

Councillor supports suspension of Lothian Bus dividend

An Edinburgh councillor has said he would “not stand in the way” of Lothian Buses suspending its dividend as it invests money into new electric buses.

Before the pandemic, the bus company would disburse excess profits to its shareholders in most years.

However since 2019 the bus company has only done so once – in 2024, when it gave out £3.2 million to its owners.

Due to being the largest shareholder in the firm, Edinburgh Council has historically seen a large payout from the dividend.

But in a council report in February, officers noted that Lothian Buses would not provide a dividend for the latest financial year.

Green councillor Alex Staniforth, who sits on the council’s Transport and Environment committee, said: “It is, of course, a shame that Lothian Buses cannot give the council a dividend this year.

“But if it is because they are putting resources into greening their fleet, that isn’t something the Green group would want to prevent.”

The company announced in 2023 that they had finalised a purchase order for 50 new electric double decker buses, costing £24m, to be introduced in batches throughout 2024.

In September, the firm announced that the first of these buses had gone into service.

The buses, procured from Volvo, are a step towards the company's goal to have a fully net-zero fleet by 2035.

At present, all of the firm's buses meet Euro6 emissions standards, a goal which it reached in 2020.

A spokesperson for Lothian said: "The decision to pay a dividend is a matter for the Lothian Board and accordingly will be confirmed as part of the statutory accounts sign-off process in March."

Lothian Buses is majority owned by The City of Edinburgh Council, with the city holding 91% of the shares in the company.

A further 5% is owned by Midlothian Council, 3% is owned by East Lothian and 1% is held by West Lothian.

By Joseph Sullivan Local Democracy Reporter