



# The Business Energy Saving Scheme

## Guidelines

**ISSUED BY THE DEPARTMENT FOR ENTERPRISE**

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## Contents

Introduction and background .....	3
1. THE BUSINESS ENERGY SAVING SCHEME .....	4
1.1 Purpose and Scope .....	4
1.2 Overview of Available Support.....	4
1.3 Eligibility.....	4
1.4 Application Process.....	5
a) Information to be supplied. ....	6
b) Assessment criteria. ....	6
c) Approval process.....	6
d) Declined applications. ....	7
1.5 Public disclosure of financial assistance paid .....	7
1.6 Application Form .....	7

## Introduction and background

The Business Energy Saving Scheme (the Scheme) replaces the Green Business Loan Scheme which was established in 2011 to provide interest free loans to support local businesses looking to undertake energy efficiency improvement projects to make their businesses more energy efficient and reduce their carbon footprint.

The renaming of the scheme to the Business Energy Saving Scheme (BESS) more accurately represents its purpose.

Additionally, the Scheme supports the far wider ranging Government Energy strategy as outlined in the 2016 Government Report entitled “ Greater efficiency, cleaner energy, resilient economy” ([GD No. 2016/0031](#)).

The Department for Enterprise (The Department) made a commitment to Tynwald in 2018 to review all of the business support schemes that it operated. The overarching aims of the review of Green Business Loan Scheme were to make the scheme more accessible to local businesses; make it more commercially attractive; simplify the application process; relax the post loan reporting obligations and undertake better marketing of the scheme.

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;
- (c) the form and amount of the assistance is reasonable having regard to all the circumstances.”

In order to be eligible for financial assistance from the Department, an eligible business must meet the criteria set out in the [Enterprise Act 2008 \(Eligible Businesses\) Regulations 2018](#).

Note that the Department provides other forms of grants and assistance, details of which can be found at [www.gov.im/enterprise](http://www.gov.im/enterprise)

For further advice and guidance regarding the Department’s grants and assistance schemes and the criteria for eligibility, including the Business Energy Saving Scheme, potential applicants are encouraged to complete the online enquiry form hosted at [www.gov.im/businessenquiries](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 the particular case.

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

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

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 whereby they offer security for any financial assistance offered to them.

The Department cannot provide loans for any projects commenced prior to the submission of the BS1 application form.

## 1. THE BUSINESS ENERGY SAVING SCHEME

### 1.1 Purpose and Scope

The purpose of the Scheme is to help local businesses adopt energy efficient solutions in order to reduce carbon emissions, reduce overheads and ultimately increase business profitability.

The Scheme is open to undertakings in any economic sector employing at least 1 fulltime employee and offers interest free unsecured loans up to £20,000 with repayment terms up to 5 years.

Prior to applying for a loan under the Scheme, potential applicants are encouraged to undertake energy efficiency surveys under the Department's [Business Improvement Scheme](#) (BIS) which can provide 50% matched funding (up to a maximum of £5,000) towards the cost of energy surveys.

Businesses cannot apply if they have previously applied for funding for the same project under another Government scheme. However, they may apply for an energy survey under the BIS as this is considered as a separate and complimentary project.

The aim of the Scheme is to provide loans for business premises energy efficiency improvement projects. Due to budgetary constraints, the scheme is currently *not* available for staff incentive schemes or vehicle purchase.

Examples of suitable projects for the scheme include (but are not limited to) the following:-

- Lighting & lighting controls
- Heating & heating controls
- Insulation upgrades
- Heat recovery systems
- Pipe insulation
- Solar heating systems
- Wind turbines
- Electric Vehicle (EV) charging points

### 1.2 Overview of Available Support

The Scheme offers unsecured interest free loans up to a maximum of £20,000 for Isle of Man businesses for genuine energy saving projects. Businesses must be undertaking economic activity in the Isle of Man and employ at least one fulltime member of staff. The applicant will be required to provide evidence that demonstrates their ability to repay the loan within a 5 year period.

At the discretion of the Department, businesses may apply for multiple projects providing that they can demonstrate their ability to repay the loans and that sufficient Scheme funding is available.

### 1.3 Eligibility

The main eligibility requirements are as follows: -

- The project will result in reduced energy costs for the business,
- The applicant must evidence the ability to service the loan,
- The work must not have been started before the application form was submitted,
- Manx Accredited Construction Contractors Scheme (MACCS) members must be used for any building works project,
- Suitably accredited tradesmen must be used as required,
- Three quotes are required for any works or products against which assistance is sought and
- The project must not have received support under any other Government Scheme.

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).
  - **Important note** - This paragraph does not apply to a business which is: -
    - (a) expected to have a turnover of less than £100,000 within the first 12 months of trading; or
    - (b) within the first 18 months of trading and had a turnover of less than £100,000 in the 12 months immediately before the date of application.
- 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 the disclosable 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 of his or hers 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.

**Important note:** Loans 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.

## 1.4 Application Process

All applicants are encouraged to engage with the Department before submitting the application form.

This is achieved 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/>

Following receipt of a correctly completed application form and submission of all necessary information, the Department seeks to provide a decision on the application within 40 working days.

### **a) Information to be supplied.**

All applicants must complete sections 1, 4 and 7 of the BS1 application form.

For loans under £5,000, the applicant must provide: -

- An overview of the project;
- 3 project quotes (from MACCS registered companies if applicable);
- An executive summary for new businesses to the Department; and
- The latest annual accounts or for new businesses a cash flow forecast.

For loans between £5,000 and £20,000, the applicant must provide: -

- An overview of the project;
- 3 project quotes ( from MACCS registered companies if applicable);
- A full business plan for new businesses to the Department. The business plan should include: -
  - expenditure in respect of which financial assistance is sought;
  - background and current or proposed location of the business;
  - CVs and relevant experience of the management team;
  - details of the business: (date of registration, shareholders (to include percentages of shares owned), directors, beneficial owners etc. and links to other businesses, if any);
  - business model, together with short and long term objectives, key customers, confirmed orders etc.;
  - employment structure including numbers of employees, types of jobs, wage rates etc.;
  - information as to premises - whether owned or rented and the location. Where premises are rented or leased, details of owners and annual costs (including rent and any service charge contributions and/or other regular outgoings; and
  - marketing plan including whether customers are off-Island or on-Island.
- Financial information including: -
  - copies of audited accounts for the previous 3 years (if applicable); and
  - projected profit and loss forecasts for the next 3 years together with an explanatory narrative.

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

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

- Eligibility;
- Viability of the business;
- The potential energy savings of the project; and
- The ability of the business to service the loan.

A report will then be then prepared for consideration.

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

Loans under £5,000 will be approved by the Head of Enterprise Support.

Loans of between £5,000 and £20,000 will be considered by the Head of Enterprise Support and signed off by either the Chief Executive, the Deputy Chief Executive or the Director of Finance with final approval by the Departments political member with responsibility for Enterprise Support.

If approved, an offer letter will be sent to the applicant (which may contain conditions) for sign-off by the company directors.

Upon receipt of the signed offer letter, the Department will transfer the funds to the applicant's business bank account.

The repayment schedule will commence on the first anniversary of the transfer of funds, with 4 further equal payments on subsequent anniversaries until the total loan has been repaid.

The Department exercises the right to visit a site to ensure that projects have been completed to a satisfactory standard. The Department may also request evidence of energy savings achieved for case studies, media and PR opportunities.

#### **d) Declined applications.**

Where the application for the loan has been refused, the applicant will be informed in writing. The applicant has 21 days to request, in writing, a review by the Department.

### **1.5 Public disclosure of financial assistance paid**

It is a statutory requirement that details of the total value of financial assistance paid out 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.

### **1.6 Application Form**

The Application Form is available at [www.gov.im/micro](http://www.gov.im/micro)

Applicants should read the above terms and conditions (see section 1.4) before submitting an application to the Department.

Completed application forms and supporting documentation should be either emailed to [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im) or sent to:

**The Business Energy Saving Scheme,  
Department for Enterprise,  
St Georges Court,  
Upper Church Street,  
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