

Finding Â£20.1 billion the investment we need in the ...

Published: January 13, 2026, 12:41 am

If there is agreement on an economic issue in the UK it is that we need more investment.

Whether in housing, energy, infrastructure, training, business, R&D, or more we are short of investment. It is one of the major reasons why we may be facing a new economic downturn. A lack of investment is one of the drivers of the shortage of demand we now face in this country.

The point on which there is much less agreement is how this investment should be funded, so let me suggest an answer to that.

My enquiries of the Bank of England suggest that this year £20.1 billion of the quantitative easing funding owned by the Bank of England will be redeemed and require reinvestment. This is in two broadly equal tranches, one this month and another in September.

Now just suppose that instead of this sum being used to buy gilts already in issue in the market place it was instead used to buy the loans issued by a new National Investment Bank tasked with creating national infrastructure. Under Maastricht rules we know these would need in the first instance to be offered to the markets, but just suppose that £20.1 billion was at the very least made available to underwrite these issues in case the market did not have the appetite for them. What would happen then?

First, there would be funding available to kick start investment.

Then there would be job creation - and if at least some of this fund was used for green energy and retro-fitting some of those jobs could be in every constituency of the UK.

And there would be a venture capital fund for concentrated investment in new opportunities in UK technology - which would be so much more useful than scatter gun R&D relief.

And co-ordinated housing could be built.

All by simply saying we won't continue with conventional QE and its support for financial markets but that we would instead use QE for the benefit of the people of this country, and its business and its innovation and skills.

Is that really so hard a choice to make?

And it is entirely legal and possible to do it, now.