

How to pay for a Green New Deal

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I was at a meeting of the [Green New Deal Group](#) in parliament last night.

Let me leave aside the increasing absurdity that I feel surrounds that place and the posturing pretence that goes with it. We were there to discuss a new report to be published by the Group, of which I was a founder member back in 2007.

The report in question, to which I have contributed, comes out next week. That contribution is, I admit, based on the Taxing Wealth Report 2024, which is why I really did have to [produce a summary of it yesterday](#), because I circulated it at the meeting last night.

However, others including the New Economics Foundation and the Womens' Budget Group have also contributed to a series of new notes that were published yesterday by the Group on the theme of how to pay for a Green New Deal. [The section from its website](#) on the five related briefing sheets that have been produced is as follows:

[Personal taxes](#) – we could raise about £28 billion a year by taxing income from wealth more effectively and scrapping the reduced rate of national insurance for high earners.

[Corporate taxes and subsidies](#) – we could raise about £25 billion a year by closing a loophole for oil and gas investment, reducing a hidden subsidy paid to commercial banks, and ensuring all companies file their tax returns correctly.

[Harnessing private finance](#) – the Bank of England could steer investment away from fossil fuels and into green projects by fully recognising the risks of fossil fuel investments, refusing to accept fossil fuel assets as collateral, and introducing a lower interest rate for banks lending to green projects.

[Putting savings to productive use](#) – as much as £100 billion a year could be found for investment in Green New Deal projects if new savings in ISAs, and some pension contributions, were required to be invested in this way. This would help ensure that savings which benefit from tax-free status are benefiting society in return.

[Public sector borrowing](#) – a summary of why government can and must borrow to invest in a Green New Deal, without fear of simplistic ‘fiscal rules

As will be apparent, not all the approaches exactly tally with those I have used. But, the key messages are threefold.

First, a Green New Deal can be financed.

Second, doing so is not hard.

Third, to deny this is to deny the truth.

This combined effort is of value for this reason.