

Your Ref:

Our Ref: PB 4/2

19th November, 1993.

Constable G D Priest,  
Hon Secretary,  
Isle of Man Police Federation,  
Police Headquarters,  
Glencrutchery Road,  
Douglas.

Dear Constable Priest,

**Housing Allowance**

Thank you for your letter of 8th November 1993 in which you comment on the draft regulations relating to the above. I would respond as follows:-

**Comment (1)**

I note your comment on proposed Regulation 47(3)(b) and agree that the wording differs from that in the current Regulation 47(3)(b) and the implications will be as you have outlined. The wording is however identical to that in Regulation 49(3)(b) of the UK 1990 Regulations, which, as far as I am aware, has not been amended. I cannot therefore agree to any variation to this wording. The point you have raised about the retrospective implications is a fair one and I will look at ways of ensuring that no member has his present allowance reduced retrospectively.

**Comment (2)**

In relation to your comment on proposed Regulation 47(10), my response is similar to that to your first comment. I accept that the wording is different to that in the current Regulation but it is again based on the wording of the corresponding UK Regulation [49(12)(a)] except for the deletion of the reference to Transitional Housing Allowance, which is not applicable. Again, I am not aware of any amendment to this particular regulation in the UK. I cannot therefore agree to any amendment to our regulation.

**Comment (3)**

The Legislative Draftsman has advised that the regulations should only specify the current formula for uprating and should not mention any cut-off in 1997. He further advises that the new formula applicable in 1997/98 and subsequent years

Cont'd...

(4)

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will have to be specified in future amending regulations. I have to accept the Draftsman's advice on a legal point such as this and the words "up to and including 1st April 1996" in paragraph (1) of proposed Regulation 47A and paragraph (2) of that regulation will therefore have to be deleted. This does not in any way alter the agreement that we have reached on this point. It simply means that we cannot specify in regulations today what is to happen at a future date, because that is yet to be determined.

Comment (4)

The Legislative Draftsman has advised that proposed Regulation 47A(3) must be deleted as liability for income tax is a matter for the Treasury, and not for the Department. The present exemption from liability to pay income tax on the rent allowance has been granted by an "extra-statutory concession" made by the Treasury in 1986 and the Department will need to request the Treasury to make a new extra-statutory concession in respect of the housing allowance - for all recipients with effect from 1st April 1992 and for serving members of the force only with effect from 1st November 1993. I confirm that it is the intention of the Department that no officer who joined the force prior to 1st November 1993 should pay income tax on his housing allowance.

The Legislative Draftsman has suggested one further minor amendment which I have accepted. This is that the words "who ... has divorced, or been divorced by, his spouse" in proposed regulations 47(2)(c) and 47(9) should be replaced by the words "whose marriage has been dissolved or annulled".

Yours sincerely,

W D Creer,  
Chief Executive.

Copy to: Chief Constable.