

WILLIAM CASH, M.P.



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HOUSE OF COMMONS

LONDON SW1A 0AA

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Sir Christopher Kelly KCB
Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ

Monday 20th July 2009

Dear Sir Christopher,

In relation to the issue of what is allowable under ACA, many would like to be quite sure that for those who have leasehold properties that the covenants under the lease which are invariably in standard form would be regarded as "allowable" on grounds of principle and on practice. Properties may be either freehold or leasehold and in either case, if the property is mortgaged there is a covenant under seal to carry out an agreement both as respects interest and capital and repair and maintenance, etc.... The covenant to repay interest is in no way different in principle to the covenant to carry out other obligations, to repair & maintain. They are interdependent. This is not an academic or legal exercise. There could not possibly be discrimination in favour of those who have mortgage interest only without also accepting the obligations to repair and maintain the property in question. I hear that service charges are to be included as "allowable" and I just wish to have clarification that the covenants I am referring to are given the same treatment as mortgage interest. It would be appropriate to specifically include covenants as well as service charges. Some blocks of flats, for example Dolphin Square, include a package of obligations whereas other leasehold properties set out the obligations separately.