Archwilio Cymru
Audit Wales

Are NHS estates fit for purpose?

Betsi Cadwaladr University Health Board

August 2026

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Audit snapshot

What we looked at

1 Our review looked at how well Betsi Cadwaladr 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 An outdated estate can also affect service performance, be less energy efficient, and be a barrier to providing modern healthcare.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's estates strategy needs updating. It lacks clear milestones, routine monitoring and a funded delivery plan. Governance arrangements are in place, but Board and committee oversight is limited. Operational arrangements are fragmented across the three Integrated Health Communities. This creates duplication and limits a consistent approach to performance, compliance and risk.

6 The Health Board has processes in place to manage capital investment. However, short-term planning, weak strategic alignment and poor management information reduce assurance that funding is directed to the highest priorities. The estate has significant backlog risks. Despite being newer than the all-Wales average, it has high maintenance costs. Incomplete asset data and paper-based systems also limit effective decision-making.

7 The Health Board faces safety and compliance risks from the condition of its estate, particularly fire safety. Compliance has improved, but key measures are still below the all-Wales average. Fragmented oversight, weak action tracking and limited use of staff and patient feedback make risks harder to manage. The estates workforce also faces vacancies, recruitment challenges, sickness absence and ageing workforce risks. Limited workforce planning creates risks to long-term sustainability.

What we recommend

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

- refreshing the estates strategy;
- reporting the delivery of the strategy;
- strengthening Board oversight of estates;
- streamlining operational estates arrangements across the three Integrated Health Communities;
- strengthening the management of estates risk;

- improving estates data;
- developing a plan to address backlog maintenance, compliance and high-risk fire safety actions;
- developing a rationalisation and disposal strategy; and
- developing and implementing a clear estates workforce plan.

Key facts and figures

278	Number of properties owned by the Health Board in 2024-25.
£33.7 million	Capital monies available to manage estates in 2025-26 (excluding end-year funding).
£278 million	Cost to eradicate risk-adjusted backlog in 2024-25, an increase of 8.27% since 2022-23. High-risk backlog accounts for £109 million.
21.1%	Percentage of the 3,978 issues addressed following fire safety assessments in 2024 at the end of September 2025.
128	Number of estates related clinical incidents in 2024-25.
6.7%	Vacancy rate in estates at the end of March 2025, compared to an all-Wales position of 11.6%.
6.4%	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 an estates strategy, but it lacks milestones, monitoring, an affordable financial plan, and alignment with key strategies

9 The Board approved its estates strategy in January 2023. It covers the period 2023 to 2033. We reviewed the strategy and found that it sets out a broad framework for the future estate. However, it does not include clear milestones, timescales, or a delivery plan.

10 In May 2025, the Performance, Finance, and Information Governance Committee reviewed estate rationalisation. It found the estates strategy too generic and asked for the team to refresh the strategy.

11 At the time of our audit, this work had not started. The Health Board was waiting for the detail of the clinical services plan, due in autumn 2026 as part of the Foundations for the Future programme. This plan will help identify future estate needs.

12 Positively, the estates strategy:

- covers all estates within the Health Board's responsibility, including primary and community care;
- reflects the Health Board's duties under the Equality Act and the socio-economic duty; although it provides little detail on this; and
- identifies opportunities to work with regional partners, although it provides little detail on how this will happen.

13 However, the strategy:

- is not supported by reliable estates data;
- does not include clear milestones, targets, or performance measures;
- is not aligned to the Health Board's long-term strategy, as the Health Board does not yet have one;
- is not aligned to key enabling strategies, including its clinical services, workforce, and digital strategies;
- does not clearly show how it supports national priorities, including A Healthier Wales, the Well-being of Future Generations Act and national clinical frameworks;
- does not adequately reflect commitments to environmental sustainability, energy efficiency, and biodiversity; and
- is not supported by an affordable financial plan.

14 The strategy refers to engagement with staff and patient groups. However, it does not identify engagement with community partners.

Governance arrangements for managing estates

The Health Board has estates risk and accountability processes in place. However, fragmented governance, weak oversight and unclear responsibilities reduce assurance and weaken risk management

Lines of accountability

15 The Health Board has formally defined executive accountability for estates. Overall responsibility sits with the Chief Executive, who delegates responsibility to the Director of Environment and Estates.

16 Formal accountability for estates is clear, but there is confusion at operational level. Some staff incorrectly name the Executive Director of Finance as the executive lead. This weakens clarity about who leads estates in practice.

Corporate oversight of estates

17 There is limited Board and committee oversight of estates.

18 The Board receives few formal estates updates. These are limited to capital disposals, the annual fire safety report, and updates through the corporate risk register.

19 The Planning, Population Health and Partnerships Committee oversees estates at Board level. Its remit includes capital and estates strategies. The Director of Environment and Estates attends the committee. However, oversight is not consistent. The committee mainly considers estates through wider planning reports. As a result, scrutiny is periodic and high level.

20 The committee relies on strategy papers and embedded updates. It does not routinely monitor estates risks, compliance or delivery. The committee has not received an update on delivery of the estates strategy since January 2023. The Performance, Finance and Information Governance Committee received an update in June 2025, but this committee is not responsible for overseeing progress. As a result, the assuring committee has limited assurance that the strategy is being delivered effectively.

21 The Performance, Finance and Information Governance Committee supports scrutiny of estates delivery and financial performance through its review of capital monitoring reports and the corporate risk register. However, the committee does not receive standalone reports on wider estates performance or operational estates issues.

22 The Health Board holds information on backlog maintenance and related safety risks. However, it does not routinely report this information to the Board or committees. Reports do not consistently describe or quantify these risks. This makes it harder to understand the impact on patient safety, staff safety and service delivery.

Operational management

23 The Director of Environment and Estates has overall responsibility for operational estates services. The Head of Operational Estates leads day-to-day operational management. Three Estates Operations Managers support this role across the East, Central and West Integrated Health Communities (IHCs). Each area has local estates teams that deliver maintenance, compliance and infrastructure services.

24 This structure supports local delivery, maintenance, and compliance work. However, it does not offer a clear corporate view of estates activity. Each IHC has separate estates teams and safety groups. These groups oversee areas such as fire, water, and asbestos.

25 No single estates group brings this activity together across the Health Board. Groups identify actions, but action tracking is not consistent. This limits assurance that issues are recorded, monitored and closed on time.

26 Current arrangements focus too much on local IHC activity. They do not support estate decisions across the Health Board as a whole. This limits strategic oversight of estate priorities, risks and performance. It also weakens operational control and Board assurance.

27 The arrangements also lack wider organisational input. Workforce, finance, and digital teams have limited involvement. As a result, estates discussions do not consistently consider impacts on performance, quality, safety, and finance.

28 The Health Board also does not use benchmarking data systematically. This limits its ability to compare performance and inform estate decisions.

Managing estate risks

29 The Health Board manages estates risks through several levels of its risk management framework. This includes the Board Assurance Framework (BAF), the Corporate Risk Register (CRR), an operational estates risk register, and local risk management arrangements across the three IHCs.

30 The BAF identifies strategic risks that could affect the Health Board's ability to deliver service transformation and infrastructure investment. However, it does not explicitly recognise estate condition, backlog maintenance, or wider infrastructure deterioration as strategic risks. This reduces visibility of the potential impact these issues could have on patient safety, service delivery, and organisational resilience.

31 The Health Board manages estates risks through its CRR. Estates-related issues are captured under the ‘Safe Environment’ risk, which links to the BAF. The register sets out key controls, mitigating actions, accountable leads, and target dates. However, the level of assurance is still moderate, and the risk score has not reduced significantly. This suggests that the actions taken have not yet substantially reduced the underlying risk.

32 The Health Board oversees corporate estates risks through its governance framework, including the Performance, Finance and Information Governance Committee. However, accountability and reporting are fragmented across several committees and groups. This makes it difficult to get a single comprehensive view of estates risks and progress against mitigating actions.

33 The Health Board keeps an operational estates risk register covering infrastructure, compliance, and business continuity risks across its estate. This register offers an organisation-wide view of operational estates risks and supports operational management.

34 At a local level, the three IHCs identify and manage estates risks through local risk registers, spreadsheets and systems such as DATIX. These risks are reviewed through local governance arrangements. They also inform operational decision-making and funding priorities. However, some risks were duplicated, outdated or recorded as actions rather than clearly defined risks.

35 The Health Board also manages estates risks through a range of discipline specific safety groups covering areas such as fire, water, asbestos and electrical safety. Evidence from focus groups shows that issues can be escalated through operational health and safety structures into wider Health Board governance arrangements.

36 The Health Board has established multiple mechanisms to identify and escalate estates risks. However, the links between strategic, corporate and operational risk management are not always clear. There is no single forum with oversight of estates risks across all three IHCs. This creates fragmented arrangements, duplicated scrutiny and inconsistent oversight of actions and risk reduction.

Using financial resources to improve estates

The Health Board has established capital funding arrangements. However, short-term planning, governance weaknesses and limited strategic alignment reduce assurance over estate investment

Funding prioritisation process

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

38 In 2025-26, the Health Board had £15.2 million available from discretionary capital and dedicated estates funding. 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	7.3	7.2	6.6
Estates and Facilities Advisory Board (EFAB) funding	4.3	3.8	–
Targeted Estates Fund (TEF)	–	–	8.6
TOTAL	**11.6**	**11.0**	**15.2**

Source: Audit Wales analysis of financial monthly monitoring returns

Note: TEF is 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.

39 In 2025-26, the Health Board also received £18.5 million of all-Wales capital funding for estates. This was in addition to its Targeted Estates Fund allocation. The funding supported the development of the Regional Orthopaedic Hub in Llandudno and upgrades to the electrical infrastructure at Ysbyty Glan Clwyd.

40 In total, the Health Board received £33.7 million of capital funding for its estate. This falls well short of the estimated £278 million needed to address risk-adjusted backlog maintenance. It is also well below the £239 million needed to achieve physical condition B across the estate. This shows the significant gap between available funding and estate need.

41 The Health Board has also used other funding sources to support estate improvements, including £40,303 from charitable funds, and funding through the Regional Partnership Board. Regional funding has supported schemes including the Caledfryn, Denbigh Health and Well-Being Hubs. Progress of which is monitored through the Strategic Planning and Service Change Group.

42 The Health Board has arrangements to oversee capital investment and prioritise funding. The Capital Programme Management Team develops the capital programme and allocates funding. The management group includes representatives from estates, finance, procurement and digital services. The Interim Executive Director of Transformation and Strategic Planning chairs the group. This supports consideration of affordability, deliverability and infrastructure needs. However, at the time of our audit, the group’s terms of reference were outdated and under review, having last been updated in 2015.

43 The Capital Investment Group scrutinises capital investment proposals. It also considers whether they align with organisational and service objectives. For estates projects, the group reviews business cases and recommends schemes for inclusion in the capital programme and the Integrated Medium Term Plan.

44 In April 2025, Internal Audit reviewed discretionary capital funding arrangements and found that governance and monitoring arrangements were reasonable. However, it also found weaknesses in how the Health Board records and explains prioritisation decisions. Some documents were out of date, and approval processes were inconsistent. These weaknesses make it harder to show that funding decisions are based on organisational priorities and risk.

45 The Health Board has a two-year capital programme to support short-term planning. It allows schemes to progress when funding becomes available. However, the short timeframe and frequent changes reduce the programmes value as a strategic planning tool. This weakens assurance that investment decisions align with longer-term estate needs.

46 The Health Board does not have a clinically informed estates strategy. This weakens the link between estate need and capital investment. Priority schemes come from annual bids from divisions and service leads. They are not based on a clear assessment of risk, service need and organisational priorities. As a result, the Health Board cannot show that it directs funding to its highest-priority estate risks and long-term infrastructure needs.

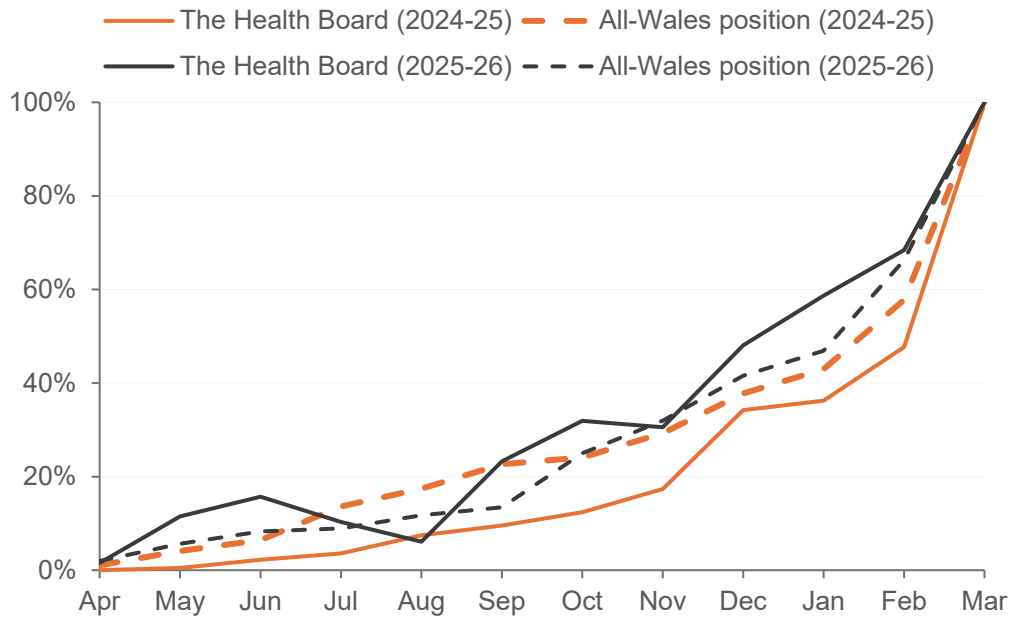
Monitoring and managing capital spend

47 The Health Board has arrangements to monitor and control capital spending. These arrangements support effective financial management, although the Health Board is not making maximum use of its discretionary estates funding.

48 The Health Board monitors capital expenditure, project progress and financial pressures through the Capital Programme Management Team. It receives regular reports on scheme performance, expenditure and risks. This gives the Health Board programme-level oversight of capital spending.

49 We reviewed spending against the Health Board's discretionary allocation for estates for 2024-25 and 2025-26. In both years, it spent less than its allocation (15% in 2024-25, and 12% in 2025-26). Spending was also concentrated towards the end of the financial year. This may reflect reactive budget management as projects progress and funding becomes available (**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

50 The Health Board has processes for managing programme slippage. It reallocates funding to make best use of available resources and reduce underspend. However, it does not have a clear, prioritised reserve list of schemes. This reduces transparency and makes it harder to show that funding goes to the highest-priority needs.

51 The Performance, Finance and Information Governance Committee receives regular reports on capital spending and programme delivery, within the finance report. However, weaknesses in the wider governance framework may limit scrutiny and assurance.

Ensuring an efficient and productive estate

The Health Board's estate is under significant condition pressures, while weak management information and maintenance backlogs constrain performance and efficiency

Condition of the estate

52 The Health Board's estate faces significant condition and maintenance pressures.

53 Compared with the all-Wales position, the Health Board has a newer estate. A lower proportion of its buildings were built before 1948, and a lower proportion of its estate predates 1995. However, the Health Board faces higher maintenance costs than the all-Wales average. The cost to remove high-risk backlog per square metre is the highest in Wales. It has also increased since 2023-24. The cost of achieving physical condition B is also higher than the all-Wales 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
% of estate built before 1948	12.8	13.5
% of estate built before 1995	53.2	63.9
Cost to removed high-risk backlog per m^2 occupied floor area (£)	297.06	164.60

Measure	The Health Board	All-Wales position
Cost to remove high and significant-risk backlog per m^2 occupied floor area (£)	733.04	458.43
% of estate meeting physical condition standard B	81	83
Cost to reach physical condition B per m^2 occupied floor area (£)	651.55	538.54

Source: Estates and Facilities Performance Management System (EFPMS)

Note: The All-Wales position 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.

54 Across the Health Board's sites, the cost to remove high-risk backlog is highest at Bryn-y-Neuadd Hospital, at £1,115 per m² of occupied floor area. Royal Alexandra Hospital has the highest cost to reach physical condition B, at £1,720 per m². Across the main hospital sites, Ysbyty Gwynedd has the highest cost to remove high-risk backlog and reach physical condition B, at £741 and £1,621 per m² respectively.

55 The Health Board has not commissioned an external estates condition survey in the past three years. This limits independent assurance on the condition of its estate. It also relies on a remaining useful life assessment from 2009. Although the Health Board is discussing a future survey, it has not confirmed funding or a delivery timetable. Relying on internal surveys may reduce the consistency of data used to assess risk and set capital priorities.

56 Condition survey data becomes less reliable over time. Since 2009, the Health Board's estate has changed because of ageing buildings, new compliance requirements, and changing service needs. This increases the risk that decisions are based on information that no longer reflects the current estate.

57 The Health Board reports that two sites include buildings with Reinforced Autoclaved Aerated Concrete (RAAC). These are Bryn-y-Neuadd Hospital and Wrexham Maelor Hospital. It did not report the associated costs.

58 The Health Board has an up-to-date Planned Preventative Maintenance (PPM) schedule. Data supplied by the Health Board shows that some planned maintenance is taking place. However, spending on reactive maintenance is much higher. This shows a continued reliance on reactive work, which increases risk and reduces value for money.

Robust management information

59 The Health Board is not making effective use of management information to support strategic management of its estate.

60 The Health Board keeps an asset register within its GRAMMS (General Repairs and Maintenance Management System) information system. The Health Board uses GRAMMS to schedule maintenance. However, it has limited assurance that the asset information held in GRAMMS is complete or up to date. The Health Board still relies heavily on paper-based estates management processes. It does not have a fully digital computer-aided facilities management system for helpdesk and maintenance work. As a result, managers cannot easily access timely and reliable information.

61 The Health Board plans to introduce a CAFM (Computer Aided Facilities Management) system. However, it has not yet secured funding, and it still needs organisational approval. The Health Board's information on estate utilisation is inconsistent and fragmented. Some areas assess space use, but there is no organisation-wide approach to collecting, analysing, or reporting this data. This limits the Health Board's ability to identify underused space and make informed decisions about rationalisation.

62 Several committees and governance groups oversee estate performance. These groups focus more on capital investment and risk than on performance, productivity and workforce issues. As a result, the Board does not have a clear, joined-up view of how well the estate is managed or how it could be improved.

Maximising productivity and efficiency

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

64 Compared with the all-Wales position, the Health Board performs less well on functional suitability and energy performance. It performs better on reported space utilisation. However, limited assurance over space utilisation data means this comparison should be treated with caution (**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
% of estate functionally suitable	80	84
% of space utilisation	95	92
energy performance (kilowatts (kw))	384	367

Source: Estates and Facilities Performance Management System

Note: The All-Wales position 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.

65 Across the Health Board's sites, Bryn-y-Neuadd Hospital has the highest proportion of space that is not functionally suitable, at 70%. It also has the greatest level of underutilised space, at 60%. By comparison, 52% of the estate at Abergele Hospital is not functionally suitable.

66 The Health Board does not have a formal estates disposal strategy. It is developing work on estate rationalisation, but this is still in draft. It is not yet part of a clear strategic framework.

67 Without a clear approach to disposals, the Health Board may miss opportunities to release capital and reinvest it in higher-priority schemes. This makes capital prioritisation more reactive and limits assurance that investment decisions are optimised across the estate. The Health Board has not reported any covenants that affect how it can use its buildings.

68 The Health Board has made some targeted estate improvements. These include energy-efficiency measures such as light emitting diode (LED) lighting and boiler replacement.

69 However, a lower proportion of the Health Board's space has LED lighting than the all-Wales position. The proportion is 22.9%, compared with 45.4% across Wales. Positively, the Health Board has no gas boilers over 10 years old. It is the only NHS organisation in Wales in this position.

70 Broader progress in improving utilisation, functional suitability and operational efficiency is limited. The Health Board has not yet fully realised opportunities to optimise space through leasing or rationalisation. It also makes limited use of technology to improve efficiency. As a result, the estate continues to constrain service delivery and organisational efficiency.

Supporting the quality of care

Weak oversight of estates safety risks and ongoing compliance challenges limit assurance that the estate supports safe and effective care

Minimising risk to patient care

71 The Health Board has weak arrangements for managing and reducing safety risks arising from the condition of its estate. These risks affect both patients and staff.

72 The Health Board reviews estates safety risks and incidents through several operational groups and reports. However, oversight is fragmented. There is no single reporting route that brings together incidents, risks, compliance issues and actions at a corporate or operational level. This limits assurance that estates safety concerns are identified, escalated and addressed consistently. It also limits learning across the organisation.

73 Incident data shows a year-on-year increase since 2022. Reported incidents rose from 41 in 2022-23 to 128 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.

74 Estate-related safety risks do not feature explicitly in the Quality, Safety and Experience Committee's work programme. The committee relies on indirect reporting through corporate risk and quality reports. This reduces visibility of infrastructure-related safety risks and limits dedicated scrutiny and challenge.

75 The Health Board does not systematically capture, analyse or report staff and patient feedback about estate condition. This limits its understanding of how estate issues affect service delivery, patient experience and staff wellbeing. It also weakens the evidence used to prioritise investment and improvement.

76 Without structured feedback, the Health Board has limited assurance that user experience informs decision-making or helps improve the estate. This weakens its ability to show that it responds to concerns raised by staff and patients.

Ensuring compliance

77 The Health Board has weaknesses in the way it manages statutory and safety compliance across its estate.

78 The Health Board has improved its statutory compliance performance in recent years. However, it is still below the all-Wales average for key measures, including statutory health and safety and fire safety compliance **(Exhibit 5)**.

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

Measure	The Health Board	All-Wales position
% of occupied floor space meeting statutory health and safety requirements	82	87
% of occupied floor space meeting statutory fire safety requirements	76	84

Source: Estates and Facilities Performance Management System

Note: The All-Wales position 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.

79 Abergele Hospital has the lowest level of occupied floor space meeting statutory health and safety requirements, at just 15%. It is one of only three hospitals in Wales, and the only site across the Health Board's estate, below 50%. Fire safety compliance is also low at Abergele Hospital at 50%. Royal Alexandra Hospital and Ysbyty Gwynedd Hospital have the second lowest level of compliance across the Health Board at 60%.

80 The Health Board reports that 90% of required fire risk assessments are complete. However, further work is needed to improve fire safety management and reduce risk.

81 In 2024-25, there were 3,138 outstanding actions from fire risk assessments. The Health Board reports that it lacks capacity and resources to manage this volume of actions. This reduces assurance that it is managing fire risks effectively.

82 The Health Board has no formal fire enforcement notices. However, it has received four informal notices from the fire service since 2025. These relate to fire alarm systems, fire doors, and electrical testing. Although they are not formal enforcement notices, they show gaps in fire safety controls or delays in resolving issues.

83 The Health Board has a water safety policy and carries out regular risk assessments. In 2024-25, it completed 278 of 365 required assessments. It also addressed 79% of identified issues, or 1,815 of 2,311. This shows ongoing action to manage water safety risks. However, incomplete assessments and remedial actions limit assurance that the Health Board controls these risks across the estate.

84 The Health Board targets funding towards statutory compliance risks and has secured additional resources. However, it is unclear whether available funding is enough to address backlog maintenance and compliance risks across the estate.

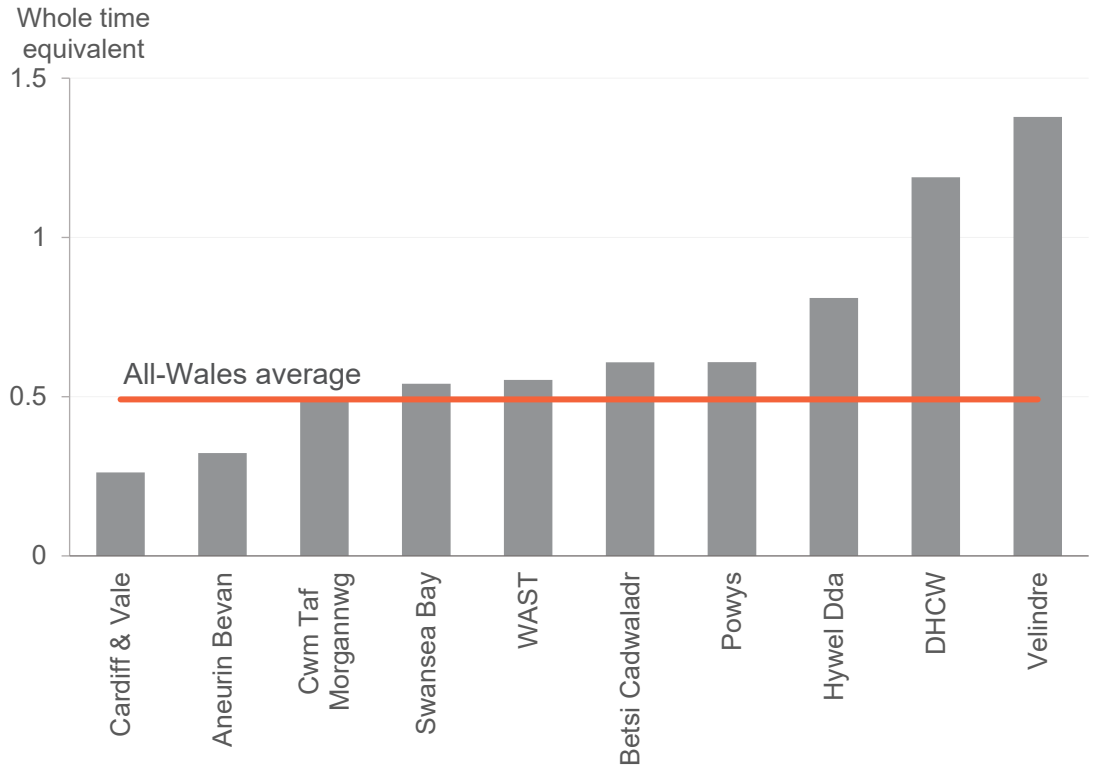
85 The Health Board monitors compliance across its estate and has improved performance in some areas. However, poor data quality, weak asset information and limited system integration make it harder to identify, report and manage risks consistently.

Managing the estate workforce

The estates workforce faces vacancies, sickness absence, and ageing workforce risks. These limit capacity, increase costs, and affect sustainability

86 The Health Board has a slightly larger estates team than the all-Wales average. At the end of March 2025, it had 0.61 whole-time equivalent staff per 1,000 m² of occupied floor area. This compares with the all-Wales average of 0.49 **(Exhibit 6)**.

Exhibit 6: size of the estates function per 1,000 m² occupied floor space, by NHS body on 31 March 2025 (whole time equivalent)



Source: Audit Wales analysis of NHS data

87 The Health Board reports a moderate vacancy level in its estates team. At the end of March 2025, the vacancy rate was 6.7%, or 16.4 whole-time equivalent staff. This was below the all-Wales rate of 11.6%. Vacancies reduced to 14.74 whole-time equivalent staff by September 2025. Recruitment restrictions have limited the Health Board's ability to fill posts. Recruiting skilled estates staff is also difficult because the Health Board cannot always match private sector pay rates.

88 The Welsh Government required NHS bodies to stop using agency staff in estates by 30 September 2025. The Health Board met this target.

89 The Health Board uses external contractors to support its in-house workforce. At the time of our review, it used third-party providers for key statutory compliance services. These included water safety, electrical safety, fire safety and asbestos management. In 2025-26, the total annual spend on these services was £93,530.

90 At the end of September 2025, the Health Board reported a sickness absence rate of 6.4%. This is just below the all-Wales average of 6.6%, but places further pressure on capacity.

91 The Health Board does not have a clear workforce plan for its estates function. At the end of March 2025, 24.9% of estates staff were aged over 60. This was slightly below the all-Wales average of 25.4%. Positively, the Health Board is using apprenticeships to build future capacity. It had two apprentices in post and one vacancy at that time.

92 The Health Board has not explored whether partnership working could help address current and future estates workforce challenges.

93 The Health Board monitors training compliance for estates staff. In March 2025, compliance with statutory and mandatory training was 92%, against a target of 85%. The main gaps were in information governance, fire safety and moving and handling.

Recommendations

94 We have made nine recommendations because of our work.

R1 The Health Board should refresh the estates strategy once it has developed its clinical plan, ensuring the estate supports the delivery of that plan. The refreshed strategy should be based on robust data and include clear delivery milestones, performance measures, and funding assumptions (**paragraphs 11-13**).

R2 The Health Board should set up routine reporting to the Board and relevant committees on delivery of the refreshed estates strategy. Reporting should cover progress, risks, benefits, affordability and alignment with the clinical plan **(paragraph 21)**.

R3 The Health Board should review its estates governance and reporting arrangements to clarify accountability and improve oversight of estate condition, backlog maintenance, statutory compliance, performance, priorities and risks **(paragraphs 17-23)**.

R4 The Health Board should streamline estates governance across the three Integrated Health Communities. This should reduce duplication, improve action tracking, and create a single forum to oversee operational estates risks, compliance and performance **(paragraphs 24-28)**.

R5 The Health Board should strengthen estates risk management by linking local, operational, corporate and strategic risks. It should clarify ownership, remove duplication, improve action tracking and report whether mitigating actions are reducing risk **(paragraphs 31-37)**.

R6 The Health Board should develop an approved plan and business case for a digital estates management system. The plan should improve asset, condition, utilisation, compliance, incident, feedback and performance data **(paragraph 62)**.

R7 The Health Board should develop a long-term plan to address backlog maintenance, improve estate condition and strengthen statutory compliance. The plan should prioritise high-risk issues, including outstanding fire safety actions, and identify funding options **(paragraphs 54-57 and 82-86)**.

R8 The Health Board should develop an estate rationalisation and disposal strategy. This should show underutilised or unsuitable space, support service planning, release capital where appropriate, and direct investment towards the highest-priority estate risks **(paragraphs 67-68)**.

R9 The Health Board should develop a comprehensive estate workforce plan. It should cover capacity, succession planning, recruitment, sickness absence, agency reduction, partnership opportunities, digital skills and future workforce requirements **(paragraphs 92-93)**.

Appendices

1 About our work

Scope of the audit

We looked at the following areas during the period February 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; and
- 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, Finance and Information Governance Committee and Capital Programme Management Team terms of reference;
- key strategies and plans, including the Annual Plan, the Estates Strategy, and Capital Programme;

- key risk management documents including the strategic and operational risk registers; and
- relevant operational committee minutes and agendas including the Capital Investment Group.

We interviewed the following key stakeholders:

- Director of Environment and Estates;
- Head of Operational Estates;
- Head of Capital.

We also held two focus groups with:

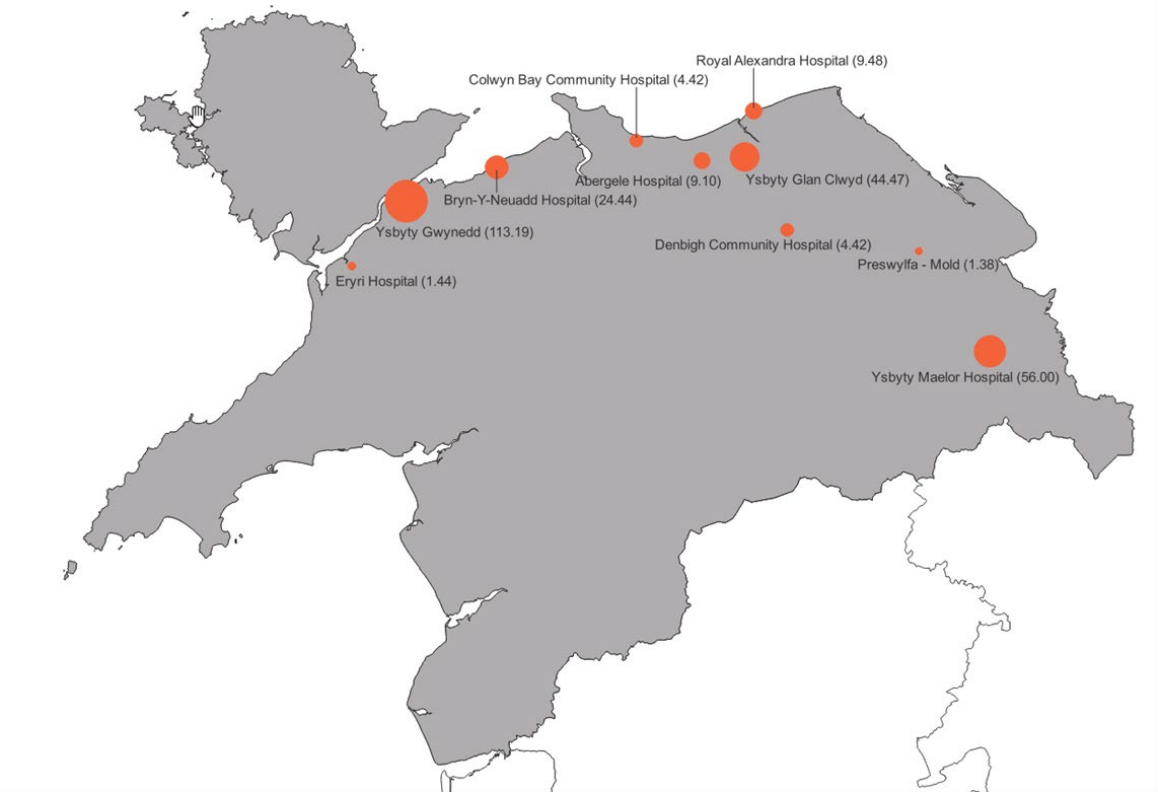
- the Integrated Health Communities Directors for East, West and Central;
- the Fire Safety Lead, Health and Safety Lead, Asbestos Lead and Electrical Safety Lead.

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 estate

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 Performance 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.
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.
Discretionary capital	Funds that an organisation can allocate at its own discretion.
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.

Term	Description
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.
Integrated Health Communities (IHCs)	Local partnerships within the Health Board that bring together health, social care, and community services to plan and deliver care for their populations.
Occupied floor area	The total floor area of buildings in use to deliver NHS services, including spaces owned, leased, or used under agreements.
Physical condition B	Defined in the 2018 Estatecode Wales as sound, operationally safe, and showing only minor deterioration.
Reactive maintenance	Repairs carried out after a fault, failure or issue has been identified.
Reinforced Autoclaved Aerated Concrete (RAAC)	A lightweight form of concrete used in some buildings. It can pose safety risks if it deteriorates or is not properly managed.
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 space that is empty or under-used as defined in the 2018 Estatecode Wales.

Term	Description
Statutory compliance	Meeting legal requirements that apply to buildings, safety systems, and estate management.
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%.

4 Management response

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R1 The Health Board should refresh the estates strategy once it has developed its clinical plan, ensuring the estate supports the delivery of that plan. The refreshed strategy should be based on robust data and include clear delivery milestones, performance measures, and funding assumptions **(paragraphs 11-13)**.	The Health Board will refresh its Estates Strategy following completion of the Clinical Plan to ensure the estate supports future service delivery requirements. Work will commence on establishing a robust baseline of estate information, including condition, utilisation and backlog maintenance data. The refreshed strategy will be informed by the Clinical Plan and will set out delivery priorities, milestones,	Within 12 months of Clinical Plan approval (March 2028)	Director of Estates and Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	performance measures and funding assumptions to support long-term estate planning and investment decisions.		
R2 The Health Board should set up routine reporting to the Board and relevant committees on delivery of the refreshed estates strategy. Reporting should cover progress, risks, benefits, affordability and alignment with the clinical plan **(paragraph 21).**	The Health Board will establish a reporting framework to provide regular assurance to the Board and relevant committees on the development and delivery of the refreshed Estates Strategy. Reporting will include progress against agreed milestones, key risks, anticipated and realised benefits, affordability, and alignment with the Clinical Plan. These arrangements will support	End of Q4 2026/27	Director of Estates and Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	effective oversight of estate investment priorities and delivery.		
R3 The Health Board should review its estates governance and reporting arrangements to clarify accountability and improve oversight of estate condition, backlog maintenance, statutory compliance, performance, priorities and risks **(paragraphs 17-23).**	Agree IM Lead for Estates Develop a refreshed structure to provide estate assurance 'From Ward to Board'.	End of Q4 2026/27	Director of Corporate Governance Director of Estates and Environment and Director of Corporate Governance

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R4 The Health Board should streamline estates governance across the three Integrated Health Communities. This should reduce duplication, improve action tracking, and create a single forum to oversee operational estates risks, compliance and performance **(paragraphs 24-28).**	Revised and fit for purpose governance to be confirmed independently of Foundations for the Future.	End of Q4 2026/27	Director of Estates and Environment
R5 The Health Board should strengthen estates risk management by linking local, operational, corporate and strategic risks. It should clarify ownership, remove duplication, improve action tracking and report whether mitigating actions are reducing risk **(paragraphs 31-37).**	Review of risk management to be undertaken.	End of Q4 2026/27	Director of Corporate Governance

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R6 The Health Board should develop an approved plan and business case for a digital estates management system. The plan should improve asset, condition, utilisation, compliance, incident, feedback and performance data **(paragraph 62).**	No commentary required	End of Q4 2026/27	Director of Estates and Environment
R7 The Health Board should develop a long-term plan to address backlog maintenance, improve estate condition and strengthen statutory compliance. The plan should prioritise high-risk issues, including outstanding fire safety actions, and identify funding options **(paragraphs 54-57 and 82-86).**	The Health Board will incorporate a comprehensive backlog maintenance and statutory compliance improvement plan within the refreshed Estates Strategy. This will include prioritisation of high-risk maintenance liabilities, outstanding fire safety actions, estate condition improvements,	Aligned to approval of the refreshed Estates Strategy (March 2028)	Director of Estates and Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	funding requirements and affordability considerations.		
R8 The Health Board should develop an estate rationalisation and disposal strategy. This should show underutilised or unsuitable space, support service planning, release capital where appropriate, and direct investment towards the highest-priority estate risks **(paragraph 67-68).**	There are a number of prerequisites associated with this and this overlaps with the estate strategy. The corporate responsibility for space is to be clarified as noted at R4.	Aligned with R1	Director of Estates and Environment

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R9 The Health Board should develop a comprehensive estate workforce plan. It should cover capacity, succession planning, recruitment, sickness absence, agency reduction, partnership opportunities, digital skills and future workforce requirements **(paragraph 92-93).**	This can be supplemented through strategies such as the introduction of a CAFM system and also be developed as part of the Estate Strategy to ensure it is fit for the future.	Aligned to R1	Director of Estates and Environment

About us

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

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

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



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