

The Green New Deal is all about 'levelling up' the UK

Published: January 13, 2026, 10:41 pm

The [FT has noted this morning](#) that:

Britain must spend at least £1tn over 20 years and devolve power out of London if Boris Johnson's government genuinely wants to "level up" the country, reducing the gap between the poorest and richest areas.

In a report to be published on Thursday, the UK 2070 Commission led by former civil service chief Bob Kerslake, said the government must match its rhetoric with money and policies. "The gap is enormous, the biggest gap of any large economy in the developed world, and it is getting wider," Lord Kerslake told the Financial Times.

They added that:

He compared the amount required to transform the British economy with the £1.5tn spent on the former East Germany over 25 years. But he refused to be drawn on how the government should pay for it. To date only around £100bn has been earmarked for infrastructure over five years.

No doubt there are some, probably in Tunbridge Wells, who will see no reason for any of this. Such has been the attitude of many on the right for a very long time: they would argue that the differences in wellbeing that are witnessed in the UK are just the result of market forces, whilst ignoring how these have been massively distorted by the activities and actions of many, largely Tory governments over decades of bias towards London and the south-east.

Now is the time for change. Bob Kerslake is right. And the cost will be significant. But I have already shown how to raise £100 bn a year for investment in the UK. [As I noted last September of the Green New Deal:](#)

- * This transition can be paid for without increasing taxes;
- * About £100 billion a year is paid into UK pension funds and all of that money gets tax relief from the government. The total tax subsidy costs £54 billion a year. We say 25%

of those contributions should go into Green New Deal Investment in exchange for that tax relief. That would supply about £25 billion a year to the Green New Deal;

* About £70 billion is saved in ISAs a year. If ISA tax relief was dependent on these funds being invested in the Green New Deal in future at a government-guaranteed rate of [1.85%, which is the average cost of UK government borrowing] we think that all this money might be available to the Green New Deal.

* Right now these two sources of funds should, by themselves, fund the whole cost of the Green New Deal.

And as I see it there is little difference between much of what the Green New Deal is about and this levelling up process. We have always argued that the Green New Deal is about creating jobs in every constituency.

My point is simple: the money to fund the levelling up of the UK exists; we just need to tap into it.