

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Shareholder – Leader of the Council	
MEETING/ DECISION DATE:	On or after 7th October 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3482
TITLE:	AGHL Interim Dividend to Shareholder	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: n/a		

1 THE ISSUE

- 1.1 The company objectives as set out in the Approved Business Plan provide for a total financial return from Aequus Group to the Council of £1M per each financial year.

2 RECOMMENDATION

- 2.1 **The Shareholder is asked to approve the reserved matter below to allow AGHL to progress with paying the interim dividend of £848K for 2022/23 to the Shareholder in order to meet the total Council Returns target set of £1m for the financial year 2022/23**

- **Reserved Matter 32 - Declaring or paying any end of year dividend of the Company (where applicable)**

3 THE REPORT

- 3.1 Qualifying returns to the Council comprise of total commercial interest paid on Council Loans with the balance on the target met through dividend payments. Following the restructure of the Aequus Group, dividends flow to the Shareholder via Aequus Group Holdings Limited.

- 3.2 Actual returns for 2022/23 show a total of £152K has been paid by ACL and ADL in commercial interest on development capital loans leaving a balance of £848K required to be met via the annual profit dividend to be received from ACL and paid onto the Shareholder as shown in the table below:

<u>Return to the Council</u>	Actual 2022/23 £'000
ADL - Commercial Interest	95
ACL - Commercial Interest	57
Dividend payable via AGHL	848
Total Return to the Council	1,000

4 STATUTORY CONSIDERATIONS

- 4.1 Aequus Board of Directors approved the interim dividend payment at the board meeting on 28th June 2023 and were all satisfied that at the time of making their decision they had sufficient financial information and that the company has sufficient distributable reserves to support the payment.
- 4.2 The definition of a key decision does not apply to proposals or decisions of the Leader acting in their capacity as Shareholder of a Local Authority Company owned or operated by the Council. (Section 1.12 of the Constitution).
- 4.3 Proposals and decisions of the Leader acting in their capacity as Shareholder of a Local Authority Company owned or operated by the Council cannot be called-in. (Section 3.2.30 of the Constitution).

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 In accordance with the Council's MTSRP, the company has a target of £1M per annum revenue financial returns to the Shareholder..

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management

7 EQUALITIES

- 7.1 Not applicable

8 CLIMATE CHANGE

- 8.1 The company's approach to meeting climate emergency is set out in the business plan.

9 OTHER OPTIONS CONSIDERED

9.1 None

10 CONSULTATION

10.1 Director Regeneration & Housing, S151 Officer and Monitoring Officer

Contact person	Simon Martin, Director Regeneration & Housing
Background papers	None
Please contact the report author if you need to access this report in an alternative format	