

Glasgow City Council Internal Audit Section

Committee Summary

Corporate Review | hub West Scotland

Item 3(c)
20th May 2026

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the arrangements in place for utilising the services of hub West Scotland (hWS) as a route to market to procure works and service contracts.
- 1.2 hWS was established in April 2012 by the Scottish Futures Trust (SFT) on behalf of the Scottish Government and is a joint-venture organisation (owned by both the public and private sectors) which works in partnership with the public sector in the west of Scotland. hWS currently works with 25 public bodies in the Greater Glasgow and Clyde area, known as the West hub Territory. The main aim of the partnership is to build new community facilities whilst providing the best possible value for money to the public purse.
- 1.3 The contracting authority in the Official Journal of the European Union (OJEU) contract notice named all public and private sector bodies involved, including Glasgow City Council (GCC). GCC and the other public sector participants have a combined 30% shareholding in hWS.
- 1.4 The purpose of the audit was to gain assurance that there are adequate controls in place for the appropriate utilisation and management of hWS and that these are operating effectively.

The audit included a review of key controls in the following areas:

- Protocol for utilising hWS and approvals.
- Roles and responsibilities.
- Record management in relation to hWS procurement activity.
- Compliance arrangements.
- Monitoring and reporting arrangements.

2 Audit Opinion

- 2.1 Based on the work carried out a satisfactory level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and one recommendation which management should address.

3 Main Findings

- 3.1 We are pleased to report that key controls are in place and generally operating effectively. Through discussion with relevant officers in Legal Services, the Corporate Procurement Unit (CPU) and Neighbourhoods, Regeneration and Sustainability (NRS) we established that they were aware of their roles and responsibilities in the process. Due to the type of projects that hWS are involved with, it is primarily NRS within the Council that would utilise the services.
- 3.2 There are set criteria which must be considered for any project before hWS services can be used:
- The project must be within the scope of the hWS services as documented in the contract (OJEU) notice
 - The CPU is involved in the decision to utilise hWS
 - Legal Services review and agree the terms and conditions, and
 - Value for money can be demonstrated.
- 3.3 The utilisation of hWS was considered for a total of three projects within NRS to date. There was a clear audit trail to evidence the rationale for using the partnership for two of the projects. For these projects we were satisfied that these were approved by the Contracts and Property Committee. While for the third, it was determined that the project did not align with the set criteria for using hWS and an alternative procurement route was used.
- 3.4 Through further review of the three projects, we found that there was evidence to confirm that all four parts of the criteria had been fulfilled for the two projects where hWS was used. The third project was considered in detail and external legal advice sought regarding whether this project would be within the scope of hWS as it was an infrastructure project. In consultation with SFT it was deemed that this project was not within the scope.
- 3.5 Monitoring and reporting arrangements for projects utilising hWS are the same as the arrangements for all contracts and there was evidence to show that ongoing monitoring was in place for the two projects where hWS had been used.

- 3.6 While we can confirm that there are set criteria for utilising hWS, there is no formal documented protocol in place which outlines this criteria and can be shared with relevant officers detailing when it would be appropriate to consider utilising hWS services for a contract.
- 3.7 An action plan is provided at section four outlining our observations, risks and recommendation. We have made one recommendation for improvement. The priority of the recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	0
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.8 The audit has been undertaken in accordance with the Global Internal Audit standards in the UK public sector.
- 3.9 We would like to thank officers involved in this audit for their cooperation and assistance.

- 3.10 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: A formalised protocol is in place detailing when hWS should be considered.				
1	<p>While there are set criteria which must be met prior to the services of hWS being considered and utilised for any contract, there is no formal protocol document outlining the criteria which can be shared with relevant officers. This would allow services to consider if hWS would be a suitable route for a contract.</p> <p>The absence of a formal protocol document may result in services using hWS without following the set criteria and may result in the Council not achieving value for money.</p>	<p>Legal Services should create a formal protocol document outlining the criteria for utilising the services of hWS.</p> <p>Thereafter, this should be shared with appropriate officers in all relevant services.</p>	Low	<p>Response:</p> <p>Accepted</p> <p>Legal Services will draft a protocol which will be discussed and agreed with the CPU and NRS prior to distribution.</p> <p>Officer Responsible for Implementation:</p> <p>Executive Legal Manager</p> <p>Timescales for Implementation:</p> <p>1 October 2026</p>