Archwilio Cymru
Audit Wales

Are NHS estates fit for purpose?

Velindre NHS Trust

September 2026

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Audit snapshot

What we looked at

1 Our review looked at how well Velindre NHS Trust (the Trust) manages its estate.

Why this is important

2 The NHS estate in Wales provides the essential infrastructure to deliver healthcare services. It plays a key role in delivering safe, high-quality care and improving the patient experience. However, the NHS estate varies widely in age, condition, and location across Wales. A poorly maintained estate creates health and safety risks, including fire safety issues and potential harm to patients. An outdated estate can also affect service performance, be less energy efficient, and be a barrier to providing modern healthcare.

3 The NHS in Wales needs to modernise its estate, deliver environmental improvements, improve access, and adapt to meet the needs of modern healthcare. There are several NHS strategies and plans which are dependent on estate improvements. These range from immediate strategic priorities relating to infrastructure and capital investment, to the requirements to reduce carbon emissions and improve energy efficiency.

4 Welsh Government's 2018 long-term plan for health and social care – A Healthier Wales – highlighted the importance of the NHS estate as a key enabler for transforming health and social care including the need for modern facilities, supporting digital integration, and a focus on energy efficiency and environmentally friendly practices. This is all against a backdrop of significant financial pressures across the NHS in Wales.

What we have found

5 The Trust has a clear long-term vision for its estate that aligns well with organisational, national and sustainability priorities. Governance arrangements are well established, with clear accountability, strong operational oversight, and robust processes for managing capital investment. However, the estates strategy is not supported by a detailed delivery plan, measurable targets or clear links to workforce and digital strategies. Board oversight of strategy delivery is also limited.

6 The Trust manages its estate effectively and performs well in productivity, efficiency and statutory compliance. It has secured significant capital investment, maintains strong planned maintenance performance and is progressing major developments, including the new Velindre Cancer Centre. However, the condition of the current estate remains below the all-Wales position, estate data has gaps and the Trust has not yet set out clear plans for managing backlog risks, estate rationalisation or investment priorities during the transition to the new facility.

7 The Trust generally provides a safe and compliant environment, supported by high compliance rates and strong management information. However, limited staff and patient feedback, unresolved fire safety actions and ongoing issues with its Computer Aided Facilities Management (CAFM) system reduce assurance in some areas. While the estates workforce is relatively well resourced, high sickness rates and the absence of a clear workforce and succession plan create risks to long-term resilience, particularly as the organisation moves towards a more contract-management focused operating model.

What we recommend

8 We have made six recommendations to the Health Board. These focus on:

- supporting the strategy with a delivery plan;
- setting baselines and targets;
- establishing monitoring and reporting of the new Velindre Cancer Centre contract to assure delivery;

- developing a transition plan;
- better understanding the impact on patients and staff; and
- implementing an estates workforce plan.

Key facts and figures

4	Number of buildings managed by the Health Board in 2024-25.[1]
£21.5 million	Capital monies used to improve estates in 2025-26 (excluding end-year funding).
£2.3 million	Cost to eradicate risk-adjusted backlog in 2024-25, an increase of 9.96% since 2022-23. High-risk backlog accounts for £1.7 million.
23%	Percentage of the 144 issues addressed following fire safety assessments in 2024-25 at the end of September 2025.
15	Number of estates related clinical incidents in 2024-25.
8.0%	Vacancy rate in estates at the end of March 2025, compared to an all-Wales position of 11.6%.
13.1%	Sickness absence rate at the end of March 2025, compared to an all-Wales position of 6.6%.

[1] this does not include Welsh Blood service locations

Our findings

Strategic approach to estates

The Trust has a clear and aligned estate vision with a strong focus on partnership and sustainability, but gaps in delivery planning and supporting detail limit its impact

9 The Trust has set out a clear vision for its estate.

10 The Trust has a Board-approved Estates Excellence Strategy for 2023–2033. The strategy emphasises the estate as a key enabler. It aims to improve services, support sustainability, and enhance the patient experience.

11 Positively, the strategy:

- covers the entirety of the estate and relies on up-to-date information;
- reflects opportunities to work in partnership with others, including sharing buildings and assets with partners;
- aligns with the national priorities of a Healthier Wales and the Well-being of Future Generations Act;
- aligns with environmental sustainability, energy efficiency and biodiversity commitments. It also reflects equality and socio-economic duties through its focus on accessibility, inclusion and reducing inequalities,
- aligns with the long-term organisational strategy, Destination 2033; and
- sets out clear strategic aims and measures of success.

12 However, the strategy does not:

- set out how it supports the delivery of the national clinical frameworks;
- directly align with workforce or digital strategies; and

- have an underpinned delivery plan, with clear milestones and targets which are achievable and a financial plan which is affordable.

13 It is also not clear how the Trust engaged with staff, patients, and partners in the development of its strategy.

Governance arrangements for managing estates

The Trust has clear accountability and strong operational governance for estates but has limited oversight of estates strategy delivery

Lines of accountability

15 The Trust has clear lines of accountability for estates.

16 Overall executive responsibility for estates sits with the Director of Place, Portfolio & Partnerships. The Head of Estates provides support.

Corporate oversight

17 There is reasonable oversight of estates at Board and committee level.

18 The Trust has a nominated Independent Member for Estates. This role provides additional independent challenge and strengthened Board ownership of estate issues.

19 The Trust reports regularly to the Board and committees on various aspects of estate performance, giving clear visibility of backlog, compliance and risk. The Board reviews estates and infrastructure performance through regular updates. These updates show delivery of planned preventative maintenance across all sites and compares this with reactive repairs.

20 The updates also include information on estates efficiency, such as electricity use, gas use and recycling. The Board reviews fire safety performance, including progress in addressing fire risks and the number of trained fire wardens.

21 The Trust delivers elements of the strategy through existing arrangements, including its IMTP process, capital planning arrangements, directorate objectives and governance reporting. However, the Board has limited oversight of detailed strategy delivery and progress against its stated success measures. The Trust has also not set a baseline or target for the 25 measures of success set out in its estates strategy.

22 The Quality, Safety and Performance Committee receives a detailed estates report. The Fire, Risk, Estates, Sustainability and Health and Safety (FRESH) highlight report shows performance across the Trust's buildings including the Welsh Blood Service. The Committee produces a highlight report for the Board and escalates relevant estates issues.

23 The Strategic Development Committee has clear responsibility for overseeing and seeking assurance on estate and capital strategy. However, we found no evidence that they have received any updates on delivery of the estates strategy.

24 The Board agreed changes to the committee structure in March 2026. The Trust will implement these in July 2026. The changes may affect how the Board receives oversight and assurance of estates. When we carried out our work, the future reporting line was not clear.

Operational management

25 The Trust has a clear operational structure for managing estates with defined senior leadership roles and reporting lines. Estates responsibilities sit within a dedicated Board-level portfolio and are supported by senior estates management and operational governance arrangements including FRESH and associated assurance groups. However, the evidence reviewed does not clearly show that the structure has been formally reviewed or reshaped to reflect the Trusts post-transition requirements for the new Velindre Cancer Centre.

26 The Trust has an operational governance framework with clear roles, reporting lines and escalation routes. Risk registers and governance routes support this process.

27 The Fire, Risk, Estates, Sustainability and Health and Safety (FRESH) meeting takes place each month. It oversees estates, risk, sustainability and health and safety performance. The group is chaired by the Interim Assistant Director of Estates, Environment and Capital Development. The chair escalates key issues to the Executive Management Board (EMB). The EMB then escalates relevant matters to the Quality, Safety and Performance Committee.

28 The Trust has several assurance groups, including electrical safety, water safety, and ventilation. These groups report to the Health, Safety and Fire Board. The Health, Safety and Fire Board provides summary assurance and exception reports to the FRESH meeting.

29 The Welsh Blood Service and Velindre Cancer Centre also have divisional assurance groups (Cynefin). These groups raise estate issues with their senior leadership teams. The senior leadership teams then report key risks, issues and assurance to the FRESH meeting.

30 At the time of our work the Trust was building a new cancer centre to replace its current site. The Board, its committees and the Readiness Board monitor progress and risks. The Readiness Board also provides technical scrutiny. This is a major long-term investment in specialist cancer services. The Trust expects the new centre to open in Spring 2027.

31 The Trust is delivering the new Velindre Cancer Centre through the Mutual Investment Model (MIM). Under this arrangement, the private sector partner will be responsible for delivering many estates services. As a result, the Trust's role will change from directly managing the estate to overseeing contractual performance.

32 This change increases the importance of effective contract management, performance monitoring and reporting. Without robust arrangements, the Trust may not be able to demonstrate that estates services are delivered safely, effectively and in line with agreed standards.

Managing estate risks

33 The Trust has reasonable processes for managing its estates risks.

34 The Trust tracks estate risks through its Board Assurance Framework (BAF), Corporate Risk Register and Operational Risk Register. This approach provides a line of sight from frontline risk management up to Board-level oversight.

35 The Trust has not included a separate estates risk in its BAF. Instead, it covers estate issues within nine strategic risks. These focus on:

- delivering the new Velindre Cancer Centre;
- managing capacity and infrastructure constraints;
- meeting sustainability requirements; and
- investing enough to keep facilities safe and resilient

36 The Trust includes estates risks in its Corporate Risk Register, and assigns ownership, escalates issues, and reports them regularly to the Board and its committees. However, high-impact risks remain over long periods, controls tend to manage the effects rather than fix the underlying causes, and risk scores show little evidence of sustained reduction. We also found gaps in target dates.

37 The Trust keeps a dedicated estates risk register. It uses DATIX and reviews risks regularly. These include infrastructure resilience, compliance and workforce pressures. The organisation understands and manages these risks. However, it accepts some risks while it upgrades its infrastructure.

38 The register is comprehensive and regularly reviewed. Each risk has a clear owner and escalation route. However, the organisation has a greater focus on tracking risks than reducing them as evidenced by some risks remaining over extended periods due to limited capital, workforce capacity and because they are transitioning to a new premises.

39 Estates risks are clearly reflected in corporate risk registers with defined ownership, structured escalation and routine reporting to Board and committees. However:

- several high-impact risks persist over extended periods;
- controls primarily focus on mitigating impact rather than addressing underlying causes; and
- there is limited evidence of sustained reduction in risk scores.

40 Estates risks are also well represented within operational risk management processes, supported through DATIX and routine monitoring arrangements. Risks extend beyond backlog maintenance and include infrastructure resilience, compliance and workforce pressures. Evidence indicates that these risks are well understood, visible and actively managed but are often deliberately tolerated as part of the transition to new infrastructure.

41 The estates risk register is comprehensive and regularly reviewed, drawing on compliance activity, incident reporting and operational data.
Using financial resources to improve estates

There are strong processes to plan and oversee capital funding, but resourcing emphasises safety and compliance over measurable improvement in the current estate

Funding prioritisation process

42 The Trust has a robust approach to how it prioritises the capital funds available to improve its estate.

43 In 2025-26, the Trust had £2.5 million of discretionary funding and dedicated funds to invest in estates. This investment has increased over the last three financial years (**Exhibit 1**).

Exhibit 1: use of discretionary funding and dedicated funds for estates for 2023-24, 2024-25, and 2025-26 (£ million)

Fund	2023-24	2024-25	2025-26
Discretionary capital allocation	1.03	1.44	0.59
Estates and Facilities Advisory Board (EFAB) funding	0.30	0	-

Targeted Estates Fund (TEF)[2]	-	-	1.91
TOTAL	**1.33**	**1.44**	**2.50**

Source: Audit Wales analysis of financial monthly monitoring returns

44 In 2025-26, the Trust also received £19.0 million in all-Wales capital funding for estates, in addition to its Targeted Estates Fund (TEF) allocation. This funding supported major schemes, including:

- £10.8 million for the new Velindre Cancer Centre; and
- £4.5 million for the radiopharmacy facility at Imperial Park 5.

45 In total, the Trust has received £21.5 million for its estate. This is higher than the £2.7 million needed to address risk-adjusted backlog. It is also higher than the £11.4 million needed to reach physical condition B. The new Velindre Cancer Centre is expected to address a large share of this backlog.

46 The Capital Planning Group provides monthly oversight of capital investment across the Trust. It prioritises schemes, checks compliance, monitors delivery and provides assurance. The Group also manages the prioritised capital programme, the five-year capital programme for the Integrated Medium-Term Plan (IMTP) and the capital planning policy.

47 The Group is jointly chaired by the Executive Director of Finance and the Executive Director of Strategic Transformation, Planning and Digital. Members include senior leads from operations, governance, finance, planning, estates, digital and communications. The Group also includes service and capital planning representatives from the Velindre Cancer Centre and Welsh Blood Service divisions. NHS Wales Shared Services Partnership (NWSSP) provides procurement representation.

48 The Trust uses structured processes to prioritise investment. The Capital and Prioritisation Framework supports this work. It helps the Trust assess proposals and allocate funding based on need.

[2] A Welsh Government capital fund that targets high priority estate risks in the NHS, including safety, compliance, and resilience. It replaced the Estates and Facilities Advisory Board (EFAB) funding in 2025-26.

49 The Trust assesses each capital scheme against compliance, service continuity, Tier 1 targets, deliverability and user experience. Each scheme receives a score, which sets its priority as low, significant or critical. The Trust also checks whether each scheme supports its strategy, meets a clear business need and aligns with the Well-being of Future Generations Act.

Monitoring and managing capital funds

50 The Trust has an appropriate approach to monitoring and managing how it spends allocated capital funds.

51 The Quality, Safety and Performance Committee (QSP) receives a financial performance report at each meeting. This report covers capital expenditure and confirms that net capital expenditure does not exceed the capital resource limit. It includes high-level information on discretionary spend but it does not break this down into estates projects.

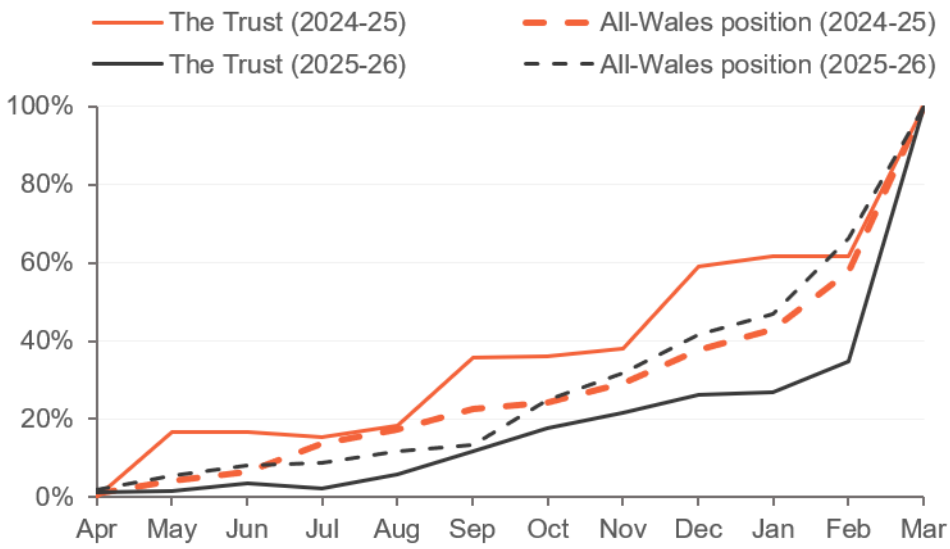
52 Discretionary capital is monitored through the FRESH report which contains an overview of the estates discretionary budget and spend. Reports are supported by a budget sheet to provide further detail. The QSP committee receive this report.

53 The QSP Committee receives a specific financial report on the new Velindre Cancer Centre project. It outlines funding, spend to date, commitments, forecast costs and cashflow. It also covers capital limits and the quantified risk assessment

54 Overall reporting focuses on spend and activity rather than outcomes. The organisation does not consistently track planned versus actual delivery or link this to measurable benefits. It is also unclear how it manages in-year slippage or reallocates underspend.

55 We reviewed the spend profile for the Trust's discretionary allocation for 2024-25 and 2025-26. While the Health Board spent more than its discretionary estates budget, it stayed within its overall capital limit. We also found that most spending takes place towards the end of the financial year **(Exhibit 2).**

Exhibit 2: monthly discretionary estate spend, compared with the all-Wales position, for 2024-25 and 2025-26 (percentage of total spend)



Source: Audit Wales analysis of financial monthly monitoring returns

56 In 2025-26, the Trust received an extra £1.25 million of end-year funding from Welsh Government, which could be used for estates. Although it could spend this money effectively, the late allocation created an uneven spending pattern. It also limited how the money could be used, as projects had to be delivered quickly within the same financial year.

57 The Capital Planning and Delivery Group (CPG) monitors capital spend and delivers the Trust's capital programme. It ensures spending stays within the Capital Expenditure Limit. When spending changes during the year, the group adjusts the programme.

58 The group meets every month. It reviews progress and receives updates on delivery. It reports to the Executive Management Board and sends regular monitoring reports to the Welsh Government.

Ensuring an efficient and productive estate

Trust manages its estate efficiently, but condition issues, data gaps and unclear transition plans create ongoing risks

Condition of the estate

59 The Trust has a newer estate profile than many NHS bodies. However, its overall condition is weaker. Fewer buildings meet condition standard B and the cost to reach this standard is higher. This is despite lower high-risk backlog costs.

60 Compared with the all-Wales position, the Trust has no buildings built before 1948, however more of its estate predates 1995.

61 The cost to remove high-risk backlog per square metre (m^2) is lower than the national average. However, the Trust has the lowest percentage of buildings meeting physical condition standard B. The cost to achieve physical condition B is much higher than the national average **(Exhibit 3).**

Exhibit 3: age and condition of the estate, compared to the all-Wales position, 2024-25

Aspect	The Trust	All-Wales position[3]
% of estate which predates 1948	0	13.5

[3] Also includes Public Health Wales NHS Trust, Health Education and Improvement Wales, and NHS Wales Shared Services Partnership which were outside the scope of the audit.

% of estate which predates 1995	64.3	63.9
Cost to remove high-risk backlog per m^2 occupied floor area (£ million)	102.26	164.60
Cost to remove high and significant-risk backlog per m^2 occupied floor area (£)	377.66	458.43
% of estate meeting physical condition standard B	45	83
Cost to reach physical condition B per m^2 occupied floor area (£ million)	687.02	538.54

Source: Estates and Facilities Performance Management System

62 The Trust's data submission to the national dataset however has gaps. During our review, we found that the Trust excluded the Welsh Blood Service sites from its 2024–25 EFPMS return. As a result, the dataset does not include backlog maintenance for these sites. It has now addressed this and included the site in its 2025–26 EFPMS return. This is positive but it will likely increase the overall reported backlog

63 The Trust is aware of the backlog cost across all its sites. The Welsh Blood Service has considerable high-risk backlog. Evidence shows £3.2 million of backlog at Talbot Green, mainly in ventilation and electrical infrastructure. This estate supports blood services across Wales. If it fails, disruption will extend beyond the local area. The risk is therefore national.

64 The Trust has not commissioned an external estates condition survey, relying on a desktop survey undertaken in 2022 and the Welsh Blood Service has not had a review. Relying on internal surveys reduces independent assurance. It may also affect the consistency and strength of the data used to assess risk and set capital priorities.

65 Another limitation is that surveys become outdated quickly. They show the condition of the estate at a point in time, so their accuracy reduces over time. Since 2022, the Trust's estate has changed due to ageing buildings, new compliance requirements and changing service needs. Continuing to rely on this survey increases the risk of making decisions based on information that no longer reflects the current position.

66 The Trust reports that none of its sites include buildings with Reinforced Autoclaved Aerated Concrete (RAAC).

67 The Trust has a Planned Preventive Maintenance (PPM) programme and FRESH reports highlight compliance across sites. In March 2026, PPM completion reached 100% in five of the six sites, indicating strong delivery of planned maintenance. However, reactive work continues to place pressure on resources, which could reduce the programme's effectiveness in preventing asset deterioration over time.

68 There is limited evidence that the physical condition of the existing estate is improving. Instead, the Trust is maintaining buildings in a safe and operational state during the transition. It expects significant improvement from the new Velindre Cancer Centre, rather than from investment in the current estate.

69 However, this approach carries risks. Major capital developments can be delayed, and the Trust will need to operate both sites at the same time for a period. The Trust has not yet set out how it will prioritise investment in the existing estate during this transition to make best use of limited resources. It has also not explained how it will manage any remaining backlog or risks if the new facility is delayed.

Robust management information

70 The Trust uses management information effectively to manage its estate.

71 The Trust uses a CAFM (Computer Aided Facilities Management) system to manage estate services. However, the system, introduced three years ago, has ongoing operational problems that create compliance risks. It does not generate all planned preventative maintenance (PPM) tasks.

72 Staff must check work manually and record tasks in spreadsheets to make sure maintenance is completed. This reduces immediate risk but increases workload and reduces efficiency. Work is underway to migrate to a new system and mobile app by July 2026.

73 The Trust does not monitor CAFM system errors, such as missing, duplicated or incorrectly allocated maintenance tasks. As a result, it cannot fully assess system reliability. Management believes that over 90% of tasks are allocated correctly but this is an estimate that is not supported by evidence.

74 The Trust has recognised the limitations of its CAFM system and is taking action to address them. A migration programme is underway, improvement plans are in place, mobile working has been introduced, and replacement arrangements are being procured. These actions should strengthen system reliability. However, until the new system is fully implemented and assurance processes improve, a residual risk remains to compliance and effective estates management.

75 The Estates team maintains an up-to-date asset register in the CAFM system. Maintaining an accurate and up-to-date asset register is important because it provides the foundation for effective maintenance planning, compliance monitoring and long-term estate investment decisions.

76 The Trust has information on condition, suitability, compliance, utilisation, energy use and backlog. It uses this information in governance reports, such as FRESH and for day-to-day monitoring. FRESH includes condition and compliance data, while the EFPMS dashboard allows comparison across Wales.

Maximising productivity and efficiency

77 The Trust performs well on productivity and operational efficiency compared with the all-Wales position.

78 Performance in these areas has been consistent over the past two years. Energy performance is better with lower energy use per m^2 than the national average. However, incomplete estate data may affect some indicators, so these results need to be viewed with caution. High utilisation of space leaves little headroom. This increases dependence on ageing assets and reduces operational flexibility **(Exhibit 4).**

Exhibit 4: Productivity and efficiency performance of the estate, compared to the all-Wales position, 2024-25

Aspect	The Trust	All-Wales position[4]
% of estate functionally suitable	88	84
% of space utilisation	99	92
energy performance (kw)	349	367

Source: Estates and Facilities Performance Management System

79 Although some disposal work is already underway. The Trust does not have an estate disposal strategy. The Trust plans to rationalise and dispose of parts of its estate, particularly with the move to the new Velindre Cancer Centre. However, it has not set out a clear, time-bound disposal strategy.

80 In November 2024, Whitchurch Hospital was transferred to the Trust from Cardiff and Vale University Health Board. The future intention being disposal and the site was listed for commercial sale at the time of our work.

81 In some cases, NHS bodies cannot easily sell or repurpose sites because of legal restrictions. There is also a gap in the evidence on constraints and covenants. Disposal of the current cancer centre site may require remediation and land return, but it is not clear what impact this could have.

[4] Also includes Public Health Wales NHS Trust, Health Education and Improvement Wales, and NHS Wales Shared Services Partnership which were outside the scope of the audit.

82 The Trust is investing in technology to modernise its estate and cut carbon emissions. Whilst we do not have an overall figure for 2025-26, the Trust continues to invest in compliance and resilience including individual schemes for electrical upgrades and EV infrastructure.

83 The new Velindre Cancer Centre will support this aim. It will run on electricity and use low-carbon technology, including solar panels, heat pumps and digital energy controls and is designed to meet a BREEAM 'Excellent' standard. Compared with the all-Wales position, the Trust has more space with LED lighting. The figure is 67%, compared with 45.4% across Wales.

Supporting the quality of care

The Trust generally manages safety risks and compliance well, but limited feedback and outstanding fire safety actions mean some risks remain

Minimising harm to patients and staff

84 The Trust has appropriate arrangements for managing and minimising potential risk to staff and patients from the condition of the estate, although there is limited patient and staff feedback.

85 The Trust records incidents in the DATIX system. In 2024–25, it reported 15 estates-related clinical incidents. It did not provide a clear breakdown by type or site.

86 The FRESH summary gives oversight of accident and injury incidents, including slips, trips and falls. However, it does not show how many were directly caused by estate condition.

87 The Trust does not routinely collect or report feedback from staff or patients on the condition of its estate. Plans for the new Velindre Cancer Centre include staff engagement and feedback during the transition. However, these plans relate to the future. They do not show that the Trust currently measures satisfaction across the whole estate.

Ensuring compliance

88 The Trust has reasonable processes in place to ensure its estate meets legal requirements.

89 Compared with the all-Wales position, the Trust performs better in health and safety and fire safety compliance. Performance in both areas has remained consistently high over the past two years **(Exhibit 5).**

Exhibit 5: occupied floor space meeting statutory and safety requirements, compared to the all-Wales position, 2024-25 (percentage)

Aspect	This body	All-Wales position[5]
% of occupied floor space meeting statutory health and safety requirements	98	87
% of occupied floor space meeting statutory fire safety requirements	98	84

Source: Estates and Facilities Performance Management System

90 The Trust meets statutory fire safety standards across 98% of its occupied floor space. It had completed all required fire risk assessments when we conducted our work.

[5] Also includes Public Health Wales NHS Trust, Health Education and Improvement Wales, and NHS Wales Shared Services Partnership which were outside the scope of the audit.

91 The completed assessments identified 144 actions, of which the Trust had resolved 33. The Trust was reviewing and updating its risk assessments but reported insufficient capacity to address all actions immediately. The actions are generally housekeeping in nature and are subject to ongoing management and mitigation. The Trust completed fire risk assessments across all sites, and the Fire Service has not issued any enforcement or information notices. Some risks relate to the existing cancer centre and may be mitigated through development of the new facility. However, the volume of outstanding actions indicates that some fire safety risks remain unresolved.

92 The Trust has a water safety policy and carries out regular risk assessments. A review in January 2026 found of the 816 issues identified that 96% of these had been addressed.

93 At the time of our review, the Health Board had not received any enforcement notices from the Health and Safety Executive (HSE). It has also not faced any HSE prosecutions or fines in the past three years. This provides assurance that it has been meeting general health and safety requirements during this period.

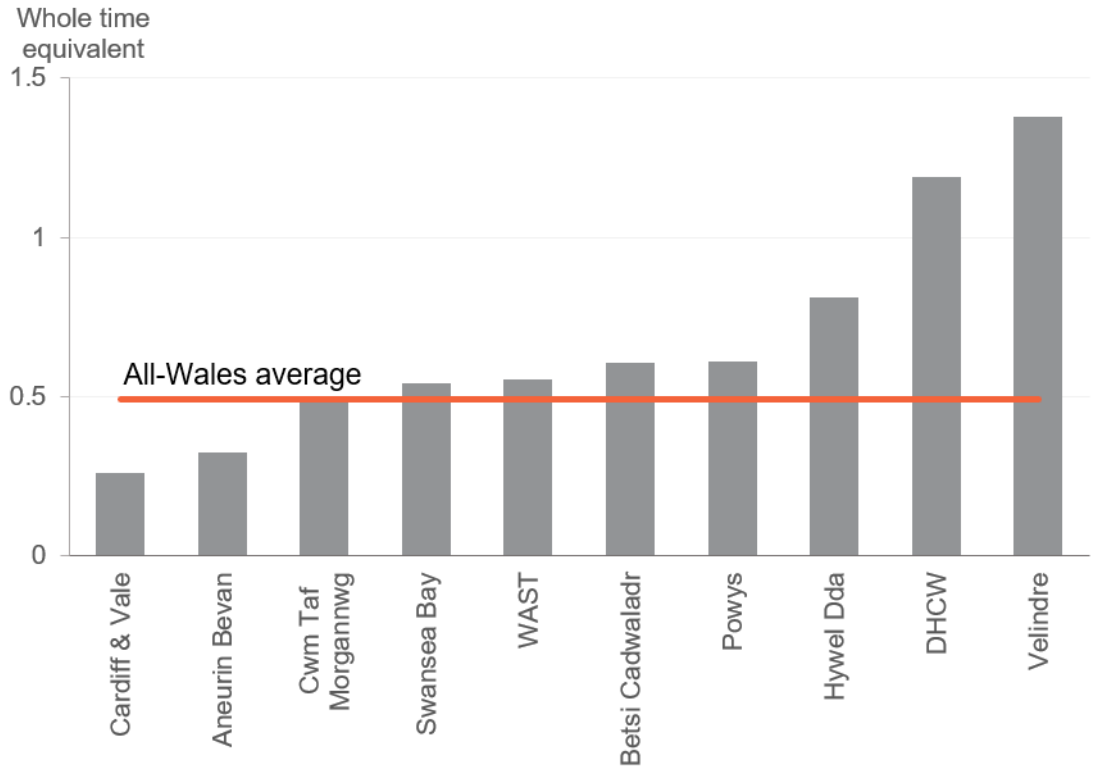
94 The Trust tracks and reports statutory compliance each month at its Fire, Risk, Estates, Sustainability and Health and Safety (FRESH) meeting and through its risk registers and operational maintenance processes.

Managing the estate workforce

The Trust has a well-resourced workforce but high sickness levels, continued reliance on variable pay and weak forward workforce planning reduce its long-term resilience and sustainability

95 The Trust's reported estates workforce capacity of 1.4 WTE per 1,000m² is significantly higher than the all-Wales average of 0.49. However, this comparison is misleading because the EFPMS data excludes Welsh Blood Service buildings (see paragraph 61). This omission understates the size of the estate and artificially inflates the workforce ratio **(Exhibit 6).**

Exhibit 6: size of the estates function per 1,000 m^2 occupied floor space, by NHS body at 31 March 2025 (whole time equivalent)



Source: Audit Wales analysis of NHS data

96 The Trust does use outsourcing and contractors to supplement internal capacity. However, it has significantly reduced reliance on external providers, spending £4,600 in 2025-26 compared to £58,857 in 2022-23, showing a shift toward in-house delivery.

97 The Trust reports a below average level of vacancies in its estates team. At the end of March 2025, the vacancy rate was 8% (two whole time equivalent posts). This was below the all-Wales rate of 10.3%. By September 2025, vacancies had fallen to one whole time equivalent post. At the time of our review, the Health Board were able to progress recruitment activity

98 In 2024-25, the Trust spent £116,000 on agency staff to support its estate team. It also spent £2.2 million on variable pay including bank staff and overtime. The Welsh Government required NHS bodies to stop using agency staff in estates by 30 September 2025, but the Trust did not meet this target. It spent a residual £5,000 on agency staff in the last six months of 2025-26[6].

99 At the end of March 2025, the Trust also reported a high sickness absence rate of 13.1% in its estates team. This was the highest in Wales placing further pressure on capacity at that time.

100 At the end of March 2025, 25.9% of the Trust's estates staff were aged over 60. This was in line with the all -Wales average of 25.4%. Positively, it is using apprenticeships to build future capacity, with one apprentice in post at that time.

101 The Trust does not have a clear workforce plan for its estate function. However, it has started to undertake preliminary work to prepare. This has included readiness planning and a review of the estates structure. The Trust has also identified the need for contract management, assurance and intelligent client functions.

102 However at the time of our work the Trust has not fully set out its future workforce needs, particularly for the new Velindre Cancer Centre. The Centre will be delivered through a Mutual Investment Model. Under this model, a significant share of estates services will be provided through the contract. This represents a shift in the delivery model, which is likely to reduce reliance on some in-house delivery and reshape the role of the estates team.

103 The Trust has not planned for succession or defined the skills it will need. It has not set out how staff will move from operational work to managing contracts, assuring compliance and monitoring performance. There is a risk that the estates team will be unable to manage outsourced services or achieve value for money.

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[6] Based on data reported in the Health Board's financial monthly monitoring returns for 'estates and ancillary staff'.

104 The Trust has not sought opportunities to work with other organisations to address current and future workforce challenges.

105 The Trust monitors training compliance for its estates staff and performance is above target. Compliance with statutory and mandatory training was 90% overall. This exceeded the target of 85%.

106 There is limited evidence that the Trust is systematically ensuring estates staff are trained in digital systems used to manage the estate.

Recommendations

107 We have made six recommendations because of our work.

R1 The Trust should strengthen its estates strategy for all parts of the organisation by setting a clear delivery plan with defined ownership and regular reporting and oversight by the Board **(paragraph 21)**.

R2 The Trust should set a baseline and target for each of the 25 measures in its estates strategy. It should define the data for each measure, track progress, and report regularly to the Board and relevant committees so they can oversee delivery **(paragraph 21).**

R3 The Trust should ensure routine monitoring of the Velindre Cancer Centre contract, with regular reporting to the Board and relevant committees to provide assurance that estates services are being delivered as intended **(paragraph 32)**.

R4 The Trust should set out a clear transition plan for the period when it will operate both the existing and new Velindre Cancer Centre. The plan should;

4.1 explain how the Trust will prioritise capital investment in the existing estate, given limited resources.

4.2 explain how the Trust will manage backlog maintenance and its risks; and

4.3 include what actions the Trust will take if the new Velindre Cancer Centre is delayed **(paragraph 69)**.

R5 The Health Board should better collect and use information on how estate condition affects patient safety, staff experience and service delivery. Incidents that are directly related to the estate should be clearly identified, recorded and reported **(paragraph 87)**.

R6 The Health Board should develop and implement an estates workforce plan. The plan should set out actions to address vacancies, succession risks and long-term workforce needs. It should also explain how workforce needs will change when the new Velindre Cancer Centre opens **(paragraphs 101 - 102)**.

Appendices

1 About our work

Scope of the audit

We looked at the following areas during the period May to July 2026:

- strategic planning;
- governance arrangements;
- utilisation of financial resources;
- estate productivity and efficiency;
- implications on quality and safety; and
- workforce management.

We did not look at:

- major estates projects funded (or potentially funded) through the All-Wales Capital Health Programme;
- operational management of estates, including the management of leased estate;
- ‘soft facilities management’ services such as cleaning or security services, which are also key to supporting fit-for-purpose estate; and
- primary care estates.

Audit questions and criteria

Questions

Our audit addressed the following questions:

- Does the NHS body have a clear planning approach for its estate in the medium to longer term?
- Does the NHS body have effective governance arrangements for estates management?

- Is the NHS body utilising its financial resources available for estates appropriately?
- Does the NHS body have an efficient and productive estate?
- Does the NHS estate support the quality of care and experience of patients and staff?
- Does the NHS body have effective arrangements for managing its estate workforce?

Criteria

We assessed the Health Board's approach against audit criteria shaped by:

- NHS Wales planning frameworks, and other relevant NHS Wales planning documents, including the NHS Wales Decarbonisation Strategic Delivery Plan 2021-30;
- Legislation, including the Wellbeing of Future Generations Act (2015), the Equality Act 2010 and the Public Sector Equality Duty (PSED);
- Relevant guidance from NHS Shared Services Partnership;
- Previous audit work on the management of NHS estates.

Methods

We reviewed a range of documents, including:

- Board and committee papers and minutes.
- Key governance documents and reporting frameworks for relevant committees and operational groups, including the Fire, Risk, Estates, Sustainability & Health & Safety (FRESH) framework and associated reporting.
- Key strategies and plans, including the Estate Strategy, Integrated Medium-Term Plan, and transition planning for the new Velindre Cancer Centre.

- Key risk management documents including the strategic and operational risk registers and DATIX risk reporting relating to estate condition, safety and compliance.
- Relevant operational committee and group papers and reports, including FRESH reporting, capital planning and monitoring information, and estates performance reports.
- Local data packs and analytical documents, including estates data returns.

We interviewed the following key stakeholders:

- Independent Member for Estates
- Executive Director of Finance and Performance
- Director of Place, Portfolio and Partnerships
- Senior estates management staff

We held a focus group with:

- estates operational and management staff involved in capital planning, maintenance and business support; and
- specialist estates staff responsible for compliance, safety and maintenance functions.

We reviewed national data available from the Estates and Facilities Performance Management System (EFPMS), monthly financial monitoring returns submitted to Welsh Government and local data provided to us by the Trust. We have not audited the data from these sources.

2 Key terms in this report

Term	Description
2018 Estate code Wales	Gives detailed advice on how to manage land and buildings used for healthcare services.
Six-Facet Survey	An NHS estates appraisal that assesses a building's condition, suitability, space use, quality, safety, and environmental performance to support estate planning.
Backlog maintenance	A measure of the investment needed to restore a building to a set standard, based on assessed risk.
Computer Aided Facilities Management (CAFM)	A system used to manage estates and facilities work, including asset records, planned and reactive maintenance, compliance checks, and reporting.
DATIX	An electronic system used across NHS Wales to record, manage and analyse patient safety incidents, concerns, complaints, and risks.
Destination 2033	Long-term strategy to 2033, setting out its vision and priorities for future service, estate, and workforce development.
Discretionary capital	Funds that an organisation can allocate at its own discretion.
Estates Excellence	Estates Strategy to 2033, setting out its vision to improve the quality, performance, and sustainability of its estate, supporting safe, effective, and modern healthcare delivery.

Term	Description
Estates and Facilities Advisory Board (EFAB)	A Welsh Government capital funding programme that supported targeted estates improvements across NHS Wales, including infrastructure, decarbonisation, and fire safety. It was replaced by the Targeted Estate Fund (TEF) in 2025-26.
Estates and Facilities Performance Management System (EFPMS)	An all-Wales system used to collect and report data on NHS estates and facilities. It supports monitoring, benchmarking, and improving performance, and informs planning and decision-making.
Functionally suitable	The percentage of occupied floor area that meets the 2018 Estatecode Wales Condition B standard.
High-risk backlog	Issues that need urgent action to prevent serious failure, major service disruption, or safety risks that could cause harm or legal action.
Mutual Investment Model (MIM)	A public–private partnership model where a private partner builds, finances and maintains an asset, while the public sector retains oversight through contract management.
Occupied floor area	The total floor area of buildings in use to deliver NHS services, including spaces owned, leased, or used under agreements.
Physical condition B	Defined in the 2018 Estatecode Wales as sound, operationally safe, and showing only minor deterioration.
Radiopharmacy	Produces and prepares radioactive drugs used for imaging and treating diseases, particularly cancer.
Risk-adjusted backlog	The estimated cost to fix maintenance issues, weighted by how serious the risk is to safety, services, or compliance.

Term	Description
Significant-risk backlog	Repairs or replacements that need urgent action to avoid compliance concerns or risks to safe healthcare delivery.
Space utilisation	The percentage of occupied floor space that is empty or under-used as defined in the 2018 Estatecode Wales.
Targeted Estate Fund (TEF)	A Welsh Government capital fund that targets high priority estate risks in the NHS, including safety, compliance, and resilience. It provides £80 million (2025–27), with NHS bodies contributing 30%.

3 Management response form

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R1 The Trust should strengthen its estates strategy for all parts of the organisation by setting a clear delivery plan with defined ownership and regular reporting and oversight by the Board	The Trust will develop an Estates Strategy Delivery Plan incorporating clear ownership, milestones, performance measures and SMART actions. Progress will be routinely monitored through FRESH and reported through the Trust's governance framework.	December 2026	Interim Assistant Director Estates Capital & Environment
R2 The Trust should set a baseline and target for each of the 25 measures in its estates strategy. It should define the data for each measure, track progress, and report regularly to the Board and relevant committees so they can oversee delivery	The Trust will establish baseline positions, associated targets and reporting arrangements for each of the 25 measures contained within the Estates Strategy. Progress will be monitored through a performance dashboard and reported through	December 2026	Interim Assistant Director Estates Capital & Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	the Trust's governance framework.		
R3 The Trust should ensure routine monitoring of the Velindre Cancer Centre contract, with regular reporting to the Board and relevant committees to provide assurance that estates services are being delivered as intended	The Trust has recognised the requirement for formal contract management, assurance and performance monitoring arrangements to support the Mutual Investment Model. Governance structures, KPI reporting, contract assurance processes and Board reporting arrangements are currently being developed through the New Velindre Cancer Centre Readiness Programme and will be implemented before service commencement.	February 2027	Assistant Director Estates Capital & Environment
R4 The Trust should set out a clear transition plan for the period when it will operate both the existing and new Velindre Cancer Centre. The plan should;	The transition plan is under development and will support the period during which services may operate across both sites. The	December 2026	Assistant Director Estates Capital & Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
4.1 explain how the Trust will prioritise capital investment in the existing estate, given limited resources. **4.2** explain how the Trust will manage backlog maintenance and its risks; and **4.3** include what actions the Trust will take if the new Velindre Cancer Centre is delayed	plan will consider clinical operational requirements, capital investment priorities, backlog maintenance risks, contingency arrangements and actions required should delays occur to the New Velindre Cancer Centre programme.		
R5 The Health Board should better collect and use information on how estate condition affects patient safety, staff experience and service delivery. Incidents that are directly related to the estate should be clearly identified, recorded and reported	The Trust will implement an Estates Impact Monitoring Framework. This will include enhanced Datix reporting arrangements to identify estate-related incidents and service disruptions, development of patient and staff experience measures relating to the estate, routine monitoring of the impact of estate condition on service delivery, and enhanced reporting through FRESH, Quality, Safety and Performance Committee and Board assurance mechanisms. The framework will support the Trust in understanding and		

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	demonstrating the relationship between estate performance, patient safety, staff experience and operational delivery		
R6 The Health Board should develop and implement an estates workforce plan. The plan should set out actions to address vacancies, succession risks and long-term workforce needs. It should also explain how workforce needs will change when the new Velindre Cancer Centre opens	The Trust has undertaken significant workforce planning activities to support transition to the Mutual Investment Model operating environment. This work will be further developed into a formal Estates Workforce Plan which will address succession planning, future skills requirements, retained client functions, contract management responsibilities and longer-term workforce requirements associated with the New Velindre Cancer Centre.	December 2026	Interim Assistant Director Estates Capital & Environment

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out their work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.