

Saving for the NHS

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On Monday night I watched Jeremy Paxman's programme on the First World War. One of the social dimensions of the war that he discussed was the massive sale of war bonds in 1917. More than £11 billion in current prices was raised in a few months. People literally invested their savings in something they believed in, which was the need for victory.

On Tuesday I, and quite a number of others, spent time thinking about tax justice and healthcare, not just in the UK but around the world. With so many development experts present I concentrated on the home front, and recalling Paxman and the war bonds suggested the sale of NHS bonds as a way of replacing PFI as the mechanism of choice for funding the NHS.

The idea resonated immediately. That was not just because others had seen the programme, although some had. Those present were instantly sure that such bonds would sell.

Now this is not a new idea on my part. Colin Hines, Alan Simpson and I first proposed such an idea in 2003 as part of what we then called our proposal for [People's Pensions](#), believing that bonds could underpin pensions that people would wish to invest in as they could relate to the product they were buying. It has since been used by us, regularly, as [part of the Green New Deal proposal](#).

I remain baffled about what there is to not to like about the scheme. Of course it is, in a sense, hypothecated borrowing, but unlike hypothecated tax I have no problem with that since borrowing is not obligatory and payment of tax is.

And no doubt someone somewhere will find an EU based objection (although I struggle to think that this might be).

Right wingers will also, and equally predictably, argue that this will be the state crowding out private savings, but that's risible. Providing choice is not crowding out.

And such a scheme would, I think, have considerable appeal, especially to older savers

who are looking for some certainty in their returns and to those, like me, who frankly think that right now capitalism has no real idea how to generate any returns to savers except by undertaking market abuse and by undertaking rent seeking activity.

If these bonds could be placed in pension and ISA wrappers then the appeal would be even stronger, whatever reservation I have about these structures.

I personally think it a 'no brainer'.

One for the manifesto anyone?