

EXECUTIVE SUMMARY AND RECOMMENDATIONS

INTRODUCTION

On 9th July 2004 payments to professional bodies for JVC clerks will cease. These have up to now always been paid by the Professions Supplementary to Medicine Charitable Trust. It is now considered that there is unlikely to be any further use for this charity, especially as a regulator the HPC should stand apart from making such payments.

DECISION

The Committee is asked to agree the following:

That the Trustees of the Professions Supplementary to Medicine Charitable Trust be asked to make arrangements for it to be closed no later than 31st March 2005, any costs of the wind up to be borne by the HPC.

BACKGROUND INFORMATION

The Charitable Trust was originally set up on the recommendation of the previous auditors as a mechanism to save CPSM costs (taxation and business rates). It could make an annual Deed of Covenant Payment/Gift Aid donation to the Charity and use such payment to offset any tax on investment income. It also allowed CPSM to erroneously claim that Park House (and Stannary Street) was occupied by a charity and thus receive business rate relief of 80%. This situation has continued under the HPC.

RESOURCE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Professional fees are likely to be incurred in the wind up. In future HPC will be bearing tax on its investment income, including capital gains and interest on deposits.

BACKGROUND PAPERS

None

APPENDICES

None