

Bath & North East Somerset Council			
MEETING/ DECISION MAKER:	Single Member Decision Shareholder – Leader of the Council		
MEETING/ DECISION DATE:	On or after 21st December 2024	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3586
TITLE:	AGHL Interim Dividend to Shareholder		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report: None			

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 £771K for 2023/24 to the Shareholder in order to meet the total Council Returns target set of £1m for the financial year 2023/24.

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

3 THE REPORT

- 3.1** Qualifying financial returns to the Council comprise of total commercial interest paid on Council Loans with the balance of 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 2023/24 show a total of £229K has been paid by ADL in commercial interest on development capital loans leaving a balance of £771K 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>Aequus Revenue Returns to the Council</u>	Actual 2023/24 £'000
ADL - Borrowing - Interest Charges	229
Dividend Return to Shareholder (*)	771
Total Return to the Council	1,000

3.4 The Shareholder is asked to approve this reserved matter to allow AGHL to progress with paying the interim dividend of £771K for 2023/24 to the Shareholder in order to meet the total Council Returns target set of £1m for the financial year 2023/2024.

4. STATUTORY CONSIDERATIONS

4.1 Aequus Board of Directors approved the interim dividend payment at the board meeting on 25th June 2024 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	