

**EXCERPT FROM THE MINUTES OF  
THE AUDIT AND GOVERNANCE PANEL  
OF 22 FEBRUARY 2024**

**Call-in from Cabinet of 14 February 2024 “Merlin Cinemas Ltd - Support Grant”.**

Reference was made to the Minutes of the Cabinet of 14 February 2024 (Page 7, paragraph 15) when the Cabinet had decided, by a majority

- (1) to approve the provision of grant funds of £70,000 to Merlin Cinemas Limited for the purpose of external improvement works required to the former Odeon Cinema facility;
- (2) to approve that the £70,000 grant proposed was funded from ward capital monies allocated for Ayr;
- (3) to agree that the proposal of £70,000 grant would be subject to the provision of satisfactory written evidence in the form of paid invoices and corresponding bank statements from the recipient Merlin Cinemas Limited, confirming that payment for the required external works had been completed (this would include a further £113,000 that Merlin were investing in repairs to the building); and
- (4) to agree that an appropriate Grant Funding Agreement would be put in place between South Ayrshire Council and the recipient Merlin Cinemas Limited, to protect the Council's position.

The Panel was advised that the report had been the subject of a call-in (Members only). A response by officers to the matters raised in the call-in had been issued prior to the meeting.

Councillor Duncan Townson spoke to the call-in. He advised that the correct process had not been followed in bringing this report to a Cabinet meeting for approval. The Chief Executive responded by saying that the due process had not been followed correctly and the matter should not have been considered at the last Cabinet meeting. He apologised to Members for this error.

A Member of the Panel raised his concerns that this matter had been brought before Cabinet and there was discussion on the contents of the report and the errors therein, including the statutory consultations which had not been carried out in its preparation.

In terms of Standing Order No. 19.9, there was no general agreement to the unopposed motion, therefore, the Panel moved to a vote for or against the Motion.

By a majority, the Panel

**Decided:**

- (a) that in view of the proposal to approve the provision of the grant funds to Merlin Cinema Limited failing to follow the approved process and governance arrangements for the granting of ward funds, that the Audit and Governance Panel refer the matter back to Cabinet with the recommendation that Cabinet rescinds the decision taken on 14 February 2024; and
- (b) that officers undertake a review of the process and governance arrangements for the granting of ward funds with the findings being reported back to this Panel in due course.

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