

**National Health Service Act 2006 ("the Act")**

**NOTICE of exercise of intervention powers under section 52 of the Act**

**To: The Chairman  
Royal National Hospital for Rheumatic Diseases NHS Foundation Trust  
Upper Borough Walls  
Bath  
Avon BA1 1RL**

On the basis of information made available to the Independent Regulator of NHS Foundation Trusts ("Monitor") by the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust ("the Foundation Trust") and having taken into account representations made to Monitor by the Foundation Trust, Monitor is satisfied:

- (1) that the Foundation Trust has contravened, and is failing to comply with, its terms of Authorisation, and
- (2) that the contravention and failure are significant under section 52(1) of the Act.

This Notice constitutes formal notification of the immediate exercise by Monitor of its statutory powers under section 52(3) of the Act.

Without prejudice to any further action which Monitor may take under the Act, Monitor requires the Foundation Trust to:

- (i) agree to the review by Monitor of the Foundation Trust's working capital position and forward cash flow over the period of the next 12-18 months;
- (ii) appoint PricewaterhouseCoopers to review (under a scope of work to be agreed with Monitor) and report upon (by a date to be agreed) financial control and commercial management at the Foundation Trust, and to co-operate in full as may be reasonably required in the production of that report; and
- (iii) make appropriate arrangements to satisfactorily resolve the Chief Executive's position.

**Dated 4 August 2008**



**William Moyes  
Executive Chairman**

**Annex to NOTICE dated 4 August 2008 of exercise of intervention powers under section 52 of the Act to the**

**Royal National Hospital for Rheumatic Diseases NHS Foundation Trust**

This Notice should not be construed as providing any comment as to the capabilities and competencies, or otherwise, of the Trust's Board or the executive team, or of Monitor's confidence in them.

Currently Monitor has no reason for concerns as to the quality of the clinical care provided by the Trust to its patients.

The formal intervention relates at this stage to matters of financial governance.

In part, the aim of this formal intervention is to provide the opportunity for the Board to formulate a strategy which is not dictated by immediate pressures.

Overall, intervention is a secure mechanism of ensuring that appropriate regulatory control is in place to assist in the maintenance of short-term stability, the successful recovery of the Foundation Trust and protection of the services it provides for patients.