

The government is going for green bonds - but by the lo...

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This story was in The Times yesterday:



The essence of the story is that £15 billion of government backed bonds are to be made available, with the proceeds to fund solar and hydrogen projects.

First, an observation: I am told these bonds are not to be made available in ISAs. I do not know why.

Then, some thoughts. First, the Osborne 'granny bond' in 2015 raised £15 billion in almost no time because the interest rate was favourable. I hope it is good this time. But the article already says this would be a waste of taxpayer's money. How wrong can The Times be?

Second, it is shame that solar is to be a focus of this: money is easy to secure for solar right now. I believe that true for hydrogen as well. In that case what is this bond for?

Third, it is the tougher elements of environmental concern that need funding. Why isn't this money for retrofit? And why not for investment in new technology? Where is the investment in tidal power? Or new heat pump manufacturing capacity? And what about new, green, social housing? These would seem like a much better use of government-backed funds.

And, fourth, of course, the terms of the deal need to be known.

I am all for green bonds: I think they could revolutionise a Green New Deal. But this proposal seems some way short of what I would hope for right now. There is more to do.