

# Funding the Future

## How will Labour pay for 300,000 new social houses a year...

Published: January 14, 2026, 9:49 pm

I wrote this Tweet last night:



As a result I was invited onto the Today programme this morning. The discussion was to have been on how Labour would pay for this programme.

As is commonplace with such bookings, I was cancelled at 6.20 this morning, having been told that the discussion on the programme would be curtailed because of other developing news.

The reality was that the discussion did take place, but finance was simply not mentioned.

So let me summarise what I would have said, which I outlined to Radio 4 when I was booked.

First, I would have pointed out that house building can be paid for in three ways. They are money creation, tax and borrowing.

I really do not think Rachel Reeves will allow money creation and so that leaves two

options.

But, tax has been ruled out: Labour says current spending and tax will be equated. It has also ruled out most new taxes on wealth although it has said nothing about the increasing tax burden on those on lower pay because of fixed allowances in an inflationary era.

Meanwhile, Labour has committed to spend £28 billion a year on investment, albeit, not yet. What I keep hearing is that this pot has to cover everything.

On top of that, the commitment is to shrink borrowing as a proportion of GDP. In other words, growth has to happen without any stimulus from the government before borrowing for projects such as this can take place.

So the question is, how can the funding be put in place within such a straitjacket? This is most especially the right question when 300,000 social houses a year are likely to cost well in excess of £60 billion per annum, assuming market prices for land are paid. It should also be noted that I am probably being generous on this cost as the need is for housing, not yet more small flats.

I made clear that funding is available. There is ample scope to tax more, and I ran through the Taxing Wealth Report.

I also made clear that it would be entirely possible for the government to raise dedicated housing bonds to fund this programme. After all, social housing has a return built into it via rents. There is nothing more suited to dedicated bond funding than this sector, and people are looking for genuine safe places to save, which this could provide.

But I did not get the chance to say so, and so challenge Labour on this issue.

Another time, maybe.