

GD 2023/0017



The Enterprise Act 2008
**ANNUAL REPORT FOR
2021/2022**

February 2023



Isle of Man
Government
Reillys Ellan Vannin

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The contents of this document are the property of the Department for Enterprise

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) 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 31st March. 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 through 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 ERI and GRI employment incentive grants) has committed over £3.87 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 230. These jobs will contribute an estimated exchequer benefit to the Island of over £2.4 million per annum. In addition, this support will leverage over £12.36 million of private investment that businesses have contributed back into the local economy.

When combined with the Economic Recovery Group initiatives administered under the FAS appendices and the Coronavirus Recovery Scheme, 3,171 existing Isle of Man jobs have been protected which contribute over £47.59 million in tax each year.

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 2021/2022 can be found in Section 3.

**Hon Tim Johnston MHK
 Minister for Enterprise**

2. Covid-19-related schemes

The Enterprise Support Division of the Department was instrumental in the implementation of the initial emergency financial support measures during the onset of the Coronavirus pandemic in 2020.

During financial year 2021/22 it continued to provide various forms of financial assistance to support businesses with both the immediate difficulties faced in some sectors, and wider economic recovery following the pandemic. These Covid-19-related schemes and Economic Recovery Group initiatives have been administered alongside the usual day-to-day workload.

The information shown on the infographic to the right includes figures for all of the Covid-19 related support provided to local businesses during the 2021/22 financial year under the Coronavirus Recovery Scheme and various other funding rounds and support schemes administered by the Department. An overview of each scheme and the support provided is detailed in sections 2.1. – 2.7. below.



Details of the applicants who received assistance under all of the Department’s Covid-19 related schemes can be found [here](#).

2.1. **Coronavirus Recovery Scheme (CRS)**

During the financial year ending 31st March 2022, the Department continued to administer grants to businesses that remained adversely impacted as a result of the ongoing effects of the Coronavirus pandemic.

The Coronavirus Recovery Scheme (CRS) was formed under the Coronavirus Business Support Scheme 2020 that came into force on the 25th December 2020 and replaced Appendices 9 and 10 of the Financial Assistance Scheme.

The appendices and subsequent CRS supported the costs of adapting a business and/or provided support towards essential ongoing operating costs. The latter financial assistance towards business overheads was available exclusively for businesses operating in the tourism and travel related sectors.

In the financial year ending 31st March 2022, the Department made 11 offers to 11 companies, applying for adaptation grants. The 11 offers consisted of 22 individual grants across the five different grant categories available under the Scheme (Building, Plant & Machinery, Marketing, Rent, and First Year Expenses).

The split of the 22 individual grants across the five different grant categories is shown in the table below, along with the split of the 22 individual grants by sector:

2021/22 CRS adaptation applications				
	No.	Gross Approved	Net Approved	Amount Paid*
Building	3	28,561	14,281	18,540
Plant & Machinery	9	96,433	48,216	11,882
Marketing	1	1,000	500	1,125
Rent	2	13,000	6,500	35,031
First Year Expenses	7	32,439	16,970	5,334
Totals	22	171,433	86,467	71,912
2021/22 CRS adaptation by sector				
	No.	Gross Approved	Net Approved	Amount Paid*
E-Business	0	0	0	0
Engineering	0	0	0	0
Financial/ Professional	1	13,259	6,630	4,925
Food & Drink	1	1,500	750	13,638
Health	8	50,796	25,648	12,559
Media	1	14,000	7,000	15,880
Retail	0	0	0	278
Service Provider	3	29,207	14,854	2,926
Tourism & Leisure	8	62,671	31,585	21,706
Totals	22	171,433	86,467	71,912

The Department made 54 offers to 17 companies that applied for grants linked to business overheads expenditure. A business could apply for assistance each quarter in which it had experienced a downturn of 25% or more compared to the same period in 2019/20.

The split of the 54 offers by sector is shown in the table below:

2021/22 CRS Overheads applications				
	No.	Gross Approved	Net Approved	Amount Paid*
Business Overheads	54	2,966,458	1,061,433	1,117,892
Totals	54	2,966,458	1,061,433	1,117,892
2021/22 CRS Overheads by Sector				
First Year Expenses				
	No.	Gross Approved	Net Approved	Amount Paid*
Food & Drink	8	424,709	111,240	107,662
Media	4	1,086,281	271,946	217,815
Tourism & Leisure	42	1,455,468	678,247	792,415
Totals	54	2,966,458	1,061,433	1,117,892

**Payments made in this financial year may relate to grant offers made in a previous financial year and are rounded*

2.2. [Coronavirus Business Support Scheme \(CBSS\) rounds 1, 4-7](#)

A further four rounds of the Coronavirus Business Support Scheme (CBSS) were administered during 2021/22 (CBSS rounds 4-7). There was a further payment under CBSS1 in this period. These funding rounds continued to support self-employed individuals in the tourism and travel sectors affected by the ongoing border restrictions. In order to be eligible, a business's turnover

needed to be 50% down in the qualifying periods and the business was required to be able to attribute more than 50% of their income from tourism and travel-related activities. Each round offered a single payment of up to £3,000. Round 4 had opened in the previous financial year, from 1st January 2021 to 30th April 2021. Round 5 opened for applications from 1st April 2021 and closed on 31st July 2021. Round 6 opened for applications from 1st July and closed on 13th August 2021. Round 7 opened for applications from 1st October and closed on 30th November 2021.

2.3. Circuit-Break Lockdown version 2 (CBL2)

CBL2 was devised to support businesses during the March 2021 'circuit-break' lockdown. The Scheme opened on 3rd March 2021 and closed on 30th April 2021. This Scheme supported businesses whose operating overheads were more than £250 per month and paid grants of up to £3,500, but certain sectors less affected by this second circuit-break lockdown e.g. the construction sector, received a reduced amount of £2,500.

2.4. Business Premises Support Schemes (BPSS, CBSS-BPSS & CBSS-BPSS2)

The BPSS was introduced in March 2021 as part of the Coronavirus Business Support Scheme and was devised to support businesses, which operated from commercial business premises and had suffered a 25% or more downturn in turnover over the course of the pandemic. The Scheme opened on 31st March 2021 and closed on 14th May 2021. Two elements of support were offered under BPSS – the rates payment element, which offered support in the form of a grant equivalent to a business's annual rates bill for each of its commercial premises and the £250 payment element, which offered a one-off payment of £250 for each of the applicant's commercial premises that would normally be open on Saturdays and/or Sundays but had to either close or close early on 27th and 28th February 2021 in line with Government guidance issued that weekend. A maximum one-off payment of £1,000 was available to businesses or self-employed persons who did not have premises or whose rates bill/contribution was less than £1,000.

Two further BPSS funding rounds were administered during 2021. CBSS-BPSS opened to applications on 30th July 2021 and closed on 17th September 2021. CBSS-BPSS2 opened to applications on 1st September 2021 and closed on 15th October 2021.

2.5. Hospitality Transition Support Scheme (HTSS)

The HTSS was devised in June 2021 to support businesses in the hospitality and catering sectors that had been financially affected by the pandemic for the three-month period June – August 2021. The Scheme opened on 18th June 2021 and closed on 30th July 2021. The Scheme supported businesses with grant assistance equivalent to three times their annual rates bill for their commercial premises. To qualify, a business must have suffered a 25% or more reduction in turnover.

2.6. December Disruption Scheme (DDS)

The DDS was devised to support businesses, which had suffered a downturn of 18.6% or more during December 2021 in comparison to December 2020 or December 2019. The Scheme opened on 10th January 2022 and closed on 25th February 2022. DDS supported businesses with a one-off grant payment up to a maximum £6,000 (businesses that had suffered a loss in turnover of less than £6,000 only received their difference in turnover).

2.7. Winter Disruption Scheme (WDS)

The WDS was devised to support eligible businesses during the winter period, which had suffered a downturn of 18.6%, or more for three consecutive months from September 2021 – March 2022, compared to the same period in either 2019 or 2020. The Scheme opened on 10th December 2021 and closed on 15th April 2022. The support offered via WDS was a grant of

either the equivalent of four years' business rates, for those with commercial premises, a payment of £4,000 for those without commercial premises, or a payment of £3,000 where the business was in receipt of either the Coronavirus Recovery Scheme (CRS) or the Coronavirus Business Support Scheme (CBSS) Round 7.

The payment information relating to each of the schemes detailed in sections 2.2 – 2.7 in the financial year 2021/22 is summarised below. (This information excludes payment information for the CRS which has been provided in the tables on page 4.)

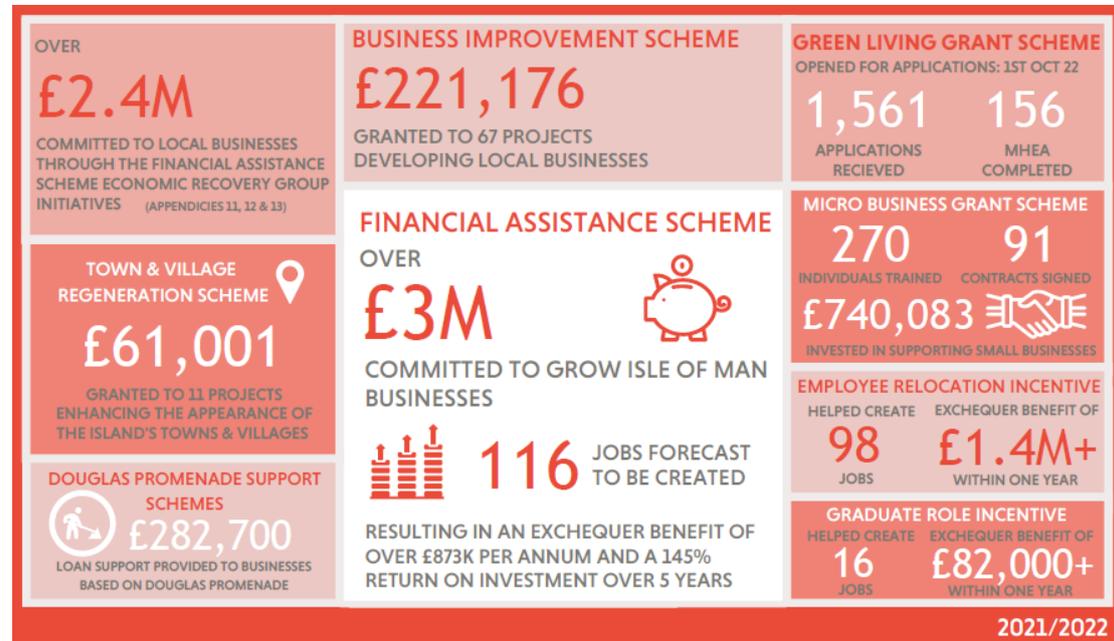
Version	Applications processed	Payments	Amount Paid
CBSS1	0	1	£3,000
CBSS4	0	0	£0
CBL	1	2	£3,000
CBL2	172	1,834*	£6,365,000*
CBSS5	58	46	£138,000
BPSS	486	450	£1,459,372
CBSS-HTSS	150	133	£1,608,614
CBSS6	36	20	£60,000
CBSS-BPSS	239	214	£422,178
CBSS-BPSS2	152	145	£284,896
CBSS7	8	5	£15,000
CBSS-WDS	396	324	£2,112,395
CBSS-DDS	278	249	£850,090
	1,976	3,423	£13,321,545

***Some of the payments made in the 2021/22 financial year relate to applications that were processed in the previous financial year.**

Please note that there was an error in the CBL2 payment figures detailed in the 2020/21 Annual Report, which stated that 4,855 payments had been made to the value of £6,372,500. The correct figures for CBL2 payments in 2020/21 are 943 payments processed to the value of £2,357,500. The amount paid reported was for the 2021/22 financial year rather than 2020/21. The reported number of payments processed was an administrative error. This error also impacts the totals shown on the infographics on pages 4 and 6 of the 2020/21 report.

3. Overview of support provided across Enterprise Support (excluding Covid-19 related support)

Over the past financial year, the various schemes (excluding all of the Covid-19 related schemes which have been detailed in **Section 2**) 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 2021/22, and previous five financial years (where applicable).

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).

- 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 up to £6,000 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, 498 new businesses have been formed through the Scheme, which not only creates economic value in regards 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 2022, the MBGS trained 270 individuals resulting in 91 signed contracts and a total of £740,083 invested into small start-up businesses by the Department.
- The **Business Improvement Scheme (BIS)** provides 50% grant support up to £5,000 (£10,000 for ERG-funded projects) for businesses to engage external consultants to undertake specific projects with tangible outcomes e.g. transactional web sites, marketing, digital marketing, and quality accreditations. Over the past five financial years this has comprised over £419,877 in investment into improving the offerings of Isle of Man businesses. Throughout the Coronavirus pandemic, additional funding (facilitated by the Economic Recovery Group) had provided support for domestic businesses to increase their digital footprint which has been essential to ensuring businesses were able to trade online

during periods of lockdown and difficulty, and supported an increased spend in 2021-22. In the year ending 31st March 2022 the BIS invested £221,176 in 67 business improvement projects. Of this investment, £172,533 was facilitated by the additional Economic Recovery Group funding for 41 of the projects.

- The **Town & Village Regeneration Scheme (TVRS)** was launched in 2020 and provides 50% grant funding up to £10,000. The TVRS has invested £96,811 into improving the visual appearance of the Island's towns and villages and civic amenity projects, with the aim of increasing enjoyment of the areas, and encouraging footfall. Regeneration of our Island is essential to enhance our proposition for both residents and visitors and for the Island to be regarded as a destination which is investing in maintaining its built 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. In 2020, the Scheme was awarded an additional £1m of funding from the Economic Recovery Group in order to provide increased grant support of £25,000 and also provide 80% support to Local Authority projects. £66,858 has been committed to projects from this additional funding.

This Scheme paid assistance towards 11 projects in the 2021-2022 financial year to the value of £61,001, an average of £5,545 per company.

A list of companies which received payments under the TVRS can be seen below:

Fynoderee Limited	Apres Investments
Town House	Manx Shirts
Goodstuff Restaurant Limited	Corlett Bolton
Great Laxey Mine Railway	Peel Post Office
Ocean Waves	1886
Manticore Limited	

- **Investors in People (IIP)** – The purpose of the IIP Scheme was to encourage businesses to invest in receiving accreditation which demonstrates their commitment to providing positive training and development opportunities for people within the business environment. Following a decrease in applications over recent years, support for IIP accreditation was closed as a stand-alone scheme during the 2021-2022 financial year and the support for IIP consultancy transferred to the Business Improvement Scheme (BIS) from January 2022 onwards.
- The **STEP** programme seeks to offer undergraduates the opportunity to work on projects for local businesses for an eight-week period during the summer months. The decision was made not to run the STEP programme during the 2021/22 financial year due to the impact of the Coronavirus pandemic. The Scheme will be reviewed for the 2023-2024 financial year.
- The **Douglas Promenade Support Scheme (DPSS)** was introduced on 1st January 2020 and was open to applications until 31st May 2022. The Scheme offered support via an interest-free unsecured loan of up to £50,000 to businesses situated within the Department of Infrastructure Promenade Refurbishment Scheme zone. The promenade refurbishment project was extended due to delays as a result of the pandemic, and therefore the DPSS was also extended in line with these delays. A payment of £450 was also available to the business to assist with covering the costs of accountants' fees, as an accountant was required to assist with the application and verify the going concern status of the applicant. A total of 15 applications have been approved under the Scheme to the value of £722,188, of which £6,188 was for accountancy fees. A total of £282,700 was paid to businesses during the 2021/22 financial year.

- The **Business Energy Saving Scheme (BESS)** provides 100%, interest-free loans up to a maximum value of £20,000 that are repayable over five years. The scheme has provided seven loans in the last 5 years to businesses, in order to support them with taking steps towards ensuring their operations are more energy-efficient. Whilst the uptake of this Scheme has been slow to start with, there is increasing pressure on businesses to reduce their energy usage and the availability of this scheme supports Government's wider environmental agenda. No loans were provided in the 2021/22 financial year.
- 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 1st 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 home more energy-efficient, and therefore is the only Scheme which is open to individuals rather than businesses. The GLGS provides grant assistance to homeowners, landlords and tenants, towards Home Energy Audits and, where eligible, grants assistance towards improvements that will make their homes more energy-efficient. In the 2021-2022 financial year 1,507 applications were approved to receive a Manx Home Energy Audit and 156 audits were undertaken. Of these 156 audits, 140 applicants were eligible to apply for the Green Living Grant as a result of their properties being rated D to G. No grant payments were made to applicants during this financial year.

4. The **Financial Assistance Scheme**

The Financial Assistance Scheme (FAS) is a discretionary support scheme which offers grants and 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 sought.

The principal purpose of providing financial assistance to business under the FAS is to encourage 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:

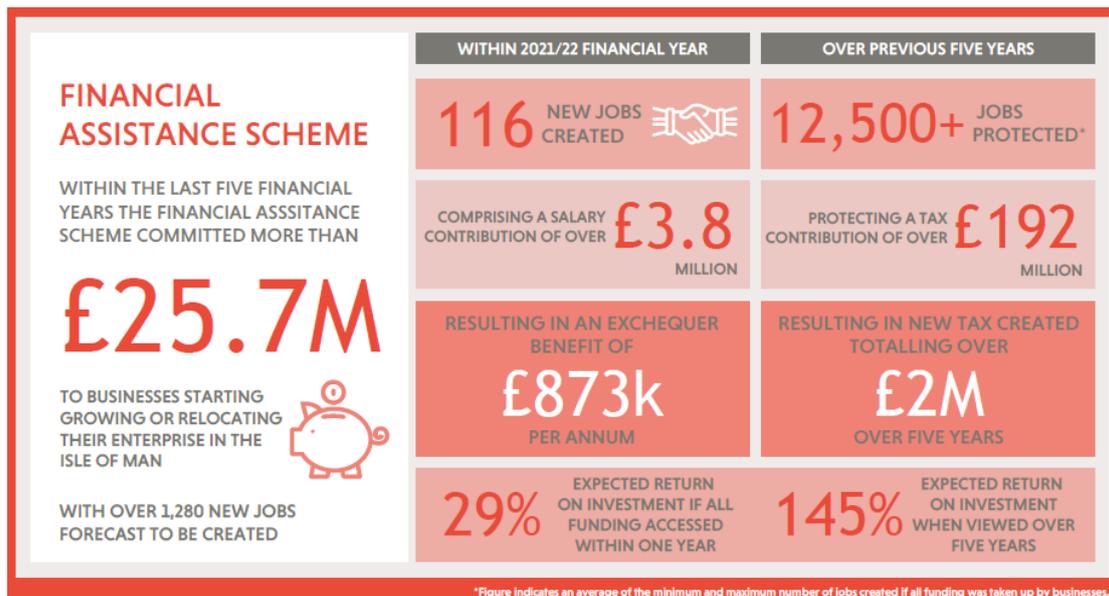
- Grants are awarded on a case by case basis, linked to the economic value the project will create (mainly weighted on Exchequer Benefit generated by new jobs)
- FAS grants offer support towards:
 - First Year Expenses
 - Rent
 - Marketing
 - R&D
 - Plant & Machinery
 - Building
 - Training Costs (on grant assisted machinery)
 - Efficiency Measures
 - Plus various appendices e.g. Appendix 11 - Accessibility Grants, etc.
- The Scheme 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 an annual budget of £3.4m.

A high level overview of the impact the FAS has had over the past 5 financial years is shown in the infographic below, demonstrating the value of the Scheme in relation to 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.

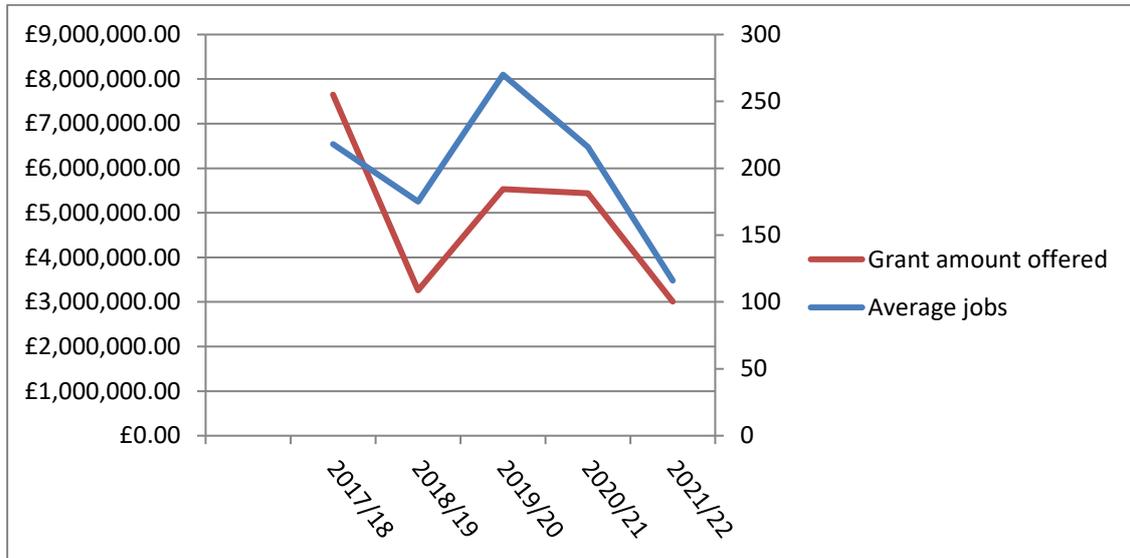
4.1. Average Increase in New Jobs

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 116* for the £3m* that the Department offered to businesses in the 2021/22 financial year. The Department expects an ROI of over £873k per annum from these 116 newly created jobs returned to the exchequer, which over five years equates to £4.37m, resulting in an ROI of 145% 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 table below shows the average increase in jobs in relation to the grant amount offered over the last five years, due the Covid-19 pandemic applications have decreased hence the fall in new jobs created:



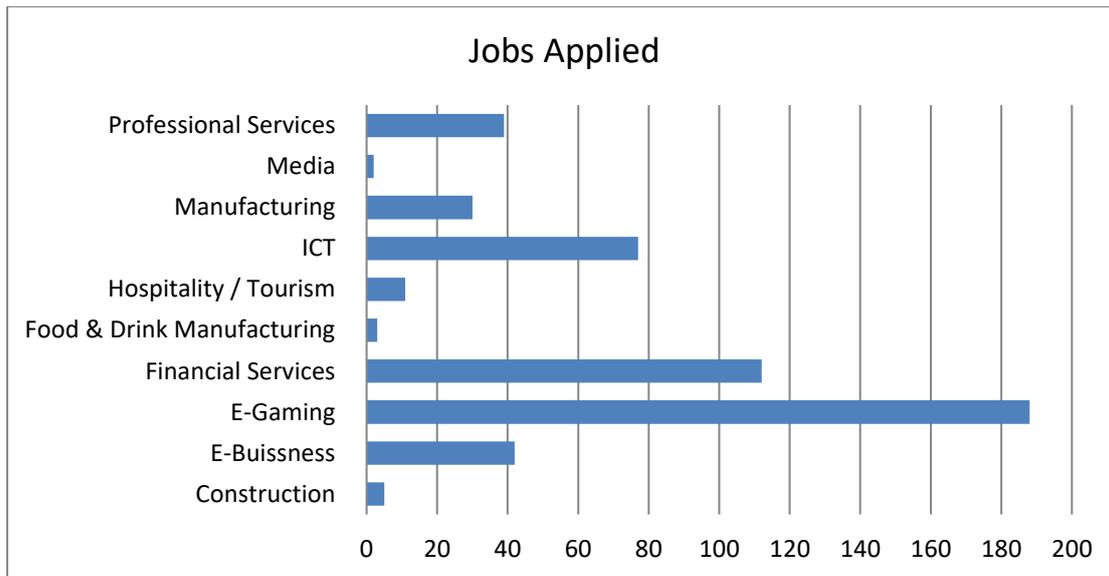
**excluding ERI and GRI roles and grant offers made under Economic Recovery Group appendices.*

4.2. Employee Relocation Incentive

The Department launched the Employee Relocation Incentive (ERI) in November 2016 following policy discussions with the National Strategy Group and 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 has been extended year on year.

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 Scheme has been active for six financial years, although not marketed actively in the first year. The popularity of the Scheme has increased, offering grants for over 500 jobs since inception to the end of the 2021/2022 financial year:

Financial Year Applied	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	26	37.14%	£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	37	54.41%	£230,247	52.25%
2021/22	49	98	£757,881	£1,453,348	43	43.88%	£317,822	41.94%
Total	184	509	£3,793,507	£7,311,972	215	42.24%	£1,494,698	39.40%

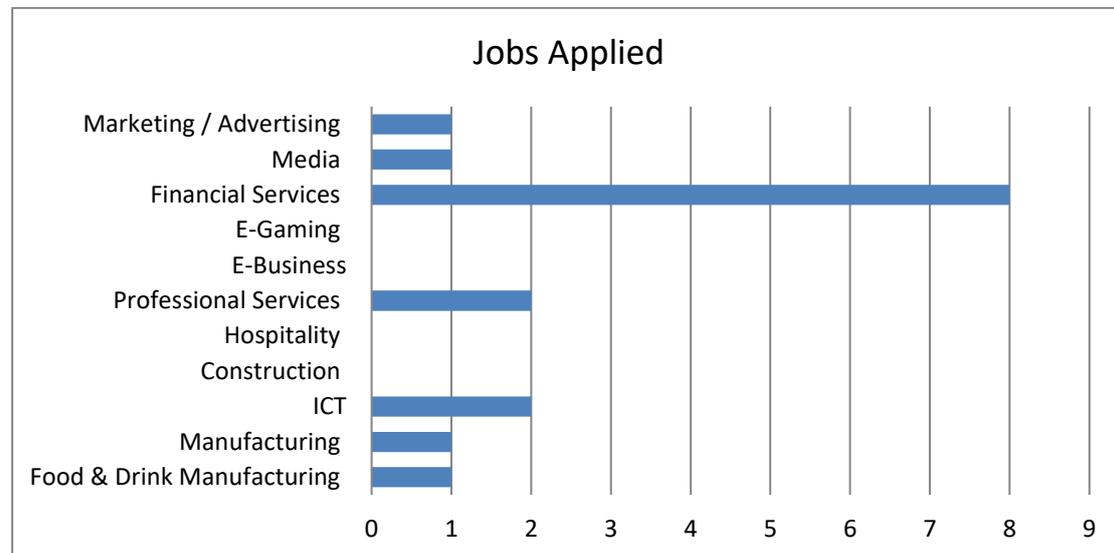
4.3. Graduate Role Incentive

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:



As the Scheme was only launched in 2021/22, and the grant can only be claimed when the graduate has been in the role for 12 months, there were no payments made in this financial year.

Funding under the GRI will initially be available for a period of 3 years. The table below details the applications that were approved during the 2021/22 financial year.

Financial Year Applied	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	N/A	N/A	N/A	N/A

4.4. Financial Assistance Scheme statistics for year ended 31st March 2022

Grants offers

During the year ended 31st March 2022, the Department made 68 grant offers to 53 companies, compared to the previous year when 40 offers were made. Comparable figures for the previous five years ending 31st March have been included in the below tables.

	2017/18		2018/19		2019/20		2020/21		2021/22	
	No.	Amount of offers £								
Offers to new Companies	12	447,975	12	531,301	18	1,381,713	10	1,062,503	11	748,836
Offers to existing Companies	35	7,204,701	53	2,731,140	49	4,153,756	30	4,373,617	57	3,018,628
Totals	47	7,652,676	65	3,262,441	67	5,535,469	40	5,436,120	68	3,767,464

The number of offers made during the year totalled 116 across the grant categories. This figure has increased when compared to the previous year's total of 90. The below table is a split into offers made across the grant categories to new and existing businesses.

Number of applications across grant categories										
Type of Grant	2017/18		2018/19		2019/20		2020/21		2021/22	
	New	Extant								
Building	4	7	2	6	5	5	2	7	4	6
Plant & Machinery	9	15	8	17	11	14	7	14	8	14
Marketing	8	10	5	7	9	7	5	4	6	5
Rent	6	2	5	1	7	2	6	2	5	5
First Year Expenses	6	7	5	7	9	4	5	8	8	3
Training	2	5	0	1	1	2	0	1	0	0
Relocation Incentive	3	18	4	32	8	35	8	17	7	42
R & D	0	0	0	0	0	0	1	1	0	3
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	0	0	0	0	2	0	0
Totals	38	64	29	71	50	69	34	56	38	78

The offers totalled £3.77 million¹ and the average percentage of support offered was 32.9%, marginally higher than the previous years' level of 32.6%. 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 £3.77 million equates to a proposed investment from the private sector of £11.97 million² by local businesses compared to £11.23 million³ in the previous year.

Amount of grants offered to new & existing businesses										
Type of Grant	2017/18		2018/19		2019/20		2020/21		2021/22	
	New £'000	Extant £'000	New £	Extant £						
Building	14	3,498	85	949	202	1,182	52	890	36,568	203,529
Plant & Machinery	147	1,658	152	1,099	530	2,318	350	2,551	189,577	1,760,703
Marketing	134	127	84	89	236	165	128	22	77,024	236,039
Rent	44	22	74	2	77	15	233	21	99,400	138,884
First Year Expenses	32	252	86	86	153	42	61	288	198,427	38,318
Training	4	213	0	2	1	148	0	0.01	0	0
Relocation Incentive	73	971	50	504	183	283	214	227	147,840	610,041

¹ The number that is shown is rounded

² As above

³ As above

R&D	0	0	0	0	0	0	25	278	0	31,114
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	0	0	0	0	98	0	0
Totals	448	7,260	531	2,731	1,382	4,153	1,063	4,374	748,836	3,018,628

Potential company spend by new and existing businesses linked to the grant offers above										
Type of Grant	2017/18		2018/19		2019/20		2020/21		2021/22	
	New £'000	Extant £'000	New £	Existing £						
Building	39	10,598	233	1,660	206	1,791	90	3,153	93,920	508,820
Plant & Machinery	430	3,170	251	1,568	819	2,834	731	3,411	478,442	5,093,484
Marketing	320	372	199	250	449	331	286	31	200,810	812,724
Rent	85	38	21	3	80	23	85	20	158,020	153,484
First Year Expenses	82	571	176	175	229	64	106	619	497,818	96,046
Training	10	636	0	2	1	222	0	1	0	0
Relocation Incentive	370	5,714	202	2,046	1,101	1,133	867	906	739,200	3,050,215
R&D	0	0	0	0	0	0	88	833	0	90,160
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	0	0	0	0	0	0	0
Totals	1,336	21,099	1,082	5,704	2,885	6,398	2,254	8,975	2,168,210	9,804,933

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.

New business offers

In the year ended 31st March 2022, 11 of the 53 companies offers were made to were new companies, this being marginally higher than the previous year, where 10 offers were made to new companies out of the 40 offers that were made in total.

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

	2017/18	2018/19	2019/2020	2020/21	2021/22
Engineering	0	1	0	0	1
General Manufacturing (incl. Food & Drink)	3	2	3	1	0
Financial & Professional Services	2	3	3	4	3
ICT (incl. E-Gaming & E-Business)	4	4	9	3	4
Other	3	2	3	2	3
Total	12	12	18	10	11

Total amount of financial assistance offered

The total amount of financial assistance offered this year was £3,767,464, compared to £5,436,120 in the previous year.

Total amount of assistance paid

The total amount of assistance paid out for FAS and ERI grants in the year ending 31st March 2022 was £1,577,625 compared to £4,071,753 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 fall in percentages of offers and payments is seen as an effect of the Covid-19 pandemic and businesses wanting to retain cash reserves and assist in the businesses remaining resilient in readiness for the upturn in the global economy. 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 2021/22 financial year, to account for the likelihood that more than the average amount of 76% of grant assistance may be claimed.

As at 31st March 2022, the value of outstanding offers amounted to £19.96 million. Based on the historical claim percentage of 76% this represents a value of £15.17 million that the Department may be expected to grant to businesses over a number of years. The accrual as at the end of March 2022 was £8.3m.

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.

4.5. Businesses that received payments under the Financial Assistance Scheme

For the period 1 April 2021 to 31 March 2022

Amiga Entertainment Ltd	Island Optics Ltd
Annexio Services (IOM) Ltd	Island Shellfish Processing Ltd
Apple Orphanage Co. Ltd	Kiartys Engineering Ltd (Ramsey)
Bonds Ltd	Little Rascals Nursery Ltd
BPD Ltd	Maritime, Oil & Gas Consulting Services Ltd
Bramden Ltd	Memory Lane Games Ltd
Capital Select Ltd	Mergers & Acquisitions Ltd t/a Signature Acquisitions
Celton Manx Marketing Ltd	Natural Stone, Granite & Marble Ltd
Checkout 14 Ltd t/a Little Diamonds Children's Nursery	Nedbank Private Wealth Ltd
Cowley Groves & Co. Ltd	Paul Carey & Sons Ltd
Crowe Isle of Man LLC	Pooil Vaaish Black Limestone Ltd
Curbsy Ltd	Radcliffe Butchers Ltd
Derivco Ltd	Ramsey Shipping Services Ltd
Excel Group Ltd	Riela Cyber Security Ltd
FHL Holdings	Roger W Smith Ltd
Flix Facilities (IOM) Ltd	Seaboard Overseas Ltd
Fly Private Ltd	Search & Select Offshore Ltd
Fun Farm Ltd	Seed Mentors Entrepreneurs (IOM) Ltd
Furbate Ltd t/a Hubb	SLS Optics Ltd
Fynoderee Ltd	Standard Bank (IOM) Ltd
IOM Chamber of Commerce (Barclays Eagle Lab)	Stockwell Ltd
IOM Creamery Ltd	Strix Ltd
IOMcompany.com Ltd	Swagelok Ltd

The total of the assistance paid to the above businesses through the FAS, and its appendices including the ERI, Appendix 11 and Appendix 12, in the period 1st April 2021 to 31st March 2022 amounted to £1,588,850.

4.6. Businesses that ceased trading during the year

During the year ended 31st March 2022, the following business which previously received assistance and the assistance remained under terms and conditions, ceased to trade.

The Department's terms and conditions give the period under which any grant assistance is repayable to the Department. The Department policy calculates any repayable amount on a reducing balance basis i.e. the amount repayable on a business ceasing to trade reduces over the time linked to the terms and conditions.

Any amount shown below relates to the amount repayable to the Department under the terms and conditions, not the amount paid out to the business by the Department.

Business	Amount Due Under T&C's
Glen Wyllin Trout Farm Ltd	£48,851.98

The assistance to Glen Wyllin Trout Farm Ltd was made through seven grant payment claims from April 2012 through to August 2014, with the total FAS grants paid equalling £252,126.68.

The amount due and listed in the table above is the sum outstanding under the terms and conditions, not the amount actually paid to the business. Repayment of the full amount outstanding was made to the Department in the 2022/23 financial year.

5. Economic Recovery Group initiatives administered via the FAS

5.1. [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 31st March 2022 the Department made one grant offer under Appendix 11 as detailed below:

2021/22 Appendix 11 applications			
	No.	Gross Approved £	Net Approved £
Accessibility Improvements	1	15,000	7,500

Three payments totalling £6,037.50 were made to one company under Appendix 11 during the 2021/22 financial year. These payments relate to an offer made in the previous financial year.

5.2. [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 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 grant offer was made under Appendix 12 in the 2021/22 financial year as detailed below:

2021/22 Appendix 12 applications			
	No.	Gross Approved £	Net Approved £
Marketing	1	1,000	500

Four payments to two separate companies were made under Appendix 12 in 2021/22 totalling £5,187.50. Some of these payments relate to an offer made in the previous financial year.

5.3. [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 supports business in the Engineering and Manufacturing sector with two forms of grant assistance towards Salaries and / or Consultancy costs. The support available towards salaries offers 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.

In the financial year ending 31st March 2022, the Department made four Appendix 13 grant offers to four companies in the manufacturing and engineering sector totalling £2,405,826. These four offers consisted of seven separate grants across the two different categories (salaries and consultation) as detailed in the table below:

2021/22 Appendix 13 applications			
	No.	Gross Approved	Net Approved
Research & Development – Salaries	4	2,761,379	2,209,103
Research & Development – Consultation	3	393,445	196,723
Totals	7	3,154,824	2,405,826

No payments were claimed on the above Appendix 13 grant offers during the 2021/22 financial year.

6. Loans and investments via the Enterprise Development Scheme

In the period of 1st April 2021 to 31st March 2022, no further loans or investments were made to the current portfolio. The Scheme closed to new applicants from 1st May 2022 and is currently only available for the current portfolio.

7. 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. That 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 1st April 2021 and 31st March 2022 the Department approved one such request, on the basis of the need to secure the employment of an individual in a critical role, with significant operational and regulatory responsibility, in the Health and Social Care sector.

8. [Appendix 1](#)

The following table (**Figure 1**) outlines the financial support provided by each of the Enterprise Support Schemes throughout the financial year 2021/22, 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 2021/2022								
Scheme	Amount committed	Jobs created (average)	Jobs created Exchequer Benefit (per annum)	Jobs protected	Tax protected (2021-2022)	Matched investment (minimum)	Draw-down period (max)	Money actually paid out (by DfE)
Financial Assistance Scheme (FAS)	£3,009,583	116	£873,016	3,171	£47,589,250	£5,932,026	2 Years	£1,347,306
Employee Relocation Incentive (ERI)	£757,881	98	£1,453,348			£3,031,534	2 Years	£230,319
Graduate Role Incentive (GRI)	£105,280	16	£82,821			£301,419	2 Years	£0
Appendix 11 – Accessibility grants	£7,500					£7,500	2 Years	£6,038
Appendix 12 – Marketing the Island as a destination	£500					£500	2 Years	£5,188
Appendix 13 – Financial assistance to manufacturing and engineering businesses	£2,405,826					£748,998	2 Years	£0
Coronavirus Recovery Scheme (CRS) Adaptation	£86,467					£84,966	2 Years	£71,911
Coronavirus Recovery Scheme (CRS) Operating costs	£1,061,433					£1,905,025	2 Years	£1,117,892
Micro Business Grant Scheme (MBGS)	£740,083	91					6 months	£740,083
Town & Village Regeneration Scheme (TVRS)	£11,972					£11,972	2 Years	49,368

Town & Village Regeneration Scheme Economic Recovery Group Criteria (TVRS ERG)	£66,858					£66,858	2 Years	11,633
Business Improvement Scheme (BIS)	£48,643					£48,643		£48,643
Business Improvement Scheme Economic Recovery Group Criteria (BIS ERG)	£172,533					£172,533	6 months	£172,533
Douglas Promenade Support Scheme	£282,700							£282,700

Figure 2: Previous Four Financial Years

Scheme	Amount committed	Jobs created (average)	Jobs created Exchequer Benefit (per annum)	Jobs protected	Tax protected	Matched investment (min)	Draw-down period (max)	Money actually paid out (by DfE)
FAS (and associated employment incentive grants - ERI & GRI)	£19,389,529	918	£9,421,047	10,820	£164,504,000	£38,071,993	2 Years	£14,118,665

The table above (Figure 1) demonstrates that in the previous financial year, the Financial Assistance Scheme (and associated ERI and GRI employment incentive grants) has committed over £3.87 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 230. 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 230 jobs will contribute an estimated exchequer benefit to the Island of over £2.4 million per annum. Given this, the expected return period on the investment made in these businesses means that the grants will break even within 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 and the Coronavirus Recovery Scheme protects 3,171 jobs in the Island, which when combined contribute over £47.59 million in tax, which is protected each year.

The support provided through the Financial Assistance Scheme has unlocked over £12.36 million of private investment that businesses have contributed back into the local economy.



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