions also accept that there will be a level of loss, especially if new sectors are to become a major part of their economies. If we wish to develop the areas of the economy which exploit newer technologies then there has to be an acceptance that with any risk-based reward model, not all businesses which receive assistance will develop as forecast in their original plans.

The Department understands it is important to demonstrate the value of all its schemes. Therefore year on year, the Department will develop and enhance this annual report to include statistical information on the other business support schemes that it operates via the Enterprise Support Division. An infographic containing an overview of the support provided by the Department in the financial year 2023/24 can be found in **Section 2**.

**Hon Tim Johnston MHK**  
**Minister for Enterprise**

## 2. Overview of support provided across Enterprise Support

Over the past financial year, the various schemes administered by the Department have achieved the following:



The table that can be found at [Appendix 1](#) outlines the financial support provided by each of the Enterprise Support Schemes throughout the financial year 2023/24, and previous five financial years (where applicable).

The Infographic above shows the statistics for normal FAS grant offers along with the statistics for the two main employment incentives – the Employee Relocation Incentive and the Graduate Role Incentive. Details of the individual amounts provided under the FAS, ERI, GRI and SWI can be found in [Section 3](#). Altogether the support offered under the FAS, ERI, GRI and SWI during 2023/24 amounts to c. £1.78m.

The amount of support provided under the FAS Economic Recovery Group initiatives (appendices 11, 12 and 13) during 2023/24 totalled £13,526, details can be found in [Section 4](#).

The following section outlines some of the Schemes which are not referenced in detail within this report and the key contribution they provide to the Island’s ecosystem and economy, along with a brief overview of any Economic Recovery Group (ERG) initiatives which have been introduced to any existing Schemes (where applicable).

**2.1. The Micro Business Grant Scheme (MBGS)** provides a valuable contribution to safeguarding the Island’s reputation as a place where entrepreneurialism is encouraged. Supporting those who would like to start a business with training, mentoring and financial support is an important measure that ensures we are supporting home-grown talent and encouraging more businesses to choose the Isle of Man as a supportive place to innovate.

In the past five financial years, 1,149 applications have been received and 1,085 individuals have been trained which has resulted in 503 new businesses being formed through the Scheme, which not only creates economic value in regard to taxation and fees to the Companies Registry, but also as an additional avenue to support the unemployed back into work.

In the year ending 31st March 2024, the MBGS trained 194 individuals resulting in 71 signed contracts and a total of £502,559 invested into small start-up businesses by the Department. The MBGS is currently being reviewed.

**2.2. The Business Improvement Scheme (BIS)** provides 50% grant support up to £5,000 for businesses to engage external consultants to undertake specific projects with tangible outcomes e.g. transactional websites, marketing, digital marketing, and quality accreditations etc. Over the past five financial years this has comprised of over £749,710 in investment into improving the offerings of Isle of Man businesses. In the year ending 31<sup>st</sup> March 2024 the BIS invested £27,176 in 18 business improvement projects. The BIS is currently being reviewed.

**2.3. The Town & Village Regeneration Scheme (TVRS)** was launched in 2019 and has since invested £381,950 into improving the Island’s towns and villages. The aim of the TVRS is to improve the visual appearance of areas across the Island, increasing enjoyment of the areas, and encouraging footfall. Regeneration of our Island is essential to enhance our proposition for both residents and visitors and to be regarded as a destination which is investing in maintaining the Island’s infrastructure.

In addition to this, the investment made through this Scheme has a positive effect on the Island’s construction industry by stimulating activity in the sector.

During the 23/24 financial year, the Scheme paid a total of £194,938, supporting a total of 19 projects for businesses and organisations.

Applications for the Scheme closed on 31<sup>st</sup> October 2023 and the Scheme closes on 31<sup>st</sup> March 2025. This means that all projects applied for must be completed and grants claimed by the end of March 2025. The Scheme is currently under review by the Department.

**2.4. Businesses and organisations that received payments under the Town & Village Regeneration Scheme (TVRS)**

**For the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024**

Aloha	Potentilla Limited
Black Grace Cowley Limited	Ramsey Town Commissioners
Castletown Commissioners	Riverside Limited
Chandler House	Rose Estates Limited
Cubbon House	Salisbury House Ltd
Douglas Borough Council	Sirena Limited T/A The Buttery Cafe
Manx Legion Club (Douglas) Ltd	Sulby Methodist Church
Manxonia Limited	Whim Boutique
Onchan Commissioners	Zygi Limited T/A Patricia Wild Opticians
Port Erin Commissioners	

**2.5. The Step Programme** offers undergraduates in their second or penultimate year of studies the opportunity to work on projects, relevant to their studies with local businesses, Government departments, local authorities and charities for 8 weeks during the summer. In 2023 a total of 27 students took part. All students are required to attend the Step Final where they present to all students and invited guests. The student’s presentation is assessed by our judging panel, alongside their report and host feedback. A range of prizes is awarded including vouchers up to £350 and a trophy for the Most Enterprising Student.

**2.6. The Douglas Promenade Support Scheme (DPSS)** was introduced on 1<sup>st</sup> January 2020 and remained open to applications until 31<sup>st</sup> May 2022. The Scheme offered support via an interest free, unsecured loan up to a maximum of £50,000, to businesses situated within the DOI Promenade Regeneration Scheme zone. Eligible applicants could also receive a payment of £450 to assist the business with the costs of accountant’s fees as their services were required to complete the application. A total of 15 applicants were awarded loans under

the Scheme to the value of £716,000, plus £6,638 which was paid towards the accountant's fees. As of the 31<sup>st</sup> March 2024 a total of £299,214 has been repaid.

The management of the outstanding loan amounts and monitoring of repayments continues to be carried out by the Enterprise Support Division. There are four loan recipients currently in arrears with their payments.

**2.7. The Business Energy Saving Scheme (BESS)** launched in 2012 and during the last 5 years a total £31,200 has been awarded to businesses, to support them with taking steps to make their premises more energy efficient. During 2023/24, 1 application was received, and an offer letter is with the applicant awaiting their acceptance. One repayment was outstanding to the value of £4,674 and this is due to be fully repaid in early 24/25 leaving no outstanding repayments from any applicants. The Scheme has been reviewed to bring it in line with the Climate Change Plan 2022-2027 and relaunched on 1<sup>st</sup> October 2024 with an increase to the maximum loan value from £20,000 to £100,000, along with a range of other improvements. These changes are hoped to increase the popularity of the Scheme.

**2.8. The Green Living Grant Scheme (GLGS)** is a Department of Environment, Food and Agriculture (DEFA) initiative, which was approved by Tynwald in July 2021 and opened for applications on 1<sup>st</sup> October 2021. The GLGS was passed to the Department for Enterprise to administer due to the experience gained in handling large scale grant schemes during the Covid-19 pandemic. Unlike the Department's other Schemes, the GLGS's purpose is not to stimulate economic growth (although the Scheme provides this as a secondary benefit to the construction sector), but to reduce residential carbon emissions and make residents' homes more energy efficient. The GLGS provides grant assistance to homeowners, landlords and tenants, towards Home Energy Audits and, where eligible, grant assistance towards improvements that will make their homes more energy efficient.

The Scheme was originally scheduled to run for two years, until the end of September 2023. However, this was extended by a further year in order to give DEFA more time to draft a replacement Scheme, as was committed to in their 2024 Department Plan. The Scheme closed for audit applications at the end of June 2024, with grant applications to be submitted by the end of September 2024, with a further time period to allow authorised grants to be claimed by March 2025.

During 2023/24 many of the audits which had been previously completed had now converted into grant applications, and previous grants offered now drawn down and paid. Further to this, 1,810 applications for an initial Manx Home Energy Audit (MHEA) were received, up from 1,026 received during 2022/23. 1,577 MHEA's were completed and paid for during the year; with the remaining 233 completed during early 2024/25. The cost of these initial audits was £354,825.

A small number of follow up MHEAs were completed during the year, where assessors return to properties to confirm completed works and produce a new report, 36 of these were completed, at a cost of £1,800.

In the 2023/24 financial year, 804 Green Living Grant applications were received. 604 offers were made during the year, totalling £1,630,574. A proportion of both these figures will relate to applications received during the 2022/23 year. The total value of grant payments made during the year was £1,473,687. Again, a proportion of these payments will relate to applications received before April 2023. Therefore, across both auditing costs and grants to applicants, an overall total of £1,987,199 was committed during the financial year, while £1,830,312 was paid.

### **3. The Financial Assistance Scheme (FAS)**

The Financial Assistance Scheme (FAS) is a discretionary support scheme which primarily offers grants but can offer other forms of assistance to both existing and new Isle of Man registered

businesses. The focus of the support is on those sectors and businesses which can provide evidence of the likely attainment of the benefits for which funding is sought.

The principal purpose of providing financial assistance to business under the FAS is to encourage businesses to start, existing businesses to grow and become more efficient and to attract inward investment to the Isle of Man. This in turn provides economic benefits (for example, revenue, jobs, profits, expenditure in the local economy) and associated fiscal benefits (direct and indirect taxes) which exceed the cost of the support provided.

The main features of the Scheme are summarised below:

- Grants are awarded on a case by case basis, linked to the economic value the project will create (mainly weighted on Exchequer Benefit generated by new jobs)
- FAS grants offer support towards:
  - First Year Expenses
  - Rent
  - Marketing
  - Research & Development
  - Plant & Machinery
  - Building
  - Training Costs (on grant assisted machinery only)
  - Efficiency Measures
  - Plus various appendices e.g. Appendix 11 - Accessibility Grants, etc.
- The Scheme typically offers grant assistance of up to a maximum of 40% across most expenditure categories as detailed above (some appendices have different percentage levels and caps that apply to certain expenditure as detailed in the Scheme guidance).
- Businesses can usually only make one application in any 12 month period (excluding certain appendices as detailed in the Scheme guidance).
- Payment is made on receipt of paid invoices and compliance with any Terms & Conditions relating to each individual offer being met.
- Companies have a 2 year period in which to claim the grant assistance offered (this period may be extended at the Department's discretion and on the Company's request).

A copy of the full Scheme guidance can be found [here](#).

The Department's Financial Assistance Scheme has historically had an annual budget of £3.4m. For the 2023/24 financial year, and whilst undertaking a review of all Enterprise Support Schemes, the budget for the Financial Assistance Scheme and its associated grants has been provided based on need. Moving forward, an allocation of funding will be provided following completion of the review, subject to agreement with Treasury.

A high-level overview of the impact the FAS has had over the past 5 financial years is shown in the infographic on the next page, demonstrating the value of the Scheme in relation to new jobs created, jobs protected, tax contributions generated and protected, and the overall return on investment achieved over a five year period.

The Financial Assistance Scheme remains an important driver for inward investment and the expansion of local businesses with an export focus. It places an emphasis on job creation and importantly provides Government with a return on the grants provided, paid via Income Tax and National Insurance contributions.

Impact of the FAS over the past 5 financial years:



\*Figure indicates an average of the minimum and maximum number of jobs created if all funding was taken up by businesses and does not include employment incentives

### 3.1. Average Increase in New Jobs

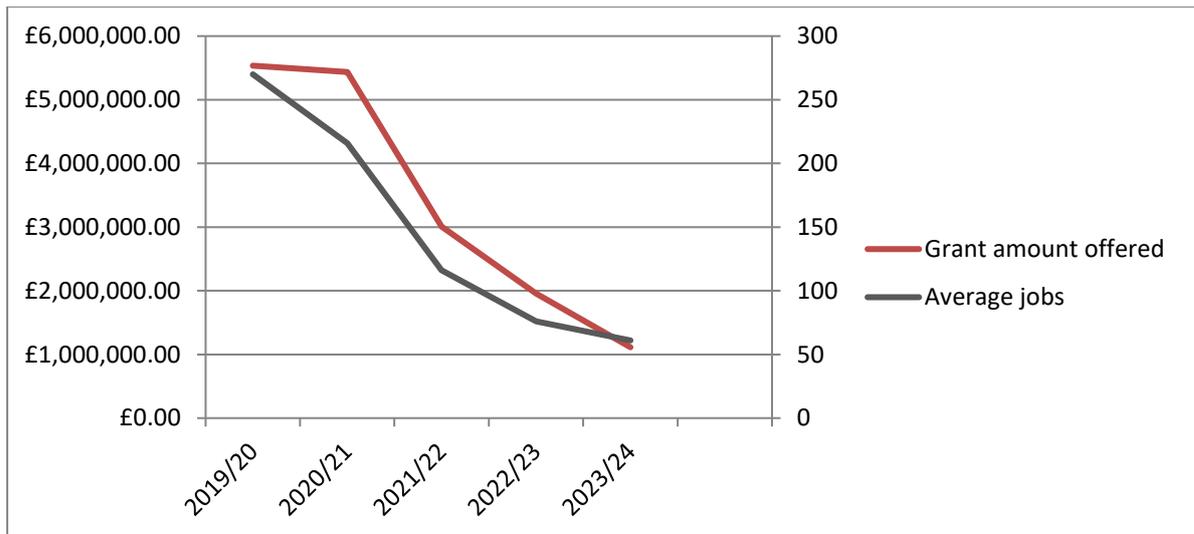
As previously detailed, the FAS focuses on job creation which provides the Government with a Return on Investment (ROI).

The number of jobs created averaged at 61\* for the £1.11m\* that the Department offered to businesses in the 2023/24 financial year. The Department expects an ROI of over £426,323 per annum from these 61 newly created jobs returned to the exchequer, which over five years equates to £2.13m, resulting in an ROI of 192% over the five year period.

With regards to the FAS applications, to mitigate the risk, offers are often caveated to pay approved grants in tranches, as and when jobs are created and have been confirmed by the applicant and checked by the Department and confirmed to be in line with the specific Terms and Conditions.

The chart on the next page shows the average increase in jobs in relation to the grant amount offered over the last five years. Due the difficult economic climate over the last three financial years, resulting from the effects of the Covid-19 pandemic and the cost of living crisis, applications have decreased, hence the overall fall in new jobs created and the amount of grant assistance offered.

However, in comparison to the last three financial years, 2023/24 shows an increase in the average number of jobs in relation to the grant amount offered, despite the overall amount of jobs created and assistance offered being less than the previous financial year.

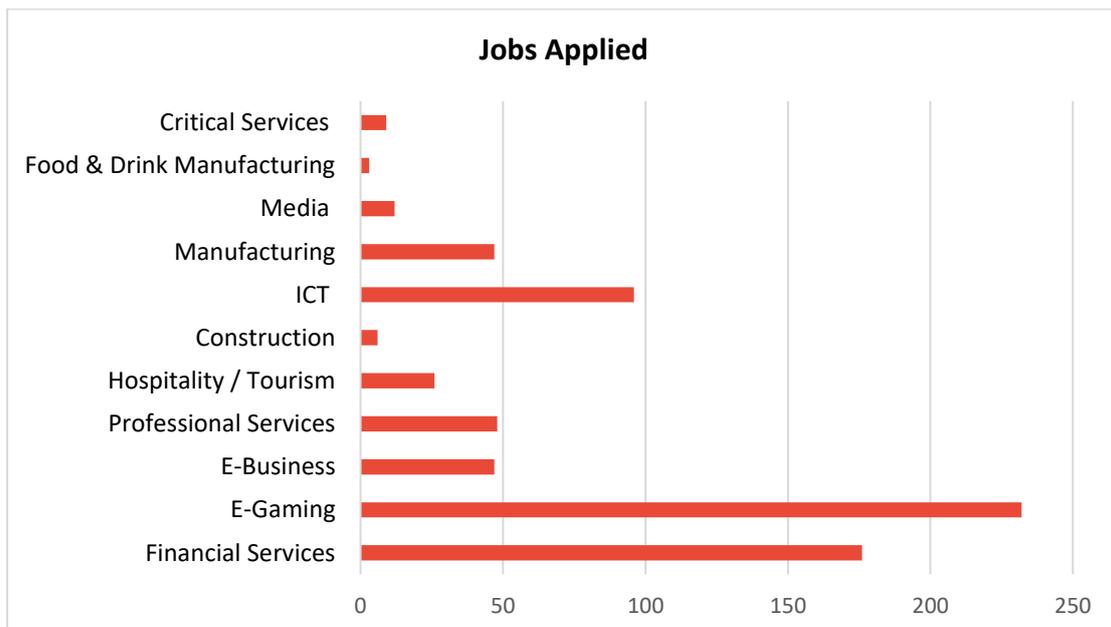


*\*excluding ERI, GRI and SWI roles and grant offers made under Economic Recovery Group appendices.*

### **3.2. Employee Relocation Incentive (ERI)**

The Department launched the Employee Relocation Incentive (ERI) in November 2016 following policy discussions with the National Strategy Group and the Council of Ministers. It was one of a number of initiatives considered which were designed to quickly accelerate economic growth and, more specifically, grow the working population. The ERI was extended year on year and has now been incorporated permanently within the Scheme guidance.

The assistance is provided to the business retrospectively, after the first year that the employee has relocated. It is often used to assist with relocation costs, incentivising the business to provide a relocation package for the employee. However, others may use the grant to reach suitable off-Island candidates or meet the costs of using recruitment agencies. Below is a summary of the different sectors which have applied for the ERI:



The initiative has been active for eight financial years, although not marketed actively in the first year.

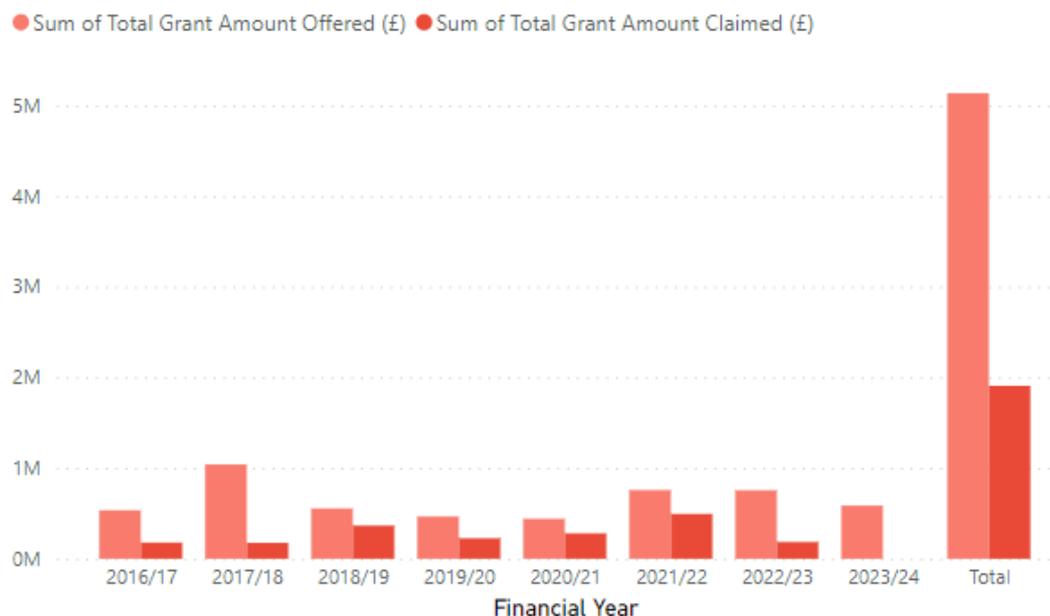
A total of 26 payments amounting to £269,624 were claimed under the ERI during the 2023/2024 financial year. The majority of these relate to grants offered in previous financial years as the employees are required to complete 12 months consecutive employment before the company can claim any payments on the grant offer.

The initiative has remained one of the most popular grants available under the FAS, offering grants for over 700 jobs since inception to the end of the 2023/2024 financial year:

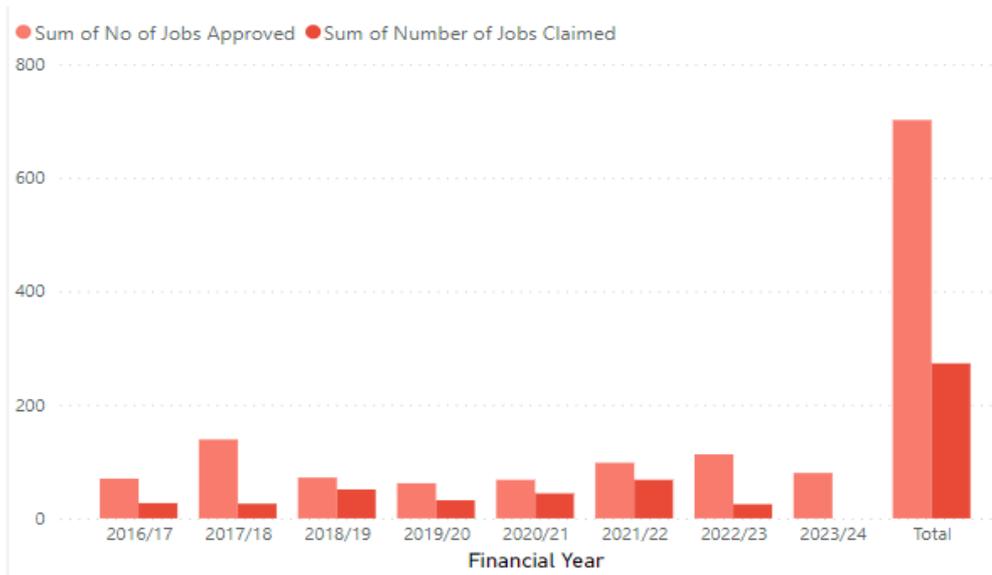
Financial Year	No of Applications Approved	No of Jobs	Total Grant Amount Offered (£)	Estimated exchequer benefit created p.a. (£)	Number of Jobs Claimed	% of Jobs Claimed	Total Grant Amount Claimed (£)	% Grant Claimed
2016/17	10	70	534,408	883,495	27	38.57%	178,268	33.36%
2017/18	21	139	1,040,121	1,906,164	26	18.71%	176,124	16.93%
2018/19	36	72	554,719	1,142,803	51	70.83%	366,041	65.99%
2019/20	43	62	465,722	1,103,152	32	51.61%	226,196	48.57%
2020/21	25	68	440,656	823,010	44	64.71%	280,640	63.69%
2021/22	49	98	757,881	1,453,348	68	69.39%	495,041	65.32%
2022/23	54	113	755,207	1,373,190	25	22.12%	185,779	24.60%
2023/24	50	80	586,318	1,037,005	0	0.00%	0	0.00%
<b>Total</b>	<b>288</b>	<b>702</b>	<b>5,135,032</b>	<b>9,722,167</b>	<b>273</b>	<b>38.89%</b>	<b>1,908,090</b>	<b>37.16%</b>

The charts below show the amount of assistance and number of jobs claimed against the amount of assistance and number of jobs offered under the ERI.

Grant amounts offered and grant amounts claimed under the ERI as of 31<sup>st</sup> March 2024:



Number of job roles approved and number of job roles claimed for under the ERI as of 31<sup>st</sup> March 2024:



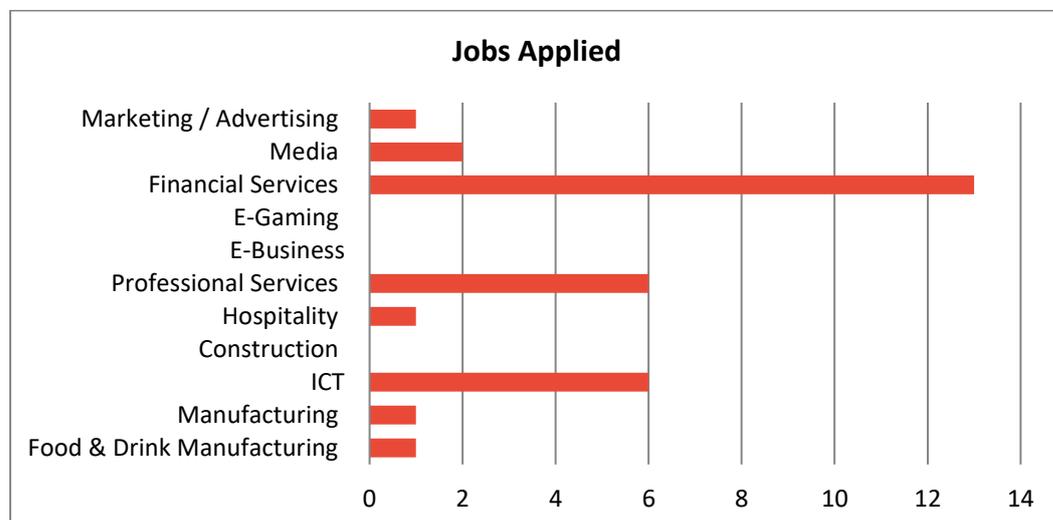
### 3.3. Graduate Role Incentive (GRI)

The Department launched the Graduate Role Incentive (GRI) in May 2021 in order to encourage an expansion of the Island’s graduate workforce by assisting businesses to create new graduate roles, to help retain on-Island graduates, and encourage graduates to return to the Isle of Man after studying off-Island.

This helps to grow the Island’s working population and reverse the dependency ratio of the economically inactive population. The grant funding is intended to assist companies with the additional costs that can be associated with recruiting and training graduates and can be spent at the Company’s discretion.

Similar to the Employee Relocation Incentive (ERI), assistance is by way of a grant, paid retrospectively based on 20% of the net salary paid to the relevant employee for their first year of employment, up to a maximum of £6,000 per graduate and an Employer NI refund of up to a maximum of £3,055 per employee. The payment is made directly to the Company after the graduate has completed 12 months’ employment.

Below is a summary of the job roles approved by sector for the GRI:

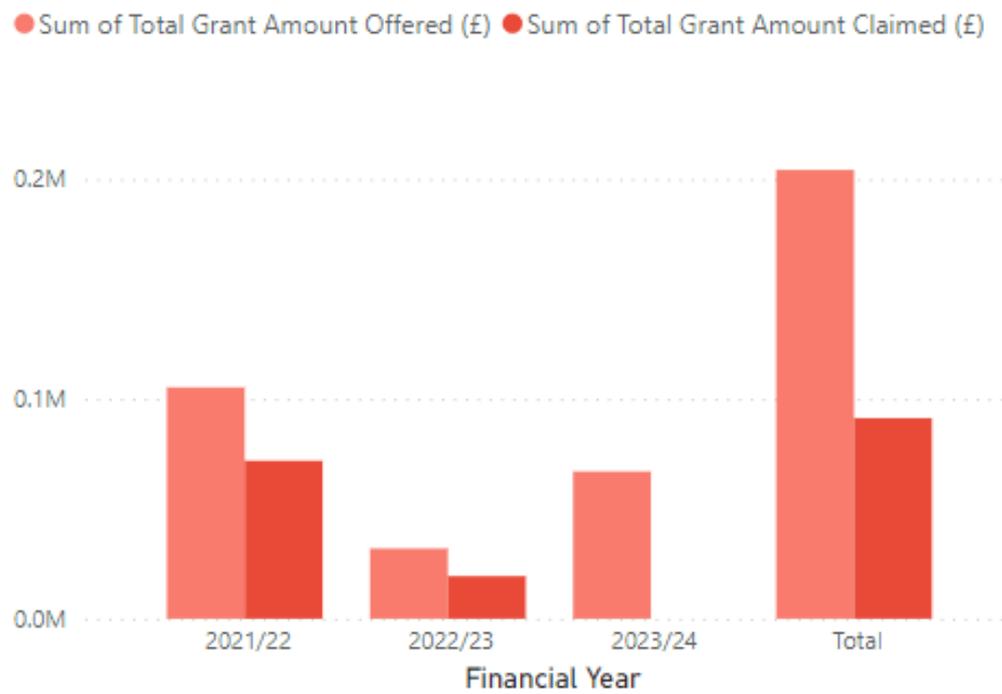


Five payments were made under the GRI in 2023/24 totalling £63,350. The majority of these relate to grants offered in previous financial years as the graduates are required to complete 12 months consecutive employment before the company can claim any payments on the grant offer.

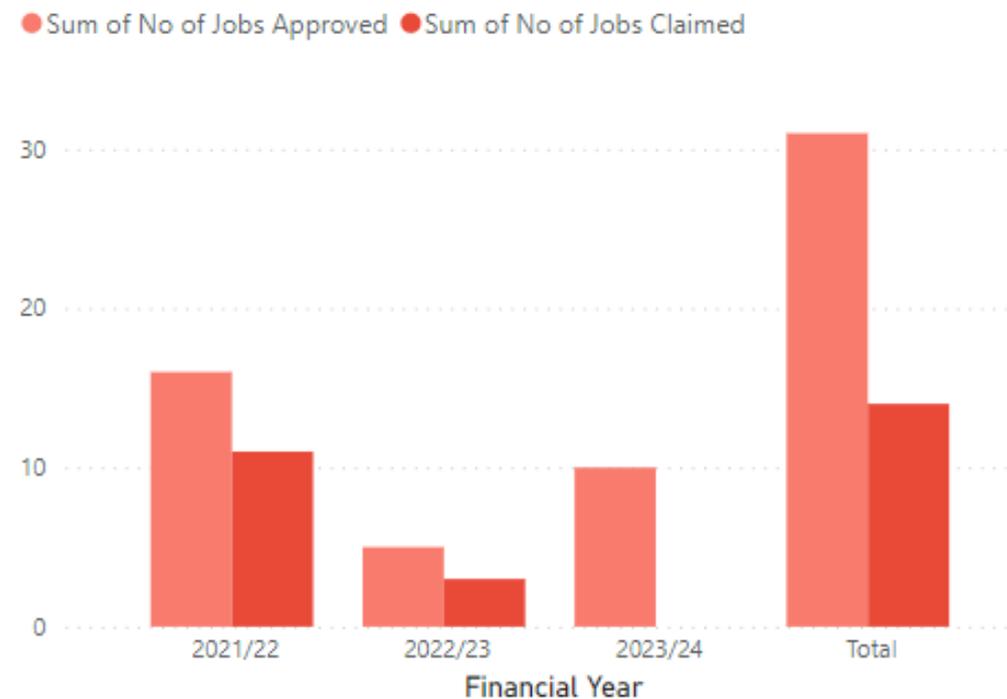
The table below details the applications that were approved during the 2023/24 financial year along with previous financial years.

Financial Year	No of Applications Approved	No of Jobs	Total Grant Amount Offered (£)	Estimated exchequer benefit created p.a. (£)	Number of Jobs Claimed	% of Jobs Claimed	Total Grant Amount Claimed (£)	% Grant Claimed
2021/22	10	16	105,280	82,821	11	68.75%	71,880	68.28%
2022/23	5	5	31,960	24,104	3	60.00%	19,400	60.70%
2023/24	9	10	67,010	51,236	0	0.00%	0	0.00%
<b>Total</b>	<b>24</b>	<b>31</b>	<b>204,250</b>	<b>158,161</b>	<b>14</b>	<b>45.16%</b>	<b>91,280</b>	<b>44.69%</b>

The charts below show the amount of assistance and number of jobs claimed against the amount of assistance and number of jobs offered under the GRI. Grant amounts offered and grant amounts claimed under the GRI as of 31<sup>st</sup> March 2024:



Number of job roles approved and number of job roles claimed for under the GRI as of 31<sup>st</sup> March 2024:



### **3.4. Seasonal Worker Incentive (SWI)**

The Seasonal Worker Incentive (SWI) was introduced in March 2022 in order to encourage an expansion of the Island’s tourism and hospitality workforce, helping fill roles in key areas where there are labour market shortages on-Island.

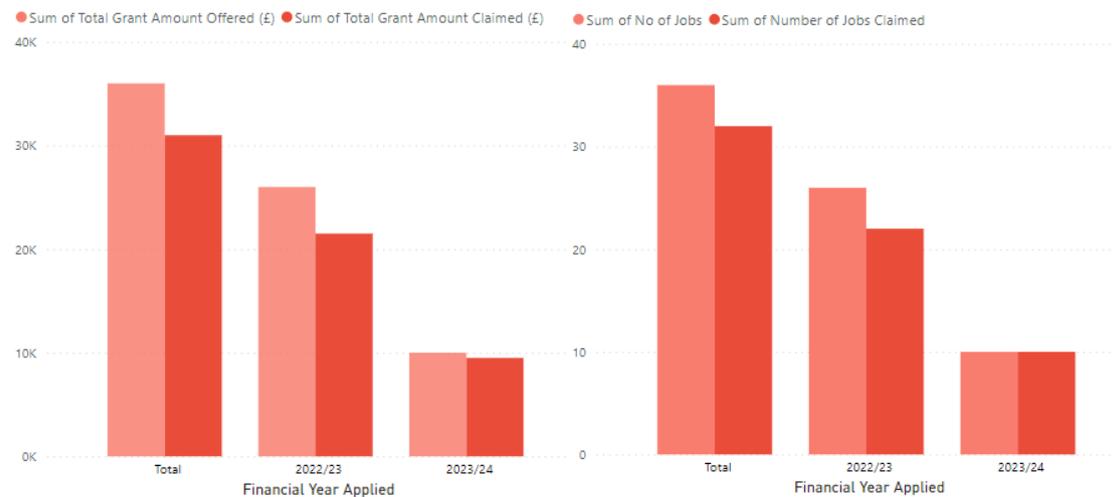
The business can claim a maximum grant of £1,000 per employee. The first £500 can be claimed after the employee has been in place for one month and the second £500 instalment can be claimed after the individual has completed six months’ consecutive employment.

Ten payments were made under the SWI in 2023/24 totalling £28,500, some of these payments relate to offers made in the previous financial year. The table below details the applications that were approved during the 2023/24 financial year and the previous financial year, along with the payments that have been claimed up to 31 March 2024.

As these roles are temporary and payments are made after one month and six months, the exchequer benefit that would be created by these roles has been calculated for a six month period rather than the usual 12 month period that would be used for permanent roles lasting 12 months or more under the Employee Relocation Incentive and the Graduate Role Incentive.

Financial Year	No of Applications Approved	No of Jobs	Total Grant Amount Offered (£)	Estimated exchequer benefit created in a 6 month period (£)	Number of Jobs Claimed	% of Jobs Claimed	Total Grant Amount Claimed (£)	% Grant Claimed
2022/23	9	26	26,000	53,934	22	84.62%	21,500	82.69%
2023/24	1	10	10,000	19,010	10	100%	9,500	95%
Total	10	36	36,000	72,944	32	88.89%	31,000	86.11%

The charts below show the amount of assistance and number of jobs claimed against the amount of assistance and number of jobs offered under the SWI:



### 3.5. Financial Assistance Scheme statistics for year ended 31<sup>st</sup> March 2024

#### Grants offers

During the year ended 31<sup>st</sup> March 2024, the Department made 72 grant offers to 53 companies, compared to the previous year when 80 offers were made to 56 companies. Comparable figures for the previous five years ending 31<sup>st</sup> March have been included in the below tables.

Number of offers to new and existing companies										
Company Status	2019/20		2020/21		2021/22		2022/23		2023/24	
	No	Amount of offers (£)								
Offers to new Companies	18	1,381,713	10	1,062,503	12	754,436	12	551,811	17	391,101
Offers to existing Companies	49	4,153,756	30	4,373,617	66	3,118,308	68	2,216,833	55	1,385,278
<b>Totals</b>	<b>67</b>	<b>5,535,469</b>	<b>40</b>	<b>5,436,120</b>	<b>78</b>	<b>3,872,744</b>	<b>80</b>	<b>2,768,644</b>	<b>72</b>	<b>1,776,379</b>

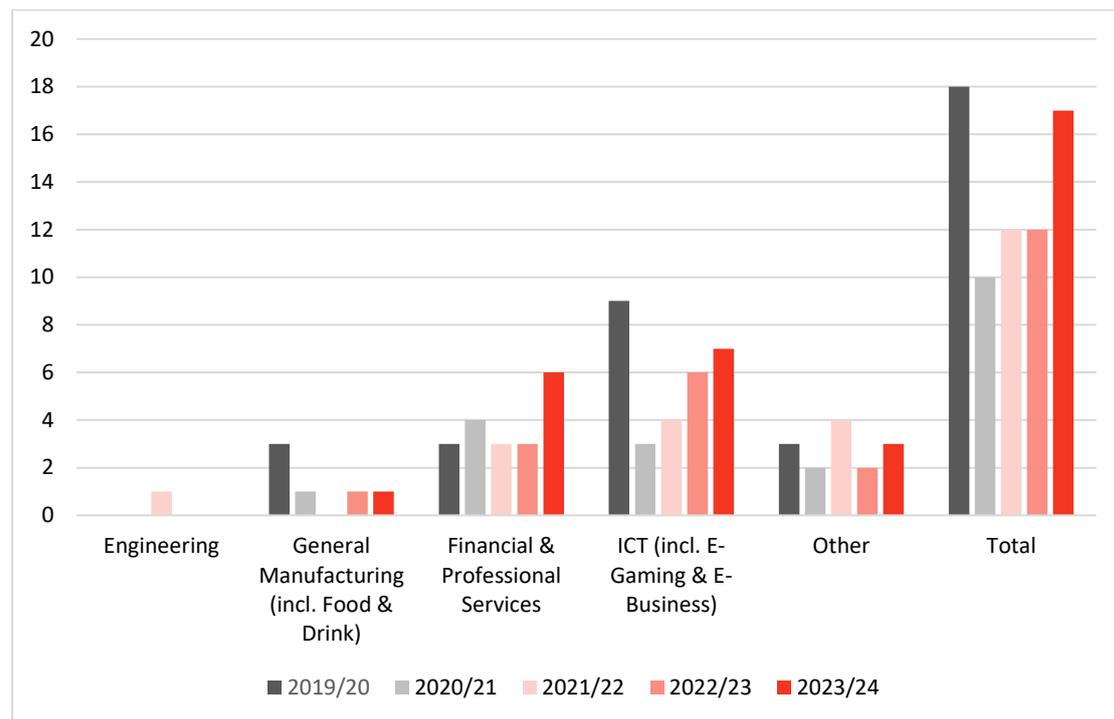
#### New business offers

In the year ended 31<sup>st</sup> March 2024, 17 of the offers were made to new companies out of the 72 offers in total, this being higher than the previous year, where 12 offers were made to new companies.

The sector breakdown of offers made to new businesses is as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24
Engineering	0	0	1	0	0
General Manufacturing (incl. Food & Drink)	3	1	0	1	1
Financial & Professional Services	3	4	3	3	6
ICT (incl. E-Gaming & E-Business)	9	3	4	6	7
Other	3	2	4	2	3
<b>Total</b>	<b>18</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>17</b>

Offers to new businesses by sector over the last five financial years:

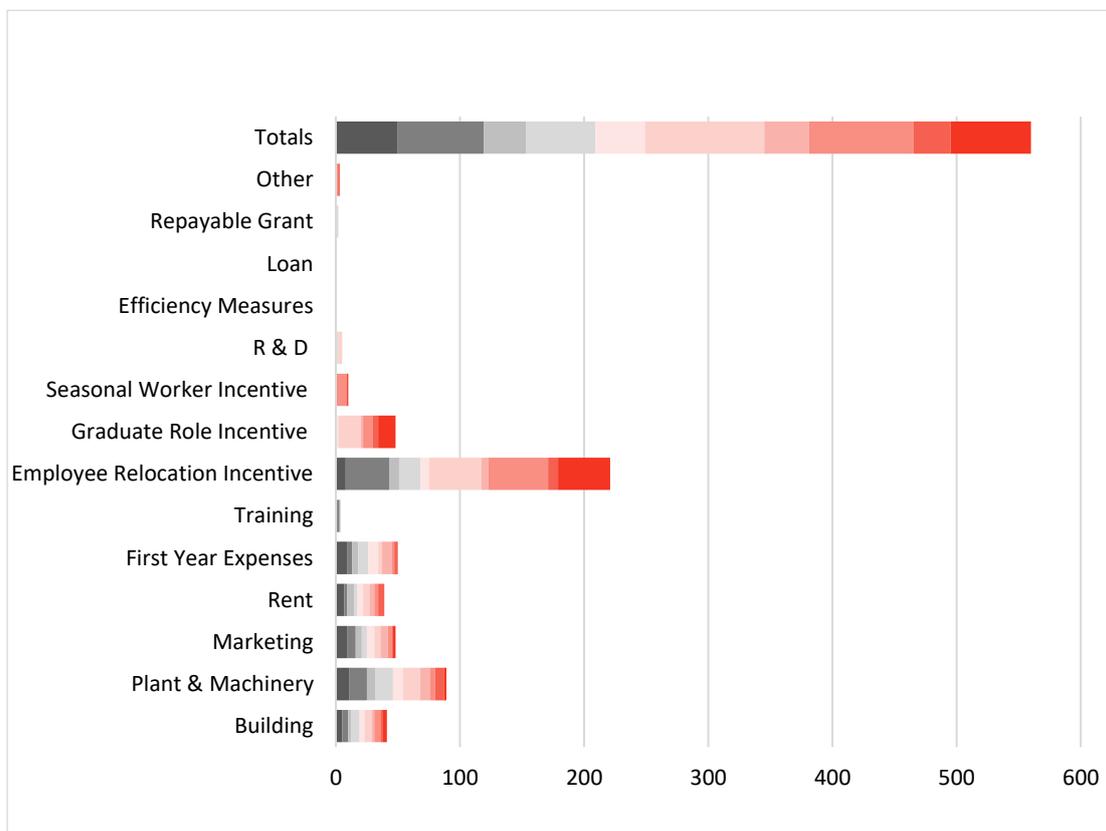


The number of offers made during the year totalled 95 across the grant categories. This figure has decreased when compared to the previous year's total of 120. The table and chart below show the split into offers made across the different grant categories to new and existing businesses.

Number of applications across grant categories										
Type of Grant	2019/20		2020/21		2021/22		2022/23		2023/24	
	New	Extant								
Building	5	5	2	7	4	6	2	5	2	3
Plant & Machinery	11	14	7	14	8	14	8	4	7	2
Marketing	9	7	5	4	6	5	6	3	1	2
Rent	7	2	6	2	5	5	4	3	5	0
First Year Expenses	9	4	5	8	8	3	8	2	3	0
Training	1	2	0	1	0	0	0	0	0	0
Employee Relocation Incentive	8	35	8	17	7	42	6	48	8	42
Graduate Role Incentive	0	0	0	0	2	18	2	8	4	14
Seasonal Worker Incentive	0	0	0	0	0	0	0	9	0	1

<b>R &amp; D</b>	0	0	1	1	0	3	0	0	0	0
<b>Efficiency Measures</b>	0	0	0	0	0	0	0	0	0	0
<b>Loan</b>	0	0	0	0	0	0	0	0	0	0
<b>Repayable Grant</b>	0	0	0	2	0	0	0	0	0	0
<b>Other</b>	0	0	0	0	0	0	0	2	0	1
<b>Totals</b>	<b>50</b>	<b>69</b>	<b>34</b>	<b>56</b>	<b>40</b>	<b>96</b>	<b>36</b>	<b>84</b>	<b>30</b>	<b>65</b>

Number of offers to new and existing companies over the previous five financial years:



■ 2019/20 New   ■ 2019/20 Extant   ■ 2020/21 New   ■ 2020/21 Extant   ■ 2021/22 New  
 ■ 2021/22 Extant   ■ 2022/23 New   ■ 2022/23 Extant   ■ 2023/24 New   ■ 2023/24 Extant

**Total amount of financial assistance offered**

The total amount of financial assistance offered this year was £1,776,379, compared to £2,768,644 in the previous year.

The decrease in the amount of assistance offered is seen as a result of the last few years of difficult trading conditions that businesses have experienced as a result of the Covid-19 pandemic and the ongoing cost of living crisis, which have seen businesses wanting to retain cash reserves in order to remain resilient until economic conditions improve.

The increase in the number of new businesses supported in comparison to the previous three years could be viewed as a positive indicator that business confidence is beginning to improve. The offers totalled £1.78 million<sup>1</sup> and the average percentage of support offered was 35.7%, higher than the previous years' level of 31.7%. The level of support is measured through the exchequer benefit created from forecasted new jobs, new construction work, and the Department's aim is to see any investment made returned within a maximum five-year period. The £1.78 million equates to a proposed investment from the private sector of £5.17 million<sup>2</sup> by local businesses compared to £9.27 million<sup>3</sup> in the previous year.

The split of the amount of grant assistance offered to new companies and existing companies across the different grant categories, along with the proposed investment from the private sector relating to these offers, is shown in the tables and charts on the next pages.

Amount of grants offered to new & existing businesses										
Type of Grant	2019/20		2020/21		2021/22		2022/23		2023/24	
	New £'000	Extant £'000	New £	Extant £						
Building	202	1,182	52	890	37	204	104	1,036	7,720	763,150
Plant & Machinery	530	2,318	350	2,551	190	1,761	79	147	30,739	86,000
Marketing	236	165	128	22	77	236	68	22	28,120	3,590
Rent	77	15	233	21	99	139	76	72	97,753	0
First Year Expenses	153	42	61	288	198	38	117	107	15,979	0
Training	1	148	0	0.01	0	0	0	0	0	0
Employee Relocation Incentive	183	283	214	227	148	610	102	653	188,960	397,358
Graduate Role Incentive	0	0	0	0	6	100	6	26	21,830	45,180
Seasonal Worker Incentive	0	0	0	0	0	0	0	26	0	10,000
R&D	0	0	25	278	0	31	0	0	0	0
Efficiency Measures	0	0	0	0	0	0	0	0	0	0
Loan	0	0	0	0	0	0	0	0	0	0
Repayable Grant	0	0	0	98	0	0	0	0	0	0

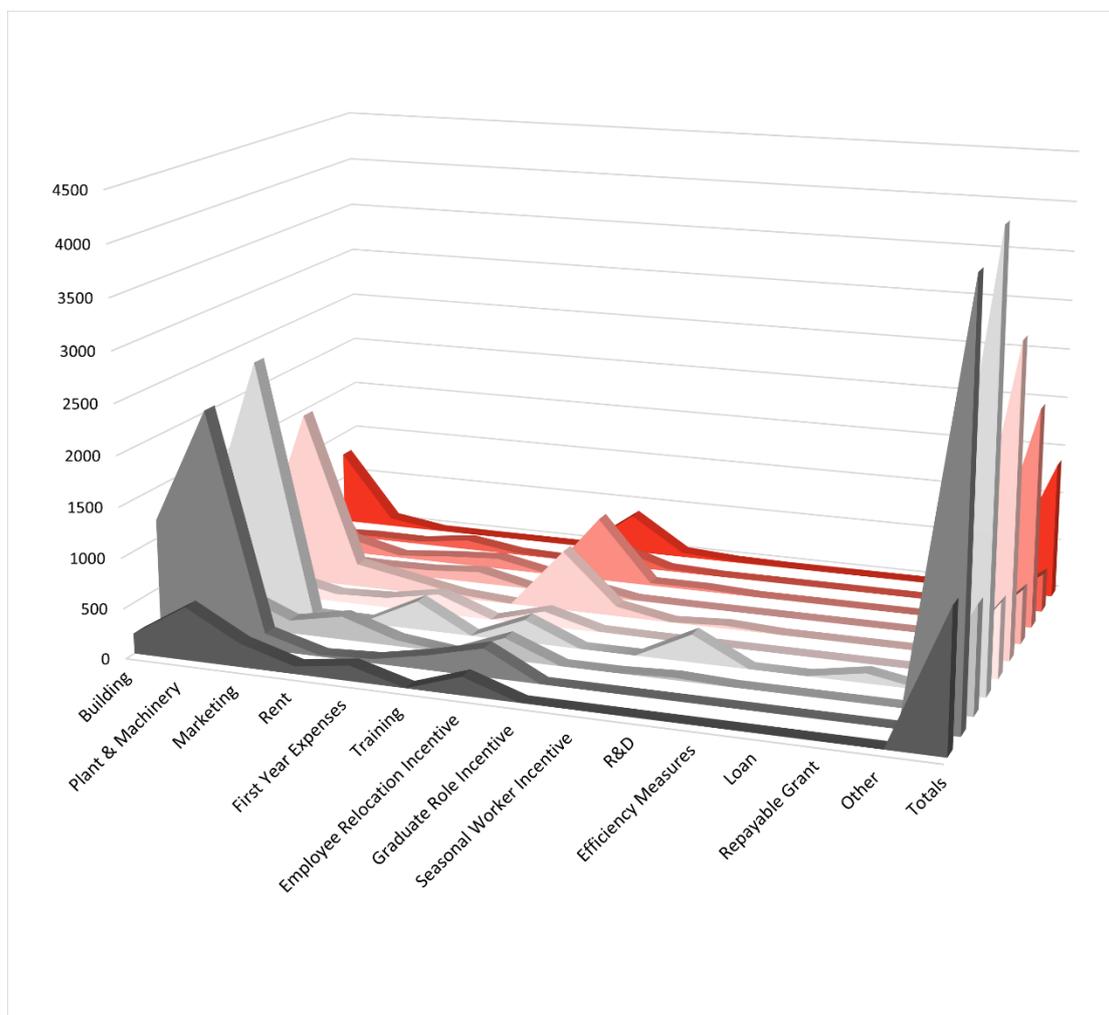
<sup>1</sup> The number that is shown is rounded

<sup>2</sup> As above

<sup>3</sup> As above

<b>Other</b>	0	0	0	0	0	0	0	128	0	80,000
<b>Totals</b>	<b>1,382</b>	<b>4,153</b>	<b>1,063</b>	<b>4,374</b>	<b>755</b>	<b>3,119</b>	<b>552</b>	<b>2,217</b>	<b>391,101</b>	<b>1,385,278</b>

Value of grant offers to new and existing companies over the previous five financial years £'000:

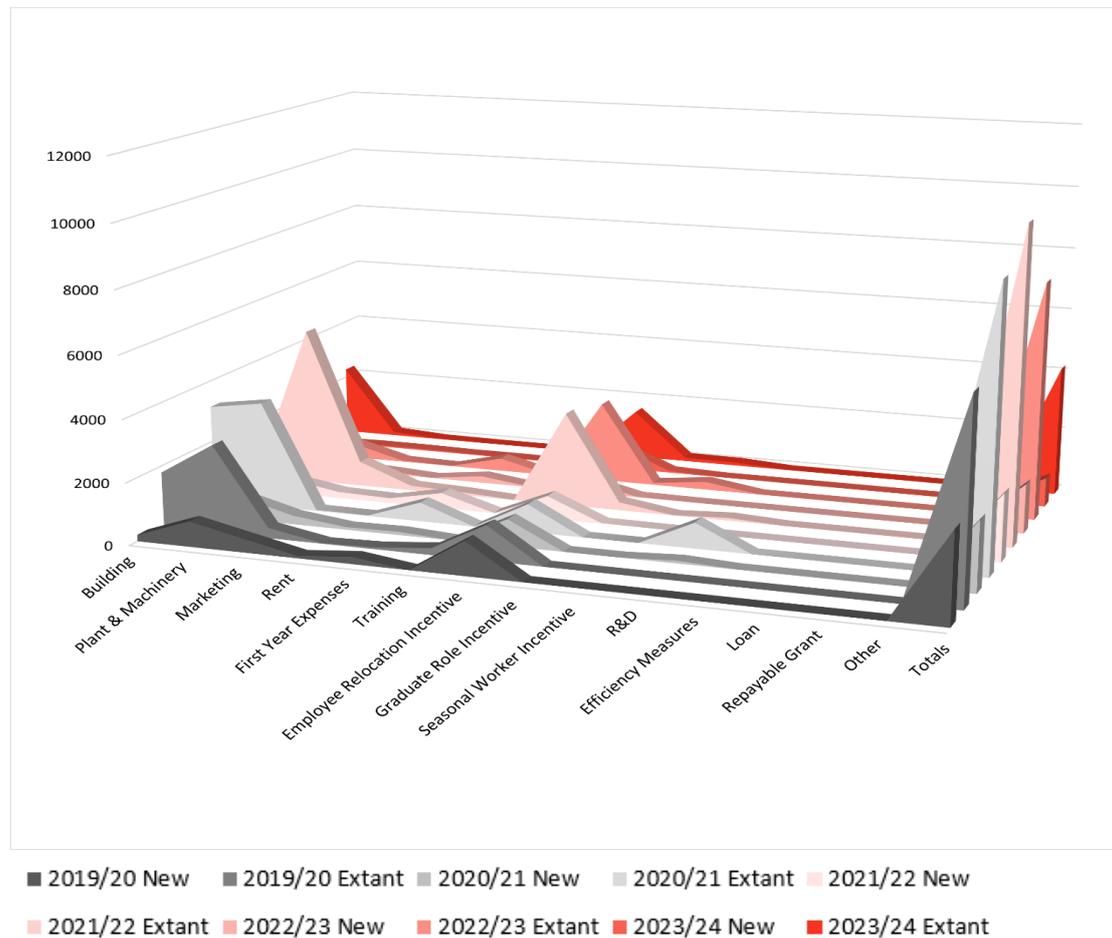


■ 2019/20 New ■ 2019/20 Extant ■ 2020/21 New ■ 2020/21 Extant ■ 2021/22 New  
 ■ 2021/22 Extant ■ 2022/23 New ■ 2022/23 Extant ■ 2023/24 New ■ 2023/24 Extant

Potential company spend by new and existing businesses linked to the grant offers above										
Type of Grant	2019/20		2020/21		2021/22		2022/23		2023/24	
	New £'000	Extant £'000	New £	Existing £						
<b>Building</b>	206	1,791	90	3,153	94	509	722	3,777	11,580	2,271,350
<b>Plant &amp; Machinery</b>	819	2,834	731	3,411	478	5,093	121	483	46,109	114,000
<b>Marketing</b>	449	331	286	31	201	813	105	40	42,180	12,510

<b>Rent</b>	80	23	85	20	158	153	7	5	19,872	0
<b>First Year Expenses</b>	229	64	106	619	498	96	222	425	23,968	0
<b>Training</b>	1	222	0	1	0	0	0	0	0	0
<b>Employee Relocation Incentive</b>	1,101	1,133	867	906	739	3,050	408	2,613	755,840	1,589,432
<b>Graduate Role Incentive</b>	0	0	0	0	15	264	16	68	55,920	118,320
<b>Seasonal Worker Incentive</b>	0	0	0	0	0	0	0	260	0	105,300
<b>R&amp;D</b>	0	0	88	833	0	90	0	0	0	0
<b>Efficiency Measures</b>	0	0	0	0	0	0	0	0	0	0
<b>Loan</b>	0	0	0	0	0	0	0	0	0	0
<b>Repayable Grant</b>	0	0	0	0	0	0	0	0	0	0
<b>Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>2,885</b>	<b>6,398</b>	<b>2,254</b>	<b>8,975</b>	<b>2,183</b>	<b>10,069</b>	<b>1,602</b>	<b>7,671</b>	<b>955,469</b>	<b>4,210,912</b>

Value of private sector investment linked to grant offers by new and existing companies over the previous five financial years £'000:



### FAS Loan offers

On occasion, the Department offers alternative types of assistance to businesses, the most common being working capital loans. However, the Department did not make any loan offers in the period covered by this report and it did not make any loans offers in the previous financial year.

### Total amount of assistance paid

The total amount of assistance paid out for FAS and Employment Incentive grants (ERI, GRI & SWI) in the year ending 31<sup>st</sup> March 2024 was £2,696,566 compared to £2,437,676 in the previous year. The value of payments made varies from year to year because grant payments, excluding loans, are paid retrospectively and projects can take a significant time to complete.

The increase in payments in comparison to 2022/23 is a result of businesses progressing with larger projects that they have received offers of grant assistance for e.g. building works. In addition, a number of ERI and GRI offers have been claimed from previous financial years after the employees completing at least 12 months of continuous employment. To this end, offers normally remain open for two years. If the Department receives a written request from a business providing compelling reasons, the period in which the assistance can be claimed may be extended.

Based on historical information, 76% of the value of grant assistance is ordinarily claimed. Due to the significant rise in building costs and materials, an additional 15% has been added to the gross amount of building grant offers open at the end of the 2023/24 financial year, to account for the likelihood that more than the average amount of 76% of grant assistance may be claimed.

As at 31<sup>st</sup> March 2024, the value of outstanding offers amounted to £13.65 million. Based on the historical claim percentage of 76% this represents a value of £10.37 million that the Department may be expected to grant to businesses over a number of years.

When deducting the payments that had been made up to 31<sup>st</sup> March 2024 against these outstanding offers, the amount carried forward into the 2024/25 financial year was £6.44 million.

The Department made offers to businesses from a wide range of sectors. The size of the businesses was also diverse and ranged from companies employing over one hundred people to single person operations.

### **3.6. Businesses that received payments under the Financial Assistance Scheme**

#### **For the period 1 April 2023 to 31 March 2024**

4Tech Limited	Island Optics Limited
Amiga Entertainment Limited	Island Shellfish Processing Limited
Astrea Bioseparations Ltd	Isle of Man Chamber of Commerce (Barclays Eagle Lab)
Atla Services Limited	Isle of Man Creamery Limited
BBG Limited	KPMG LLC
Bittylicious (Isle of Man) Limited	Magpie Digital Media Limited
Blackfridge AC Limited	Mann & Partners Limited t/a M&P Legal
BowCap Partners Limited	Mobile Content International Limited
Bramden Limited	Mrs Yang's Restaurant Limited
BridsonHalsall Advocates Limited	Nedgroup Investments (IOM) Limited
CabCard Services Limited	Palace Holdings Limited
Checkout 14 Limited t/a Little Diamonds Nursery	Premier Gateway International Limited
CoinCorner Ltd	Recycle Collect Limited
Crowe Isle of Man LLC	Roger W Smith Limited
Derivco Isle of Man Limited	Seaboard Overseas Limited
Edgewater Associates Limited	Seed Mentors Entrepreneurs (IOM) Limited
Eximia Limited	Stacuity Limited
Extra Fancy Limited	Standard Bank Isle of Man Limited
Gaming Mechanics Limited	Stockwell Ltd
Go See TV Limited	Swagelok Limited
Henson Ceramics Limited	Talay Thai Limited
Hopes & Dreams Limited	Turnstone (Isle of Man) Limited

The total of the assistance paid to the above businesses through the FAS, and all of its appendices including the ERI, GRI, SWI, Appendix 11, Appendix 12 and Appendix 13, in the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 amounted to £2,781,490.

### **3.7. Businesses that ceased trading during the year**

The Department is not aware of any businesses that ceased to trade during the financial year ended 31<sup>st</sup> March 2024, which had previously received assistance, and the assistance remained under terms and conditions.

#### 4. Economic Recovery Group initiatives administered via the FAS

##### **4.1. Appendix 11 – Accessibility Grants (Appendix 11)**

Appendix 11 was made available to businesses under the FAS from September 2020 following approval by the Economic Recovery Group (ERG). Appendix 11 supports business to make accessibility improvements to their premises or services in line with the Equality Act 2017. The initiative offers up to 50% grant funding against eligible costs up to a maximum of £7,500 per business.

In the financial year ending 31<sup>st</sup> March 2024 the Department made one grant offer under Appendix 11 totalling £7,500 as detailed in the table below, along with the offers made in previous two financial years:

Appendix 11 applications	2021/22			2022/23			2023/24		
	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)
Accessibility	1	15,000	7,500	4	33,668	16,834	1	15,000	7,500
<b>Totals</b>	<b>1</b>	<b>15,000</b>	<b>7,500</b>	<b>4</b>	<b>33,668</b>	<b>16,834</b>	<b>1</b>	<b>15,000</b>	<b>7,500</b>

One Appendix 11 payment totalling £7,500 was claimed during the 2023/24 financial year, which relates to an offer made in a previous financial year.

##### **4.2. Appendix 12 – Financial Assistance for marketing the Island as a destination to live, work or invest (Appendix 12)**

Appendix 12 was made available to businesses under the FAS from October 2020 following approval by the Economic Recovery Group (ERG). Appendix 12 supports business in all sectors with grant assistance towards marketing activity which promotes the Isle of Man as an attractive destination for individuals, entrepreneurs and businesses to choose to locate to and invest in, and also attract prospective employees to take up Island-based positions, and in doing so, drive economic growth and diversification. The initiative offers up to 50% grant funding against eligible marketing costs up to a maximum of £10,000 per business, per annum.

One new grant offer was made under Appendix 12 in the 2023/24 financial year totalling £6,026 as detailed in the table below, along with the offers made in previous two financial years:

Appendix 12 applications	2021/22			2022/23			2023/24		
	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)
Marketing	1	1,000	500	0	0	0	1	12,052	6,026
<b>Totals</b>	<b>1</b>	<b>1,000</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>12,052</b>	<b>6,026</b>

One Appendix 12 payment totalling £5,786 was claimed during the 2023/24 financial year.

##### **4.3. Appendix 13 – Financial Assistance to Engineering and Manufacturing sector businesses adversely affected by the Coronavirus (Appendix 13)**

Appendix 13 was made available to businesses from May 2021 following approval by the Economic Recovery Group (ERG). Appendix 13 supported business in the Engineering and Manufacturing sector with two forms of grant assistance towards Salaries and/or Consultancy costs. The support available towards salaries offered 80% of the salary costs (capped at £600 per week, per employee) of up to 20% of the Company's Isle of Man FTE headcount, dedicated to research and development, business improvement or training, and 50% grant assistance

(capped at £50k) towards third party consultancy project costs. The Scheme closed to new applications on 31<sup>st</sup> May 2023.

In the financial year ending 31<sup>st</sup> March 2024, the Department did not make any new Appendix 13 grant offers. The table below details the offers made under the scheme during each financial year that it was open to applications, across the two different categories which were available under the Scheme (salaries and consultation):

Appendix 13 applications	2021/22			2022/23			2023/24		
	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)	No	Gross Approved (£)	Net Approved (£)
Research & Development Salaries	4	2,761,379	2,209,103	1	44,000	35,200	0	0	0
Research & Development Consultation	3	393,445	196,723	0	0	0	0	0	0
<b>Totals</b>	<b>7</b>	<b>3,154,824</b>	<b>2,405,826</b>	<b>1</b>	<b>44,000</b>	<b>35,200</b>	<b>0</b>	<b>0</b>	<b>0</b>

One Appendix 13 payment totalling £71,638 was claimed during the 2023/24 financial year, which relates to an offer made in a previous financial year.

## 5. Loans and investments via the Enterprise Development Scheme (EDS)

The Enterprise Development Scheme closed to new applicants from 1<sup>st</sup> May 2022, with applications only available for the current portfolio. In the period of 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, no further loans or investments were made.

## 6. Authorisations of employment in the national interest

Under section 7(5)(a) of the Control of Employment Act 2014, the Department may exempt a person from the requirement for a work permit if the Department is satisfied that the employment is necessary in the national interest. The Act requires that the Department includes in this report a statement specifying the number of such authorisations in the year, and the reasons for them.

Between 1<sup>st</sup> April 2023 and 31<sup>st</sup> March 2024, the Department approved one request for a Work Permit exemption in the national interest, on the basis of the need to secure the employment of an individual in a critical regulatory role for a 6 month period.

## 7. Appendix 1

The following table (**Figure 1**) outlines the financial support provided by each of the Enterprise Support Schemes throughout the financial year 2023/24, and previous five financial years (where applicable). **Figure 1** demonstrates the overall funding which has been provided across the Enterprise Support Schemes; however as each Scheme is operated differently, it can be difficult to compare like-for-like.

**Figure 1**

Key								
	Not applicable to specific scheme							
Figure 1: Financial Year 2023/2024								
Scheme	Amount committed (£)	Jobs supported (average)	Jobs created Exchequer Benefit (per annum) (£)	Jobs protected	Tax protected (2023-2024) (£)	Private Sector Investment Leveraged (£)	Draw-down period (max) (£)	Financial Assistance actually paid out (by DfE)* (£)
Financial Assistance Scheme (FAS)	1,113,051	61	426,323	2,797	44,263,750	2,541,569	2 Years	2,335,091
Employee Relocation Incentive (ERI)	586,318	80	1,037,005			2,345,272	2 Years	269,624
Graduate Role Incentive (GRI)	67,010	10	51,236			174,240	2 Years	63,350
Seasonal Worker Incentive (SWI)	10,000	10	19,010**			105,300	2 Years	28,500
Appendix 11 – Accessibility grants	7,500					7,500	2 Years	7,500
Appendix 12 – Marketing the Island as a destination	6,026					6,026	2 Years	5,786
Appendix 13 – Financial assistance to manufacturing and engineering businesses	0					0	2 Years	71,638
Micro Business Grant Scheme (MBGS)	502,559	100					6 months	502,559
Town & Village Regeneration Scheme (TVRS)	40,386					181,777	2 Years	69,450
Town & Village Regeneration Scheme Economic Recovery Group Criteria (TVRS ERG)	66,134					80,236	2 Years	125,488
Business Improvement Scheme (BIS)	27,176					23,065		27,176

Green Living Grant Scheme (GLGS)	1,987,199***							1,830,312***
STEP Scheme		27****						
<b>Figure 2: Previous Five Financial Years</b>								
Scheme	Amount committed (£)	Jobs supported (average)	Jobs created Exchequer Benefit (per annum) (£)	Jobs protected	Tax protected (£)	Company investment (min) (£)	Draw-down period (max)	Financial Assistance actually paid out (by DfE) (£)
FAS (and associated grants)	19,285,546	1,168	11,074,297	13,140	196,947,000	43,430,572	2 Years	13,793,118

*\*All of the payment figures may include payments relating to grants that were approved in a previous financial year*

*\*\*This figure is calculated for a 6 month period*

*\*\*\*This figure includes Manx Home Energy Audit fees*

*\*\*\*\*These roles were summer placements lasting eight weeks*

The table above (Figure 1) demonstrates that in the previous financial year, the Financial Assistance Scheme (and associated ERI, GRI and SWI employment incentive grants) has committed c. £1.78 million towards starting and growing businesses in the Isle of Man.

The average number of jobs this funding will support within the Island, inclusive of the employment incentives, is 161. This number is an average of employees the business has estimated to create. Employment conditions are often part of an offer of assistance to ensure these targets are met.

These 161 jobs will contribute an estimated exchequer benefit to the Island of over £1.5 million per annum. Given this, the expected return period on the investment made in these businesses means that the grants will break even in less than two years.

In addition to this, supporting these businesses to invest in expanding and enhancing their operations will mean the funding provided under the FAS and its appendices, including the ERG appendices, protects approximately 2,797 jobs in the Island, which when combined contribute c.£44.26 million in tax, which is protected each year.

The support provided through the Financial Assistance Scheme and all of its various appendices, including the ERG appendices, has stimulated over £5.18 million of private investment that businesses have contributed back into the local economy.





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