



# The Business Emissions Saving Scheme

## Guidance

**ISSUED BY THE DEPARTMENT FOR ENTERPRISE**

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## Introduction and background

The Business Emissions Saving Scheme (the Scheme) formerly the Business Energy Saving Scheme and the Green Business Loan Scheme has operated since 2011. The Scheme provides interest free, unsecured loans to businesses to make energy efficiency improvements to their premises and supports the installation of electric vehicle (EV) charging points.

During 2024, the Department for Enterprise (The Department) reviewed all its business support schemes incorporating feedback from businesses and the Department's Executive Agencies and ensuring that the revised Scheme aligns with the Island Plan, the Economic Strategy and Government's commitment to reach Net Zero by 2050.

As a result, the Scheme has been updated as follows: -

- increased the maximum value of loans from £20,000 to £100,000 (subject to meeting certain eligibility criteria);
- revised the eligibility requirements;
- increased the scope of works supported under the Scheme;
- moved support for energy audits from the Business Improvement Scheme to this Scheme; and
- increased the support for energy audits from 50% to 75%.

The Scheme is scheduled to run for a two-year period and will therefore close for new applications on 30<sup>th</sup> September 2026.

The Scheme is underpinned by the Enterprise Act 2008 which gives the Department statutory authority to provide financial assistance (and other forms of assistance) to an 'eligible business' where in the Department's opinion: -

- (a) the eligible business undertakes or will undertake an economic activity in the Island;
- (b) the assistance is likely to encourage sustainable economic growth in the Island; and
- (c) the form and amount of the assistance is reasonable having regard to all the circumstances."

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

For further advice and guidance regarding the Department's grants and assistance schemes and the criteria for eligibility, including the Business Emissions Saving Scheme, potential applicants are encouraged to complete the online enquiry form hosted at <http://www.gov.im/businessenquiries>

### Disclaimer

The information contained in this document is intended to be general in scope and should not be relied upon as advice. Provision of financial assistance is discretionary and a decision to provide assistance is based on the merits of each particular case.

Any offer of a loan is also subject to the availability of Department funds.

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

Prospective applicants may wish to take professional advice before making an application and should seek advice in relation to any documents they are asked to sign.

The Department cannot provide support towards any projects commenced prior to the submission of the application form.

Grants and loans available under this Scheme are offered entirely at the Department's discretion, and even if an applicant is eligible via the criteria set out above, applications are reviewed on a case-by-case basis on their own merits with no guarantee of a contract being offered.

# 1. THE BUSINESS EMISSIONS SAVING SCHEME

## 1.1 Purpose and Scope

The purpose of the Scheme is to help local businesses adopt energy efficiency solutions to reduce its carbon emissions, reduce its energy usage and ultimately increase business profitability.

The Scheme offers a 75% grant towards a commercial energy audit and an interest free, unsecured loan from £1,000 up to £100,000 (subject to meeting the eligibility criteria) with flexible repayment terms up to 5 years.

The Scheme is open to undertakings in most economic sectors. Support for businesses in certain sectors is limited to those with fewer than 25 employees and a number of organisations and sectors are not supported. Please refer to [Section 1.3b](#).

Businesses must meet the requirements of the [Enterprise Act 2008 \(Eligible Businesses\) Regulations 2018](#), which normally means employing at least 1 permanent full-time or part-time employee other than the owner(s).

The Scheme operates in two parts. Prior to applying for a loan under the Scheme, applicants are required to undertake a commercial energy efficiency audit. Applicants can submit their own energy audit (subject to it meeting certain criteria) or alternatively the Department can provide a 75% grant (up to a maximum of £5,000) towards the cost of the energy audit. Suitably qualified and experienced professionals must be used to undertake the audits and specific software must also be used, software used must include the required outputs which are stated in [Section 1.3c](#).

## 1.2 Overview of Available Support

The Scheme offers two forms of financial support as detailed below: -

- A 75% grant support up to £5,000 for energy audits; and
- An unsecured, interest free loans of £1,000 up to a maximum of £100,000\* for Isle of Man businesses for energy/emissions saving projects.

\*The maximum value of the loan available for eligible businesses is limited by the number of employees within that business as follows: -

- Up to £50,000 for businesses of all sizes
- £50,000 to £75,000 businesses require more than 10 employees
- £75,000 to £100,000 businesses require more than 25 employees

Support is not currently available under the Scheme for residential premises (even when operated by a business), new builds or electric vehicle purchases.

Businesses cannot usually apply for a loan for a project if that project has previously received funding under another Government scheme, i.e. the Town & Village Regeneration Scheme (TVRS) or the Financial Assistance Scheme (FAS).

## 1.3 Eligibility

The main eligibility requirements are summarised as follows: -

- a) The applicant must be an eligible business as stated in [Section 1.3a](#);
- b) The business must operate in an eligible sector and meet certain staffing requirements as stated in [Section 1.3b](#);
- c) The audit and project being supported must be eligible and provide energy and emissions savings as stated in [Section 1.3c](#);
- d) The audit and project must be undertaken by an appropriate contractor.

## a) Eligible businesses

To access support for a grant or loan the business must meet the following criteria:

- The business must be viable, sustainable and a going concern;
- The business must be undertaking economic activity on the Isle of Man;
- The business must comply with the **Enterprise Act 2008 (Eligible Businesses) Regulations 2018** which states that an eligible business is one which meets the following criteria: -
  - **The business must employ at least one member of Isle of Man staff under a contract of employment (other than a person involved in controlling the business).**
  - **However**, if the business is expected to have a turnover of less than £100,000 within the first 12 months of trading; or is within the first 18 months of trading and has a turnover of less than £100,000 in the 12 months immediately before the date of application, then the businesses does not require any Isle of Man members of staff in order to qualify for eligibility.
- The business is or will be based in the Island,
- The business can be conducted lawfully in the Island,
- The conduct of the business: -
  - (a) is not or would not be detrimental to the environment of the Isle of Man; and
  - (b) will not or would not be likely to bring the Department into disrepute.
- No person involved in controlling the business is disqualified from holding appointment as a director or a company secretary either in or outside the Island at the time of application.
- No person involved in controlling the business may be the subject of outstanding executions in the Island at the time of application.
- Each person involved in controlling the business must: -
  - (a) declare to the Department whether or not, at the time of application, the business is in compliance with the law in relation to: -
    - (i) income tax;
    - (ii) national insurance;
    - (iii) value added tax;
    - (iv) any other taxes or duties payable in the Island;
    - (v) health and safety;
    - (vi) planning;
    - (vii) employment; and
    - (viii) immigration or work permits.
  - (b) disclose any instances of non-compliance with the law in relation to any matter listed in paragraph (a) occurring in the period of one year ending with the date of application; and
  - (c) disclose all beneficial owners of the business at the time of application to the Department.
- Each person involved in controlling the business must disclose to the Department any criminal convictions at the time of application. For this purpose: -
  - (a) it is immaterial where the offence was committed or the conviction was imposed;
  - (b) disregard offences which are spent for the purposes of the Rehabilitation of Offenders Act 2001 (or would be had the convictions occurred in the Island);
  - (c) disregard motoring offences; and
  - (d) disregard offences which –
  - (e) are not punishable with custody; or
  - (f) would not be so punishable if committed in the Island.

## b) Eligible sectors

Support for energy audits is available to all businesses in all sectors.

Loan support is available to all sectors. However, businesses in the sectors listed below must have fewer than 25 employees to be eligible for support: -

- E-gaming;
- Financial services including but not restricted to: -
  - Accountancy services;
  - Banking;
  - Fund industry including managers and administrators;
  - Insurance;
  - Legal services;
  - Life Assurance;
  - Other financial services; and
  - Trust and corporate service providers.
- ICT and digital.

The following sectors are ineligible for grant and loan support: -

- Utilities companies (including gas and telecoms);
- Public administration;
- Local authorities;
- Any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers' tax; and
- Any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017 (total consolidated group revenue of 750 million Euro or more).

## c) Eligible projects

### i) Energy Audits

Support for energy audits is available to all businesses in all sectors.

The Department does not recommend or maintain a list of approved contractors.

Contractors must be suitably qualified and experienced and use industry standard auditing software. Examples of approved auditing software packages include IESVE and iSBEM. The energy audit report must include the following information:

- Current annual energy consumption (in both £ and kWh) and emissions (kgCO<sub>2</sub>) against each utility type, i.e. oil, gas, electricity);
- Current building energy rating;
- List of energy efficiency measures with estimated implementation cost and calculated energy (kWh) and the cost and emission (kgCO<sub>2</sub>) savings against each measure.

A copy of the energy audit report must be submitted to the Department upon completion.

A business may submit multiple energy audit applications per year for different premises. These applications will be considered subject to the availability of funding.

In cases where a building has previously had an energy audit supported by the Department and another audit is requested, these applications will be treated on a case-by-case basis.

### ii) Loans to implement emissions reducing measures

Projects eligible for loan support must meet the following criteria: -

- Reduce carbon emissions; and/or
- Reduce energy bills.

Types of projects eligible for loan support include (but are not limited to) the following: -

- Reducing energy consumption and/or generate energy;
  - Low energy lighting systems & lighting controls;
  - Low carbon boilers (includes electric, hydrogen or biomass subject to the Department's satisfaction);
  - Heating controls;
  - Replacement windows;
  - Replacement external doors;
  - Insulation upgrades;
  - Pipe insulation;
  - Solar photovoltaic panels, subject to MUA approval and Climate Change Transformation Team (CCTT) concurrence. Applications will be determined on a case-by-case basis linked to the carbon savings achieved by the project;
  - Solar thermal water heating systems;
  - Heat recovery systems including ground and air source heat pumps;
  - Wind turbines, subject to receiving the necessary Planning and MUA permissions;
- Reducing emissions
  - cycle storage;
  - Installation of shower facilities at the commercial premises;
- EV charging points
  - Electric Vehicle (EV) charging points; and

- Any other measures (which are not listed above) at the discretion of the Department. The support of additional measures not listed above may require CCTT concurrence.

The purpose of the above projects are to reduce carbon emissions and enable energy cost savings. Where a project does not meet these aims, the application may be rejected.

Although applicants may claim against any areas of works stated on their energy audit report and any of those listed above, it is strongly recommended that applicants complete works in the order that they are listed on their energy audit report as these should result in the highest energy and therefore carbon savings possible.

An eligible project must also adhere to the following terms and conditions: -

- The applicant must evidence the ability to service the loan, by supplying information detailed in [Section 1.4a](#);
- The work must not have been started before the application form was submitted;
- Any fees or deposits etc. paid to contractors before the application form was submitted are ineligible for support;
- **Important Note:** All work undertaken must have the correct planning and building control approvals. Funding will not be provided towards any works that require planning or building control approval which hasn't been received.

Multiple applications are permitted per site (although eligible applicants can only submit one application per year) at the discretion of the Department. Businesses may apply for multiple projects for different sites providing that they can demonstrate their ability to repay the loans, and that sufficient Scheme funding is available.

Ineligible projects include: -

- New builds. Only existing premises where improvements can be made are eligible for support; and
- Residential premises.

## 1.4 Application Process

All applicants are encouraged to engage with the Department before applying. This is achieved by calling 687333, by emailing [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im) or by completing the brief online enquiry form which can be found at: - <https://www.gov.im/categories/business-and-industries/business-support-and-assistance/enquiry/>

Financial assistance cannot be considered for any projects that started or items of expenditure (including deposits) which were purchased prior to submitting the application form.

The applicant is responsible for all costs involved in preparing and submitting an application.

The application form is available at <http://www.iomdfenterprise.im/bess>

All directors of the business will be required to sign the application form.

### a) Information to be supplied.

Energy audit grant applications only require a completed application form, signed by all directors of the Company or Business and a quotation from the applicant's chosen contractor.

All loan applicants must provide: -

- Details of the amount required and the applicant's preferred repayment plan;
- All information required to complete the application process. Failure to supply all required information will result in the application being declined;
- Copies of their Business Emissions Saving Scheme supported energy audit report (or an acceptable alternative);
- Copies of their current energy bills;
- An overview of the project;
- One quotation for each item of works or products against which assistance is sought;
- Energy bills and emissions data prior to any works being undertaken,
- Any quotes over £5,000 must be from a Construction IOM accredited company. Details of accredited contractors can be found [here](#);
- An executive summary which should include: -
  - expenditure in respect of which financial assistance is sought;

- background and current or proposed location of the business;
- details of the business: (date of registration, shareholders (to include percentages of shares owned), directors, beneficial owners etc; and
- information as to premises - whether owned or rented and the location. Where premises are rented or leased, details of the owners and their permission plus annual costs (including rent and any service charge contributions and/or other regular outgoings).
- The latest annual accounts or for new businesses a cash flow forecast; and
- This list is not exhaustive, the Department can ask for additional financial information it requires to process the application.

For loans over £50,000, the applicant must provide the following additional financial information: -

- Copies of their accounts for the previous 3 years;
- A projected cash flow forecast for the next 3 years together with an explanatory narrative; and
- Any additional information the Department deems necessary.

#### **b) Assessment criteria.**

For grant applicants for energy audits, you must evidence that you are using a suitably qualified and experienced contractor to complete the energy audit, that appropriate software is being used and the quotation represents value for money. Please refer to [Section 1.3c](#) for further details.

For loan applicants the Department will assess each application based on the following criteria: -

- The availability of funding;
- Eligibility;
- Adherence to the recommendations of the energy audit report and/or those items listed as supported in [Section 1.3c](#) of this Guidance;
- The potential energy and emissions savings of the project;
- The viability of the business; and
- The ability of the business to service the loan.

A report will then be then prepared by the Scheme manager for consideration.

#### **c) Approval process.**

The grant approval decision for audits will be made by the Enterprise Support Manager or the Head of Enterprise Support and aims to be approved within 10 working days of receiving all the required information.

If a grant for an energy audit is approved, an offer letter will be sent to the applicant (which may contain conditions) for signing by a director on behalf of the applying company.

The loans approval process can be summarised as follows: -

- Loans up to £15,000 will be approved by the Enterprise Support Manager;
- Loans up to £25,000 will be approved by the Head of Enterprise Support;
- Loans between £25,000 and £50,000 will be approved by the Director of Policy & Strategy and the Political Member with responsibility for Enterprise Support; and
- Loans over £50,000, or for applicants who have not previously received financial support from the Department over £25,000, will be approved by a Department for Enterprise Department meeting.

Following receipt of a correctly completed loan application form and the submission of all necessary information detailed in [Section 1.4a](#), the Department will aim to provide a decision on the loan application within 40 working days.

If a loan is approved, a contract will be sent to the applicant (which may contain conditions) for signing by a director on behalf of the applying company.

#### **d) Payment process.**

Energy audit grant applicants must provide the following information to receive payment: -

- A copy of the commercial energy audit; and
- Proof of payment (includes invoice marked paid or evidence of bank payment).



Loans will be paid 2 to 3 weeks following the receipt of the signed contract into the applicant's specified business bank account.

**Important note:** The funding must only be used for the purposes that it is intended and stated in the offer letter for energy audits and contracts for loans.

#### **e) Repayment process.**

Not applicable to energy audit grant applications.

Loan applicants must: -

- Setup a standing order to facilitate the repayments. Manual payments are not normally permitted;
- Ensure that the first repayment is received on the first anniversary of the transfer of funds, with further payments on subsequent anniversaries until the total loan has been repaid;
- Repay the loan within 5 years; and
- Specify their flexible repayment schedule which can be offered and will be agreed on a case-by-case basis.

#### **f) Application monitoring.**

The Department reserves the right to visit a supported site to ensure that the project has been completed to a satisfactory standard. Any project completed not in accordance with the offer letter (for audits) or contract (for loans) to a satisfactory standard will usually result in the grant or loan being repaid in full immediately.

The applicant must submit to the Department their relevant annual energy bills for the duration of the loan repayment period to evidence the energy and emissions savings achieved.

Emissions report must be completed using the carbon calculator using the following link:

<https://www.netzero.im/take-action/business/>

#### **g) Declined applications.**

For grant and loan applicants, where the application has been refused, the applicant will be informed in writing.

A request for a review of a decision must be made in writing within one month of the date of notification of that decision.

If an applicant has been refused and wishes to request a review of the decision, the applicant must clearly and concisely state the reasons for the decline, the reasons for the review, any measures undertaken to resolve the issue and provide any additional supporting information.

The Department must appoint an officer of the Department (other than an officer involved in the original decision) to adjudicate on the review.

The reviewing officer will then consider whether the correct decision has been made in relation to the Scheme's Guidance etc. and cannot take into account hardship and individual circumstances etc.

The reviewing officer does not have the authority to make exceptional one-off decisions which do not comply with the Scheme's legislative framework.

The review officer's adjudication will be final.

An application may only be reviewed once.

Review requests should be either emailed to [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im) or sent to: -

The Business Emissions Saving Scheme Manager,  
Department for Enterprise,  
St Georges Court,  
Upper Church Street,  
Douglas,  
Isle of Man  
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## 1.5 Public disclosure

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

Applicants should also be aware that both parliamentary and freedom of information questions may be asked about particular applications or applicants.