

3.4 Connétable I. Gardiner of St. Helier of the Minister for Sustainable Economic Development regarding a social enterprise framework (OQ.85/2026).

Will the Minister advise whether he intends to develop a social enterprise framework, and if so, when he expects the framework to be published and implemented, and if not, will he explain why not?

Deputy F.G. Voisin of St. Helier North (The Minister for Sustainable Economic Development):

Can I thank the Connétable for her question and assure her that both my Assistant Ministers and I do recognise the important role that social enterprises provide in modern economies. There is currently a gap in legislation to provide a legal distinction for social enterprises. I am sure that the Connétable and Members will appreciate that the Companies (Jersey) Law 1999 and the Charities (Jersey) Law 2014 currently fall under the remit of the Minister for External Relations, although I understand that the Charities (Jersey) Law 2014 is in the process of being transferred to the Minister for Justice and Home Affairs. I give an undertaking to raise this matter with these Ministers to take forward any legislative changes.

3.4.1 The Connétable of St. Helier:

From my recognition from the previous term, it was led by the Minister for Economic Development because it does contribute, I would say, to the economy. For example, U.K. (United Kingdom) has now 37 community interest companies, Scotland has added £3 billion a year, so I would like to hear who will be leading this work within the Council of Ministers, if not the Minister for Economic Development?

Deputy F.G. Voisin:

I think it is important to recognise that there is a structure available for organisations that wish to qualify or be a social enterprise, and that is a structure that is commonly used. What happens is that a charity will obviously register as a charity and then if they wish to have a commercial arm to raise revenue, then they establish a company. The issue is that it is rather clunky. There is lots of bureaucracy, not only in establishing a charity, but also then establishing a company, and a social enterprise would give a one-fix solution to this. But it does need to be nestled within some sort of legislative framework, quite simply because a social enterprise would seek to operate as a commercial organisation, but at the same time receive donations to their charitable cause and receive a tax rebate, but of course that unfortunately is not available to businesses operating as a commercial organisation. So I do think it is important that a legal framework is put in place, and that does have to be done with those people that are responsible for those laws, and of course, the Minister for Treasury and Resources must also be involved because there may well be some reduction in taxation.

The Connétable of St. Helier:

I did not receive the answer to my question. My question was, who is responsible? Who is going to lead this work?

Deputy F.G. Voisin:

Well, I would have thought that as the legislation rests with the Minister for External Relations and, soon, the Minister for Justice and Home Affairs, I think it will ultimately rest with those people. But I think that this is a good example of how the Council of Ministers need to work together, and I am giving the Connétable an undertaking that I will bring this forward to push it along.

3.4.2 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

I think there is some confusion in some of the answers that you are giving at the moment because it is understandable there needs to be at some point a definition of social enterprise. But there has been a pilot already done that the former Minister for Economic Development put forward, which was the S.E.E. (Social, Environmental and Economic) Enterprise Pathway pilot, and there was a clear report that was published afterwards saying about the positives and negatives that came from that pilot. The report says that any

framework should include funding accreditation and business support co-designed with the sector. So that goes beyond just having a definition.

[10:15]

Could the Minister first say whether that is something that he will be taking forward, taking on the report from this pilot, and whether he has any plans for any of those issues around funding accreditation and business support that was raised in the final conclusions of the pilot?

Deputy F.G. Voisin:

I am aware of the pathway pilot, and to be honest, I was surprised that there was no recommendation that this needs to sit within some sort of legal framework. The pilot involved quite a number of people who were looking at establishing social enterprise and indeed operating similar organisations in Jersey. All I can say is that I will look again at the report, which I have read, and discuss this with the Minister for External Relations to take this forward.

3.4.3 Deputy H.L. Jeune:

I was wondering if the Minister could explain whether he believes social enterprises are as an important part of the economy of Jersey and whether he would be supporting and championing them going forward.

Deputy F.G. Voisin:

I champion all efforts to grow the economy, and if this is done through social enterprises then I am the champion. I think what is important to understand also is that organisations that wish to act as a social enterprise are able to do so today, as I said, through the structure of having a charity and then the underlying business to operate as a commercial enterprise. As I said before, it is a bit clunky but it is possible and indeed there are examples; I think the Beresford Street Kitchen operates in just that way.

3.4.4 Deputy L.V. Feltham of St. Helier Central:

I am somewhat confused by some of the Minister's answers. I wonder if he could clarify what in his mind the definition of social enterprise is.

Deputy F.G. Voisin:

Certainly. It is an organisation that is run for the benefit of society and to address a particular need in society. My understanding is that part of the organisation operates as a commercial business. But the money that is raised is used for charitable purposes.

3.4.5 Deputy L.V. Feltham:

Does the Minister also agree that the current legislative framework is not fit for purpose for organisations that wish to be a social enterprise?

Deputy F.G. Voisin:

I think I have said twice already that it is a bit clunky. It is overly bureaucratic because organisations have to register as a charity and as a business.

3.4.6 The Connétable of St. Helier:

Going back to the charity, the Charities Law is deliberately tight and charity funds cannot pay for trading beyond charitable purposes. Where does he expect admission that business that cannot or will not become a charity to go?

Deputy F.G. Voisin:

Sorry, could the Connétable repeat the question, please?

The Connétable of St. Helier:

I will simplify the question. The Charities Law is very precise and very tight. The social enterprise that would like to trade and have admission and can deliver and do not have a framework, do not have legislative framework and legislation, where do they need to go? How they would operate legally delivering a needed outcome for our economy and for the public.

Deputy F.G. Voisin:

As I have explained, a charity can operate a commercial enterprise, and there are charities in Jersey that do. But the commercial enterprise part of the organisation needs to be operated within a company. As I have said, there is Beresford Street Kitchen. I understand that Durrell have a similar organisation. Social enterprises can operate in that structure but, as I say, it is onerous from a regulatory perspective. As the Connétable quite rightly points out, the Charities Law is cast tight. It does not give the options to do various functions which may be desirable.