Archwilio Cymru
Audit Wales

Are NHS estates fit for purpose?

Swansea Bay University Health Board

September 2026

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Contents

Audit snapshot

What we looked at

1 We looked at how well Swansea Bay 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 An outdated estate can also affect service performance, be less energy efficient, and be a barrier to providing modern healthcare.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 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 clear vision for its estate. However, the estates strategy's poor alignment with other organisational strategies and plans, the lack of clear milestones, and an unaffordable financial plan reduce the Health Board's ability to achieve long-term change. While accountability is clear and Board-level oversight is improving, gaps in performance reporting, slow operational changes, and poorly controlled high operational risks weaken effective management.

6 The Health Board has strong processes to prioritise and monitor capital investment, but late funding and end-year spending pressures reduce efficiency and financial control. Although the estate is comparatively modern with low backlog risk, issues with condition, planning, and efficiency reduce performance and increase operational risk.

7 The Health Board also faces wider challenges that increase risk to services. Weak risk and compliance processes, rising incidents, and limited action on known issues expose patients and staff to avoidable risk. At the same time, workforce pressures, including vacancies and capacity gaps, increase costs and limit the Health Board's ability to sustain services and respond to future demands.

What we recommend

8 We have made eight recommendations to the Health Board which focus on:

- updating the estate strategy;
- setting clear milestones and targets to track delivery of the strategy;
- implementing an estates performance dashboard;
- strengthening operational risk management;
- completing work in its asset register;
- collecting and reporting staff and patient views of the estate;
- strengthening reporting on statutory compliance; and
- developing and implementing a clear estates workforce plan.

Key facts and figures

102	Number of buildings managed by the Health Board in 2024-25.
£17.5 million	Capital monies used to improve estates in 2025-26 (excluding end-year funding).
£76.2 million	Cost to eradicate risk-adjusted backlog in 2024-25, an increase of 169.2% since 2022-23. High-risk backlog accounts for £10.3 million.
7.9%	Percentage of the 2,335 issues addressed following fire safety assessments in 2024-25 at the end of September 2025.
137	Number of estates related clinical incidents in 2024-25.
13.8%	Vacancy rate in estates at the end of March 2025, compared to an all-Wales position of 11.6%.
7.5%	Sickness absence rate at the end of March 2025, compared to an all-Wales position of 6.6%.

Our findings

Strategic approach to estates

The Health Board has a clear estate vision, but its strategy lacks milestones, an affordable financial plan, and alignment with other plans, limiting delivery of long-term change

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

10 It has an estate strategy for 2023-2033, which the Board approved in May 2023. We found that it outlines an ambitious vision for transforming the Health Board's acute, community and mental health estate. It also sets out major programmes for backlog maintenance, decarbonisation, and the planned use of individual sites.

11 Positively, the strategy:

- draws on reliable data available at the time of its development;
- reflects opportunities to work in partnership with others. Specifically, it refers to the regional cellular pathology network, and regional orthopaedic and ophthalmology programmes; and
- reflects the Health Board's commitments to environmental sustainability, energy efficiency, and biodiversity.

12 However, the strategy does not:

- align with the Health Board's recently published long-term strategy;
- align with the Health Board's workforce or digital strategies;
- include clear milestones or targets;

- set out how it supports the delivery of national priorities including ‘A Healthier Wales’, the Well-being of Future Generations (Act) 2015, and national clinical frameworks;
- reflect the Health Board’s duties under the Equality Act 2010 and the socio-economic duty with respect to estates; and
- have an underpinned financial plan which is affordable.

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

Governance arrangements for managing estates

There is clear accountability and improving oversight for estates, but inadequate performance reporting, delayed operational changes, and poorly controlled risks limit effective estate management

Lines of accountability

14 The Health Board has clear lines of accountability for managing its estate.

15 Overall executive responsibility for estates sits with the Interim Executive Director of Finance. The Director of Capital and Estates, appointed in 2023 when the capital and estates functions were brought together, leads day-to-day delivery. The Assistant Director Estates provides support.

Corporate oversight

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

17 The Health Board recognises the significant issues with its estate and the need for strong oversight. The Board has a nominated its Independent Member for Estates, who is also the Vice Chair. This role provides additional independent challenge and strengthened Board ownership of estate issues.

18 In March 2025, the Health Board set up a temporary Capital and Estate Taskforce, chaired by the Independent Member for Estates. The taskforce's role was to provide strategic oversight of the estate strategy and give regular updates to the Performance and Finance Committee. In March 2026, the Health Board agreed to make the taskforce a formal sub-group of the committee. It will continue to review progress, monitor delivery, and report on achievements, finances, risks, and key challenges.

19 The Health Board has also strengthened oversight through targeted Board development sessions. In June 2025, Independent Members received a detailed briefing and visited sites with the estates team to see key issues firsthand. More sessions are planned for 2026-27, starting with a focus on the Mental Health estate in June 2026.

20 The Performance and Finance Committee has clear responsibility for overseeing and seeking assurance on estates and capital matters. This includes delivery of the estate strategy, managing backlog maintenance risk, ensuring statutory compliance, overseeing capital investment, and escalating key risks to the Board.

21 The committee receives regular reports on estates. The estates team provides a quarterly operational update, and the committee also receives reports on the capital plan, including estates spending, and progress with the estates organisational change process.

22 The committee escalates issues to the Board using the standard 'Triple A' (Alert, Advise, and Assure) reporting format. These reports clearly set out the main challenges facing the estates function, including:

- a history of underinvestment;
- limited staff capacity and capability;
- low staff morale;
- weak procurement experience;
- fragmented business intelligence; and
- the impact of staff vacancies.

23 These updates are comprehensive, but they are mostly narrative and do not give a clear view of performance. The Health Board has recognised this gap and plans to introduce an estates performance dashboard.

24 The current absence of a more data-driven performance report reflects the fragmented nature of business intelligence arrangements within the organisation. The proposed dashboard will initially report key measures, such as compliance, risk reduction, reactive maintenance, backlog, cost savings, and workforce data. It would also be beneficial for future development to include measures of clinical incidents attributable to estate issues and near misses.

25 Future reports will also confirm staff training and competence, and track sickness absence and overtime, so managers can act early. However, the Health Board has not yet set a timetable for introducing these changes.

Operational management

26 The operational structure for estates is changing. In November 2025, the Health Board brought forward proposed changes to improve the capability and overall effectiveness of its estates team. These include new shift patterns, updated site-working arrangements, and a revised team structure.

27 The Health Board is implementing these changes in a phased way, through a three-year operational change process. However, progress is behind schedule. The first phase includes leadership appointments, introducing clearer roles, and creating a new administrative team. It was due to be completed by March 2026 but is now delayed until July 2026. This delay is likely to affect the delivery of later phases.

28 Several forums support day-to-day estate management. These include local service group meetings and monthly meetings with Operational Directors. Estates staff also attend Service Group Health and Safety Group meetings to identify and address estate-related risks. The Capital and Estates Board oversees governance of the estates function. Key issues are reported to the Performance and Finance Committee through the quarterly operational update.

Managing estate risks

29 The Health Board has appropriate processes in place to manage estates risks.

30 Estate risks appear on both the strategic and corporate risk registers. The Health Board identifies actions, named leads, and timescales to reduce these risks. However, the risk registers show variable control effectiveness and only a moderate level of assurance. Despite these arrangements, risk scores have not reduced, suggesting that current actions are not yet sufficiently effective in reducing estates risk.

31 At an operational level, the Health Board recently reset its estates risk register. This created a comprehensive register with 85 risks covering workforce, compliance, business continuity, and infrastructure. The register shows strong risk identification practices and reflects the size and complexity of the estate.

32 However, overall operational risk is still high and ongoing. Many operational risks score between 16 and 25. Of these, 41 have weak controls. Key issues include shortages of Authorised and Competent Persons across WHTM (Welsh Health Technical Memoranda) disciplines; ageing and non-compliant infrastructure; limited decant capacity; and single points of failure in essential systems such as power, steam, and water. These issues limit the Health Board's ability to reduce risk effectively.

33 The Health Board is working to align risks to DATIX, and weekly reviews by a compliance manager help maintain oversight. However, there are still gaps in how operational risks are managed. A key issue is the lack of a specific risk linked to the organisational change process, even though this is critical for resolving underlying problems. New operational risks also lack formal review dates. In addition, risk scoring and supporting evidence are not always consistent or clear.

Using financial resources to improve estates

The Health Board's processes for prioritising and monitoring capital funding are strong, but late funding and end-year spending pressures reduce efficiency and financial control

Funding prioritisation process

34 The Health Board has a robust approach to prioritising the capital funds available to improve its estate.

35 In 2025-26, the Health Board had £13.2 million of discretionary funding and dedicated funds to invest in its estate. 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	5.2	4.8	4.1
Estates and Facilities Advisory Board (EFAB) funding	2.5	4.4	-
Targeted Estates Fund (TEF)[1]	-	-	9.1
TOTAL	**7.7**	**9.2**	**13.2**

Source: Audit Wales analysis of financial monthly monitoring returns

[1] 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.

36 In 2025-26, the Health Board also received £4.3 million in all-Wales capital funding for estates, in addition to its TEF allocation. This funding supported backlog maintenance and other estates projects, such as emergency lighting and roof repairs.

37 In total, the Health Board has received £17.5 million for its estate. This is much lower than the £76.2 million needed to address risk-adjusted backlog and £161.3 million needed to reach physical condition B estimated in 2024-25.

38 The Capital Prioritisation Group provides a clear and structured way to identify and rank the Health Board's capital investment needs. It supports the development of annual and five-year capital programmes, within Welsh Government funding limits, for Health Board approval.

39 The group has clear membership and is chaired by the Assistant Director of Capital. It includes key functions such as estates, finance, procurement, and digital. This supports informed scrutiny of affordability, deliverability, and infrastructure impacts. The group meets quarterly and reports to the Director of Capital and Estates. It provides assurance on how capital plans are developed and prioritised.

40 The Health Board assesses capital schemes using clear, scored criteria. These focus on maintaining essential services, including physical infrastructure, maintenance, IT infrastructure, and equipment. They also ensure compliance with legal and regulatory requirements and aim to improve the patient environment through modernisation and better facilities.

41 The Health Board allocates at least 30% of its discretionary capital to support TEF schemes, in line with Welsh Government requirements. A dedicated TEF Steering Group oversees this funding. The group meets monthly to monitor progress, delivery, and governance of funded projects.

Monitoring and managing capital funds

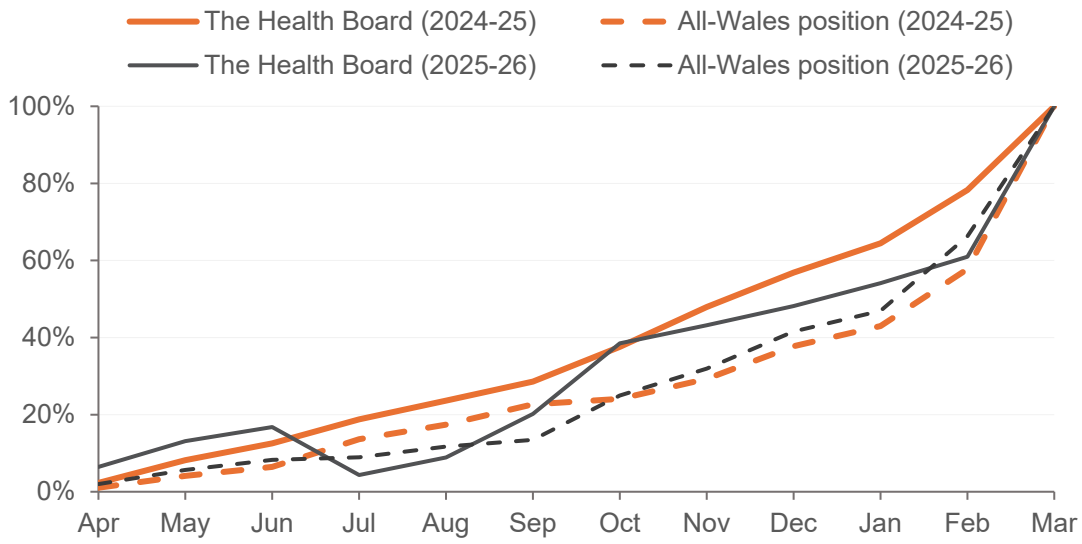
42 The Health Board has a strong approach to monitoring and managing how it spends capital funds.

43 It has a Capital Management Group (CMG) to oversee the capital programme, which monitors how projects are developed, delivered, and funded. The CMG provides a clear forum to track progress and manage spending throughout the financial year.

44 The CMG receives monthly reports from capital budget holders. These cover progress, spending against approved budgets, and key risks or issues that need attention. This regular reporting supports strong oversight and allows timely action when issues arise. The CMG also receives detailed updates on the capital plan, including planned and actual spend, delays and overspends. It maintains a list of approved schemes and identifies projects that can use any available funds if others are delayed.

45 We reviewed spending against the Health Board's discretionary allocation for estates 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 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

46 In 2025-26, the Health Board received an extra £4.5 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.

47 The CMG has a suitable and balanced membership, with senior finance and estates staff included. This supports strong financial control, challenge, and decision-making on capital investment. However, procurement is managed through finance and estates rather than a dedicated procurement representative. Given the scale and complexity of capital projects, adding a procurement representative would strengthen the group's procurement expertise and improve assurance on procurement compliance, value for money, and risks.

48 The group has clear terms of reference, setting out its purpose, responsibilities, membership, and reporting lines. The group meets monthly, which provides regular oversight of capital spending, programme delivery, and related risks.

49 In addition to the CMG, the Planning and Finance Assurance Group (PFAG) reviews capital business cases. This helps ensure proposals align with strategic priorities and that financial, procurement, and risk issues are fully considered.

50 PFAG oversight, supported by the Deputy Director of Planning and Partnerships, ensures that capital proposals align with the Health Board's Annual Plan and, where relevant, the Regional Partnership Board's priorities. This provides assurance that investment decisions support the Health Board's wider plans.

51 The CMG reports primarily to the Health Board's Management Board. If proposals exceed delegated approval limits, the groups escalate them to the Board for decision. This provides a clear and structured escalation route.

52 The CMG also reports to the Performance and Finance Committee. It provides updates and recommendations in line with the committee's scrutiny and decision-making role.

53 The Health Board is exploring alternative funding models for estates. For example, it received funding through the Swansea Bay City Deal to support a hybrid planning application for the Morriston Hospital site and a new access road. This included a £960,000 contribution towards design costs.

54 The Health Board has also worked with the West Glamorgan Regional Partnership Board to secure design funding. This will support business cases for a new learning disabilities home in Dan-y-Deri and a replacement for Cymmer Health Centre.

55 There is clear reporting of capital funds outside the estates function through the Population Health Committee. The regular Partnerships Update, which covers the West Glamorgan Regional Partnership Board, includes a dedicated capital section. This gives a summary of progress to date and the forecast year-end financial position.

Ensuring an efficient and productive estate

The estate is relatively modern with low backlog risk, but weaknesses in condition, maintenance planning, management information, and efficiency increase risk and limit performance

Condition of the estate

57 The Health Board's estate is comparatively newer and has a lower backlog risk, but its overall condition is slightly poorer in places and may require higher investment to improve.

58 Compared with the all-Wales position, the Health Board has a low proportion of the estate built before 1948. However, the proportion of the estate built before 1995 is just above the all-Wales average. The cost to remove high-risk backlog per square metre is significantly lower than the national average. However, a smaller share of the estate meets the required physical condition standard. The cost to achieve physical condition B is higher than the national average (**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[2]
% of estate built before 1948	2.9	13.5
% of estate built before 1995	68.6	63.9

[2] 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[2]
Cost to remove high-risk backlog per m^2 occupied floor area (£)	39.80	164.60
Cost to remove high and significant-risk backlog per m^2 occupied floor area (£)	286.24	458.43
% of estate meeting physical condition standard B	73	83
Cost to reach physical condition B per m^2 occupied floor area (£)	620.36	538.54

Source: Estates and Facilities Performance Management System

59 Across the Health Board's sites, the cost to remove high-risk backlog is highest at Morriston Hospital, at £68.75 per m^2 occupied floor area. The cost to reach physical condition B is highest at Tonna Hospital, at £1,909.02 per m^2 occupied floor area.

60 The Health Board has a good understanding of its maintenance backlog, based on a six-facet survey completed in 2022. This survey covered the whole estate, including primary and community care sites. It assessed physical condition, functionality, space use, quality, compliance, and environmental performance at the time. The Health Board is only one of three NHS organisations in Wales to have completed a six-facet survey in recent years.

61 However, six-facet surveys become outdated quickly because they only reflect the condition of the estate at a point in time. As a result, the data becomes less accurate over time. Since 2022, the Health Board's estate has changed due to ageing buildings, new compliance requirements, and changing service needs. Relying only on this survey increases the risk of making decisions based on information that no longer reflects the current position. The six-facet survey method also does not assess areas hidden behind walls, above ceilings, or inside plant rooms. As a result, infrastructure risks may not be fully identified.

62 The Health Board has confirmed that none of its buildings contain Reinforced Autoclaved Aerated Concrete (RAAC).

63 The Health Board does not have an up-to-date Planned Preventative Maintenance (PPM) schedule. The underlying asset register, which has been significantly out of date for at least 10 years, is currently being developed for the Morriston and Singleton sites to support implementation of the Computer Aided Facilities Management (CAFM) system. Once complete, the system should support planned maintenance in line with SFG20 and Health Technical Memorandum (HTM) standards. Some planned maintenance is taking place, but spending on reactive maintenance is much higher. This indicates a continued reliance on reactive work, which increases risk and reduces value for money.

Robust management information

64 The Health Board is improving how it uses management information to oversee its estate. The upgraded CAFM system provides a strong platform, with accurate and near real-time data on maintenance activity and helpdesk demand.

65 However, at the time of our review, the asset register used by the CAFM system was at least two years out of date. 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 stay compliant. The Health Board was updating the register during our review.

66 As mentioned earlier, the Health Board has not yet embedded performance and workforce reporting, limiting oversight. Although plans are in place to introduce KPIs and strengthen workforce data, no clear timetable has been set, meaning the Board cannot yet rely on this information.

Maximising productivity and efficiency

67 The Health Board is taking limited action to improve productivity and efficiency.

68 Compared to the all-Wales position, the Health Board performs less well in functional suitability and space use. Performance in both areas has declined over the past two years. Energy performance has improved, but it is still above the all-Wales average (**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[3]
% of estate functionally suitable	73	84
% of space utilisation	87	92
energy performance (kilowatts(kw))	396	367

Source: Estates and Facilities Performance Management System

69 Across the Health Board's sites, Cefn Coed Hospital has the lowest functional suitability at 35%. Cefn Coed and Gorseinon Hospitals also have the lowest space use, both at 65%.

[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.

70 The Health Board does not have a separate estate disposal strategy. The current estates strategy identifies some disposal options, but only for seven buildings on its acute sites. It does not cover primary or community care sites. Despite this, the Health Board has sold three sites since 2022, generating £960,000 in capital receipts.

71 In some cases, the Health Board cannot easily sell or reuse sites due to legal restrictions. These include:

- limits on using Tŷ Garngoch Hospital land only for an isolation hospital or public park;
- requirements to protect a water supply at Cefn Coed Hospital;
- a Private Finance Initiative (PFI) lease at Neath Port Talbot Hospital, which runs until 2030; and
- public access and environmental rules at Hafod Y Wennol, including a footpath and protected trees.

72 The Health Board has invested in technology to modernise its estate and reduce carbon emissions. It runs the UK's first solar farm linked directly to a hospital. The scheme provides about one-third of Morriston Hospital's electricity. It also saves around £0.9 million to £1.2 million each year and cuts carbon emissions by around 3,400 tonnes of CO_2.

73 The Health Board has also made further improvements through the Welsh Government RE:FIT programme. These include LED (light emitting diode) lighting, energy-efficient ventilation systems, and better insulation. Compared with the all-Wales position, the Health Board has a higher share of internal floor space covered by LED lighting (57.2% compared to 45.4%).

Supporting the quality of care

The Health Board's weak safety risk and compliance processes, rising incidents, and limited action on known issues present risks to patients, staff, and service delivery

Minimising harm to patients and staff

75 The Health Board has weak processes to manage and reduce the safety risks arising from the condition of its estate. These risks affect both staff and patients.

76 Estates-related issues, incidents, and safety risks are reported through DATIX and escalated to the Health and Safety Committee when needed. A regular compliance report groups incidents by type. However, the report is too high-level, and it does not always explain what actions are taken or show if safety risks have reduced. As a result, the Board lacks sufficient assurance that these risks are being well managed.

77 Incident data shows a year-on-year increase in estates incidents since 2022. Reported incidents rose from 72 in 2022-23 to 137 in 2024-25, but the data does not explain why this has happened. The increase may reflect worsening estate conditions, better reporting, improved staff awareness, or a mix of these factors. We also note that some incidents recorded on Datix may reflect service requests rather than true incidents, which can affect the overall picture. However, without trend analysis and clearer explanation, the Board cannot fully understand the causes or take targeted action.

78 At the time of our review, the Health Board had identified major estates issues within its mental health transformation programme. These issues create serious risks to patient safety and experience. Some work had started, but limited resources slowed progress.

79 The Health Board does not routinely collect or report combined data on staff or patient views of estate condition or satisfaction. Although issues are recorded through the estates helpdesk, there are no formal processes to analyse this data or report it clearly to the Board or its committees. This limits effective oversight and assurance.

Ensuring compliance

80 The Health Board has weak processes to ensure its estate meets legal requirements. There are also significant gaps in compliance.

81 Compared to the all-Wales position, the Health Board performs less well on statutory health and safety and fire safety requirements. Performance in both areas has declined 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)

Indicator	The Health Board	All-Wales position[4]
% of occupied floor space meeting statutory health and safety requirements	75	84
% of occupied floor space meeting statutory fire safety requirements	78	86

Source: Estates and Facilities Performance Management System

[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 Across the Health Board's sites, Cefn Coed Hospital has the lowest level of occupied floor space meeting statutory health and safety requirements, at 13%. It is the only hospital site in Wales below 50%. Fire safety compliance is consistent across all sites.

83 The Health Board has completed only 64% of required fire risk assessments. In 2024-25, these assessments found 2,335 issues. However, only 7.9% of these issues have been fixed at as September 2025. However, these figures should be interpreted with caution, as the action lists can include items that have not yet been fully validated with Estates teams and, in some cases, may not be deliverable without significant capital investment. This limits assurance that fire safety risks are being properly managed.

84 The Health Board does not meet water safety requirements. Its Water Safety Policy expired in October 2024 and was under review at the time of our work. A 2022 independent audit identified several concerns. Our analysis shows that, of the 1,812 issues found in 2022, only 150 (8.3%) have been resolved. This poses a significant legionella risk.

85 At the time of our review, the Health Board had not received any enforcement notices from the Health and Safety Executive. However, it had received an informal fire notice from the National Fire Chiefs Council relating to obstructed fire doors at Morriston Hospital. Such notices highlight fire safety concerns that require prompt action but have not been escalated to formal enforcement.

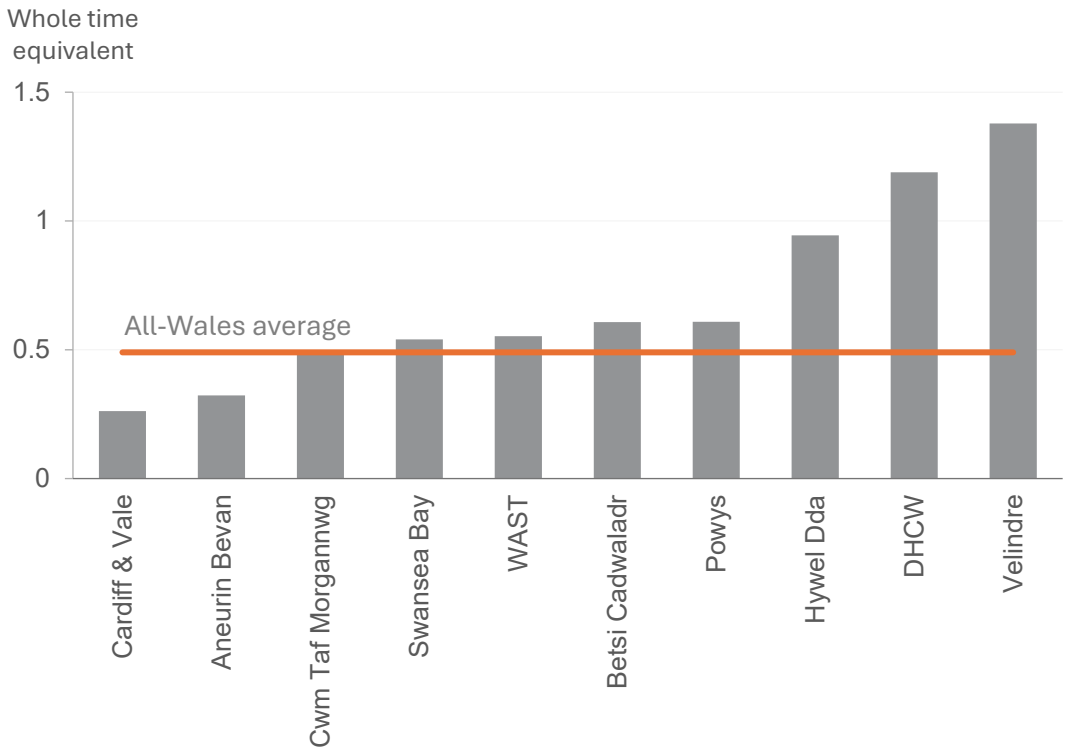
86 The quarterly operational update report gives some assurance to the Performance and Finance Committee on compliance and governance, including input from technical safety groups. It highlights key risk, such as asbestos. However, it does not provide a detailed view of compliance with statutory and safety requirements. Issues with fire and water risk assessments are noted but reported through operational risk registers rather than as part of a single, clear compliance report.

Managing the estate workforce

The estates workforce faces challenges, including vacancies, sickness absence, and an ageing workforce, which limit capacity, increase costs, and risk service delivery and sustainability

87 The Health Board has an average sized estates team. At the end of March 2025, it had 0.54 whole time equivalent staff in post per 1,000 m^2 of occupied floor space, compared with the all-Wales position of 0.49 whole time equivalent (**Exhibit 6**). At the time of our work, the Health Board reported that it used contractors to supplement internal capacity and address capability gaps.

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



Source: Audit Wales analysis of NHS data

88 The Health Board reports a high level of vacancies in its estates team. At the end of March 2025, the vacancy rate was 13.8% (22.5 whole time equivalent posts), above the all-Wales rate of 11.6%. Although vacancies reduced to 18.7 whole time equivalent posts by September 2025, they are still high. At the time of our work, it had temporarily restricted recruitment to essential posts only because of financial pressures. It also reports difficulties recruiting skilled estates staff, particularly as it cannot match private sector pay rates.

89 In 2024-25, the Health Board spent £181,000 on agency staff to support its estates team. It also spent £1.588 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, the Health Board met this target.

90 At the end of March 2025, the Health Board also reported a high sickness absence rate of 7.5% in its estates team. This places further pressure on capacity.

91 Limited estates staff capacity is also restricting the Health Board's ability to support community, mental health, and primary care services. Ongoing gaps in service cover, including for new schemes such as Tŷ Samlet, increase the risk to business continuity and can lead to costly reactive responses. Without enough staff to provide routine and reliable estates support across non-acute settings, the Health Board cannot be confident it can sustain services safely or deliver new models of care.

92 The planned exit of the Private Finance Initiative (PFI) at Neath Port Talbot Hospital in May 2030 will place added pressure on the Health Board's estates workforce. The Health Board is developing plans to take on responsibility for maintaining the estate. However, it is not yet clear if it has enough in-house staff, skills, or systems to manage full maintenance duties. At the time of our work, plans to reduce the related operational, financial, and patient care risks were still in development.

93 At the end of March 2025, the Health Board had the highest proportion of estates staff aged over 60 in Wales, at 34.8%, compared with the all-Wales average of 25.4%. Positively, it is using apprenticeships to build future capacity, with three apprentices in post at that time.

94 The Health Board does not have a clear workforce plan for its estates function. It has recognised this gap and plans to develop both a workforce development plan and a succession plan. However, at the time of our work, both plans were still in development.

95 The Health Board has not explored opportunities to work with other organisations to address current and future workforce challenges.

96 The Health Board monitors training compliance for its estates staff, but performance is below target. In 2024-25, compliance with statutory and mandatory training was 81% against a target of 85%. The main gaps were in fire safety, moving and handling, and infection prevention and control.

97 Completion of performance development reviews met the target at 85%.

98 In 2025-26, the estates training budget was doubled to £100,000, and a training needs analysis has started. However, there is limited evidence on how training priorities will be delivered or how their impact will be measured.

99 The Health Board is not ensuring that estates staff are trained to use digital solutions that support estate management.

Recommendations

100 We have made eight recommendations because of our work.

R1 The Health Board should update its estates strategy, so it clearly aligns with its long-term strategy and workforce and digital plans. It should also show how the estates strategy supports national priorities, including ‘A Healthier Wales’, the Well-being of Future Generations Act, and other key policy frameworks (**paragraph 12**).

R2 The Health Board should strengthen its estates strategy by setting clear milestones, targets, and timescales, with defined ownership and regular reporting to the Board and Performance and Finance Committee to improve accountability and delivery (**paragraph 12**).

R3 The Health Board should implement its estates performance dashboard, review it regularly through the Capital and Estates Taskforce, and ensure clear routes are in place to escalate key issues and risks to the Performance and Finance Committee. The dashboard should also include measures relating to clinical incidents and near misses arising from estates issues **(paragraph 23-25).**

R4 The Health Board should strengthen how it manages estates risk by improving risk scoring, setting review dates, and ensuring key risks. It should include organisational change and business continuity risks (**paragraph 33**).

R5 The Health Board should complete the asset register for the Morriston and Singleton sites as a priority to support the CAFM system. It should also establish a clear plan to extend coverage to include its entire estate **(paragraph 63)**.

R6 The Health Board should set up clear processes to collect, review, and report data on staff and patient views of estate condition and satisfaction, including helpdesk data, and report this regularly to the Board and its committees (**paragraph 77**).

R7 The Health Board should strengthen reporting on statutory compliance by providing regular assurance to senior management and the Board on compliance status, risks, and progress in completing checks and addressing issues **(paragraphs 83 and 84).**

R8 The Health Board should develop and approve its estates workforce and succession plans at pace. These should address vacancies, future staff needs, skills gaps, training (including digital systems), and opportunities to work with others. They should also show how the Health Board will ensure it has enough staff with the skills to meet future pressures and demand, including the planned PFI exit at Neath Port Talbot Hospital (**paragraph 94**).

Appendices

1 About our work

Scope of the audit

We looked at the following areas, as they relate to estates, during the period January 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 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, including Performance and Finance Committee and Capital and Estates Taskforce terms of reference.
- Key strategies and plans, including the Estate Strategy, Annual Plan and Capital Plan.
- Key risk management documents including the strategic and operational risk registers.

- Relevant operational committee minutes and agendas including the Capital and Estates Board.

We interviewed the following key stakeholders:

- Independent Member for Estates
- Executive Director of Finance and Performance
- Interim Director of Capital Planning and Estates
- Assistant Director of Finance (Strategy and Planning)

At the time of our review, the Assistant Director of Estates was unavailable.

We held two focus groups with the:

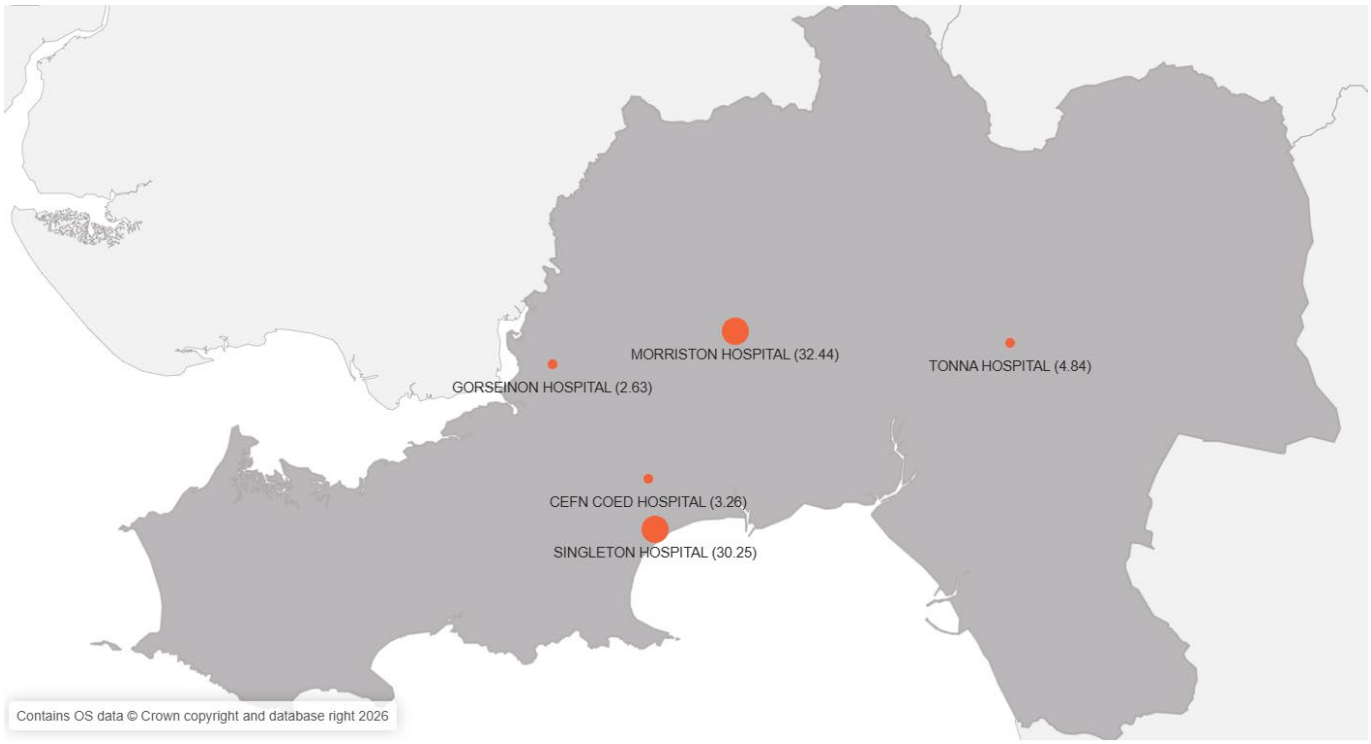
- Capital Support Manager, Deputy Capital; Business Manager and Executive Support; and
- Fire Safety Lead, Head of Estate Maintenance and Health and Safety Lead.

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 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)



Source: Estates and Facilities Management System (EFPMS)

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.
Authorised and Competent Persons across WHTM (Welsh Health Technical Memoranda) disciplines	People who are formally trained, assessed and approved to carry out specific safety-critical duties in line with the WHTM standards.
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.
Decant capacity	Available space used to temporarily move services or patients while buildings are repaired, upgraded, or replaced.
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.
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.
Physical condition B	Defined in the 2018 Estatecode Wales as sound, operationally safe, and showing only minor deterioration.

Term	Description
Private Finance Initiative (PFI)	A long-term contract where a private company funds, builds, and maintains NHS facilities, and the NHS pays an annual fee until the asset returns to NHS ownership.
Risk-adjusted backlog	The estimated cost to fix maintenance issues, weighted by how serious the risk is to safety, services, or compliance.
Service group	Part of the Health Board structure that manages and delivers a group of related services. There are currently four service groups: Morriston, Singleton and Neath Port Talbot, Primary and Community, and Mental Health and Learning Disabilities.
SFG20	The UK standard for planned preventive maintenance, providing a continually updated set of maintenance schedules based on legislation, regulations, and best practice.
Significant-risk backlog	Repairs or replacements that need urgent action to avoid compliance concerns or risks to safe healthcare delivery.
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.
Space use	The percentage of occupied floor space that is fully used as defined in the 2018 Estatecode Wales.

Term	Description
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%.
Welsh Government RE:FIT framework	A Welsh Government–supported framework that helps public bodies improve energy efficiency in buildings, with projects delivered by approved providers and savings guaranteed through contracts.
Welsh Health Technical Memoranda (WHTM) standards	Welsh guidance that sets out how NHS buildings and systems should be designed, maintained and operated to keep patients and staff safe.

4 Management Response Form

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R1 The Health Board should update its estates strategy, so it clearly aligns with its long-term strategy and workforce and digital plans. It should also show how the estates strategy supports national priorities, including 'A Healthier Wales', the Well-being of Future Generations Act, and other key policy frameworks	An updated Estates Strategy will be developed over the next 12 months to support the Health Boards Transforming for the Future Plan Clinical Service Plan and 5–10-year capital plan highlighting significant backlog maintenance risks within the Health Board's Estate, in line with Estatecode HBN00-08 providing best practice to NHS organisations in Wales. This will include update of EFPMS and Building Management systems.	30 September 2027	Director of Capital & Estates
R2 The Health Board should strengthen its estates strategy by setting clear milestones, targets,	Following the development of the updated Estates Strategy, timescales, monitoring and ownership will be strengthened through reporting mechanisms to the	30 September 2027	Director of Capital & Estates /

Recommendation	Commentary on planned actions	Completion date	Responsible officer
and timescales, with defined ownership and regular reporting to the Board and Performance and Finance Committee to improve accountability and delivery	newly established Capital Management Group and the Capital, Asset and Land Committee. Formal progress reports will provide oversight of performance against agreed milestones, identify risks and mitigating actions, and highlight areas requiring further intervention. These arrangements will strengthen accountability, support delivery of the Estates Strategy and provide regular assurance to the Board on progress against strategic objectives, with clear timescales and monitoring against the Health Board 10 year plan.		Director of Finance
R3 The Health Board should implement its estates performance dashboard, review it regularly through the Capital and Estates Taskforce, and ensure clear routes are in place to escalate key issues and risks to the Performance and Finance Committee. The dashboard should also include measures	The new Estates Strategy will support the implementation of an Estates CAFM Performance Dashboard, enabling effective monitoring of estate performance, estates-related clinical incidents and near misses, regular oversight through the Capital and Estates Taskforce, and the escalation of key risks and issues to the Performance and Finance Committee.	30 September 2027	Director of Capital & Estates / Director of Finance

Recommendation	Commentary on planned actions	Completion date	Responsible officer
relating to clinical incidents and near misses arising from estates issues			
R4 The Health Board should strengthen how it manages estates risk by improving risk scoring, setting review dates, and ensuring key risks. It should include organisational change and business continuity risks	The Health Board accepts this recommendation. We will strengthen estates risk management arrangements by reviewing the current estates risk register to ensure risks are consistently scored in line with the Health Board's risk management framework. All risks will have clearly defined review dates and assigned risk owners to support ongoing monitoring and assurance. We will also undertake a comprehensive review of the register to ensure that all significant estates-related risks are captured, including organisational change and business continuity risks. Regular reviews will be incorporated into the governance process to ensure risks remain current, appropriately assessed, and picked up in the estates safety groups aligned with strategic and operational priorities.	31 March 2027	Assistant Director Estates / Head of Engineering Estates

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R5 The Health Board should complete the asset register for the Morriston and Singleton sites as a priority to support the CAFM system. It should also establish a clear plan to extend coverage to include its entire estate	In parallel, the Estates Department will develop a phased programme to extend asset register coverage across the wider estate. This programme will prioritise remaining sites based on risk, operational criticality and service requirements, with the aim of establishing a single, comprehensive asset register aligned to the CAFM system. Progress will be monitored through the Estates governance structure, with regular reviews to ensure data quality, consistency and completion of the programme within agreed timescales. The completion of this work will strengthen asset management arrangements, improve the quality of estate information available for decision-making and support the delivery of the Health Board's wider estate strategy. We envisage this work to be completed within 12 months.	31 August 2027	Head of Engineering Estates

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R6 The Health Board should set up clear processes to collect, review, and report data on staff and patient views of estate condition and satisfaction, including helpdesk data, and report this regularly to the Board and its committees	The Health Board accepts this recommendation. We will establish a clear and consistent process for collecting, reviewing, and reporting Helpdesk information on staff and patient perceptions of estate condition and service satisfaction. This will include feedback from existing staff and patient engagement mechanisms, complaints and compliments, surveys, and Estates Helpdesk performance and service-request data. Arrangements will be developed to analyse and triangulate this Helpdesk information to identify trends, areas of concern, and opportunities for improvement. Regular performance and satisfaction reports will be produced and presented through the appropriate governance structures, including reporting to the Board and relevant committees, to provide assurance on the quality, condition, and effectiveness of the estate and the services supporting it.	31 January 2027	Head of Engineering Estates

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R7 The Health Board should strengthen reporting on statutory compliance by providing regular assurance to senior management and the Board on compliance status, risks, and progress in completing checks and addressing issues	Regular compliance reports are currently presented through the established governance structure i.e. Capital and Estates Board, Capital Management Group, Performance and Finance Committee, providing clear visibility of statutory compliance performance, outstanding actions, risks and mitigating controls. However, the arrangements and focus are currently being reviewed as part of the wider committee structure review, and the recommendation will form part of this review.	31 December 2026	Assistant Director of Estates/Director of Corporate Governance
R8 The Health Board should develop and approve its estates workforce and succession plans at pace. These should address vacancies, future staff needs, skills gaps, training (including digital systems), and opportunities to work with others. They should also show how the Health Board will ensure it has	Work is underway to develop and formalise a comprehensive Estates Workforce Plan, aligned to the Health Board's strategic objectives and future service requirements. The plan will assess current workforce capacity and capability, identify existing vacancies and skills gaps, and forecast future workforce needs across all Estates functions. The plan will specifically consider the workforce implications of emerging service pressures, estate modernisation programmes and the planned exit from	31 August 2027	Assistant Director Estates / Head of Engineering Estates

Recommendation	Commentary on planned actions	Completion date	Responsible officer
enough staff with the skills to meet future pressures and demand, including the planned PFI exit at Neath Port Talbot Hospital	the Neath Port Talbot Hospital PFI contract. This will ensure that the Health Board has the appropriate staffing levels, technical expertise and leadership capacity required to manage future estate responsibilities effectively.		

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.

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