

Review of the Department for Enterprise and Its Agencies

SUPPLEMENTARY SUBMISSION |
JAN 2026



Isle of Man
Chamber of Commerce

The Isle of Man Chamber of Commerce welcomes the opportunity to provide further evidence in support of the Committee's inquiry into the structure and effectiveness of the Department for Enterprise (DfE) and its Executive Agencies.

Chamber recognises the contribution made by DfE and its agencies over many years, including their role during the COVID recovery period. However, based on extensive and consistent feedback from our membership, we do not believe the current model is now structurally or culturally equipped to enable the pace, agility, and scale of economic transformation the Island requires.

The issues outlined below are not isolated operational concerns. They reflect systemic constraints that are increasingly limiting growth, diversification, productivity, and business confidence.

1. Summary of Systemic Issues Identified by Chamber Members

In our earlier submission, Chamber highlighted a number of recurring themes. At the Committee's request, we expand on these below, drawing directly on lived business experience.

Across sectors, members consistently report:

- An overly risk-averse and process-driven culture
- Fragmented delivery across siloed agencies
- Limited transparency around return on public investment
- Weak alignment with modern business models and future skills needs
- Insufficient lived commercial experience among some officers advising business
- Repeated gaps between engagement, agreement, and delivery

Taken together, these issues now represent a material drag on economic growth, productivity, diversification, and the Island's ability to compete for investment and talent.

2. Member Views on Agency Effectiveness

Risk aversion and bureaucracy

Members frequently describe a culture within economic delivery functions that prioritises compliance and procedural caution over outcomes. Decisions often default to delay or refusal, rather than being shaped around managed risk and opportunity.

This environment discourages entrepreneurship and innovation. Chamber members want to work constructively with government to co-create solutions, but within a system that supports pace, experimentation, and responsible risk-taking.

Fragmentation and duplication

The current agency model encourages duplication and disconnect. Members cite overlap between Business Isle of Man, Locate Isle of Man, and Finance Isle of Man in areas such as sector engagement, lead generation, and inward investment support.

In the absence of a single, integrated growth framework, opportunities are diluted, delayed, or lost. From a business perspective, the system often creates confusion rather than clarity.

Limited visibility of return on investment

Members consistently highlight the absence of a transparent economic development framework that clearly articulates:

- Strategic objectives and priorities
- Expected returns on public investment
- How agency activity contributes to productivity, skills, tax receipts, or long-term value creation

Reporting tends to focus on activity-based outputs, such as meetings held or initiatives launched, which provides limited insight into real economic impact.

Skills and commercial mindset gaps

While agency staff are generally committed and well-intentioned, members report that some lack the lived commercial experience required to support scale-ups, export-led firms, or fast-moving global businesses.

This can result in businesses having to explain basic commercial models or market dynamics to advisors, creating friction and undermining confidence in the system's ability to support growth.

Engagement without delivery

A recurring concern is the gap between consultation and implementation. Actions agreed through workshops, strategy sessions, or engagement processes are not always followed through, often due to unclear ownership, internal change, or bureaucratic drift.

This leads to business fatigue and disengagement, with members questioning the value of repeated consultation that does not translate into tangible outcomes.

3. Illustrative Member Experiences (Anonymised)

The following examples reflect patterns reported across Chamber's membership.

Knowledge economy opportunity blocked

A private higher education provider waited over 14 months for a basic confirmation letter recognising its operation on the Island, a process that would typically take around two weeks in the UK. Despite robust accreditation and a clear alignment with stated economic priorities, no enabling pathway was offered.

This first-in-market opportunity stalled due to the absence of clear authority and accountability for enabling innovation. As the Island seeks to diversify into new sectors, this type of structural blockage risks becoming more frequent without reform.

Housing and skills gridlock

A high-growth cybersecurity firm successfully recruited skilled overseas staff into well-paid, long-term roles. Several recruits ultimately declined to relocate due to poor availability and quality of rental housing.

Although the business has capacity to scale significantly, growth is constrained by housing and planning failures that economic agencies are not structurally positioned to influence, despite their direct impact on talent attraction and retention.

Disconnected place messaging

Members highlight inconsistent messaging between tourism promotion and inward investment activity, creating confusion about the Island's identity and proposition.

There is no single, coherent place narrative guiding marketing, investment promotion, and economic strategy. Valuable assets, including UNESCO Biosphere status, cultural capital, and quality-of-life advantages, remain under-leveraged due to fragmented ownership and delivery.

Previous initiatives such as *Freedom to Flourish* demonstrated the potential impact of a unified narrative. However, credibility depends on the ability to deliver consistently against the promise.

4. Observations on the Current Model

Based on member experience, the current economic delivery system is attempting to address 21st-century challenges using structures, incentives, and cultures designed for a different era.

Effective economic development increasingly requires:

- Cross-government coordination
- Commercial fluency
- Faster decision-making
- Clear accountability for outcomes
- Strong alignment between policy intent and delivery

The present agency model struggles to consistently provide these conditions, limiting its ability to deliver the outcomes Government itself aspires to achieve.

5. Alternative Delivery Models for Consideration (Longer-Term)

As a final and optional observation, Chamber notes that several advanced economies have adopted alternative economic development models in which Chambers of Commerce play a formal delivery role, working alongside government rather than within it.

In jurisdictions such as Luxembourg and Belgium, Chambers hold responsibility for elements of economic development and vocational skills, funded through statutory business membership and governed through strong public-private oversight. These models place delivery closer to business need, while preserving appropriate public accountability.

Chamber is not advocating immediate structural change, nor seeking to pre-empt the Committee's conclusions. However, given the scale and persistence of the challenges identified, we believe it would be prudent for the Island to consider whether alternative delivery models could offer greater agility, commercial alignment, accountability, and pace over the longer term.

Final Reflection

This submission invites decisive action to modernise the structural and cultural conditions that will determine the Island's economic future.

The Isle of Man has strong businesses, committed public servants, and significant latent opportunity. Unlocking that potential will require honest appraisal, clearer accountability, and delivery models that are fit for the pace and complexity of the modern economy.

Chamber would welcome the opportunity to continue supporting the Committee's work and to contribute constructively to the development of future options.

END.