

# Ministers have created a conspiracy of silence, matched...

Published: January 13, 2026, 2:33 pm

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Jeremy Hunt, in his role as Chancellor, has apparently said that no additional pay offer to nurses may be made this year. He has also ruled out backdating the next year's settlement. There is, apparently, no money available to meet this cost.

Ignore for a moment the total ignorance implicit in this comment, which ignores the fact that approximately 40% of any pay rise comes straight back to the Treasury in additional tax and national insurance contributions.

Ignore too the stimulus effect that this extra spending power for nurses will have in an economy deep in economic crisis.

And even ignore the additional tax paid when nurses do spend, and the recipients are taxed on what they get, as will the next net recipient, with ever growing returns to the government.

You have to ignore all these facts because Jeremy Hunt and the whole body politic appear to be totally unaware of them, even though they are glaringly obviously true economic facts.

Instead, assume that the nurses were a bank that had got itself into trouble, leaving savers and others at risk and then be sure that however much money was required in that case to keep that bank going would be made available, immediately.

Or imagine instead that the nurses did not work to save lives but instead sold gas and electricity to households, with the energy generated or created by others which they had bought on the basis of dubiously credible contracts, which were now going wrong. They'd get all the money they needed in that case.

As would the nurses get funded if they ran failing pension funds on equally dubious bases.

Money is readily and instantly available in these cases. But it is, apparently, impossible to find for nurses.

Why is that? I think there are three implicit assumptions unfortunately shared by most politicians.

The first is that all money paid to nurses and other state sector workers disappears into a black hole never to be seen again. It is a cost from which no benefit, let alone any income, arises. The fact that state spending on such services is a part of GDP is apparently unknown to politicians, and beyond their comprehension.

Second, when it comes to the value of the spend, politicians share the view of the Office for National Statistics (the ONS) that the value created by nurses and other state sector workers is equivalent to their cost. Private sector workers do, of course, add value through profit extracted by others as a result of their effort, but apparently state sector workers benefit no one else but themselves by reason of their employment, or so it is assumed. So no patient gains from being well, and no student benefits from learning from a teacher, are accepted as existing, just as no police officer adds value for GDP purposes. No wonder public servants go undervalued.

Third, because politicians have now passed the buck for employing most state sector staff to others (trusts, academies, and so on) they can deny any responsibility for these issues. It is, they say, up to these agencies what they pay, knowing full well that the funding these agencies get deliberately constrains what might be paid to staff.

We face then a conspiracy of silence, matched by a veil of ignorance, and a deep denial of the truth when politicians come to address these issues. Union leaders must require the patience of saints when having to deal with those capable of holding all three such opinions simultaneously.