

How to fund Labour's £28 billion spending plan, and ...

Published: January 14, 2026, 5:38 am

My Green New Deal Group and Finance for the Future colleague, Colin Hines, has this letter in the Guardian this morning:

Your [editorial](#) (9 June) is correct to call Rachel Reeves' retreat from her £28bn annual commitment on green investment an example of the renewal of a failed economic consensus. This has seen Labour aping Jeremy Hunt's ludicrous emphasis on reducing the national debt. Instead, Labour must become leader of a pack of opposition parties all demanding a massive increase in expenditure on social and green infrastructure, and on the wages and conditions of those working in these areas. One recent [estimate suggests](#) that to achieve this, the next government will need to invest £220bn per year.

All opposition parties should promise the next parliament will use its powers to provide the money needed to fix broken Britain. This can come from three sources. First, the estimated [£55bn a year](#) of tax breaks for pension savers must be redesigned to support employment-creating investment with social and environmental goals, as should some of the [£70bn a year](#) saved tax-free in Isas – a much-needed exercise in intergenerational solidarity.

Second, increased revenue from a fairer taxation system, where the wealthier contribute far more. Finally, as a backstop for any funding shortfalls, quantitative easing should be restarted. What [Labour](#) and indeed all the opposition parties have got to grasp is that you can't have the necessary equivalent of Roosevelt's New Deal without a massive increase in new debt. The £28bn is a mere down payment.

Colin Hines
Convener, UK Green New Deal Group