



HOUSE OF COMMONS

Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

6 March 2017

A handwritten signature in black ink, appearing to read 'Steve Barclay'.

I write in my capacity as Member of Parliament for North East Cambridgeshire to request an investigation into the governance of the Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP) and the Cambridge City Deal.

The LEP has been allocated over £150 million by Government, with the Cambridge City Deal due to receive up to £1 billion. Under Growth Deal Round Three, £37.6 million is due to be transferred to the LEP in April 2017.

The LEP has failed to answer questions regarding the close relationship of key LEP Board Members with a small number of property developers. These developers have enjoyed significant increases in profits whilst benefiting from large grants or loans from the LEP, or bodies working closely with the LEP.

Specific areas of concern include:

- Financial irregularities reported in the annual accounts of the LEP Chair's building firm in the same year he became Chair of the LEP Board;
- The Chair of the LEP Board's building firm, Chalcraft has received multi-million pound contracts from developers or their clients for work on sites funded by the LEP or New Anglia LEP;
- A series of planning controversies regarding another LEP Board Member Cllr Waters who has also been censured by the Traffic Commissioner for running his business irresponsibly;
- Property deals involving key developers, LEP Board Members, LEP or New Anglia LEP funds, and individuals linked to the Cambridge City Deal, where it is unclear how conflicts of interest have been managed;





- A number of LEP Board Members and sub-committee members who have benefited from LEP awards in their private business interests;
- A lack of transparency regarding how investment decisions have been reached and the criteria applied;
- Why it is value for money for the LEP to allocate large grants or loans to the development sites of wealthy, private developers who enjoy large increases in profits before tax of up to 270%;
- A series of allegations made by the LEP against its Accountable Body, Cambridgeshire County Council, and against Fenland District Council, which are disputed by both authorities;
- A lack of clarity regarding key LEP relationships with developers like Urban and Civic and Pigeon or lobbying bodies like Cambridge Ahead who appear to have privileged access to LEP Board meetings.

I am copying this letter to the Local Government Minister Andrew Percy MP, and to the Chairs of the Public Accounts and Treasury Select Committees.

Yours ever