

## Time to attach conditions to the Â£40 billion of savi...

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The Green Alliance has issued a report today that I would recommend to those with an interest in how to make the economy grow again, sustainably.

### As they note:

*The government gives up to £40 billion per year in tax effort for ISAs, pension contributions, venture capital and property investment, encouraging saving and investments. Yet, there is nothing attached to these subsidies to encourage responsible or sustainable investment.*

*This report demonstrates how these powerful levers can be used to build a stronger, more sustainable economy. It suggest that policy makers, the public and the financial services industry need to consider and debate seriously a new principle that, in return for tax relief and implicit subsidy, savers and investors should be able to demonstrate a contribution to the public good.*

It is an argument [I have made before](#), but they take the issue and develop it in a way that demands careful consideration. Amongst its recommendations are these, which I endorse:- Favourable tax treatment of pension contributions and private equity investments, such as Venture Capital Trusts, should be reformed in ways that require proof of responsible investment and asset management that genuinely reflects the long term interests of pension holders, and taxpayers.

*- Banks and building societies would only be eligible to offer tax free ISA savings accounts if they can prove responsible lending practices, including far greater transparency of the types of economic activities supported by their lending.*  
*- The exemption of residential property from capital gains tax could depend on proven energy efficiency improvements made to the fabric of the building during the period of ownership.*

The time for such change has arrived. I'm delighted others are picking the issue up.