

**2.13 Deputy G.P. Southern of the Minister for Transport and Technical Services regarding the corporate structures of HCT Group and CT Plus and their status as social enterprise institutions:**

Will the Minister explain to Members how the corporate structures of HCT Group and CT Plus enable those companies to maintain their status as social enterprise institutions and how the ownership of assets such as buses or depots is financed?

**Deputy K.C. Lewis (The Minister for Transport and Technical Services):**

The Deputy will know a social enterprise is a business concept and not a legal identity. The HCT Group is the parent company for CT Plus Jersey and many other operating companies in the Group. These operating companies themselves range from share companies, community interest companies, industrial and provident societies and charities. All these operating companies, apart from joint ventures, are wholly owned by the HCT Group. HCT Group itself is a charity and is also a company limited by guarantee. Therefore, the Group and all the companies within the Group are covered by the asset lock which all charities have. This means the assets of the company cannot be disposed of for private gain. The aims of the charities and the community interest of the community interest companies are clearly stated and reported on. As for the financing assets, these are financed in a variety of ways: lease financed, hire purchase, social investment, to name but 3.

**2.13.1 Deputy G.P. Southern:**

I look forward to seeing that answer in writing to see what it means. In the meantime, the charitable legal website, Get Legal, describes HCT's corporate structure as allowing HCT Group to separate the risks associated with its businesses in different limited liability vehicles. The social mission of each of these vehicles is protected through charitable status most often, which sends a clear message to the public that the organisation is a social enterprise. What role will charitable status play in the delivery of bus services by CT Plus?

**Deputy K.C. Lewis:**

I am not quite sure where the Deputy is coming from with that one but if CT Plus uses charitable funds to purchase vehicles, this would put them in an unfair advantage so a grant is given for a specific community transport service. CT Plus cannot and would not use these funds to subsidise a contract. There is no relevance to Jersey. HCT has undertaken finance in all vehicles they will be using in Jersey through a commercial finance house based in St. Helier.

**2.13.2 Deputy G.P. Southern:**

The website of HCT Group points to the fact that in 2011, it reinvested 37 per cent of its annual profits into local community services, its best performance to date. Can the Minister state what is going to happen to the other 63 per cent of profits?

**Deputy K.C. Lewis:**

With the exception of the administration fees, everything will come back to the Island.