Scottish Government appointments to Scotland National Parks – a different type of Board Member is required

Description

A month ago the Scottish Government advertised the position on the Loch Lomond and Trossachs National Park Authority (LLTNPA) Board vacated by the former Convener, James Stuart, at the end of January. No hurry there!

The deadline for applications was Monday and the advert has since been removed from the public appointments website but the Scottish Government was looking for someone with "Experience in the promotion of equality, diversity and inclusion". (The Cairngorms National Park Authority which currently has two board vacancies is looking for a very different skill set (see here) – "green" finance, green farming and understanding of climate change farm). Still the LLTNPA position could provide the perfect opportunity to appoint an access campaigner or, as I argued recently, a Disability Rights Activist (see here) to shake up a body which has devoted much of its resources over the last ten years to excluding visitors, particularly those on lower incomes.

Interestingly, the LLTNPA has had for some time a co-opted non-voting "Board Member taking part in a pilot scheme to diversify the thinking of the Board", Zain Sehgal, from Boots and Beards. Perhaps the position has been designed for him? Mr Sehgal should in theory be in a position to shake things up as he is now also the Board representative to the Local Access Forum. This is supposed to meet twice a year but so far has not had a single meeting scheduled for 2023 in what appears part of a deliberate attempt to exclude outdoor recreation from the National Park Partnership Plan (see here). What this illustrates is the senior management team at the LLTNPA are extremely good at neutralising any Board Member who might actually want to change anything.

If Lorna Slater, the Minister responsible for National Parks, really wants someone who is going to promote equality, diversity and inclusion (or protect nature or tackle climate change for that matter) she needs to appoint someone who is prepared to hold staff to account and speak out when required. That means a different type of person to Mr Stuart whose response to his Chief Executive Gordon Watson's false claim that the decision to appoint Flamingo Land *"was made by Scottish Enterprise alone"* was to get a member of staff under Mr Watson to investigate (see here). In any well governed public body concerns about a Chief Executive would be investigated by a Board Member or independently, as is standard practice in Housing Associations for example.

A month after he had stepped down from the Board the LLTNPA published Mr Stuart's thoughts on his eight years on the board (see here). This was the usual spin with the references to John Muir and Greta Thunberg an attempt to gain credit by association and greenwash his tenure as Convener. What Mr Stuart failed to say is what the LLTNPA actually achieved under his leadership apart from lots of spin – the answer is not much.

In my view in evaluating Mr Stuart's contribution it is more instructive to consider this in the light of some of the other things he has been doing in the last couple of years.

James Stuart's conflicts of interest and the review of the Loch Lomond byelaws

On 30th January 2023, the day before James Stuart stepped down, the LLTNPA held a special meeting of their board to consider the revised water byelaws for Loch Lomond (see here), (here), (here) (here) Both Mr Stuart and Claire Chapman, a Director of the Scottish Canoe Association, gave their apologies. Mr Stuart had been appointed interim Chief Executive of the Royal Yachting Association Scotland in November and both gave their apologies apparently because of conflicts of interests, although what those conflicts were was not actually recorded in the minutes of the meeting.

I had suspected that Mr Stuart's conflict of interest arose because RYA Scotland had strongly supported the byelaws but was wrong about that. After the Board Meeting the LLTNPA published anonymised responses to the byelaw consultation (see here) after I had submitted an FOI requesting them, claiming it was always their intention to do so.

Despite the redactions – it is not in the public interest that the identiyy of organisational respondents is kept secret – the RYA Scotland response is not hard to find (No 371) and was fairly critical of a number of the LLTNPA's proposals. It appears, therefore, Mr Stuart may have given his apologies to the Board meeting to avoid having to choose between his two paymasters!

In doing so he rescinded his expertise (sailing is his "thing") from the debate. That had significant consequences. On 19th January RYA Scotland's parent body, the RYA, issued a news release (see here) welcoming a new law and explaining:

*"the Merchant Shipping (Watercraft) Order, will come into force on **31 March 2023**, before the busy summer period. It will apply existing ship operator rules to personal watercraft (PWCs), and other powered recreational craft, and will enable watercraft users to be prosecuted for dangerous and negligent use."*

The Merchant Shipping (Watercraft Order) 2023 applies to all water, inland and offshore, across the UK and the potential overlap with the Loch Lomond byelaws should be obvious. As a matter of basic good governance the LLTNPA Board Meeting on 30th January should have considered how the two interrelated and James Stuart was the person best placed to ensure they did so. (Even better the LLTNPA could have responded to the UK Government consultation on the order).

Mr Stuart appears to have failed to do so. As a result I made a submission to the Scottish Government's consultation on the revised byelaws pointing out that the cross-over with the Merchant Shipping (Watercraft) Order needed to be considered. I am pleased to report that the Minister, Lorna Slater, has stated in a letter to Jackie Baillie, MSP "I would like to reassure you that full consideration will be given to the 2023 Order……….. as part of the Scottish Government's assessment of the proposed byelaw amendments."

Whether you believe the Merchant Shipping (Watercraft) Order 2023 is good, bad or indifferent that rather confirms that there has been a serious failure of governance on the part of the LLTNPA in their review of the byelaws and the person in the best position to have prevented that was Mr Stuart.

A bad career move

As the end of Mr Stuart's term on the LLTNPA approached, it appears he started to look for other board appointments in the North of England where he had moved. He got himself appointed to the Lake District National Park Authority and the Tees Valley Combined Authority as a member of their Audit and Governance Committee:

ii **Other Public Authorities**

Please list your membership of, or position of general control or management in, any public authority or body exercising functions of a public nature (e.g. District/Borough Councils, Fire Authority, Policy Authority and Parish Councils, School Governing Bodies etc).

Body	Position occupied
Loch Lomond and the Trossachs NPA	Convener (Chair)
Tees Valley Combined Authority	Audit and Governance Committee Member
Education Partnership North East	Chair of Governors

iii **Charitable Bodies**

Please list your membership of, or position of general control or management in, any charity, or other body directed to charitable purposes.

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Extract from Lake District NPA Register of Interests which has not been updated since June 2022 (downloaded 10th August). Mr Stuart is no longer a member of either the LLTNPA or the TVCA.

For those of you that are not aware the Tees Valley Combined Authority (TVCA) runs the Tees Freeport, a capitalist wild west, is the darling of the right and and its Mayor, Ben Houchen, was given a place in the House of Lords by Boris Johnson in his resignation "honours". The TCVA has featured in almost every issue of Private Eye since lockdown because of the huge sums of public money being siphoned off into private hands – well worth buying just for that. A sample from a couple of months ago gives a flavour of what is going on:

IN THE BACK

FREEPORT LATEST

Asset-strip Tees

LOCAL businessmen brought in by Tees Valley mayor Ben Houchen for the redevelopment project at the heart of prime minister Rishi Sunak's flagship freeport have been handed land, remediated at vast public expense and almost certainly worth more than £100m, for the princely sum of £110 and 35p.

Regular *Eye* readers will recall how in March 2020 the South Tees Development Corporation (STDC) formed a 50/50 joint venture, Teesworks Ltd, with companies controlled by local developers Chris Musgrave, Martin Corney and Ian Waller to regenerate what had become a wasteland after the closure of the area's steel industry. In November 2021, the businessmen's stake was increased to 90 percent. They paid nothing for their shares at either stage, while also receiving options to buy the freehold of any parcel of land on the site.

The supposed *quid pro quo* was that they would stump up when public money ran out. As STDC put it, the extra shares were "in return for Teesworks taking on the future development of the site together with the net future liabilities in preparing the site for tenants". To date, however, Teesworks Ltd and the men who own it have invested nothing. And, just as they were to be called on because public money *is* drying up, Houchen has changed the deal so that STDC will continue to fund the operation with more public borrowing (see last *Eye*).

Work on the 2,600-acre site, costing national and local taxpayers, through STDC, around £450m so far, has focused on two areas: a 90-acre former steel-making area on which Korean wind turbine monopile maker SeAH is building a factory; and, adjacent to that, the South Bank Quay, which will eventually provide a 1km loading point for SeAH and others.

Turning land contaminated over two centuries into useable industrial space doesn't come cheap. STDC paid for construction of the South Bank Quay, the first phase of which should be ready this year, with a £107m loan from the government's UK Infrastructure Bank. Costs of preparing the SeAH site are unlikely to be much less. The land was acquired in 2019 by STDC, through its subsidiary company South Tees Developments Ltd, from former occupant Tata Steel for £12m. Latest financial reports show £100m expected spending up to this March on "site preparation and infrastructure", largely for the SeAH site.

SeAH bargain

LAST December, Teesworks Ltd exercised its option to buy the freeholds constituting the SeAH site, though this significant sale of public assets remained secret until revealed in *Eye* 1591.

STDC also refused the *Eye's* freedom of information request to know how much Teesworks Ltd paid for the land, judging it not in the public interest for the public to know how much it got for its own property. But other documents give the game away.

Option agreements obtained by the *Eye* showed that when the Teesworks Ltd joint venture was first created in 2020, the company would pay market value for land it elected to buy. But when the joint venture became a 90:10 split, ostensibly to incentivise the private partners, the options were also changed. The new price, however, was redacted from the amended agreements. But then something odd happened. An individual asked STDC, under FoI laws, for all the *Eye's* FoI requests and responses. The material, placed on the *WhatDoTheyKnow?* website, contained a document *not* given to the *Eye*. It indicated that land would be acquired from South Tees Developments Ltd for £1 per acre (plus inflation from the date of the agreement) – a nominal sum, in other words.

Unpublished Land Registry transfer documents now obtained by the *Eye* confirm how this translated into real money. On 16 December, Teesworks Ltd bought the freeholds of the SeAH site for precisely £96.79 (plus VAT).

A nifty arrangement then follows to enable the businessmen to cash in. Teesworks Ltd will initially lease the 90-acre site to a private investor for a peppercorn rent. In return for this, the investor will pay Teesworks Ltd a sum expected to be around £70m-£80m. This is because, a prospectus from the commercial agent marketing the deal reveals, STDC's parent Tees Valley Combined Authority

(TVCA, ie the taxpayer) will in turn lease the land from the investor for an inflation-linked £3.65m per annum for 40 years. This "income strip" is particularly valuable since, paid from public resources, it comes with a copper-bottomed guarantee. The authority will then itself rent the land to SeAH to use for £4.3m per annum.

The scheme will present an instant £65m+ payday (90 percent of the £70-80m) to Musgrave, Corney, Waller (and family interests) and associate Chris Harrison, who ultimately own 45, 21, 19 and 5 percent of Teesworks Ltd respectively. All for having invested nothing and incurred no risk. The public sector, by contrast, having paid to create the value of the asset and taking the risk of SeAH or other future tenants defaulting, will retain around £0.65m per year, worth about £14m.

Quay stroke

SOMETHING similar had happened a couple of months earlier when Teesworks Ltd elected under the same option agreement to buy freeholds of land constituting the first phase of the South Bank Quay, also for £1 an acre. On 11 October the company acquired the 15 or so acres for £13.56 (plus VAT).

As *Eye* 1589 revealed in January, under separate agreements Teesworks Ltd leases the quay back to STDC (ie the public sector) while a company called Teesworks Quay Ltd, owned by Teesworks Ltd and thus 90 percent by the businessmen, acquires the right to operate it. Both these income streams make the area highly valuable and may well see Teesworks Ltd market them, as it has the SeAH land income strip.

The quay freehold will thus almost certainly be worth tens of millions of pounds and possibly more than the £107m used to build it: another eight-figure gain for Musgrave, Corney and co without putting their own money up.

And while Teesworks Ltd will be the freeholder of both the quay and the SeAH site, a helpful clause in the transfer agreements ensures that publicly owned South Tees Developments Ltd will retain responsibility for environmental liabilities arising from hazardous substances. As concerns over pollution of the Tees from the development and effects on the local marine environment show, this is no small matter.

Scrap merchants

MEANWHILE, evidence grows of the riches accumulated by the businessmen even before these land deals fill their pockets.

The arrangement between Teesworks Ltd and STDC involves sharing equally the proceeds of valuable scrap on the site (by July last year, 206,000 tonnes had been sold for £63m). This and other unspecified income for Teesworks Ltd are proving lucrative for the businessmen.

Musgrave owns his 45 percent stake in Teesworks Ltd through a company he set up in November 2019, JC Musgrave Capital Ltd. Its recently filed accounts show that by November last year it was sitting on profits of £19.95m, representing his share of what Teesworks Ltd had distributed up to then (after anything he has personally taken out of his company). Corney, Waller and Harrison will together have benefited similarly through their company Northern Land Management Ltd, which has identical entitlements to Musgrave's.

That means £40m for the businessmen by late last year as their share of the regeneration spoils; £50m, by now, must be a realistic estimate. And with early estimates putting the total scrap at 370,000 tonnes, while huge piles of metal remain uncollected following recent demolitions such as that of the iconic Redcar blast furnace *(pictured)*, there will be plenty more jam tomorrow.

Small wonder that while the cost-of-living crisis hits one of the UK's poorest regions hard, minted Musgrave has treated himself to the £3.4m Kirklevington Hall, while he and 25-year-old son Joe drive around in a Rolls-Royce and Lamborghini respectively.

Question time

CRITICAL questions remain over how a bunch of local businessmen could have already extracted around £50m in cash and assets worth more than £100m from Britain's biggest levelling up project before a single new business has begun operating on the site and without investing themselves. And that is without side hustles such as plant hire deals for companies newly set up by Musgrave's and Corney's sons.

What the *Eye* has been able to establish is that decisions such as the joint venture deal, the option agreements and the scrap carve-up have been pushed through a South Tees Development Corporation board dominated by Houchen placemen and women in unrecorded discussions. Value for money assessments and scrutiny appear absent. Meanwhile, the public body builds up funding gaps (£250m by 2025 on latest estimates) and debts, with little sign of how they'll be met.

As a study in the dangers of unaccountable power, the government's flagship Freeport and levelling up project is hard to beat. Asked about Brexit benefits a few months ago, Sunak responded: "Go to Teesside today… that's the type of radical thing we can do." It's certainly time some official financial investigators went to Teesside.

It is not clear why Mr Stuart would have wanted to join an authority like this, nor why he was appointed to the Audit and Governance Committee whose role is described as being "to assure sound governance, effective internal control and financial management of the Combined Authority, and to ensure that Combined Authority observes high standards of conduct in public office". The meeting papers (see here) list Mr Stuart as a member by January 2021 and the last meeting he is recorded as attending was August 2022.

In the period Mr Stuart was on the Committee, the scale of the financial scandal became ever more apparent. There was also the small matter of the mass deaths of crustaceans and consequent destruction of fishing livelihoods all along the coast by the Tees which, despite denials, appears lined to the publicly funded clean-up of highly contaminated land. The minutes of the Audit and Governance meetings say very little and I can only find one recorded contribution from Mr Stuart, at his last meeting in which the Committee approved the delayed financial statements for 2020/21:

"JS highlighted the importance of considering the journey and the outcome and the Committee agreed they understood the internal and external issues of getting to this point but felt assured lessons had been learnt with changes already being implemented to improve for 21/22."

This is just management speak and suggests that it was not just Gordon Watson at the LLTNPA whom Mr Stuart proved incapable of holding to account.

Interestingly the papers and minutes for the TCVA meetings describe JS as James Stewart, not James Stuart. Maybe he wanted to remain incognito or maybe he tried and failed to get the minutes changed and it was after that that he realised it was time to leave the TCVA. Whatever the explanation, he does not appear to have spoken out or done much to tackle the corruption that is being revealed about what took place while he was on the Audit and Governance Committee.

Copping it?

The day after the meeting of the LLTNPA Board in December 2022, James Stuart was flown out to the COP summit in Montreal at the Park's expense. The LLTNPA's response to an FOI request reveals far more than than the information requested (see here). The expenses came to a total of £1955.12 for flights, accommodation and included £100.10 for airport parking at Heathrow. I appreciate people sometimes need to fly but why can't our self-appointed climate leaders take the train rather than travel by car to places like Heathrow?

What the LLTNPA has gained out of paying Mr Stuart to attend I am not sure (there does not appear to have been a report back to the Board) but from the perspective of his business, One Planet Consulting, which is all about getting city financial interests involved in nature, it was an ideal opportunity to make contacts. The FOI response reveals Mr Stuart spent the 14th December at the Finance and Biodiversity Day – that speaks volumes – before having breakfast on the 15th with Scottish (Lorna Slater) and Welsh Ministers.

Leadership – what is really go on?

It is difficult to avoid making arguments ad hominen about people like Mr Stuart, rather than criticising what they represent. I was criticised for featuring a screenshot in a previous post showing Mr Stuart sitting in his shirt sleeves at home in winter while the LLTNPA once again failed to agree to do anything meaningful to tackle climate change. Leading by example does, however, in my view matter and Lorna Slater needs to stop appointing people to Boards who think it is acceptable to claim for parking expenses rather than public transport when that is readily available.

The much more significant issue, however, is what Board Members like Mr Stuart are doing behind the scenes. I will return to Mr Stuart's role in promoting so-called green finance in Scotland in a future post – it is important to understand how the countryside is being hijacked by financial interests – but suffice to note at present he is still an adviser to Scottish Forestry who has just funded the disaster at Far Ralia (see here). That should serve as a warning to Lorna Slater who is looking for someone with expertise in "green finance" for the CNPA Board.

Category

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nickkempe