

**A Transitional House of Lords:  
The Numbers**

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## **Executive Summary**

This Briefing examines the number of peers likely to be contained in a 'stage two' second chamber, once the hereditary peers have been removed. The purpose of the analysis is to explore what balance might need to be achieved between the party groups, and to assess the impact of a retirement age.

### **Baseline**

Once the hereditary peers are removed from the Lords, the second chamber will number around 469 peers (or around 561 peers if the proposal for a 'reprieve' for 92 hereditary peers is passed). The life peers are closely balanced between the Conservatives and Labour, although the Liberal Democrats are under-represented.

### **Retirement age**

The average age of life peers is 69, with the Conservative and Cross Bench peers particularly weighted towards the upper end of the age distribution. If a retirement age was set at 70, this would halve the number of life peers. If set at 80, it would remove almost one fifth of life peers. Should a retirement age be introduced, the government will wish to consider creating many new Cross Bench peers, to replace those lost to the second chamber. However, the UK's second chamber is currently large by international standards, and the use of a retirement age represents one way in which the government could bring it more into line with practice overseas.

### **Mortality rates**

By 2002, mortality rates have the potential to reduce the size of the second chamber to just over 400, with the total falling to under 350 by 2006. However, mortality rates do little to impact on the balance of peers between the parties. The government cannot rely on 'natural wastage' alone to achieve comparability in the size of the Labour and Conservative representation.

### **Balance between the parties**

Should the 'stage two' Lords comprise life peers only, the government will have few difficulties in achieving "broad parity" between its representation and that of the Conservatives. If, however, the 92 hereditary peers are included in the Lords, the government will need to be more active in creating new Labour peers. If the opposition parties are allowed a handful of new peers each year, parity with the Conservatives will require the annual creation of 34 new Labour peers by the next election, or 14 new peers annually should the government aim for parity only by 2004.



## Introduction

Should the House of Lords Bill, currently progressing through Parliament, be passed, it will have two effects on the composition of the second chamber. First, it will reduce by over half the overall size of the Lords; second, it will reduce substantially the numerical bias in favour of the Conservatives. But ending the voting and sitting rights of hereditary peers will not resolve the questions relating to the composition of the Lords. On the contrary, it will focus attention on two additional issues:

- what should be the balance of peers between the parties?
- should peers be subject to a retirement age, bringing them into line with the practice for Law Lords and bishops? If so, where should the age limit be set?

This Briefing is intended to help inform the debate on these issues, by modelling the number of peers who would be involved in a range of different policy scenarios. Three timeframes are used: the two years that currently seem likely until the end of this parliament (ie. an election in spring 2001); an extended period running through until the end of the next parliament, in 2006; and an even longer period running until 2016.

The Briefing proceeds through a number of steps, showing:

1. The baseline of peers left in the second chamber once the hereditary peers are removed.
2. The impact of a retirement age, set at 70, 75 or 80. The impact is shown both immediately, and over time.
3. The change over time in the baseline number of peers, to account for mortality rates.
4. The number of new life peers that will need to be created for "broad parity"<sup>1</sup> to be achieved between the two main parties.

## The baseline numbers

The House of Lords numbers 1,158 peers.<sup>2</sup> Of these, 636 are hereditary peers, 26 are Lords Spiritual and 27 are Law Lords. The rest are life peers, the party breakdown of whom is shown in Table 1. Note that this Briefing does not include in its analysis the Lords Spiritual or the Law Lords; while both groups will be represented in the transitional chamber, the issue concentrated on here is the size of the party groups and the Cross Bench.

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<sup>1</sup> The Government's objective, as set out in the recent White Paper *Modernising Parliament: Reforming the House of Lords*, Cm4183, Jan 1999, p.32

<sup>2</sup> Information correct as of 1 March 1999. The Unit is indebted to the House of Lords Information Office for its help in collecting the baseline data.

*Table 1 - Baseline composition of the Lords*

<i>Party</i>	<i>Life peers</i>
Conservative	169
Labour	157
Liberal Democrat	44
Cross Bench	87
Other*	12
Total	469

\* Newly created peers whose party affiliation is not yet known, or peers who do not express a party affiliation.

Note: These figures are based on information provided by the House of Lords Information Office in early March 1999; constant changes in the Lords' composition, due to deaths and the arrival into the House of new peers, mean that the figures become quickly out of date. But, while this baseline fluctuates constantly, it is accurate to within a handful of peers.

This baseline figure might be increased should the 'Weatherill amendment' be passed. This provides for the continuation in the Lords of 92 hereditary peers, whose composition is shown in Table 2.

*Table 2 - Baseline composition of the Lords, including the 92 hereditary peers*

<i>Party</i>	<i>Life peers</i>	<i>Hereditary peers*</i>	<i>Total</i>
Conservative	169	51	220
Labour	157	6	163
Liberal Democrat	44	5	49
Cross Bench	87	30	117
Other	12	0	12
Total	469	92	561

\* The Weatherill amendment provides for 75 hereditary peers, on a pro rata basis between the parties (42 Con, 2 Lab, 3 Lib Dem and 28 Cross Bench). A further 15 peers will be elected by the whole House to serve as Deputy Speakers or Committee Chairmen. This Briefing works on the basis that the party balance among the 15 will reflect the current allocation among Deputy Speakers and Committee Chairmen (8 Con, 4 Lab, 1 Lib Dem and 2 Cross Bench). Finally, there will be membership of the House for the Earl Marshall (currently a Conservative) and the Lord Great Chamberlain (currently a Cross Bench peer).

The charts and analysis that follow do not include the 92 peers. This is because, at the time of writing, it is not clear whether this group will be included in the transitional second chamber. Moreover, the numbers involved are not large enough to significantly alter the main conclusions derived from analysis of the life peers only. Finally, it is not clear what will happen to the hereditary peers after 2004 when, under the terms of the

Weatherill Amendment, the method of electing replacement peers is to be reviewed.<sup>3</sup>

Should policy makers be considering the merits of introducing a retirement age for members of the Lords, an important consideration will be the age distribution of this baseline set of life peers. This information is shown for each of the parties in Appendix 1. At a general level, it shows the elderly nature of many of the life peers; the average age across the parties is 69 (this compares to an average age for hereditary peers in the existing second chamber of 62). The distribution of the Cross Bench peers, and to a lesser extent Conservative peers, is weighted towards the upper end of the age range.

## The introduction of a retirement age

As a result of the elderly nature of the life peers, the effect of introducing a retirement age could be severe. If the limit was set at 70 (the retirement age for Law Lords), this would at a stroke halve the number of life peers in the second chamber, from 469 to 234. If the limit was set at 75, this would remove 159 peers, reducing the size of the Lords to 310 peers. If set at 80, 92 peers would be removed, reducing the House to a membership of 377.

The effect of a retirement age would vary between the parties. Table 3 shows what percentage of peers each party would lose should a retirement age be introduced immediately.

*Table 3 – The impact of various retirement ages, by party, 1999-2000*

	<i>Total in March 1999</i>	<i>Percentage of peers lost if retirement age set at:</i>		
		<i>70</i>	<i>75</i>	<i>80</i>
Conservative	169	49%	30%	17%
Labour	157	42%	28%	17%
Liberal Democrat	44	36%	18%	9%
Cross Bench	87	71%	56%	31%

The most obvious casualty, should a retirement age be set, would be the Cross Bench. If a retirement age was introduced, and it was thought desirable to retain a significant independent element in the transitional chamber, this would necessitate the creation of a large number of new Cross Bench peers (see page 8).

<sup>3</sup> Draft paper to the House of Lords Procedure Committee by JM Davies, Clerk to the Parliaments, 31 March 1999, section 2(e).

The effect of a retirement age would not be restricted to a one off reduction in the number of peers, but would effect a continuous reduction in numbers over time as peers reached the retirement age. Appendix 2 (1999-2006) and Appendix 3 (1999-2016) project forward the effect that retirement ages of 70, 75 and 80 would have on each party.<sup>4</sup>

The graphs show that a retirement age would have a large initial impact, followed by a gradual, relatively constant (c.14-15 peers per year), reduction in total numbers over time. The clear implication of any decision to introduce a retirement age (even one set at 80), is that a large number of new peers will need to be created to replace those lost to the second chamber. Alternatively, should the Government wish to reduce the size of the upper house, towards the international average, it could use a retirement age to achieve this, alongside the creation of a nominal number of new peers each year to retain a core of expertise within the second chamber.

### **The effect of mortality rates**

In addition to the potential, artificial, device of a retirement age, another factor that will serve to reduce the total size of the second chamber is the mortality rate. Currently, there are on average 19 deaths among life peers each year,<sup>5</sup> representing around 4% of the total number of life peers. Based on a breakdown of deaths between 1992-96, Appendix 4 shows the likely future impact of mortality rates on the parties.

The graph shows that, by 2002, mortality rates - in the absence of compensatory measures such as the creation of new life peers - have the potential to reduce the size of the second chamber to just over 400, with the total falling to under 350 by 2006. However, mortality rates do little to impact on the balance of peers between the parties. The Government cannot rely on 'natural wastage' alone to achieve comparability in the size of the Labour and Conservative representation.

We have not shown the impact on the total size of the second chamber of a retirement age *and* mortality rates, because these factors are not cumulative. Rather, they largely overlap, since the average age of life peers at death is 81.6,<sup>6</sup> greater than all three of the retirement ages considered in this Briefing. Thus, if a retirement age was set at 70, there would only be on average 1.7 deaths each year below this limit; if set at 75, there would be an annual average rate of 3.33 deaths below the limit; if set at 80, the rate would on

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<sup>4</sup> The calculations assume that any retirement age would take effect with the enactment of the House of Lords Bill, so that the 1999-2000 parliamentary session would mark the beginning of the period in which life peers reaching the retirement age would have to step down from the Lords.

<sup>5</sup> Average calculated between 1992-1996.

<sup>6</sup> Average of life peers who died between 1992-96.

average be 7.7 deaths. In other words, the factors serving to reduce the total size of the second chamber are largely *either* a retirement age, *or* the mortality rate, but not the two combined.

## **New peers: How many should be created?**

The final factor influencing the size of, and party balance within, the second chamber is the power of the Executive to appoint new life peers. This is also the most difficult factor to build into our forecasting, since the creation of new peers is as much a form of political patronage as a rational strategy for achieving inter-party balance in the second chamber of the legislature. Given this difficulty, the Briefing limits itself to assessing:

- how many new peers might need to be created in order to achieve the “broad parity” between Labour and the Conservatives; and
- what might be meant by the “proportionate creation” of peers from the other parties?

The most significant factor determining how many peers will need to be created to achieve “broad parity” is whether or not the 92 hereditary peers (see p.2) are included in the transitional chamber. The examples below explore scenarios in which they are included, and those in which they are not.

One indicator which might suggest how many peers the Government will wish to create in future is its record since taking office. Over the period 1997-98, the average annual creation of new peers was 61, of which 50% were Labour (31 peers each year), 27% were Conservative (16 peers), 14% were Liberal Democrat (9 peers) and 9% were Cross Bench (5 peers). However, such significant increases in the size of the Lords are probably not a good guide to future behaviour since, having removed the bias represented by the hereditary peers, the Government will be under less pressure to create large numbers of new Labour peers. More accurate a guide to future behaviour might be the preceding period, 1994-96, in which the average annual number of peers created was 18.

This Briefing assumes that the Government’s intention, in aiming for “broad parity”, is to leave Labour with either the same strength as, or slightly more peers than, the Conservatives (reflecting its superiority in the House of Commons, not its ability to drive through legislation in the Lords, for which it would require an overall majority of peers). Should the Weatherill amendment not pass, and the transitional chamber consist of life peers only, such a rebalancing would be relatively straightforward, since the baseline difference between the two main parties would be small (Table 1). The Government could, at a stroke, achieve “broad parity” by creating 12 more Labour peers than Conservative ones.

However, the Government may decide to move more cautiously, by choosing a slightly longer timeframe in which to balance party strengths. It could, for



example, follow the words of the White Paper and “*move to broad parity*” (italics not in original) over time, say by the next election (which will be assumed to take place in spring 2001). Under such a scheme, the Conservatives and Liberal Democrats could be allowed 5 new peers per year, with the Cross Bench an additional 3 peers per year. To achieve parity, Labour would then require 10 peers per year, with the total size of the Lords increasing only slightly, from 469 to 479 (factoring in the impact of mortality rates).

A more concerted appointment of Labour peers would be needed if the transitional chamber was complemented by the 92 hereditary peers. The balance of peers under this scenario would, as shown in Table 2, incline towards the Conservatives. Should the Government wish to create parity by the next election, while allowing the Conservatives a handful (say 5) of new peers each year, it would need to create 34 new Labour peers each year. Allowing for 5 new peers each year for the Liberal Democrats, and 3 for the Cross Bench, this would increase the total size of the Lords from 561 to 605 (again, taking into account mortality rates). To avoid such a sharp increase in Labour peers, the Government might plan to achieve parity at a point within the next parliament, rather than by the end of the current one (assuming its continuation in government after the next election). If the end point was set at 2004, and a small number of new creations were granted to the other groups (Con: 5, Lib Dem: 5, X-Bench: 3), it would need to create 14 new Labour peers each year, increasing the total size of the second chamber to 561 peers.

We have so far shown how many peers would need to be created to ensure “broad parity” between Labour and the Conservatives. How many peers would be needed to achieve the other aim contained in the White Paper, of a “proportional increase” in the representation of Liberal Democrats and the minor parties?

Once the hereditary peers are removed from the second chamber, the Liberal Democrats will account for 9.4% of life peers. If “proportional increase” refers to the party’s share of the election vote (18% at the 1997 contest), this would necessitate a large increase in the number of Liberal Democrat peers. While it is impossible to calculate at this stage how many new peers would be required (since calculating a percentage depends on the size of the other groups), we can estimate numbers using certain scenarios. For example, if we assume that the transitional chamber did not include any hereditary peers, that no retirement age was introduced and that the Government aimed to achieve “broad parity” by the end of the current parliament, this would require more than doubling the number of Liberal Democrat peers, implying the annual creation of 25 new peers for that party. Given that Labour would need to create only 10 new Labour peers to achieve parity with the Conservatives, such an increase for the Liberal Democrats looks unlikely.

We might thus assume that “proportionate increase” should not be taken to imply an exact linkage with a party’s share of the popular vote, but represents a commitment on the part of the Government to increase the number of peers aligned to the minor parties, so that the composition of the second chamber *moves towards* a more representative situation. The analysis above has factored in an increase in the numbers for the Liberal Democrats. It has not produced similar figures for the territorial parties, since although the Government might make a more conscious effort to seek nominations from these parties, the numbers involved are unlikely to be great (particularly since the Scottish National Party does not nominate to peerages).

A final issue brings us back to the effect of a retirement age which, as set out above (Table 3), would hold the most serious consequences for the Cross Bench peers. If the retirement age was set at 75, this would have the effect of reducing the number of Cross Bench peers from the current level of 87 to only 38 by the anticipated end of the current parliament in 2001 (although the real total would be higher due to the presence of the Law Lords). This would represent a reduction in the proportion of Cross Bench peers from the current level of 18.6% to one of 12.9%. Should the Government wish to retain the current level of independent peers in the Lords, it would need to create 8 new Cross Bench peers in 1999 and 2000.

## Conclusion

What are the main findings from the preceding analysis that might help policy makers in taking decisions on the composition of the transitional House of Lords?

1. The introduction of a retirement age could have a severe effect on the total size of the Lords. If set at 70, it would halve the number of life peers in the second chamber; if set at 75, it would reduce the Lords by one third. Even a retirement age set at 80 would still remove one fifth of peers from the second chamber.
2. The impact of a retirement age is relatively limited after year one of its introduction.
3. The most significant impact of a retirement age would fall on the Cross Bench. If the Government is serious in retaining a large independent element in the transitional chamber, a retirement age would hinder this goal, and would require the creation of large numbers of new Cross Bench peers as replacements.
4. Mortality rates have the potential to reduce the total size of the Lords, but do nothing to re-balance the party representations in the second chamber.
5. Should the transitional chamber contain no hereditary peers, the Government can achieve “broad parity” with the Conservatives by creating 12 additional Labour peers. The total size of the second chamber would not increase by much. If the 92 hereditary peers are included, the Government will need to create more Labour peers; maybe over 30 each

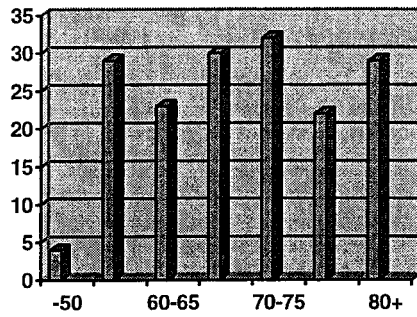
year, if it wishes to achieve parity by the time of the next election. This would increase the size of the Lords to over 600 peers.

6. It is unlikely that the “proportional increase” in the number of peers from the Liberal Democrats and the minor parties implies that these groups will gain sufficient peers to reflect their share of the popular. This would require too great an increase in the number of peers, for the Liberal Democrats in particular. Rather, via a handful of new peers each year, the Government might gradually move towards a second chamber whose composition is more reflective of the minor parties.

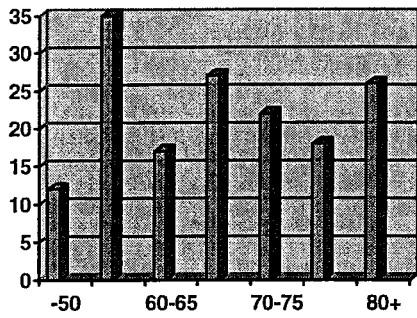
## Appendix 1

### Age distribution of peers, March 1999, by party

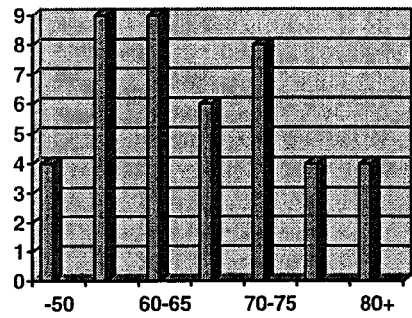
(a) Conservative



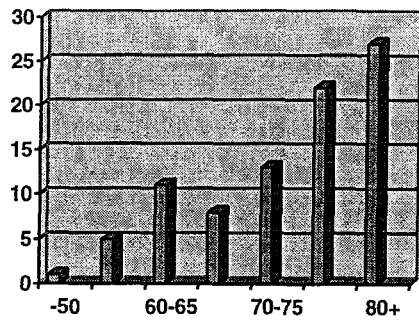
(b) Labour



(c) Liberal Democrats



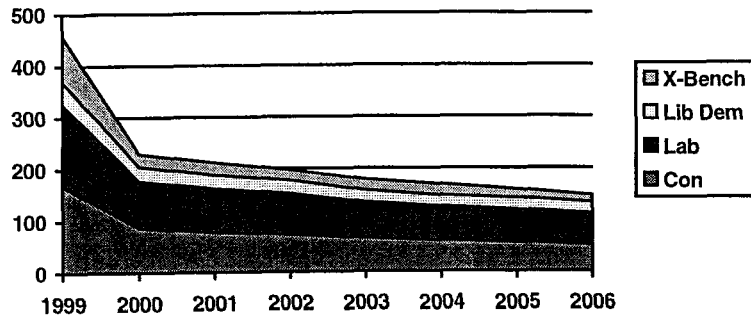
(d) Cross Bench



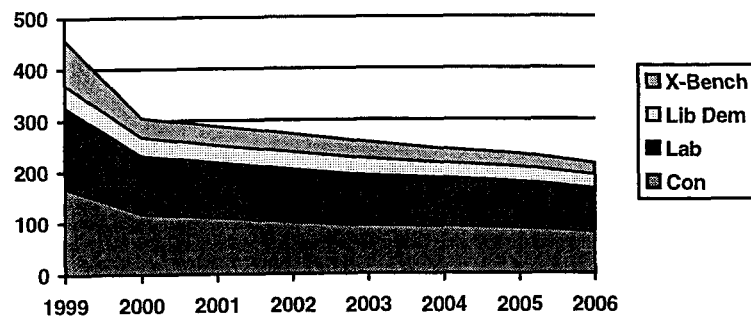
## Appendix 2

### Projection of retirement ages, 1999 - 2006, by party

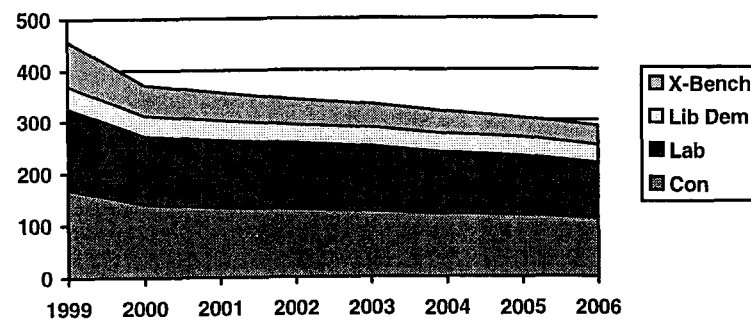
(a) Retirement age: 70



(b) Retirement age: 75



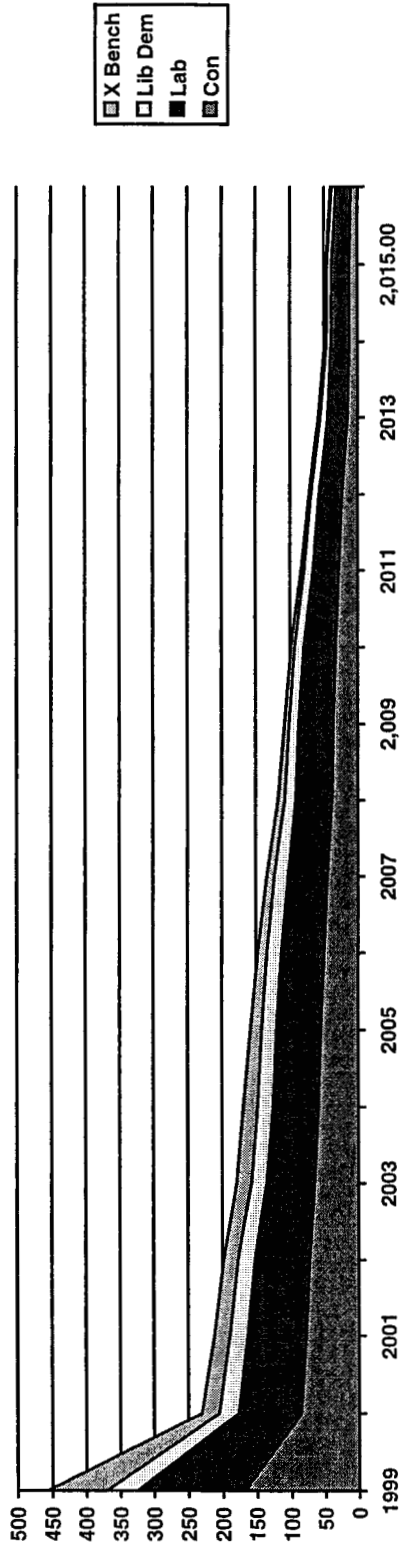
(c) Retirement age: 80



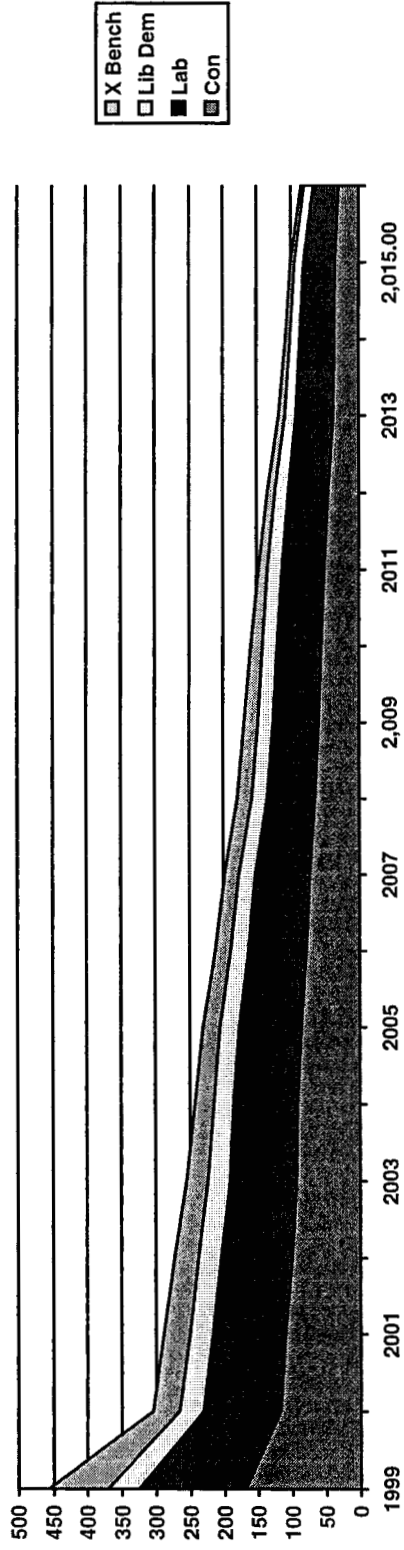
Appendix 3

Projection of retirement ages, 1999-2016, by party

Retirement age: 70

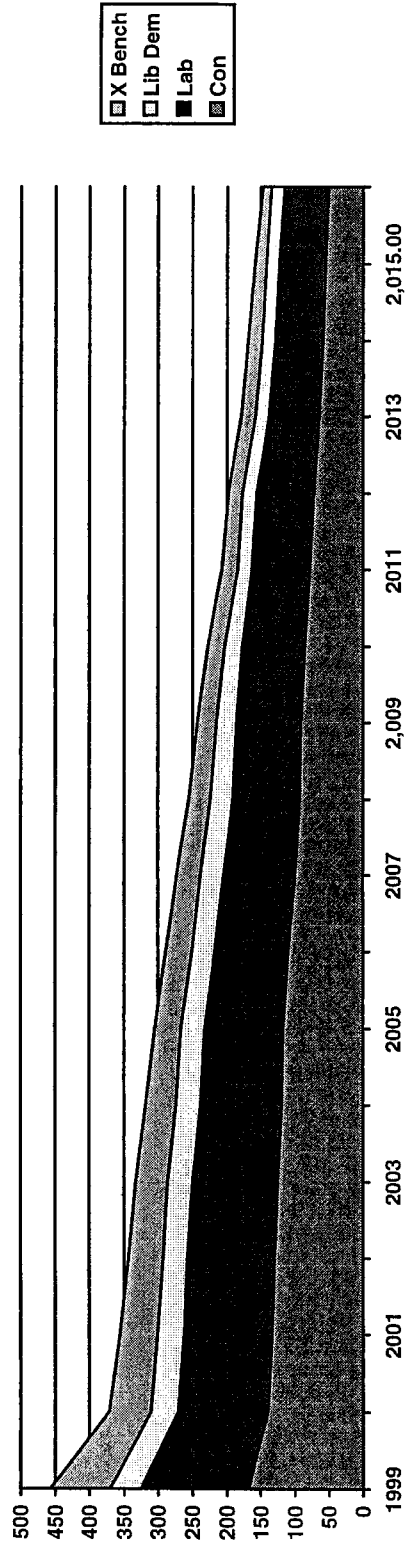


Retirement age: 75





Retirement age: 80



Appendix 4

Projection of mortality rates, 1999 - 2016, by party

