Archwilio Cymru
Audit Wales

Are NHS estates fit for purpose?

Hywel Dda University Health Board

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Audit snapshot

What we looked at

1 Our review looked at how well Hywel Dda University Health Board (the Health Board) 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 An outdated estate can also affect service performance, be less energy efficient and be a barrier to providing modern healthcare.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 The 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 Health Board has a strong strategic approach to managing its estate, supported by clear governance, effective capital planning, and good use of management information. Its estate strategic plan aligns well with organisational and national priorities, and capital investment is targeted through robust prioritisation processes.

6 However, the estate faces significant challenges. Buildings are relatively old, backlog maintenance costs are among the highest in Wales, and available funding is far below the level needed to address estates risks and improve asset condition. Significant fire and water safety risks remain, alongside weaknesses in estate data, asset management, and information on safety impacts. While the estates workforce is well resourced and supported by workforce plans, leadership changes, training gaps, and ongoing compliance pressures reduce assurance.

What we recommend

7 We have made five recommendations to the Health Board. These focus on:

- strengthening the estates strategic plan;
- establishing an estates strategic outcome measure;
- strengthening asset registers;
- improving information on the impact of estate condition; and
- developing a plan to address fire and water safety risks.

Key facts and figures

197	Number of buildings managed by the Health Board in 2024-25.[1]
£24.3 million	Capital monies used to improve estates in 2025-26 (excluding year-end funding).
£221 million	Cost to eradicate risk-adjusted backlog in 2024-25, an increase of 86% since 2022-23. High-risk backlog accounts for £35.9 million.
10.4%	Percentage of the 3,701 issues addressed following fire safety assessments in 2024-25 at the end of September 2025.
70%	Percentage of the 792 issues addressed following water safety assessments in 2024-25 at the end of September 2025.
6.8%	Vacancy rate in estates at the end of March 2025, compared to an all-Wales position of 11.6%.

[1] The number of buildings is based on the 2024-25 EFPMS submission, the Health Board has reported that the number is now 84 (leasehold and freehold).

Our findings

Strategic approach to estates

Overall, the Health Board has a strong and well-aligned estate strategic plan

8 The Health Board has a clear vision for its estate.

9 The Health Board has a Property Asset Strategic Plan for 2023 to 2026, approved by the Board in May 2023. The plan provides a clear approach to managing, improving, and reducing the size of its estate where appropriate.

10 The Health Board is developing a new Estates Strategy and plans to update the Property Asset Strategic Plan for 2027 to 2030. This will ensure that both documents reflect the Health Board's refreshed strategic direction and support its short, medium, and long-term priorities.

11 The Estates and Facilities Department developed the plan and updates it when estate plans change. Several programmes support the strategic plan, including the Strategic Property and Environment Programme, Corporate Landlord Model, Decarbonisation Programme, Space Utilisation Framework, and Infrastructure Investment Plan.

12 Positively, the strategic plan:

- draws on a range of data available at the time of its development;
- covers acute and community hospitals, mental health facilities, health centres, administrative accommodation, and leasehold properties;
- supports the Health Board's long-term strategy 'A Healthier Mid and West Wales' and its service transformation ambitions, including the programme business case;
- aligns with key enabling plans including clinical services, digital technology, accommodation, and decarbonisation;

- supports national priorities such as decarbonisation, wellbeing, and public sector collaboration;
- reflects commitments to sustainability, energy efficiency, renewable energy, waste reduction and biodiversity;
- identifies opportunities to work with partners through community hubs and integrated care centres; and
- sets out opportunities to improve and reduce the estate through property disposals, lease reductions, and new accommodation solutions.

13 However, the strategic plan does not:

- include clear milestones, measures, or targets, although some projects have delivery timescales;
- set out a fully funded and affordable financial plan to meet all estate needs; and
- clearly explain how the Health Board's equality and socio-economic duties affect estate planning decision.

14 The Health Board undertook substantial engagement with staff, patients, and wider stakeholders in developing its long-term strategy, A Healthier Mid and West Wales, and its service transformation ambitions. This informed the development of the Property Asset Strategic Plan.

Governance arrangements for managing estates

The Health Board has strong estate governance and risk oversight, but leadership gaps, and long-standing risks reduce assurance

Lines of accountability

15 The Health Board is changing who is responsible for estates. During our audit, responsibility for operational estates sat with the Executive Director of Allied Health Professions and Health Science. Property and discretionary capital projects sat under the Executive Director of Strategy and Planning. Before this, the Chief Operating Officer held each of these functions until 2025.

16 Responsibility for property and discretionary capital projects initially moved with operational estates to the Executive Director of Allied Health Professions and Health Science, before transferring to the Executive Director of Strategy and Planning in September 2025. Operational estates remain the responsibility of the Executive Director of Allied Health Professions and Health Science. However, the Health Board has started an organisational change process to move the estates team under the Executive Director of Strategy and Planning. The change is due to take effect by September 2026.

Corporate oversight

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

18 The Board receives regular assurance on estates matters through its committee structure. The Board receives reports on significant estates risks and developments. For example, in May 2026, it received an update on plans for a second generator at Prince Philip Hospital. It also receives exception reports from the Strategy and Planning Committee that highlight significant issues.

19 The Strategy and Planning Committee (SPC) oversees estate performance, investment, and strategic development. It also monitors the principal risk linked to modernising the estate and equipment. The committee reviews this risk regularly and considers the quality of the assurance provided by the Estates team.

20 The SPC reviews estates strategies, investment plans, capital programmes, major business cases, and infrastructure projects before referring them to the Board, where needed. It also monitors progress against estate plans and capital projects, receives updates from the Capital Sub-Committee, and reviews estates-related risks.

21 During the past six months, the SPC has reviewed capital programme updates, estates condition and performance reports, Targeted Estates Fund projects, and specific issues such as leases, infrastructure pressures, and major developments. Committee reports also highlighted the Health Board's backlog maintenance costs and explained the risks these pose to service continuity, statutory compliance, patient safety, operational resilience, and financial sustainability.

Operational management

22 The Health Board has operated without a substantive Director of Estates and Facilities since 2024. This followed a change to the previous post holder’s role as Director of Estates, Facilities and Capital Management. Since August 2024, the previous Director moved to a new post within the Major Capital Team.

23 The Health Board advertised the Director of Estates and Facilities role in October 2025 but was unable to appoint to the post. The role has since been revised to include responsibility for capital. As a result, the Health Board has had limited senior leadership for estates while managing significant estate risks, investment pressures, and major service changes.

24 Day to day estates services have been led by the Head of Estates and Facilities Operational Services. In the absence of a substantive Director of Estates and Facilities, the post holder has reported to the Executive Director of Allied Health Professionals and Health Science. This role is supported by senior managers responsible for maintenance and engineering, estates risk and compliance, property services, facilities services, and health and safety.

25 The Health Board is reviewing its estates management arrangements through an organisational change process. The proposed structure will separate estates and capital from facilities and corporate health and safety services. Facilities and corporate health and safety will remain under the Executive Director of Allied Health Professions and Health Science. The changes should improve accountability and align responsibilities more closely with strategic priorities. At the time of our work, the organisational change process was still underway.

26 The Estates and Facilities Integrated Governance Group (E&FIGG) is the Health Board's main operational oversight group for estates and facilities. It meets monthly and brings together representatives from estates, facilities, finance, workforce, and health and safety. The group reviews performance, quality and safety, workforce matters, finance, risk, and statutory compliance. It also oversees actions arising from audits, inspections, incidents, and risk assessment. The group reports key issues through the Health Board's governance structure, including the Health and Safety Committee and Strategy and Planning Committee.

27 Several operational groups support the E&FIGG. These cover estates operations, maintenance and engineering, facilities management, health and safety, and estates risk and compliance. The groups meet monthly and operate under agreed terms of reference. They review service performance, operational risks, statutory compliance, workforce matters, and progress against improvement plans. Issues that require wider oversight are escalated to the E&FIGG.

28 Minutes from these groups show regular scrutiny of performance, quality and safety, workforce, finance, risk, and compliance matters. Action logs and risk registers support this oversight. However, some weaknesses remain, including gaps in estate condition data and ongoing organisational change.

29 At the time of our work, the Health Board was considering a Corporate Landlord Model to strengthen estate governance. The model would bring responsibility for estate planning, investment, and maintenance into a single framework. This should support a more coordinated approach to managing estate assets, the capital planning process and addressing estate risks across the organisation. If implemented effectively, it could improve oversight and help align estate decisions with service priorities.

Managing estate risks

30 The Health Board has clear processes for identifying and managing estate risks. However, these processes have not yet reduced the overall level of risk.

31 The condition and long-term sustainability of the estate is a key strategic risk for the Health Board. The risk is included in the Board Assurance Framework (BAF) and supports Planning Goal 8, under the Strategic Objective 4, Positive Futures.

32 The BAF recognises that ageing buildings, growing maintenance backlogs, and reliance on capital funding could affect future service delivery. The risk remains one of the Health Board's highest-rated strategic risks, highlighting the needs to invest in and modernise the estate.

33 However, the Board does not have a strategic outcome measure to show whether estate performance is improving over time.

34 The Board and its committees, including the Audit and Risk Assurance Committee, regularly review the Corporate Risk Register. Key estate risks include ageing buildings and infrastructure, fire safety compliance, and mortuary capacity. The register highlights the risk that deteriorating buildings and infrastructure could affect the safe delivery of services. The Audit and Risk Assurance Committee also receives regular reports on risk management.

35 In July 2026, Estates and Facilities had 136 open risks, more than any other service area. The Health Board reported that 76% of these risks require capital funding to address.

36 Operational risk registers provide detailed information on estate risks. These include backlog maintenance, statutory compliance, fire safety, workforce capacity, and major projects.

37 Estates and Facilities achieved the highest assurance rating within the Health Board's internal escalation framework. This suggests the service has effective arrangements for identifying, monitoring and managing risk. However, despite strong oversight and governance, there is little evidence that risk scores have reduced over a sustained period. This is largely due to the lack of available capital funding.

Using financial resources to improve estates

The Health Board manages its capital funding well, but the estate needs more investment than the funding available

Funding prioritisation process

38 The Health Board has a robust approach to how it prioritises the capital funds available to improve its estate.

39 In 2025-26, the Health Board had £7.4 million of discretionary funding and dedicated funds to invest in its estate. This investment has increased compared with the previous two financial years (**Exhibit 1**).

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

Fund	2023-24	2024-25	2025-26
Discretionary capital allocation	1.5	1.9	1.7
Estates and Facilities Advisory Board (EFAB) funding	4.2	3.7	0.1
Targeted Estates Fund (TEF) [2]	–	–	5.6
TOTAL	**5.7**	**5.6**	**7.4**

Source: Audit Wales analysis of financial monthly monitoring returns

[2] A Welsh Government capital funding programme designed to address specific high-priority risks and deficiencies within the NHS Wales estate, particularly those affecting patient safety, statutory compliance, and service resilience. The Targeted Estates Fund (TEF) replaced the Estates and Facilities Advisory Board (EFAB) funding in 2025-26.

40 In 2025-26, the Health Board also received £16.9 million of all-Wales capital funds, on top of its TEF allocation. This funding supported infrastructure upgrades, backlog maintenance, fire safety work, and improvements to healthcare facilities across the estate.

41 In total, the Health Board received £24.3 million for estate investment. However, this is much lower than the estimated £221 million needed to address the risk-adjusted backlog and £159 million needed to bring the estate up to physical condition B, based on 2024-25 estimate.

42 The Health Board has also secured funding through programmes such as Invest to Save and the Health and Care Energy Scheme to support energy efficiency and decarbonisation projects.

43 The Health Board has clear arrangements for allocating capital funding. Services identify and prioritise schemes before submitting bids. The estates, digital and equipment teams then review and rank these before the Capital Planning Group considers them.

44 The Capital Planning Group reviews and prioritises schemes before they enter the capital programme. The Capital Sub-Committee and Strategy and Planning Committee provide further challenge and oversight. Together, these arrangements provide a clear process for making investment decisions and support accountability for programme delivery.

45 In May 2025, we reviewed the Health Board's arrangements for capital investment prioritisation. We found a structured approach to assessing and prioritising schemes. The Health Board uses risk registers, backlog maintenance data, condition surveys, and service needs to target investment towards statutory compliance, health and safety, and business continuity risks.

46 Practical challenges can affect delivery, including service disruption, links between projects, and programme sequencing. To manage these risks, the Health Board keeps a reserve list of schemes. This allows funding to be redirected when project timelines change or additional funding becomes available.

Monitoring and managing capital funds

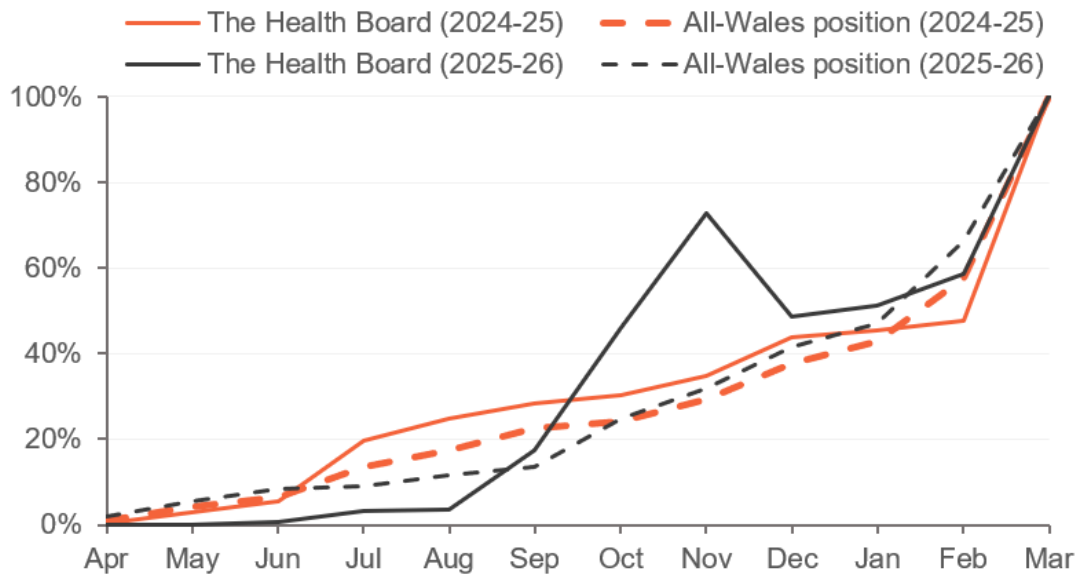
47 The Health Board has a strong approach for monitoring and managing its capital spending.

48 The Health Board has clear arrangements for overseeing capital investment. The Strategy and Planning Committee oversees the capital programme and reviews the Infrastructure Investment Plan. It receives regular progress reports. The Capital Sub-Committee and Capital Planning Group support this work. Together, these groups oversee the delivery of capital schemes.

49 The Health Board regularly reviews capital spending and project performance. Governance groups monitor budgets, progress against plans, key milestones, and emerging risks. Project teams use highlight reports and dashboards to track delivery. This helps managers and committees identify problems early and take action when needed.

50 We reviewed the spend profile for the Health Board's discretionary allocation for 2024-25 and 2025-26. Our analysis shows that the Health Board used its discretionary allocation in full. Although we found that most spending takes place towards the end of the financial year (**Exhibit 2**).

Exhibit 2: monthly running total 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

51 In 2025-26, the Health Board received an extra £3.3 million of year-end funding from the Welsh Government, which could be used for estate projects. The Health Board was able to spend the funding effectively. However, because the funding was received late in the financial year, it created an uneven spending pattern. It also limited the range of projects that could be delivered within the available timeframe.

52 The Health Board has clear arrangements for managing major projects. The Energy Performance Contract programme is a good example. The programme uses formal reporting, financial monitoring, risk management, and escalation processes. Governance groups review progress and risks through the Estate Performance and Improvement Group and wider estates governance arrangements. Board committees provide further oversight, and financial performance is monitored throughout the programme.

53 The Health Board works with local authorities and the Welsh Government to deliver major estates developments, including Cylch Caron, Pentre Awel and the Carmarthen Hwb development. Progress, funding, and delivery risks for these schemes are monitored through the Capital Sub Committee and reported to the Strategy and Planning Committee.

Ensuring an efficient and productive estate

The Health Board manages its estate well but faces significant condition risks, investment pressures and data weaknesses that limit long-term planning and assurance

Condition of the estate

54 The Health Board's estate is comparatively older, has a higher backlog risk and requires higher investment to improve the physical condition.

55 Compared with the all-Wales position, the Health Board has a high proportion of the estate built before 1995, with the proportion the third highest in Wales. The cost to remove high-risk backlog per square metre is also the third highest in Wales, although the cost to remove high and significant risk backlog is the highest in Wales. Although the proportion of the estate meeting the required physical condition standard is above the all-Wales average, the cost to achieve physical condition B is the second highest in Wales (**Exhibit 3**).

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

Measure	The Health Board	All-Wales position[3]
% of estate built before 1948	7.1	13.5
% of estate built before 1995	76.1	63.9
Cost to remove high-risk backlog per m^2 occupied floor area (£)	188.25	164.60

[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.

Measure	The Health Board	All-Wales position[3]
Cost to remove high and significant-risk backlog per m^2 occupied floor area (£)	1,145.22	458.43
% of estate meeting physical condition standard	86	83
Cost to achieve physical condition B per m^2 occupied floor area (£)	833.30	538.54

Source: Estates and Facilities Performance Management System (EFPMS)

56 Across the Health Board's sites, the cost to remove high-risk backlog is highest at Withybush General Hospital, at £570.26 per m^2 occupied floor area. The cost to reach physical condition B is highest at Amman Valley Hospital at £3,128.86 per m^2 occupied floor area.

57 The Health Board has not used external surveys to support its backlog figures. Of the 22 Health Board sites entered in the EFPMS, 19 rely on internal surveys completed in 2022. Two entries have not been reviewed, and one is recorded as 'other'. Relying mainly on internal surveys reduces independent assurance and may affect the consistency and reliability of the data used to assess risk and prioritise capital investment.

58 Surveys also have a limited lifespan because they reflect estate conditions at a single point in time. As buildings age and circumstances changes, the value of the data declines. The Health Board last reviewed all sites in 2022. Since then, its estate has changed due to ageing assets, new compliance requirements, and changing service needs. Continued reliance on these surveys increases the risk that decisions are based on outdated information that no longer reflects the current condition of the estate.

59 RAAC (Reinforced Aerated Autoclave Concrete) is present at two of the Health Board's acute hospital sites: Bronglais Hospital and Withybush General Hospital. The Health Board has recorded this issue on its corporate risk register.

60 The Health Board last assessed the condition of the RAAC panels in 2024 at Bronglais and in 2025 at Withybush General Hospital. It has received capital funding to carry out mitigation work. While this work helps reduce immediate risks, it does not remove the need for long-term solutions.

61 The Health Board did not provide a planned budget split between planned preventative maintenance (PPM) and reactive maintenance. Instead, it provided actual spend only. This limits transparency and makes it harder to assess whether resources are being used efficiently. Without a planned budget breakdown, the Health Board cannot clearly show whether it is prioritising preventative maintenance or responding to issues as they arise.

Robust management information

62 The Health Board makes good use of management information to manage its estate.

63 It uses a broad range of information to monitor estate condition, performance, utilisation, and future estate requirements. This includes asset condition reports, risk registers, internal surveys, and backlog data.

64 The Health Board uses the EFPMS to benchmark performance. It uses the system to compare sites within the organisation and to compare performance with other Welsh health boards. However, the Health Board has recognised the need to use this information more systematically in future to report on estate performance, building efficiency and the impact of acquisition and rationalisation plans.

65 The Health Board has a CAFM (computer aided facilities management) system. Evidence shows that improvements to CAFM reporting have helped support planned maintenance and key performance indicator (KPI) monitoring.

66 However, the Health Board does not have a single asset management system or a fully reliable asset register. Information is spread across several systems, making it harder to link asset condition, costs, and performance. This reduces confidence in the data and limits the Health Board’s ability to produce reliable maintenance schedules. It also makes it harder to show that assets receive the checks needed to maintain compliance.

67 There is also scope to further develop routine performance reporting, benchmarking, and utilisation data. This would support more comprehensive monitoring of estate performance and help the Health Board show the benefits delivered through estate change.

Maximising productivity and efficiency

68 The Health Board performs well in functional suitability and space utilisation. However, its energy consumption is the highest in Wales. Performance across these measures has largely stayed unchanged over the past three years **(Exhibit 4)**.

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

Measure	The Health Board	All-Wales position[4]
% of estate functionally suitable	90	84
% of space utilisation	99	92
energy performance (kilowatts (kw))	474	367

Source: Estates and Facilities Performance Management System

69 Across the Health Board's sites, Tregaron Hospital has the lowest functional suitability (38%). It also has the lowest space utilisation at 40%.

[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.

70 The Health Board has strengthened its approach to space utilisation by introducing a monthly accommodation group and a supporting Space Utilisation Principles and Framework. These arrangements provide oversight of accommodation decisions and help make better use of available estate space. A case study at the Sealyham Building, Withybush General Hospital, showed how Occupeye sensor data can highlight underused areas and support capacity planning.

71 The Health Board does not have a standalone estate disposal strategy. It includes proposed disposals as part of its Property Asset Strategic Plan. The Health Board has disposed of six properties since 2022, generating capital receipts of £112,115. It has confirmed that no sites are subject to restrictions on sale or alteration.

72 The Health Board is making greater use of technology to improve estate efficiency and support decarbonisation. Through its Energy Performance Contract and wider decarbonisation programme, it is investing in LED (light emitting diode) lighting, solar photovoltaic (PV) systems, low-carbon heating, heating optimisation, building management systems, battery storage, and insulation improvements.

73 Despite this investment, the Health Board has the lowest proportion of internal floor space covered by LED lighting. LED lighting covers 6.4% of its internal floor space, compared with an all-Wales average of 45.4%.

Supporting the quality of care

Significant fire and water safety risks, weak information and resource pressures reduce assurance over patient and staff safety

Minimising harm to patients and staff

75 The Health Board has weaknesses in how it manages and reduces safety risks linked to the condition of its estate. These risks can affect both patients and staff.

76 The Health Board identifies estate-related issues and risks through several sources. These include risk registers, condition surveys, backlog maintenance assessments, statutory compliance checks, incident reporting systems, and operational governance arrangements.

77 The Health Board has a range of mechanisms for capturing staff and service user concerns through existing governance, incident reporting, and operational processes. This includes capturing staff concerns through its DATIX system and through monthly site safety walkabouts. In July 2026, the Health Board had four open incidents relating to estates.

78 The Health Board recognises opportunities to strengthen the systematic collection and reporting of estate-specific experience and satisfaction information.

Ensuring compliance

79 The Health Board has reasonable processes in place to ensure its estate meets legal requirements, although there are significant gaps in compliance.

80 Compared with the all-Wales position, the Health Board performs slightly better overall in meeting statutory health and safety requirements. However, its compliance with fire safety requirements is the lowest in Wales. Performance in both areas has stayed unchanged over the past three years **(Exhibit 5).**

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

Measure	The Health Board	All-Wales position[5]
% of occupied floor area meeting statutory health and safety requirements	88	87
% of occupied floor area meeting statutory fire safety requirements	67	84

Source: Estates and Facilities Performance Management System

81 Across the Health Board's sites, Tregaron Hospital has the lowest compliance with statutory health and safety requirements, with only 48% of occupied floor area meeting the required standard. Glangwili General Hospital has the second lowest level of compliance at 75%.

82 Hafan Derwen, on the St David's Hospital site, has the lowest compliance with statutory fire safety requirements, with only 40% of occupied floor area meeting the required standard. All four acute hospital sites have less than 70% of occupied floor area compliant with fire safety requirements. Prince Philip Hospital has the lowest level of compliance at 55%, making it the lowest-performing acute hospital site in Wales for fire safety compliance.

83 In 2024-25, the Health Board completed all required fire risk assessments. These assessments found 3,701 issues. By September 2025, the Health Board had resolved only 10.4% of them. The Health Board said it does not have enough resources to address the volume of work needed. It uses a prioritisation process to help manage the backlog.

[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.

84 The Health Board has three formal fire enforcement notices and 54 informal notices. This shows ongoing fire safety concerns across the estate. Formal notices indicate breaches of legal requirements, while informal notices highlight areas that need improvement. The Health Board is working hard to address the issues raised through the notices, with a long-term phased delivery programme in place.

85 At the time of our work the Health Board had received one notice of intended prosecution from the Health and Safety Executive.

86 The Health Board has a water safety policy and carries out regular risk assessments. However, only eight of the 12 required assessments had been completed at the time of our work. These assessments found 792 issues, of which the Health Board has resolved 70%.

87 The Health Board reported that it does not have enough trained Responsible Persons (RPs) and Deputy Responsible Persons (DRPs). Staff shortages and workload pressures limit the team's ability to meet water safety requirements. New monitoring technology has also found significant issues with water systems that require action.

88 The Health Board has arrangements in place to monitor statutory and safety compliance. These include through operational governance groups, compliance and risk functions, risk registers and regular reporting to the Estates and Facilities Integrated Governance Group, Health and Safety Committee, and Strategy and Planning Committee.

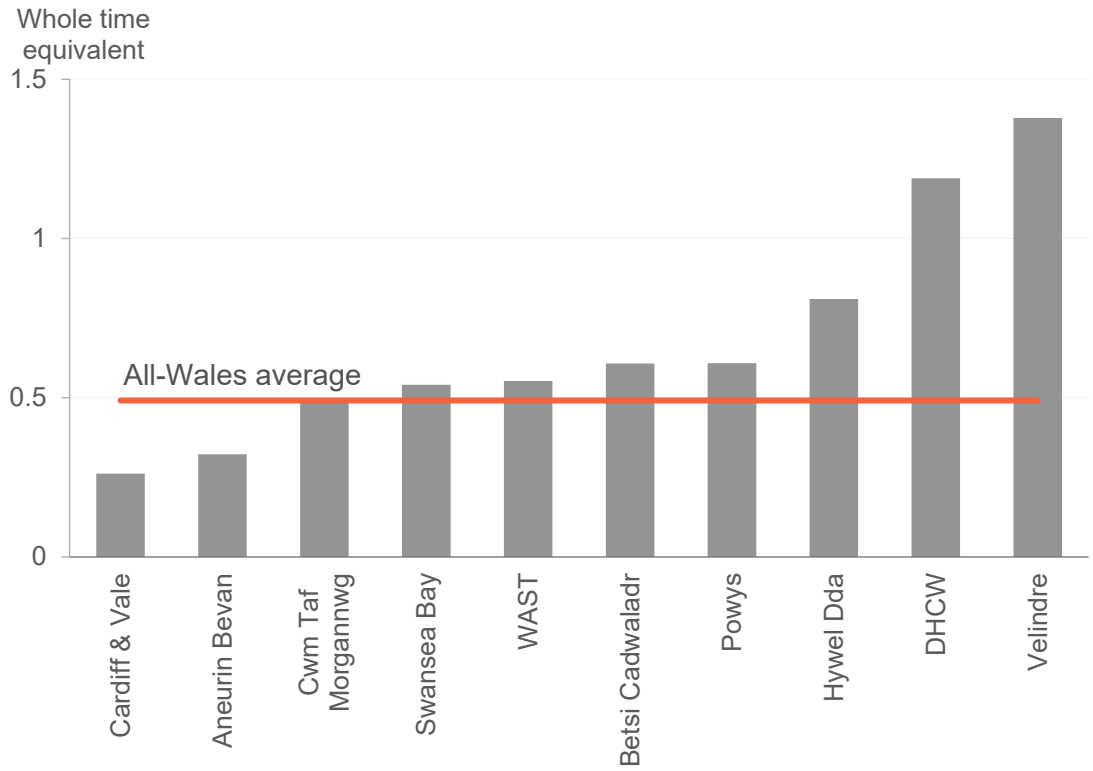
89 The Health Board uses maintenance policies, asset registers, and maintenance systems to monitor compliance across its estate and equipment. It also uses operational and corporate risk registers to record and escalate areas of non-compliance and related risks.

Managing the estate workforce

The Health Board has a well-staffed estates team and clear workforce plans, but training gaps, leadership changes and limited workforce data reduce assurance

90 The Health Board has a larger than average sized estates team. At the end of March 2025, it had 0.81 whole time equivalent staff in post per 1,000 m^2 occupied floor area, compared with the all-Wales position of 0.49 whole time equivalent (**Exhibit 6**).

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



Source: Audit Wales analysis of NHS data

91 The Health Board has carried out targeted reviews of staffing needs in key operational areas. One review of planned preventative maintenance found workforce and skills gaps were affecting compliance with Health Technical Memorandum requirements.

92 In response, the Health Board approved and recruited an additional 10.4 whole-time equivalent posts. It has already reported early improvements in maintenance performance indicators. The higher staffing levels shown in **Exhibit 6** are likely to reflect the recruitment of these additional staff.

93 The Health Board did not provide data on its use of external contractors. As a result, we could not assess how far contractors are used to supplement the in-house estates workforce.

94 The Health Board reports a low vacancy rate within its estates team. At the end of March 2025, the vacancy rate was 6.8% compared with the all-Wales average of 11.6%. The vacancy rate had improved to 1.6% by September 2025.

95 At the end of March 2025, the Health Board also reported a low sickness absence rate of 4.8% in its estates team. This is below the all-Wales average of 6.6%.

96 In 2024-25, the Health Board did not use agency staff to support its estates team. The Welsh Government required NHS bodies to stop using agency staff in estates by 30 September 2025, and the Health Board met this requirement.

97 The Health Board has recognised the need to modernise and strengthen its estates workforce. Its Estates Operational Workforce Plan, agreed in 2026, focuses on succession planning, training, and improving planned preventative maintenance compliance. The plan identifies several workforce risks, including an ageing workforce and potential retirements over the next few years. Fourteen per cent of the Health Board’s estates staff are aged over 60, compared with the all-Wales average of 25.4%.

98 The plan highlights that temporary arrangements for the Head of Estates and Facilities Operational Services have been a challenge over the last 12 months, following the absence of a Director of Estates and Facilities. The Health Board has reviewed the skills and capacity needed to meet key challenges over the next five years. It aims to align the workforce with its short, medium, and long-term priorities. Proposed changes to roles and responsibilities will be implemented through the organisational change process, following consultation with staff and stakeholders.

99 Despite delays caused by COVID-19, the Health Board is still committed to its apprenticeship programme. It plans to recruit eight apprentices across its four acute hospital sites by 2028. The programme is supported by funded workforce plans, partnerships with local colleges, mentoring arrangements, and succession planning to help address future retirements and skills shortages.

100 Completion of performance development reviews in the estates department was below the target of 85%. In March 2025, the completion rate was 82.9%. This has subsequently improved to 88% in July 2026.

101 The estates team has identified its training needs and monitors completion rates. However, gaps were identified in key areas, including violence against women, domestic abuse and sexual violence, infection prevention and control, information governance, and moving and handling. Compliance with core skills training has since improved to 93%.

102 We found limited evidence on how the Health Board trains estates staff to use digital estate management systems and other digital tools. Although the workforce plan identifies training needs and refers to improvements linked to a new CAFM reporting system, the evidence provided did not show the level of training completed, the costs involved, or staff competence in using these systems.

Recommendations

103 We have made five recommendations because of our work.

R1 The Health Board should ensure its new Estates Strategy and updated Property Asset Strategic Plan (2027-2030) set out clear priorities, milestones, targets, timescales, and accountability arrangements. The strategy should also show how equality considerations, socio-economic factors and stakeholder engagement inform estates planning and decision-making **(paragraphs 10 and 13)**.

R2 The Health Board should establish a strategic outcome measure for its estate, supported by clear targets and regular Board reporting. This would help demonstrate whether estate performance is improving over time **(paragraph 33)**.

R3 The Health Board should strengthen its asset management arrangements by developing a complete and reliable asset register and improving links between its systems. This would support more effective maintenance planning, compliance monitoring, and asset performance reporting **(paragraph 66)**.

R4 The Health Board should improve how it collects, records and reports information on the impact of estate condition on patient safety, staff experience, and service delivery. This should include information on estate-related incidents, as well as feedback from staff and patients **(paragraph 77)**.

R5 The Health Board should develop and implement a clear plan to improve statutory compliance. The plan should address outstanding fire and water safety risks and provide regular reports on progress, key risks, and planned actions **(paragraphs 82 and 85)**.

Appendices

1 About our work

Scope of the audit

We looked at the following areas, as they relate to estates, during the period March to May 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 using 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, including Integrated Quality, Finance and Performance Delivery Group, and Estates and Facilities Integrated Governance Group;
- key strategies and plans, including the Annual Plan, the Property Asset Strategic Plan, and the Capital Plan;
- key risk management documents including the Board Assurance Framework and the Corporate Risk Register.

We interviewed the following key stakeholders:

- Executive Director of Strategy and Planning;
- Executive Director of Allied Health Professions and Health Science;
- Head of Operational Estates and Facilities;
- Head of Property Performance;
- Health and Safety Manager, and Head of Estates, Risk, Compliance, Policy, and Systems.

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

2 Size and location of the Health Board's backlog maintenance

The map below shows the size and location of the Health Board's risk adjusted backlog in 2024-25. It excludes sites with a backlog of £1 million or less.

Exhibit 7: size and location of the Health Board's risk adjusted backlog, 2024-25 (£ million)



3 Key terms in this report

Term	Description
2018 Estatecode Wales	Gives detailed advice on how to manage land and buildings used for healthcare services.
A Healthier Mid and West Wales	Hywel Dda University Health Board's long-term strategy to improve health services by shifting more care closer to home, improving prevention and wellbeing, and developing sustainable hospital services and estate infrastructure.
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.
Corporate Landlord Model	An approach to estate management where responsibility for planning, investment, maintenance, and use of estate assets is coordinated through a central estates function, helping to support consistent decision-making and strategic use of resources.
DATIX	An electronic system used across NHS Wales to record, manage and analyse patient safety incidents, concerns, complaints, and risks.
Discretionary capital	Funds that an organisation can allocate at its own discretion.

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.
Health Technical Memorandum (HTM)	NHS technical guidance that sets standards for engineering, safety, and operations in healthcare estates to ensure safe and compliant environments.
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.
Occupied floor area	The total floor area of buildings in use to deliver NHS services, including spaces owned, leased, or used under agreements.
Occupeye	A sensor-based occupancy monitoring system that provides data on how workspaces are used, helping organisations improve space utilisation and estate planning.
Organisational change process	A structured way to plan and manage change. It helps organisations improve how they work and make changes in a clear, fair, and organised way, while keeping staff informed and services running effectively.

Term	Description
Physical condition B	Defined by the 2018 Estatecode Wales as below an acceptable standard, or unacceptable in its current condition, and often requiring full replacement.
Responsible Person	A senior manager with overall responsibility for ensuring that an estate or engineering system is safe, compliant with legal and HTM requirements, and managed by competent staff.
Risk-adjusted backlog	The estimated cost to fix maintenance issues, weighted by how serious the risk is to safety, services, or compliance.
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 area that is fully used as defined in the 2018 Estatecode Wales.
Targeted Estates Fund	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%.

4 Management Response

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R1 The Health Board should ensure its new Estates Strategy and updated Property Asset Strategic Plan (2027-2030) set out clear priorities, milestones, targets, timescales, and accountability arrangements. The strategy should also show how equality considerations, socio-economic factors and stakeholder engagement inform estates planning and decision-making (**paragraphs 10 and 13**).	The Health Board once the longer-term strategic plans linked to the AHMWW programmes are agreed with Welsh Government will develop a new Estates Strategy to support the delivery. In advance of this delivered an accelerated rationalisation programme and refresh the Property Asset Strategic Plan (2027-30). In parallel, the Corporate Landlord Model being established will aim to strengthen governance arrangements, delegated decision-making processes, asset-based planning and enhanced		

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	accountability mechanisms which directly support delivery of this recommendation. The Health Board can explore a strategic estates performance framework through the new Estates Strategy. The Corporate Landlord Business Case already proposes a comprehensive KPI framework including utilisation, maintenance, cost, project delivery and customer performance measures which will support strategic outcome reporting and monitoring. Actions:		

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	• Health Board to revise and endorse new Property Asset Strategic Plan – 2027/2028	June 2027	Head of Property
	• Health Board to revise and endorse new Estates Strategy to include framework and key metrics – 2028	June 2028	Head of Estates Operations
R2 The Health Board should establish a strategic outcome measure for its estate, supported by clear targets and regular Board reporting. This would help demonstrate whether estate performance is	This is being reviewed and will be in place with approval shortly. Actions:	March 2027 overall	Head of Estates Operations

Recommendation	Commentary on planned actions	Completion date	Responsible officer
improving over time (**paragraph 33**).	• Liaise with NWSSP for consultation on appropriate measure. Meeting agreed and in schedule. • Implementation and roll out monthly reporting for measure including in Estates CCG and inclusion within Performance Team reporting. • Seek Committee and/or Board approval for strategic outcome measure.	November 2026 November 2026 March 2027	Head of Estates Operations Head of Estates Operations Head of Estates Operations
R3 The Health Board should strengthen its asset	The Corporate Landlord Model provides a significant delivery	March 2028	Head of Property

Recommendation	Commentary on planned actions	Completion date	Responsible officer
management arrangements by developing a complete and reliable asset register and improving links between its systems. This would support more effective maintenance planning, compliance monitoring, and asset performance reporting (**paragraph 66**).	mechanism for this recommendation through improvements to asset information, system integration, planned maintenance planning, asset-level reporting, and asset challenge processes. Actions: • This will include delivery of new Estate code Facet estate surveys across the retained estate. The Health Board is exploring funding options in this respect. • Develop a risk-based asset management strategy setting out	June 2027 Linked to recommendation 1	Head of Property Head of Estates Risk and Compliance

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	our vision and goals for the Health Board. • Develop a system for the identification of estates Priority 1 assets (Phase 1). To support: • Statutory compliance management • Planned preventative maintenance (PPM) • Lifecycle replacement analysis and planning • Critical infrastructure resilience • EFPMS/estate reporting	August 2027	

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R4 The Health Board should improve how it collects, records and reports information on the impact of estate condition on patient safety, staff experience, and service delivery. This should include information on estate-related incidents, as well as feedback from staff and patients (**paragraph 77**).	Existing incident reporting and governance arrangements will be reviewed to strengthen the collection and reporting of estate-related safety, service and user experience information. Actions: • All Estates staff to be trained in use of Civica, agreed with Head of Patient Experience. Training to be scheduled.	December 2026	Head of Estates Operations
	• All Wales Peoples Experience Framework. Head of Patient Experience to send link to estates for review and training.	December 2026	Head of Estates Operations

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	• Routine and consistent of PI claims in partnership with Legal and Risk to review lessons learnt across the Estate.	August 2026 – Completed and ongoing	Head of Estates Operations
R5 The Health Board should develop and implement a clear plan to improve statutory compliance. The plan should address outstanding fire and water safety risks and provide regular reports on progress, key risks, and planned actions (**paragraphs 82 and 85**).	The Health Board will continue to strengthen fire and water safety improvement arrangements through existing programmes and governance structures. Actions: • Demonstrate good governance around meeting attendance and	December 2026	Head of Maintenance and Engineering

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	monitoring of performance for Fire Safety Group and Water Safety Group. Inclusive of minutes, actions, Terms of Reference, Risk escalation and reporting. Critical to show upward flow of risks to Health and Safety Compliance Group, and Health and Safety Committee.		
	• Provide report and evidence on Training Needs Analysis and implementation against these risks.	December 2026	Head of Maintenance and Engineering
	• Provide evidence on HB WHTM Approach and implementation of approved Water Safety and Fire Safety policies.	December 2026	Head of Estates Operations

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	• Document all audits against Fire and water from NWSSP within AMaT system and demonstrate completion of actions within assigned timeframes up to this agreed date.	July 2027	Head of Estates Operations
	• Demonstrate completion of major fire project works phase 2 at WGH and GGH to include reduction in risk score against Risk Reference 813.	December 2029	Head of Estates Operations

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.

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