

THE HOUSE
OF LORDS
BRIEFING

THE ECONOMIC
AFFAIRS
COMMITTEE

✉ House of Lords
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Role of the Committee

The Economic Affairs Select Committee is one of the permanent investigative committees in the House of Lords, along with those on the constitution, the European Union and science and technology. It fulfils one of the major roles of the House of Lords as a forum of independent expertise and draws on the wide experience of Members of the House.

Remit and functions

The Committee's remit is **'to consider economic affairs'**.

Its origins lie in the establishment, in 1998, of a select committee to examine the operation of the new Monetary Policy Committee (MPC) of the Bank of England. In 2001 the Select Committee on the MPC was succeeded by the Economic Affairs Committee with its much wider remit.

The Economic Affairs Committee continues to review the operation of the MPC and holds regular evidence sessions with the Bank's Governor (pictured opposite), but it also considers other macroeconomic issues—as well as more specific economic topics (e.g. employment and training opportunities for low-skilled young people). Since 2003, the Committee has set up a sub-committee every year to consider some of the non-tax aspects of the Finance Bill.

The Committee's main function is to examine matters within its remit with which Parliament ought to be concerned, and to report to the House of Lords with recommendations for government action.

Membership

The Committee usually has 13 Members, appointed by the House for each session of Parliament (parliamentary sessions normally begin in the autumn and last for about a year). Members are nominated by their political parties and by the Crossbenchers. The number of seats for each group is negotiated. The Chairman is appointed by the House. In order to provide continuity, Members are eligible for re-appointment, and can sit on the Committee for a maximum of four consecutive years. The Committee always works on a non-party basis and has never taken a vote.

As with the other investigative committees in the Lords, the Economic Affairs Committee benefits from the professional experience and expertise of its membership—membership has included former chancellors of the exchequer, former governors of the Bank of England, economists, academics, accountants and business leaders and a former director-general of the CBI.

Staff

The Committee is supported by a clerk, a secretary, a committee specialist and a part-time specialist adviser.

How it works

The Committee works principally through formal inquiries. It decides on the topics to be investigated. Once a topic has been chosen, the inquiry progresses as follows:

- a specialist adviser is engaged (an external expert in the field);
- background briefings are held as necessary for the Committee;
- a 'Call for Evidence' is issued, inviting written submissions;
- a series of public meetings is held to hear oral evidence and to probe written evidence further;
- if necessary, the Committee will visit relevant places and organisations;
- a draft report, based on the evidence, is prepared;
- the Committee reviews and clears the text for publication.



The Committee hears oral evidence in public meetings: here, from the Governor of the Bank of England.

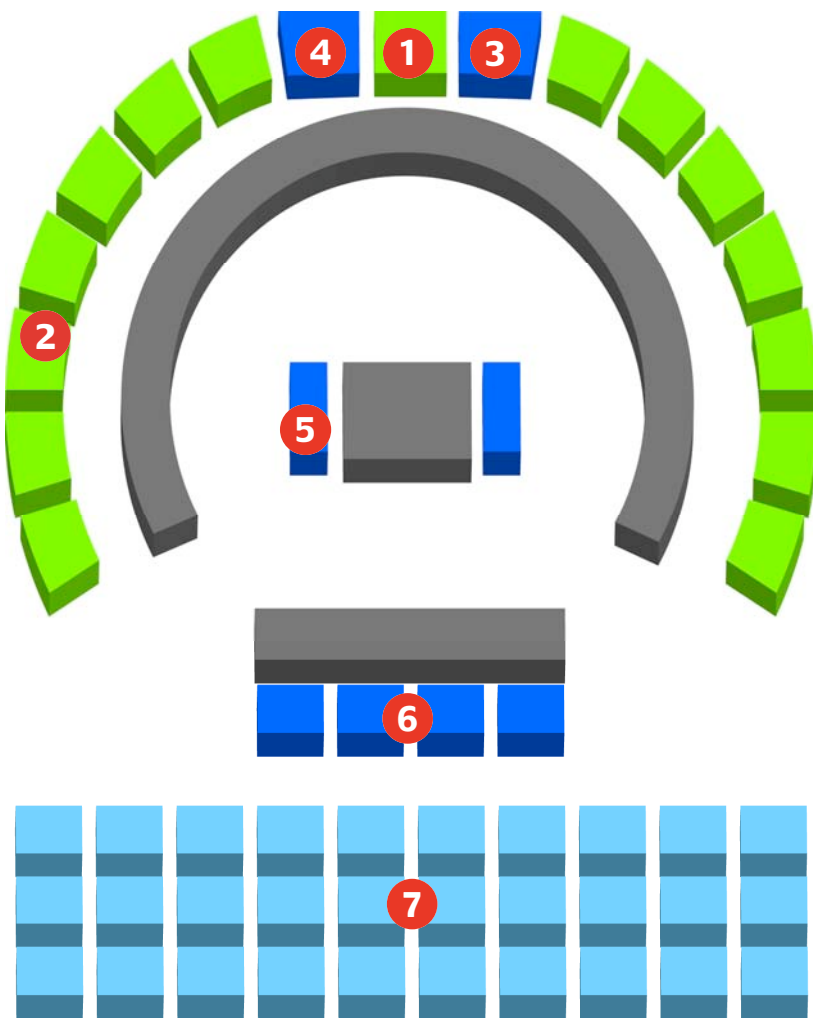
Each report is published together with the evidence on which it is based. The report sets out the Committee's findings and makes recommendations to the Government and others. Each report receives a formal government response, and most are then debated in the House itself.

Examples of the Committee's reports



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|---|---------------|
| • The Impact of Economic Sanctions | May 2007 |
| • Government Policy on the Management of Risk | June 2006 |
| • Monetary Policy | December 2005 |
| • The Economics of Climate Change | July 2005 |
| • Aspects of the Economics of Ageing | January 2004 |

Layout for a committee sitting



- 1 Chairman
- 2 Members
- 3 Clerk
- 4 Specialist adviser
- 5 Transcribers
- 6 Witnesses
- 7 Public seating

Committee meetings are open to the public. Forthcoming meetings are listed in the weekly bulletin (see below).

Contact the Economic Affairs Committee

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🌐 www.parliament.uk/lords for details of:

- reports and inquiries (past and present)
- written evidence and transcripts of oral evidence
- press notices
- membership
- future meetings.

The weekly bulletin:



Lists:

- inquiries
- meetings
- reports
- contacts.



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