

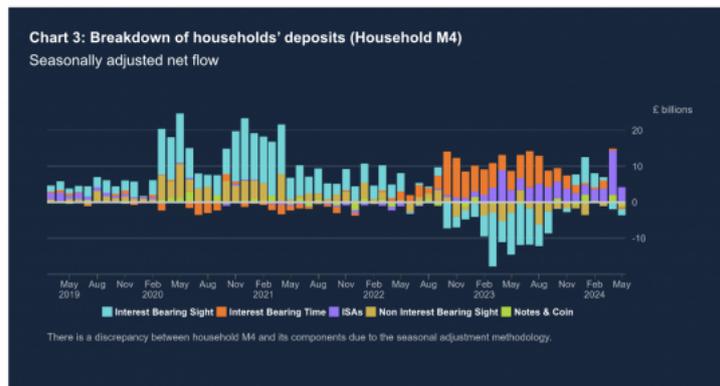
Funding the Future

Labour should be putting the UK's savings to use instead...

Published: January 13, 2026, 2:02 pm

The [Bank of England has reported](#) this morning that:

Household deposits with banks and building societies rose by £5.3 billion in May. This was driven by households depositing an additional £4.2 billion into ISAs, following a record net inflow of £12.3 billion in April (the series began in 1999). These were partly offset by net withdrawals of interest-bearing sight, interest-bearing time and non-interest bearing sight deposits of £1.7 billion, £0.5 billion and £0.3 billion respectively (Chart 3).



The point is important and is borne out by the chart: net new savings in the UK economy right now are significant. After a period of heavy reallocation of funds from late 2022 until more recently, the normal pattern of regular heavy saving - much of it into ISAs - has been resumed. There is a wall of money seeking use in the UK economy.

This is a theme that Colin Hines and I, as Finance for the Future, have been making for some time. Colin had this letter in the new [Statesman last week on this theme](#):

[Mariana Mazzucato](#)'s detailed alternatives to the growth-before-investment mantra and Paul Collier's demand that the next government takes back control of the Treasury after decades of its misrule provides solid underpinning for a progressive Labour government.

This approach could be part-funded by drawing on the proposals of the tax expert Richard Murphy detailed in his *Taxing Wealth* report. It explains how up to £90bn a year could be raised by increasing tax on the income from wealth. Another huge investment generator would be to ensure all new ISA funds and 25 per cent of new pension contributions were invested in social and green infrastructure. Up to £100bn of funds might eventually be made available for that purpose a year.

This could enable Labour to begin embarking on a first “hundred days of hope”, while increasing business opportunities and providing secure employment across the country.

Colin Hines, Twickenham

Labour should be taking note, rather than talking to foreign capital, which it is reported to be doing. We do not need private equity funds or the likes of Blackstone funding the UK economy. What we need to do is provide the people of the UK with the chance to save for their own future prosperity - and survival.