

GD 2023/0122



The Enterprise Act 2008
**ANNUAL REPORT FOR
2022/2023**

December 2023



**Isle of Man
Government**
Reilys 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” “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 31st March 2023. 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 Green Living Grant Scheme (GLGS) is administered by the Department on behalf of the Department of Environment, Food and Agriculture (DEFA). The Scheme’s primary purpose is to reduce carbon emissions from residential properties, contributing to the Government’s commitment to reach net zero by 2050.

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 Employee Relocation Incentive (ERI) and Graduate Role Incentive (GRI) and Seasonal Worker Incentive (SWI) employment incentive grants) has committed c. £2.77 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 220. These jobs will contribute an estimated exchequer benefit to the Island of over £2 million per annum. In addition, this support will leverage over £9.27 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 and the Coronavirus Recovery Scheme, 2,504 existing Isle of Man jobs have been protected which contribute over £38.69 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 2022/23 financial year the Employee Relocation Incentive and the Seasonal Worker Incentive (SWI) have assisted local businesses to relocate 139 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 2022/23 can be found in **Section 3**.

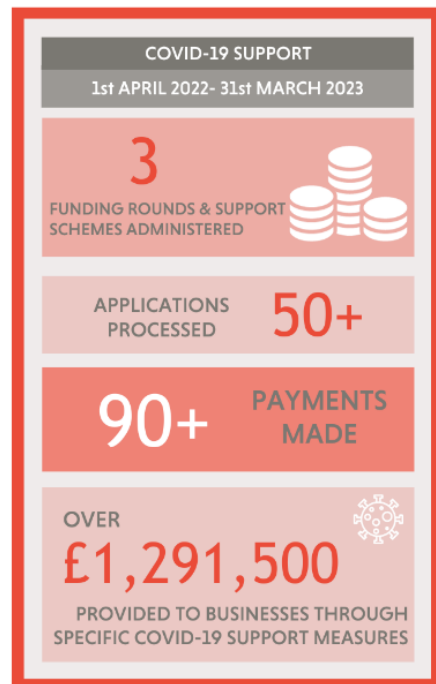
Hon Tim Johnston MHK
Minister for Enterprise

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 2022/23 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 2022/23 financial year under the Coronavirus Recovery Scheme (CRS) and the Winter Disruption Scheme (WDS) which were administered by the Department. An overview of each scheme and the support provided is detailed in sections 2.1. – 2.2.



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 2023, 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.

The grants provided under CRS in the 2022/23 financial year have helped to protect over 168 existing local jobs.

The Department made four offers to three companies that applied for grants linked to business adaptation expenditure. All of these adaptation applications were related to assistance towards ventilation improvements under the Business Premises Ventilation Grant, which was an appendix of the CRS.

The split of the four individual grant offers across the five different grant categories available under the Scheme (Building, Plant & Machinery, Marketing, Rent, and First Year Expenses) is shown in the table below, along with the split of the four individual grants by sector:

2022/23 CRS adaptation applications				
	No.	Gross Approved (£)	Net Approved (£)	Amount Paid* (£)
Building	0	0	0	16,050
Plant & Machinery	3	5,072	2,537	39,607
Marketing	0	0	0	0
Rent	0	0	0	0
First Year Expenses	1	500	500	9,664
Totals	4	5,572	3,037	65,321
2022/23 CRS adaptation by sector				
	No.	Gross Approved (£)	Net Approved (£)	Amount Paid* (£)
Food & Drink	2	4,942	2,721	25,866
Health	1	315	158	5,413
Service Provider	1	315	158	11,827
Retail	0	0	0	7,770
Media	0	0	0	14,445
Totals	4	5,572	3,037	65,321

The Department made 10 offers to 10 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 10 offers by sector is shown in the table below:

2022/23 CRS Overheads applications				
	No.	Gross Approved (£)	Net Approved (£)	Amount Paid* (£)
Business Overheads	10	990,637	564,029	642,228
Totals	10	990,637	564,029	642,228
2022/23 CRS Overheads by Sector				
First Year Expenses				
	No.	Gross Approved (£)	Net Approved (£)	Amount Paid* (£)
Food & Drink	1	16,566	12,424	12,424
Media	1	71,611	53,709	104,441
Tourism & Leisure	8	902,460	497,896	525,363
Totals	10	990,637	564,029	642,228

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

2.2. 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.

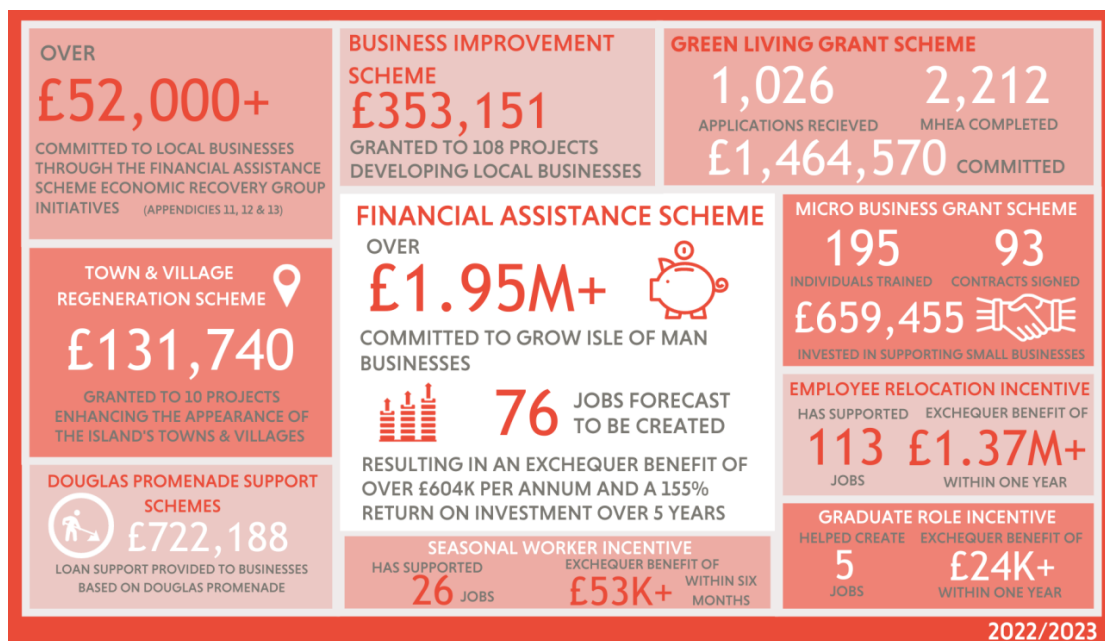
The information relating to the support provided via WDS in the financial year 2022/23 is summarised below. (This information excludes payment information for the CRS which has been provided in the tables in Section 2.1.).

Version	Amount Approved (£)	Applications processed	Payments	Amount Paid* (£)
CBSS-WDS	393,390	40	65	583,975
Totals	393,390	40	65	583,975

*Some of the payments made in the 2022/23 financial year relate to applications that were processed in the previous financial year.

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 2022/23, and previous five financial years (where applicable).

The Infographic above shows the statistics for normal FAS grant offers and each of the three employment incentives (ERI, GRI and SWI) individually. Altogether the support offered under the FAS, ERI, GRI and SWI during 2022/23 amounts to c. £2.77m. Details of the amounts provided under the FAS, ERI, GRI and SWI can be found in **Section 4**.

Details of the support provided under the FAS Economic Recovery Group initiatives (appendices 11, 12 and 13) can be found in **Section 5**.

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).

3.1. 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 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, over 1,000 individuals have been trained and 503 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 2023, the MBGS trained 195 individuals resulting in 93 signed contracts and a total of £659,455 invested into small start-up businesses by the Department.

3.2. 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 £699,446 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 2022-23. In the year ending 31st March 2023 the BIS invested £353,151 in 108 business improvement projects. Of this investment, £294,221 was facilitated by the additional Economic Recovery Group funding for 67 of the projects.

3.3. The Town & Village Regeneration Scheme (TVRS) was launched in 2019 for a four year period with a £1m budget. The aim of the TVRS is to improve the visual appearance and civic amenity of the Island’s towns and villages which increases the enjoyment of the areas and encourages footfall supporting the local businesses. 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 its town centres 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 (ERG) to further support the eligible organisations and the construction sector during and post the Coronavirus pandemic. To date, the Scheme has invested £230,428 supporting 38 completed projects, comprising £146,675 from the standard budget and £83,753 from the ERG budget. The Scheme closed for new applications on 31st March 2023 and is currently under review by the Department. All outstanding applications and ongoing approved projects need to be fully completed and any funding offered claimed by 31st March 2024. During financial year 2022/23 the TVRS funded 14 projects to a total value of £93,088.79.

3.4. Businesses that received payments under the Town & Village Regeneration Scheme (TVRS)

For the period 1 April 2022 to 31 March 2023

Aloha	Deedee Limited
Beacon Properties Ltd	Douglas Borough Council
Bittylicious Ltd	Hydro Hotel (1977) Ltd
Black Grace Cowley	JAC Distribution Ltd
Chapman Brothers Limited	Monapoli Limited
Redacted as this recipient was an individual person and not a business / organisation.	Monaville Guest House
Dance Wear of Douglas Limited	Snaker Properties Ltd

3.5. The Step Programme offers under graduate students the opportunity to work on projects proposed by local businesses, Government departments, local authorities and charities for an 8 week period during the summer break. On completion of the project the students are invited to an end of placement celebration where they produce a written report and a presentation to demonstrate the learning outcomes of their experiences. The decision was made not to run the Step programme since 2019, due to the uncertainty following Covid-19 restrictions. The Scheme has since been reviewed and approved to run for the 2023/24 financial year.

3.6. The Douglas Promenade Support Scheme (Loan) 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 to businesses situated within the DOI Promenade Regeneration Scheme zone. A payment of £450 was also available to the business to assist with covering the costs of accountant's fees as an accountant was required to assist with the application. A total of 15 applicants were awarded loans under the Scheme to the value of £716,000. Additionally £6,188 was paid towards accountancy fees which are non-repayable. A total of £66,204 had been repaid as of 31st March 2023. To date, a total of £137,483 has now been repaid.

The management of the outstanding loan amounts and monitoring of repayments continues to be carried out by the Enterprise Support Division.

3.7. The Business Energy Saving Scheme (BESS) has provided seven loans in the last 6 years to businesses, in order to support them with taking steps towards ensuring their business premises became more energy efficient. There are currently no loans open and all outstanding payments due for the period 2022/23 have been received. The Scheme is currently under review in order to bring it in line with the Climate Change Plan 2022-2027.

3.8. 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 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 residents' homes more energy-efficient. 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, grant assistance towards improvements that will make their homes more energy-efficient.

After opening for applications in October 2021, the processing of Manx Home Energy Audits and Green Living Grants began in earnest during the 2022-2023 financial year. During the 2022/23 financial year, 1,026 applications for a Manx Home Energy Audit (MHEA) were received, and 2,212 MHEAs were completed. The number of MHEAs completed during 2022/23 include audits which relate to applications that were made in the previous financial year. The total cost of these audits was £497,700.

In the 2022/23 financial year, 616 Green Living Grant applications were received following the completion of Manx Home Energy Audits, with 360 offers made in respect of these totalling £966,870. Of this offer amount, £336,788 was paid to applicants during the year. Due to the nature of the Scheme whereby applicants receive an offer and then arrange works to take place before claiming their grant, these figures are in line with expected timeframes.

Therefore, across both auditing costs and grants to applicants, an overall total of £1,464,570 was committed during the financial year, while £834,488 was paid.

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.

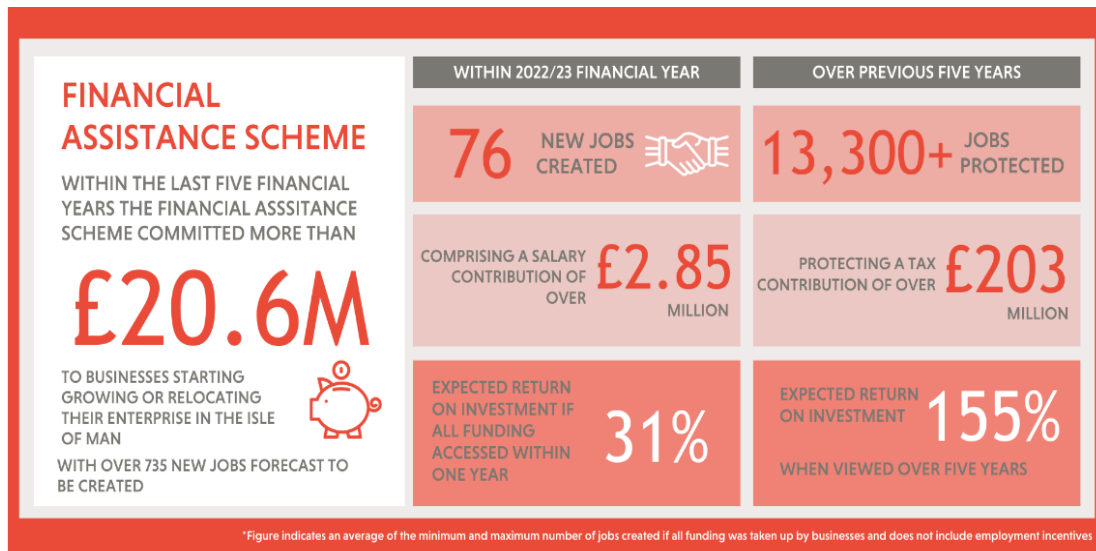
The main features of the Scheme are summarised below:

- 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
 - Research & Development
 - 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 had an annual budget of £3.4m for the 2022/23 financial year.

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 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.

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 76* for the £1.95m* that the Department offered to businesses in the 2022/23 financial year. The Department expects an ROI of over £604k per annum from these 76 newly created jobs returned to the exchequer, which over five years equates to £3.02m, resulting in an ROI of 155% 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 difficult economic climate in 2022/23, resulting from the effects of the Covid-19 pandemic and the cost of living crisis, applications have decreased, hence the fall in new jobs created:

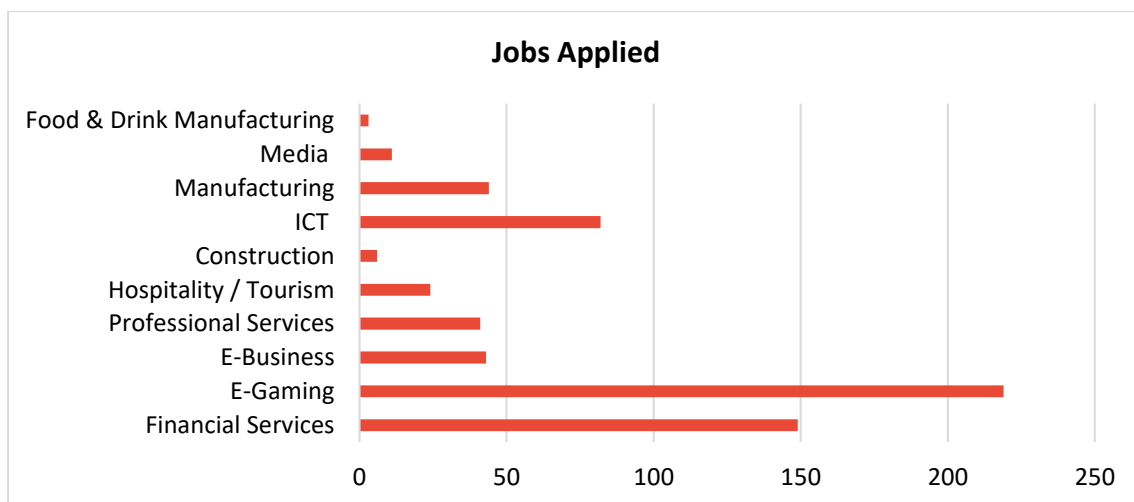


**excluding ERI, GRI and SWI roles and grant offers made under Economic Recovery Group appendices.*

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 seven financial years, although not marketed actively in the first year.

A total of 36 payments amounting to £494,951 were claimed under the ERI during the 2022/2023 financial year, the majority of these relate to grants offered in previous financial years.

The Scheme has remained one of the most popular grants available under the FAS, offering grants for over 600 jobs since inception to the end of the 2022/2023 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	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	39	57.35%	250,097	56.76%
2021/22	49	98	757,881	1,453,348	50	51.02%	374,396	49.40%
2022/23	54	113	755,207	1,373,190	9	7.96%	67,343	8.92%
Total	238	622	4,548,714	8,685,162	234	37.62%	1,638,465	36.02%

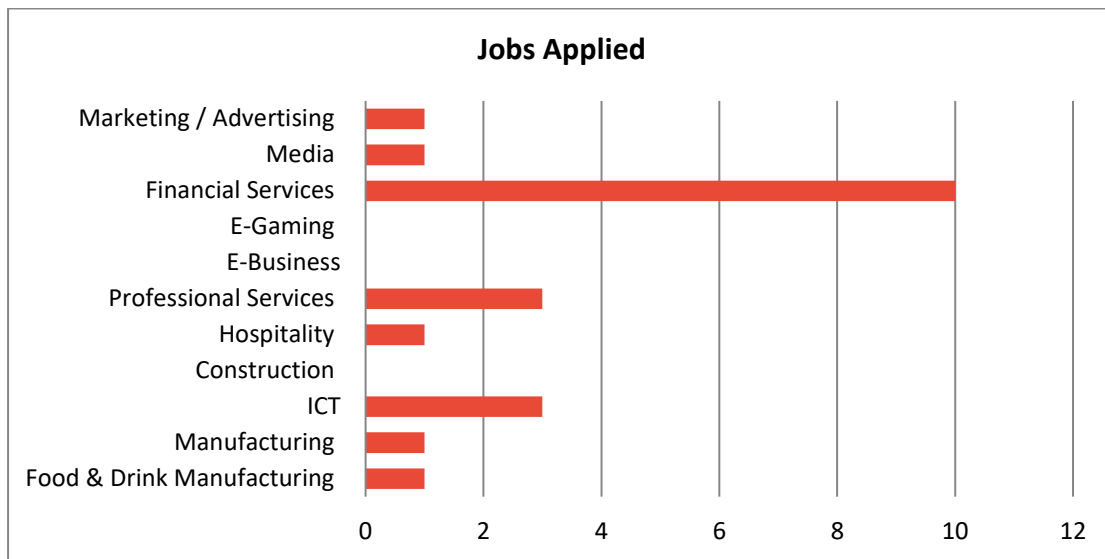
4.3. Graduate Role Incentive

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:



Four payments were made under the GRI in 2022/23 totalling £27,929. All of these payments relate to offers made in the previous financial year 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 2022/23 financial year and the previous 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	4	25%	27,929	26.53%
2022/23	5	5	31,960	24,104	0	0%	£0	0%
Total	15	21	137,240	106,925	4	25%	27,929	26.53%

4.4. Seasonal Worker Incentive

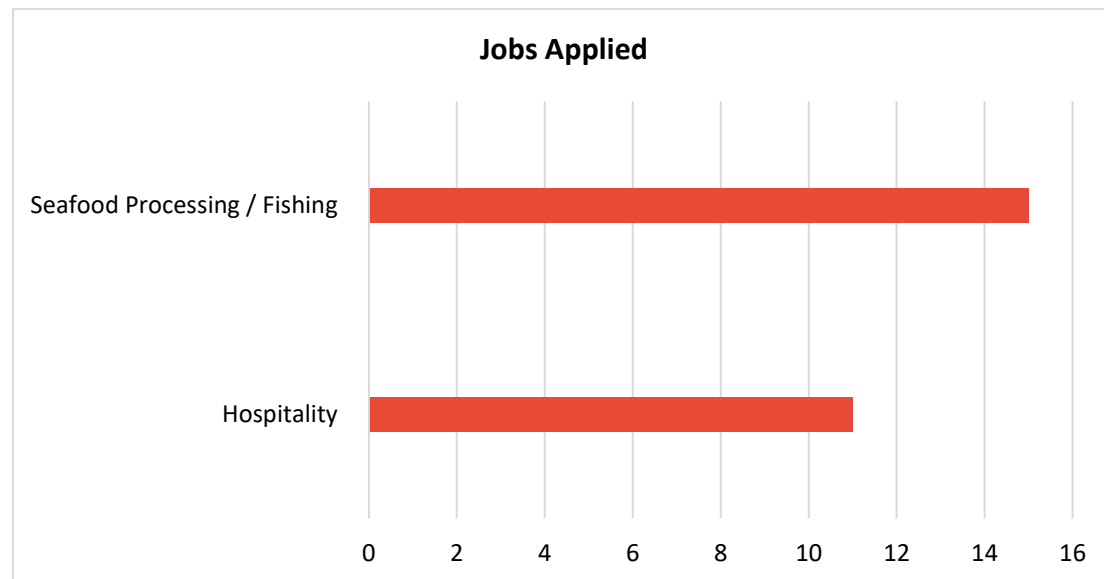
The Seasonal Worker Incentive (SWI) was introduced in March 2022 in order to encourage an expansion of the Island's tourism and hospitality workforce, along with its supporting sectors such as seafood processing, and help fill roles in key areas where there are labour market shortages on-Island.

The aim of this incentive is to support seasonal roles that are harder to recruit extra staff for in the peak seasons e.g. summer, TT etc., although permanent roles are also eligible under the Scheme guidance.

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.

During the financial year 2022 – 2023, nine applications for 26 seasonal roles were approved to six different companies.

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



The table below details the applications that were approved and the total of the three payments that were made during the 2022/23 financial year. All of the payments relate to the first £500 a company can claim once the employee has been in place for one month.

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 Applied	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	5	19.23%	2,500	9.62%

4.5. Financial Assistance Scheme statistics for year ended 31st March 2023

Grants offers

During the year ended 31st March 2023, the Department made 80 grant offers to 56 companies, compared to the previous year when 78 offers were made. Comparable figures for the previous five years ending 31st March have been included in the below tables.

	2018/19		2019/20		2020/21		2021/22		2022/23	
	No	Amount of offers (£)	No	Amount of offers (£)	No	Amount of offers (£)	No	Amount of offers (£)	No	Amount of offers (£)
Offers to new Companies	12	531,301	18	1,381,713	10	1,062,503	12	754,436	12	551,811
Offers to existing Companies	53	2,731,140	49	4,153,756	30	4,373,617	66	3,118,308	68	2,216,833
Totals	65	3,262,441	67	5,535,469	40	5,436,120	78	3,872,744	80	2,768,644

The number of offers made during the year totalled 120 across the grant categories. This figure has decreased when compared to the previous year's total of 136. 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	2018/19		2019/20		2020/21		2021/22		2022/23	
	New	Extant	New	Extant	New	Extant	New	Extant	New	Extant
Building	2	6	5	5	2	7	4	6	2	5
Plant & Machinery	8	17	11	14	7	14	8	14	8	4
Marketing	5	7	9	7	5	4	6	5	6	3
Rent	5	1	7	2	6	2	5	5	4	3
First Year Expenses	5	7	9	4	5	8	8	3	8	2
Training	0	1	1	2	0	1	0	0	0	0
Employee Relocation Incentive	4	32	8	35	8	17	7	42	6	48
Graduate Role Incentive	0	0	0	0	0	0	2	18	2	8
Seasonal Worker Incentive	0	0	0	0	0	0	0	0	0	9
R & D	0	0	0	0	1	1	0	3	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	0	0	2	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	2
Totals	29	71	50	69	34	56	40	96	36	84

The offers totalled £2.77 million¹ and the average percentage of support offered was 31.7%, marginally lower than the previous years' level of 32.9%. 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 £2.77 million equates to a proposed investment from the private sector of £9.27 million² by local businesses compared to £9.26 million³ in the previous year.

Amount of grants offered to new & existing businesses										
Type of Grant	2018/19		2019/20		2020/21		2021/22		2022/23	
	New £'000	Extant £'000	New £'000	Extant £'000	New £'000	Extant £'000	New £'000	Extant £'000	New £	Extant £
Building	85	949	202	1,182	52	890	37	204	103,503	1,035,694
Plant & Machinery	152	1,099	530	2,318	350	2,551	190	1,761	79,203	147,391
Marketing	84	89	236	165	128	22	77	236	68,280	21,780

¹ The number that is shown is rounded

² As above

³ As above

Rent	74	2	77	15	233	21	99	139	76,004	71,646
First Year Expenses	86	86	153	42	61	288	198	38	116,761	106,900
Training	0	2	1	148	0	0.01	0	0	0	0
Employee Relocation Incentive	50	504	183	283	214	227	148	610	102,060	653,147
Graduate Role Incentive	0	0	0	0	0	0	6	100	6,000	25,960
Seasonal Worker Incentive	0	0	0	0	0	0	0	0	0	26,000
R&D	0	0	0	0	25	278	0	31	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	0	0	98	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	128,315
Totals	531	2,731	1,382	4,153	1,063	4,374	755	3,119	551,811	2,216,833

Potential company spend by new and existing businesses linked to the grant offers above										
Type of Grant	2018/19		2019/20		2020/21		2021/22		2022/23	
	New £'000	Extant £'000	New £'000	Extant £'000	New £'000	Extant £'000	New £'000	Extant £'000	New £	Existing £
Building	233	1,660	206	1,791	90	3,153	94	509	722,321	3,777,290
Plant & Machinery	251	1,568	819	2,834	731	3,411	478	5,093	121,305	482,586
Marketing	199	250	449	331	286	31	201	813	105,420	40,020
Rent	21	3	80	23	85	20	158	153	6,696	4,500
First Year Expenses	176	175	229	64	106	619	498	96	222,441	425,100
Training	0	2	1	222	0	1	0	0	0	0
Employee Relocation Incentive	202	2,046	1,101	1,133	867	906	739	3,050	408,240	2,612,588
Graduate Role Incentive	0	0	0	0	0	0	15	264	16,000	67,840
Seasonal Worker Incentive	0	0	0	0	0	0	0	0	0	234,000
R&D	0	0	0	0	88	833	0	90	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	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Totals	1,082	5,704	2,885	6,398	2,254	8,975	2,183	10,069	1,602,423	7,643,924

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 2023, 12 of the offers were made to new companies out of the 66 offers in total, this being the same number as the previous year, where 12 offers were also made to new companies out of the 68 offers that were made in 2021/22.

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

	2018/19	2019/20	2020/21	2021/22	2022/23
Engineering	1	0	0	1	0
General Manufacturing (incl. Food & Drink)	2	3	1	0	1
Financial & Professional Services	3	3	4	3	3
ICT (incl. E-Gaming & E-Business)	4	9	3	4	6
Other	2	3	2	4	2
Total	12	18	10	12	12

Total amount of financial assistance offered

The total amount of financial assistance offered this year was £2,768,644, compared to £3,767,464 in the previous year.

Total amount of assistance paid

The total amount of assistance paid out for FAS and Employment Incentive grants in the year ending 31st March 2023 was £2,437,676 compared to £1,577,625 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 and 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 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 payments in comparison to 2021/22 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 large number of ERI 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 2022/23 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 2023, the value of outstanding offers amounted to £17.34 million. Based on the historical claim percentage of 76% this represents a value of £13.18 million that the Department may be expected to grant to businesses over a number of years. The accrual as at the end of March 2023 was £7.44m.

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 2022 to 31 March 2023

3FM Ltd	IOM Chamber of Commerce (Barclays Eagle Lab)
4Tech Ltd	IOM Creamery Ltd
Amiga Entertainment Ltd	Ipsophy Ltd
Annexio Services (IOM) Ltd	Kiartys Engineering Ltd (Ramsey)
Astrea Bioseparations Ltd	KPMG LLC
Auldyn Construction Ltd	MAC Financial Ltd
Bittylicious (Isle of Man) Ltd	Mobile Content International Ltd
Blackfridge AC Ltd	Monet Money Ltd
Bridson Halsall Advocates Ltd	Mrs Yang's Restaurant
Cannan Ltd t/a Da Vinci's	Natural Stone Granite & Marble Ltd
Capital International Bank Ltd	Openbox Holdings Ltd
Cavendish Trust Company Ltd	Pizza Napoli Ltd
Chase Financial Services Ltd	Quinn Legal Advocates Ltd
Checkout 14 Ltd t/a Little Diamonds Children's Nursery	Ramsey Crookall & Co. Ltd
CoinCorner Ltd	Reliato Ltd
Connect2Accounting Ltd	Robinsons Ltd
Crowe Isle of Man LLC	Rock Food Concepts Ltd
Derivco Ltd	Seaboard Overseas Ltd
DQ Advocates Ltd	Seed Mentors Entrepreneurs (IOM) Ltd
Edgewater Associates Ltd	Sight Matters
Eximia Ltd	SLS Optics Ltd
FHL Holdings Ltd	Southern Plumbing & Heating Merchants Ltd
Flix Facilities (IOM) Ltd	Standard Bank (IOM) Ltd
Furbate Ltd t/a Hubb	Strix Ltd
Gaming Mechanics Ltd	Swagelok Ltd
Gander Ltd	Talay Thai Ltd t/a Thai Restaurant
Go See TV Ltd	The Shred House Ltd
Henson Ceramics Ltd	Yellow UX Ltd

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 1st April 2022 to 31st March 2023 amounted to £3,105,173.

4.6. Businesses that ceased trading during the year

During the year ended 31st March 2023, the following business which previously received assistance and the assistance remained under terms and conditions, ceased to trade:

- Close Leece Farm Limited;
- Furbate Limited t/a The Hubb;
- Mama Bear’s Limited t/a The Cub House; and
- Paula’s Kitchen Limited.

The Department’s terms and conditions give the period under which all or part of any grant assistance is repayable to the Department if a business ceases to trade during this time.

The assistance to Close Leece Farm Limited was made through two grant payment claims from June 2020 through to October 2020, with the total FAS grants paid equalling £4,750.

Employee headcount fluctuated over the last three years up until it ceased trading. However, the exchequer benefit created via ITIP payments during this period amount to over £197,325, which far outweighs the outstanding liability.

The Department is currently involved in ongoing communications with the remaining three businesses with regards to finalising any amounts owed. Therefore, any amounts remaining repayable under the Department’s terms and conditions and/or repayments made by these businesses will be reported in the Annual Report for the 2023/24 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 2023 the Department made four grant offers under Appendix 11 as detailed below and two payments totalling £3,310 were made under Appendix 11 during the financial year:

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

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.

No new grant offers were made under Appendix 12 in the 2022/23 financial year as detailed below and no payments were claimed under Appendix 12 during the financial year:

Appendix 12 applications	2021/22			2022/23		
	No.	Gross Approved (£)	Net Approved (£)	No.	Gross Approved (£)	Net Approved (£)
Marketing	1	1,000	500	0	0	0
Totals	1	1,000	500	0	0	0

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 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 31st May 2023.

In the financial year ending 31st March 2023, the Department made one Appendix 13 grant offer totalling £35,200. The table below details this offer along with the Appendix 13 offers made in the previous financial year, across the two different categories which were available under the Scheme (salaries and consultation):

Appendix 13 applications	2021/22			2022/23		
	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
Research & Development – Consultation	3	393,445	196,723	0	0	0
Totals	7	3,154,824	2,405,826	1	44,000	35,200

Five payments totalling £664,188 were claimed on Appendix 13 grant offers during the 2022/23 financial year, some of which related to offers made in the previous financial year.

6. Loans and investments via the Enterprise Development Scheme

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

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. 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 1st April 2022 and 31st March 2023 the Department did not approve any requests for Work Permit exemptions in the national interest.

8. Appendix 1

The following table (**Figure 1**) outlines the financial support provided by each of the Enterprise Support Schemes throughout the financial year 2022/23, 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 2022/2023								
Scheme	Amount committed (£)	Jobs supported (average) (£)	Jobs created Exchequer Benefit (per annum) (£)	Jobs protected	Tax protected (2022-2023) (£)	Private Sector Investment Leveraged (£)	Draw-down period (max) (£)	Financial Assistance actually paid out (by DfE)* (£)
Financial Assistance Scheme (FAS)	1,955,477	76	604,579	2,504	38,691,250	5,907,679	2 Years	1,912,295
Employee Relocation Incentive (ERI)	755,207	113	1,373,190			3,020,828	2 Years	494,951
Graduate Role Incentive (GRI)	31,960	5	24,104			83,840	2 Years	27,929
Seasonal Worker Incentive (SWI)	26,000	26	53,934**			260,410	2 Years	2,500
Appendix 11 – Accessibility grants	16,834					16,834	2 Years	3,310
Appendix 12 – Marketing the Island as a destination	£0					0	2 Years	0
Appendix 13 – Financial assistance to manufacturing and engineering businesses	35,200					8,800	2 Years	664,188
Coronavirus Recovery Scheme (CRS) Adaptation	3,037					2,535	2 Years	65,321
Coronavirus Recovery Scheme (CRS) Operating costs	564,029					426,608	2 Years	642,228
Winter Disruption Scheme (WDS)	393,390							583,975
Micro Business Grant Scheme (MBGS)	659,455	93 (Minimum)					6 months	659,455
Town & Village Regeneration Scheme (TVRS)	29,948					29,948.47	2 Years	40,785

Town & Village Regeneration Scheme Economic Recovery Group Criteria (TVRS ERG)	101,792					25,477.99	2 Years	52,304
Business Improvement Scheme (BIS)	58,930					58,930		58,930
Business Improvement Scheme Economic Recovery Group Criteria (BIS ERG)	294,221					294,221	6 months	294,221
Douglas Promenade Support Scheme	100,000							150,403
Green Living Grant Scheme (GLGS)	1,464,570***							834,488***
Figure 2: Previous Five Financial Years								
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)	23,771,608	1,196	11,476,854	13,324	203,195,250	45,044,825	2 Years	15,691,309

**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*

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. £2.77 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 220. 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 220 jobs will contribute an estimated exchequer benefit to the Island of over £2 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 and the Coronavirus Recovery Scheme protects 2,504 jobs in the Island, which when combined contribute over £38.69 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 £9.29 million of private investment that businesses have contributed back into the local economy.



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