

# Space Utilisation

## Final Advisory Report

2025/26

Hywel Dda University Health Board

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### Review Reference

HDU-SSU-2526-29

### Fieldwork

October-November 2025

### Executive Sign Off

March 2026

### Audit Committee

14th April 2026

### Executive Lead

Lee Davies, Executive Director of Strategy & Planning

### Audit Team

Huw Richards, Deputy Director, SSU  
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# Executive Summary

## Purpose

Optimising space utilisation within NHS Wales is crucial to support improved efficiency, cost reductions and to benefit patient care.

This advisory review sought to evaluate the effectiveness of the management and control of space utilisation within the University Health Board (UHB), share learning across NHS Wales organisations at which this review is taking place, and where possible provide best practice guidance and suggested opportunities for improvement.

The review originated from the 2025/26 internal audit plan, agreed with management, and approved by the Audit Committee.

## Overview

The UHB's established controls for management of space utilisation compare favourably with both published guidance and findings from the other NHS Wales organisations reviewed. However, it is recognised that NHS Wales (including Hywel Dda) is in a limited position in terms of available data and processes by which to drive effective space utilisation. The UHB has recognised this challenge and established foundations, including strategic plans, governance structures and procedures, to take this forward.

The governance structure and processes considered at this review are focused on the management of office space, and do not currently involve consideration of clinical or primary care accommodation. Whilst therefore the management considerations raised at this report are directed towards office space, a wider challenge remains for the Health Board to develop improved understanding of clinical space requirements to feed into overarching strategies.

Whilst a relatively small number of space utilisation surveys have been undertaken to date within the UHB, they have found an average rate of only 45% utilisation in the areas surveyed, indicating opportunities for significant benefits from estate rationalisation should these findings be replicated elsewhere. Noting the significant level of backlog maintenance costs identified within the UHB, and continuing pressure on limited Welsh Government capital funds, Hywel Dda UHB, along with the rest of NHS Wales, should aim to prioritise increased understanding of space utilisation to drive strategic planning and improved utilisation of the existing estate going forward. The scale of the challenge ahead is recognised, noting the size of the estate and relatively limited progress made to date in obtaining utilisation data.

Noting the advisory nature of the review, we have not provided assurance ratings or recommendations but have identified several areas for management consideration.

## Scope & Assurance Summary

### Objectives

### Related Considerations

1	<b>Strategy and Governance:</b> To consider whether the UHB's strategy for space utilisation across its estate is adequately defined and approved. That measurable targets and objectives have been established for the short, medium and long term. That there are supporting policies and procedures in place. That appropriate governance arrangements have been defined and are operating effectively.	1,2,3
2	<b>Data Capture and Monitoring:</b> That a robust baseline for space occupancy and associated costs has been established, together with robust ongoing monitoring mechanisms. Processes are in place for the ongoing monitoring of space utilisation, to provide up to date data to enable monitoring against performance targets, inform decisions, e.g. via surveys, audits, monitoring software etc. Demonstration that evaluation data is collated from post-completion project reviews to confirm whether new build spaces are being utilised in accordance with the agreed business case objectives. Assess the utilisation of monitoring tools to track space utilisation.	4,5,6
3	<b>Management and Compliance:</b> Review processes and technological tools for managing space utilisation, including compliance with policies and procedures for space allocation, changes in use, surplus space management, and decision-making around leasing/SLAs to enable optimisation of space. Evaluate the integration of cost considerations in decisions and the assessment of available space in project planning stages.	7,8
4	<b>Performance Evaluation and Reporting:</b> Assess how space utilisation data is used to monitor performance against established targets. Assess how data informs strategic planning for the estate. Evaluate the effectiveness of reporting mechanisms, including actions taken to address under-utilisation.	1,3,5

### Management Considerations

8

### Themes



### Risk Types

Financial Loss

Quality or Safety Issues

Public Perception & Reputational Risk

# Findings & Management Considerations

## Objective 1: Strategy & Governance

### Overview / Summary of Observations

The UHB's strategic approach to space utilisation is set out in the following formally approved documents:

- Property Asset Strategic Plan;
- Agile Working Plan; and
- Decarbonisation Delivery Plan.

The plans set out a direction of travel for the UHB in terms of utilisation of its estate. We have suggested below that the strategic approach could be strengthened by inclusion of measurable targets against which performance can be measured, but recognise this may be difficult at this time, until the UHB increases its available utilisation data to fully understand the baseline position and scope for improvement.

A robust governance structure was in place to deliver the aims of the strategic plans, including executive leadership from the Executive Director of Strategy & Planning and oversight from the Strategic Property & Environment Taskforce Group (SPETFG) (chaired by the executive lead). Clear roles and responsibilities had been assigned, with operational activity led by the Head of Property Performance, and with dedicated management resource from the Principal Programme Manager (Transformation).

Recognising siloed and varying practices previously operating across the UHB in the management of space, the process was centralised during 2025 under the remit of the newly formed Central Accommodation Group (CAG), supported by the '*Space Utilisation Principles & Framework*' document. The new process has established robust principles to support consistent and transparent data-based decision making (in line with strategic aims) when considering requests for accommodation changes across the estate.

We have suggested a number of potential enhancements to the above foundations, to support the processes moving forward.

### Management Consideration 1: Space Utilisation Targets

The existing strategic plans and '*Space Utilisation Principles & Framework*' could be strengthened by inclusion of measurable targets for office space utilisation, against which performance can be monitored and reported.

#### Management Response:

The Central Accommodation Group will implement a Corporate/Office Space KPI Table with the following RAG rated KPI's - **Green 70%+, Amber 30-70% Red Under 30%** - this will be documented within the Space Utilisation Principles & Framework document

#### Target Implementation Date:

June 2026

### **Management Consideration 2: Formalisation of Procedures**

The '*Space Utilisation Principles & Framework*' may benefit from formalisation either as a stand-alone policy or by inclusion within existing strategic plans, to increase visibility and authority.

#### **Management Response:**

We will develop a Space Utilisation Policy for the health board, which aligns to what other public sector bodies have implemented and the recommendations identified via the Corporate Landlord Project, which will ensure appropriate controls and delivery of the agreed principles and plans.

#### **Target Implementation Date:**

March 2027

### **Management Consideration 3: Team Plan**

A team 'work plan' could be produced, centralising detail such as goals, targets, timeframes, planned activities etc. across a specific time-period e.g. annual. This may assist in the prioritisation of activities, identification of any additional resource requirements etc. and may aid in the monitoring and reporting of progress/achievements of the team.

#### **Management Response:**

We will transition the current pipeline of moves/timetable (excel spreadsheet) into a more comprehensive annual project plan/project pipeline.

#### **Target Implementation Date:**

March 2027

## Objective 2: Data Capture & Monitoring

### Overview / Summary of Observations

The risk of under-utilisation of non-clinical space post-Covid was recognised by Welsh Government, who, in their August 2023 letter to NHS Wales organisations (*'Estate Rationalisation of non-clinical space'*), requested that organisations reviewed their utilisation of the estate and exploit rationalisation opportunities. The UHB reflects these objectives in their Property Asset Strategic Plan.

The availability of space utilisation data across the NHS Wales estate is however a barrier to effective planning. Recognising the limited data held by NHS Wales organisations (including Hywel Dda), NWSSP: Specialist Estates Services (SES) were asked by Welsh Government to assist organisations in obtaining useable data, via application of the OccupEye monitoring system. The service is provided free of charge to NHS Wales organisations, and from 2024 onwards, it was pleasing to note that Hywel Dda UHB had made use of the offering, undertaking 14 monitoring projects in conjunction with SES (representing nearly a quarter of all projects undertaken across NHS Wales during this period).

OccupEye projects completed to date have identified significant under-utilisation, with utilisation rates averaging 45% in the areas surveyed: highlighting the potential for significant benefits if these findings are replicated in other areas and improvements made.

It is acknowledged by the Property team that early activities have focused on the "low hanging fruit" of office accommodation. Going forward, the UHB has prepared prioritised plans for future roll-out of OccupEye monitoring, ensuring data is obtained in the highest risk / most beneficial areas at the earliest opportunity. Plans also included survey of non-clinical services operating from acute sites, that could potentially be relocated to free up space for clinical services. Future considerations could also include utilisation of Primary Care premises.

The UHB is also progressing through the early stages of its Corporate Landlord Model project, a first within NHS Wales, which aims to centralise all estates budgets, costs, decision-making and activities and support strategic planning. The UHB was working with a local authority who had already successfully implemented the model, to ensure the UHB project was appropriately informed by lessons learnt and also recognised future opportunities to share learning across the wider NHS Wales as the project progresses.

Whilst recognising the early stages of the UHB's data capture and monitoring processes, firm plans were in place to expand on this, with clear links to the strategic plans. Additional areas to be considered are set out below.

### Management Consideration 4: Centralised Data Repository

As available data increases, there is benefit to gathering and bringing data sources together. This may include lease data, floor areas, current usage, space potential, costs etc. The team may wish to assess their current and planned data sources and consider options for data management solutions.

#### Management Response:

This is a longer-term objective to fully realise and requires identification of investment into the appropriate digital systems to bring disparate information together into one system to streamline reporting and create an integrated performance dashboard. HDUHB commit to this being a key output of the HDUHB Corporate Landlord project and will feature a key objective and essential output within the health board's Corporate Landlord Outline Business Case and Implementation Plan.

#### Target Implementation Date:

August 2026

### **Management Consideration 5: Reporting of benefits achieved from OccupEye monitoring**

Whilst recognising that outcomes from OccupEye monitoring have been centrally reported to internal forums, the team may wish to prepare more detailed individual reports detailing the learning, actions taken and benefits achieved, resulting from the data obtained. NWSSP Specialist Estates Services (SES) have expressed a desire to receive more detailed feedback of the benefits achieved from the OccupEye projects completed with their support, to assist in the promoting of benefits across NHS Wales (with details to be suitably anonymised), and the report could therefore benefit both internal reporting and the sharing of benefits more widely.

#### **Management Response:**

Evidence of activity and success is more valuable and actionable if in a real-life case study, setting out the practical and methodical approach to achieving the desired space utilisation / rationalisation goals. Therefore, we will produce case studies, publicise/communicate them internally and share with NWSSP to highlight the good practice and results achieved.

#### **Target Implementation Date:**

March 2027

### **Management Consideration 6: Post-completion review of the benefits achieved from capital projects**

The team could liaise with the Capital Planning team, to determine opportunities for involvement in post-project reviews, in terms of assessment of space utilisation and achievement of the intended space-related benefits from capital investment.

#### **Management Response:**

In agreement/collaboration with the Capital Planning Team, the health board aims to conduct post occupation audits/reviews following the first 12 months of the full occupation date, as defined within business case documentation and from installing Occupeye to monitor plan versus reality and against agreed space utilisation targets.

#### **Target Implementation Date:**

August 2027

### Overview / Summary of Observations

Application of the '*Space Utilisation Principles & Framework*' document was managed by the Central Accommodation Group (CAG), with an electronic proforma to be completed for accommodation requests, and a spreadsheet to record requests and outcomes. Outcomes were reported routinely to the Strategic Property & Environment Taskforce Group (SPETFG). The new proforma ensured the provision of a sufficient range of information to support consideration of the requests, however we noted there could be improved clarity (and audit trail) in the recording of outcomes at the spreadsheet. The centralised process has been robust to date in its repudiation of requests which do not support the aims of the UHB's strategic plans.

A robust process was also in place for the central management of lease arrangements via the CAG, linked to the prioritised objectives for lease rationalisation set out within the Property Asset Strategic Plan. The Property Team have noted significant improvements in lease management activity arising from the new governance structure and centralised process, with staff across the UHB now aware that lease agreements need to be centrally approved. This has reduced the ad-hoc arrangements previously seen, which did not always necessarily align with the UHB's strategic plans.

A recent successful project supported by the Property Team and using OccupEye data to support the business case, has seen the re-location of office staff to a modern, centralised corporate hub in Carmarthen, leased from the Welsh Government at zero cost. This has enabled the termination of three leases and one freehold disposal in existing older properties, and has also freed up space at acute sites, in line with the aims of the Property Asset Strategic Plan in rationalising the estate.

We note a further opportunity for the Property Team to increase their involvement in the development of new capital projects (in conjunction with the Capital Planning team), bringing their data-based decision-making disciplines around space requirements to the planning of potential new capital investments.

### Management Consideration 7: Accommodation Requests Spreadsheet

The Accommodation Requests Spreadsheet could be enhanced to provide greater clarity and audit trail of the outcomes of the accommodation requests received.

#### Management Response:

The Spreadsheet template in situ will be enhanced to include a outcomes/output column for each accommodation request and the output/decision will be recorded here so that it is clearly evidenced.

#### Target Implementation Date:

March 2026

**Management Consideration 8: Involvement in the planning of new projects**

Aligned to *Management Consideration 6*, the team could liaise with Capital Planning to determine opportunities for involvement, at a sufficiently early stage in the planning process, in new capital projects. This could benefit the process for determining space requirements, potentially supported by OccupEye data where feasible, and ensure business cases can provide a clear justification for the level of investment requested.

**Management Response:**

Where appropriate/possible, we will use Occupeye data and actual staff working patterns (not headcount) to inform the planning of capital projects and ensure business cases and investment is justified and offers value for money. We will promote the Hywel Dda Agile Working Strategic Plan in capital planning and workforce planning groups to underpin effective workforce planning based on true modern-day working patterns and agile working arrangements.

**Target Implementation Date:**

March 2027

### Overview / Summary of Observations

As discussed in *Objective 2*, the UHB had limited SMART (specific, measurable, achievable, realistic, timely) data on space utilisation (to use as a benchmark against which to monitor and report performance), and as such targets had not yet been determined and included in the strategic plans (see *Management Consideration 1*). Once targets have been developed, reporting can be enhanced to incorporate data-based measurement of performance via OccupEye results and other processes.





We have also already noted the potential benefit of developing a central team plan for space utilisation activities, against which delivery can be monitored and reported to appropriate forums, e.g. CAG and SPETFG (see *Management Consideration 3*), and the opportunity for more detailed analysis and reporting of the benefits derived from OccupEye projects, for reporting internally and also for sharing more widely with NWSSP:SES (*Management Consideration 5*).

Notwithstanding these opportunities for improved reporting, we otherwise evidenced a robust range of reporting of space utilisation activities and performance, against the approved strategic plans, to appropriate forums in line with the defined responsibilities set out in the terms of reference. Recent examples have included reporting of delivery against the Property Asset Strategic Plan, of progress made using the data derived from OccupEye projects and of lease arrangements. Routine highlight reporting from the CAG to SPETFG included accommodation request decisions, top risks and mitigations.

Noting the previously referenced Management Considerations, no further actions have been suggested in this section.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

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## Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

