



Government defeat in the Lords

Emma Kilheaney looks at the significance of the government defeat on tax credits in the Lords

On 26 October, for the first time in 100 years, peers defeated the government on a piece of financial legislation. Government plans to cut tax credit benefits were not approved.

The votes

Members of the House of Lords voted 307 to 277 to delay the proposed cuts to tax credits until the government responded to the Institute for Fiscal Studies' assessment that combined changes to tax, tax credits and benefits would reduce household incomes. In a later vote, peers voted 289 to 272 in favour of a Labour motion, which demanded full compensation for low-paid people for at least 3 years. The government avoided complete defeat however, when the Liberal Democrats' 'fatal motion' to kill the bill entirely was rejected by 310 to 99.

Why is this significant?

It was the first time in a century that the Lords had voted against a piece of financial legislation. Peers ignored the constitutional convention that prevents the House of Lords from defeating the government on financial matters. The Lords argued that they were well within their rights to vote against the tax-credit cuts because

the government had used the statutory instrument of secondary legislation to put the bill forward, avoiding the traditional route of a Finance Bill, which the Lords do not historically have the power to oppose.

The House of Lords has only blocked secondary legislation five times since 1945 — once in 1968, twice in 2000 and once in both 2007 and 2012. Delegated or secondary legislation allows the government to make changes to the law using powers conferred by an Act of Parliament.

The government accused the House of Lords of abandoning the Salisbury convention, arguing that tax-credit cuts were implicit in the Conservative manifesto, which detailed an extensive reduction in government spending in order to cut the deficit.

Constitutional expert Professor Vernon Bogdanor argued that 'there is a constitutional difficulty because it appears that the Labour and Liberal Democrat peers in the House of Lords intend to use it as an opposition chamber, rather than as a revising chamber. And that, I think, this government or indeed any government would find unacceptable.'

The table overleaf shows the total defeats of legislation in the Lords since 1975.

Government defeats in the House of Lords

Parliamentary session	Number of defeats	Party in government
2015–	21	Conservative
2014–2015	10	Coalition
2013–2014	14	Coalition
2012–2013	27	Coalition
2010–2012	48	Coalition
2009–2010	14	Labour
2008–2009	25	Labour
2007–2008	29	Labour
2006–2007	45	Labour
2005–2006	62	Labour
2004–2005	37	Labour
2003–2004	64	Labour
2002–2003	88	Labour
2001–2002	56	Labour
2000–2001	2	Labour
1999–2000	36	Labour
1998–1999	31	Labour
1997–1998	39	Labour
1996–1997	10	Conservative
1995–1996	10	Conservative

Parliamentary session	Number of defeats	Party in government
1994–1995	7	Conservative
1993–1994	16	Conservative
1992–1993	19	Conservative
1991–1992	6	Conservative
1990–1991	17	Conservative
1989–1990	20	Conservative
1988–1989	12	Conservative
1987–1988	17	Conservative
1986–1987	3	Conservative
1985–1986	22	Conservative
1984–1985	17	Conservative
1983–1984	20	Conservative
1982–1983	5	Conservative
1981–1982	7	Conservative
1980–1981	18	Conservative
1979–1980	15	Conservative
1978–1979	11	Labour
1977–1978	78	Labour
1976–1977	25	Labour
1975–1976	126	Labour
1974–1975	Figures not kept	Labour

Can the power of the Lords be curtailed?

Yes, it can. A simple amendment to the Parliament Act could specify that the supremacy of the Commons on matters of finance is an overriding principle of law. Alternatively, an amendment could specify that the convention preventing peers from voting down financial legislation should be extended to secondary legislation. The formal restrictions on the powers of the Lords were set out in the Parliament Act of 1911 and amended by Attlee's Labour government in 1949 to prevent the upper house from blocking or amending a bill designated as a 'money bill'.

What happens next?

David Cameron has asked Lord Strathclyde to carry out a review to ensure that MPs have the 'decisive role' over key financial decisions and secondary legislation.

George Osborne announced a U-turn on tax credits on 25 November.

Questions

- 1 To what extent has the House of Lords become a more effective chamber in recent years?
- 2 Does the House of Lords have too much power for an unelected body?
- 3 Should the upper chamber now be elected rather than appointed?

Weblinks to follow up

Find out more about government defeats in the House of Lords:

www.tinyurl.com/p9dund8

www.tinyurl.com/q8gvszq

Find out more about our full range of magazines and online archives of back issues at www.hoddereducation.co.uk/magazines

Did you like this article? Tell us what you think