

It's not just the economy - it's also the NHS

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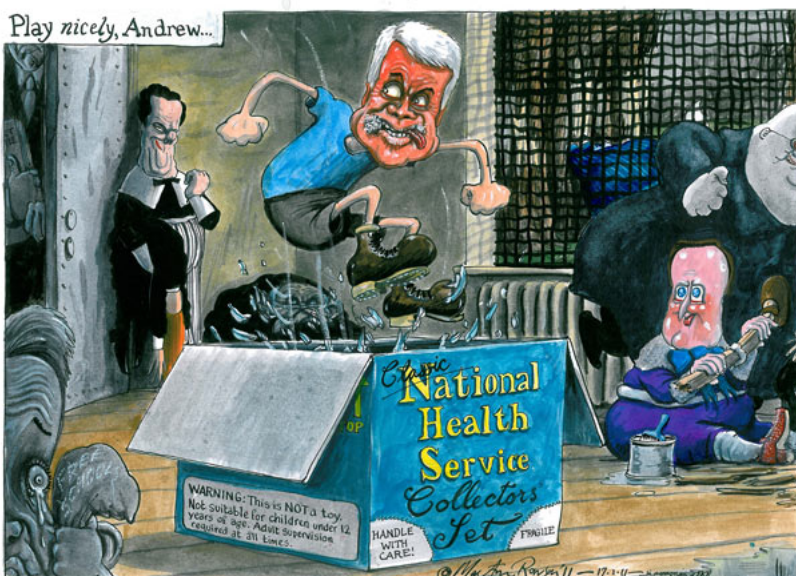
Larry Elliot [says this morning](#):

Without wanting to sound too hyperbolic, what happens in the first half of this year is going to shape politics for some time to come. A combination of falling unemployment, easing inflationary pressures and steady retail sales would calm the coalition's jitters about the economy, and allow ministers to claim that they are sorting out the "mess" inherited from Labour.

Conversely, if the jobless total rises by Easter, inflation edges above 4% and consumers save rather than spend, Labour will be able to say that it is the coalition that has messed things up, killing off growth with its ill-timed and harsh austerity programme.

And that's really not far from the truth - and I suspect Larry knows as well as I do that the former is much less likely than the latter.

And usually in politics that would be enough to sway the issue one way or another. But these are not usual times and although it goes against my normal policy I am reproducing this morning's cartoon from the Guardian for very good reason:



This week the government publishes the Health and Social Care Bill. For all practical purposes it might be called the Privatisation of the National Health Service Bill. That is what it is seeking to achieve. Worse, by demanding that European competition law applied to the NHS, by demanding that the lowest bid always get the work, by demanding that all work be open to private bidding, and by demanding that GPs who do not have the capacity to undertake these tasks manage them it guarantees three things.

First is the breakdown in the relationship between the various tiers of healthcare provision in the UK. As a result there will be no relationship of trust between GPs and hospitals anymore.

Second there will be no relationship of trust between patients and GPs, because patients will know the GPs are not dealing with their best interest because they will be managing budgets as their first and highest priority.

Third, when there is only room for one district general hospital in an area (for example, that in Kings Lynn, which is the nearest one to me, is 40 miles distant from any other hospital in any direction) then to begin to piecemeal undermine the services it provides breaks down the integrity of the whole, undermining the whole credibility of health services in the community. And yet that is exactly what is threatened.

Fourth, the prospect of future training is almost virtually destroyed, because those will be cherry picking in the private sector will not be budgeting for training the vast number of staff who are required to undertake such activity every year if the continual flow of new staff is to be available to them. They have always enjoyed the opportunity of cherry picking from the NHS in the past, and will budget on this for some time to come. We therefore undermine our long-term well-being in this process.

Fifth, given that the NHS will be shrinking in real signs because the budget available to it is insufficient to meet the demand that will arise, if there is to be capacity diverted to the private sector some existing NHS services supplied by the state must close as a matter of fact. So we will have hospitals without intensive care. Accident and emergency units without cardiac backup. And so on. The market is absolutely appalling at dealing with externalities which is exactly why the NHS has survived on the basis of cross subsidisation for the supply of the service as a whole. And yet the model that is proposed will destroy this. Hospitals will be closing soon.

The economy will be critical to the success or failure of this government, but the NHS reforms could destroy it quicker than anybody can imagine.

That is why this issue is so important. And the Tories are so mad to pursue it when they said it was something they would not do. The result is for once it's not just the economy that might make or break a government, it may be the NHS too.