

The Great Tax Parachute: How to save the public finance...

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The Green New Deal group has published a new report on tax which is, they and I will admit, largely my work.

As it says:

As the public are told by all the main political parties that large spending cuts are inevitable, the Green New Deal Group show that real alternatives exist. This briefing reveals, for the first time, that the public deficit could, in fact, be substantially offset by a range of progressive measures on tax.

In the short term, government spending is needed to keep people in work as the only guaranteed way to reduce a deficit in a time of unemployment. When the immediate crisis has passed and the government needs to balance its books again, there are two options: to cut government spending or to raise revenue. As the Green New Deal Group's briefing, The Great Tax Parachute: How to save the public finances and give the economy a soft landing shows, the first of these, does not need to be an option.

Taken together, the Green New Deal Group estimate that more than £100 billion a year is lost at present because of abuse of loopholes in the tax system, tax bills remaining unpaid and from illegal non-payment of tax. Of course not all these abuses can be stopped. No tax system is perfect. But, while some of this revenue would be absorbed by the modest additional resources needed to implement the measures, by taking action to tackle these issues substantial amounts could still be made available to the public purse. This is not about new taxes, simply collecting taxes that are due, closing loopholes in the tax system and clamping down on illegal non-payment of taxes. Action on these issues is needed now.

In addition, as the Green New Deal group show, there is an enormous range of additional taxes available that would make the UK's tax system fairer. Those with the greatest capacity to pay tax could carry more of the burden of addressing the economic crisis whilst the taxes of those who simply cannot afford to pay more could be eased. Such an approach also stands to reduce the high social costs of inequality borne by the taxpayer.

Once economic recovery begins the UK's structural deficit needs to be tackled in this way, not by cutting public services.

The report builds on a range of previous work and brings together recommendations from the TUC, Compass, the Green New Deal group, PCS and others to show that there is no case for cuts — just a case for collecting the tax revenue due to our government.

Those who say otherwise are in the case not stating a fact — they're making a political statement of choice.

And that difference is very important, indeed, because it undermines the current hegemony, and that's going to be vital in the days, weeks, months and years to come as those who seek to undermine the effectiveness of UK government services, and society as we know it in the UK, demand cut backs in the essential state services that underpin our well being.

Footnote: The report featured on [Newsnight last night](#) - see the Tuesday repeat