



UNIVERSITY OF
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Government Studies

Paying for Local Democracy

Councillor remuneration and widening
participation in local government

Emeritus Prof Colin Copus, Dr Jason Lowther, Mr. Ray Tomkinson

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Executive Summary

Councillor remuneration is a key determinant of enabling participation in local democracy and of how effectively councils operate. The cost (£230m) in 2024/25 is also significant.

The current system of councillor allowances in England is characterised by significant local variation, reflecting its decentralised design. Allowances are determined independently by individual councils, based on recommendations from volunteer Independent Remuneration Panels (IRPs) which has produced wide disparities. The approach sits uneasily alongside the evolving demands of the councillor role. In practice, allowances have not kept pace with inflation or the increasing complexity and workload of local governance. Councillors now typically devote more than 20 hours per week to their duties, with a notable minority contributing full-time equivalent hours, highlighting a growing gap between expectations and compensation.

These structural features have important implications for representation and participation. Financial constraints continue to act as a barrier to entry and retention of councillors, particularly for individuals of working age, those without independent financial means, and people with caring responsibilities. Evidence suggests that remuneration levels directly influence both the diversity of candidates willing to stand for office and their ability to remain in post. Although measures such as carers' allowances and parental leave provisions exist, they are inconsistently applied and remain under-utilised, further limiting their effectiveness in broadening participation.

Tensions persist within the underlying model of councillor remuneration. The longstanding notion of a 'public service discount', that elected representatives should accept below-market compensation, constrains efforts to widen access and reflect the professionalisation of the role. Taken together, these dynamics point to a growing misalignment between the responsibilities placed on councillors and the way in which their contributions are recognised and rewarded.

Key recommendations

1. **Review the allowance system and set remuneration levels** to support wider participation and fair compensation for the work councillors undertake.
2. **Strengthen the national guidance and evidence base** to support councils and IRPs to improve consistency and transparency.
3. **Expand support measures** such as carers' allowances and arrangements for parental leave.

Introduction

The question of how local councillors should be remunerated is central to issues of public service and fair local democracy. While often treated as a technical issue, the way councillors are remunerated has wide implications for who stands for office and how legitimate local democracy is perceived to be, as well as accounting for over £230m of public spending. Across England and internationally, systems of councillor remuneration reflect an ongoing tension between viewing councillors as civic volunteers and recognising them as professionals operating in complex governance environments overseeing multi-faceted organisations. Inappropriate reward systems can limit the access to these roles, particularly for people with full-time careers or caring responsibilities. Given the increasing complexity and volume of work undertaken by councillors, and the reduced number of councillors due to local government reorganisations that have taken place, it is now time to look again at how these roles are remunerated.

Councillor remuneration in England today

The current English system is based on locally determined allowances rather than formal salaries. Each council is responsible for setting its own scheme, drawing on advice from an Independent Remuneration Panel (IRP). A central principle underlying the system is that councillors should be compensated, but not fully paid, for their work. This is often described as a 'public service discount', reflecting the expectation that elected office carries an element of civic duty, or a 'voluntary' aspect. Why this is the case is never adequately explained, although its roots may lie in the 19th Century conceptualisation of public office as a civic duty undertaken by the propertied classes. The 'discount' idea now needs to be challenged, given the complexity of the role of the councillor and the increasing workloads they experience. Any notion of councillors being volunteers does not fit the reality of their work, responsibilities or position. In practice, IRPs seek to balance this principle against evidence of workload and responsibility, drawing on published pay level data, councillor surveys, and benchmarking comparisons with similar authorities. The result is not a single model but a spectrum: in some councils, the basic allowance remains relatively modest and aligned with a voluntary conception of the role, while in others (particularly for leaders or executive members) remuneration resembles a full-time salary.

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A new comprehensive report on councillor allowances across England, developed and independently published by Ray Tomkinson¹, provides a detailed empirical picture of how this system operates in practice. Drawing on analysis of schemes from over 300 local authorities, his work estimates that the overall cost of councillor allowances in 2024/25 was approximately £230 million, covering more than 16,000 councillors across the country.

The analysis naturally has some limitations. Notably, it relies on data taken from council websites, which are often incomplete, inconsistent, or difficult to navigate, meaning some figures are estimates rather than fully verified totals. The absence of a single national dataset reinforces this, so results should be treated with caution.

Varied approaches across England

The Tomkinson report highlights the degree of decentralisation in the English system. Although the statutory framework provides a common structure, the way in which IRPs interpret guidance and the conclusions they reach varies widely. Councils ultimately determine their own schemes, and the result is a system characterised by substantial differences in both the level and structure of allowances. The system also places councillors in the invidious situation of being seen to increase their own payments. The differences between councillor remuneration packages are evident not only between regions but also within relatively small geographic areas, where neighbouring councils may adopt markedly different approaches.

The analysis of basic allowances illustrates these dynamics. Total spending on basic allowances in 2024/25 is estimated at £154 million, with an average allowance of £9,189 per councillor. This represents a cash increase from around £5,600 in 2006 (equivalent to £9,648 at April 2025 prices), indicating that allowances have not kept pace with price inflation over this period.

The degree of variation is also striking. Average basic allowances range from around £7,400 in some regions to over £12,700 in others. When expressed on a per head of population basis, the cost of basic allowances still varies significantly between both regions and types of authority, reflecting differences in scale, governance arrangements, and local policy choices.

How councillor pay is set

Tomkinson's report provides detailed insight into how IRPs approach the task of setting allowances. Statutory guidance sets out a three-part methodology based on estimates of time commitment, a public service discount, and an appropriate rate of remuneration. In practice, however, there is considerable variation in how these elements are applied. Estimates of weekly hours devoted to council business, where stated, typically fall between 14 and 26 hours, although some evidence suggests that actual workloads may be higher.

The application of the public service discount is similarly shown to be variable. Where specified, this ranges from around 20% to 60%, with higher discounts often applied in more rural authorities and lower ones in more urban settings. The choice of discount is rarely based on clear empirical evidence and often reflects historic local practice. Likewise, the rate used to value councillors' time varies, with many IRPs drawing on local earnings data but others using a range of alternative benchmarks.

Benchmarking councillor pay

Benchmarking emerges as a central feature of IRP practice, with almost all panels comparing their council's allowances with those of other authorities. However, there is little consistency in how this is done. Some compare headline allowance levels, others consider total costs, and others use population-based measures or 'near neighbour' comparisons. Some also compare similar committees or positions from other authorities, although this may not fully account for differences between councils and the work of, and demands on, the councillor as it pertains to each council. While benchmarking can provide a useful reference point, it may reinforce existing disparities rather than provide an objective basis for decision-making.

Special Responsibility Allowances (SRAs) account for a significant share of total remuneration. In 2024/25, SRAs are estimated to total over £75 million. These are paid to councillors with additional responsibilities, such as cabinet members, committee chairs, or opposition leaders. On average, around 55% of councillors receive an SRA, although this proportion varies between different types of authority. The analysis of SRAs highlights further complexity and variation. Different councils adopt different approaches to setting SRA levels, including multiplier methods (linking SRAs to the basic allowance or the leader's allowance), banding systems, and more qualitative assessments based on perceived responsibility. There are particular challenges associated with so-called 'political' SRAs, with significant variations in terms of eligibility and payment levels.

Improving accessibility to carers and parents

There are a number of broader issues within the current system. One is the limited use of additional support mechanisms designed to improve accessibility, such as carers' allowances or parental leave policies. Despite their potential to reduce barriers to participation, these provisions are often under-utilised or inconsistently applied. There is use of supplementary benefits, such as allowances for home working or IT costs, which reflect changing patterns of councillor activity but add further complexity to the system.

Overall, the Tomkinson report confirms that the English system is characterised by high levels of discretion and variation, that allowance levels have not fully kept pace with either the demands of the role or inflation, and that there are ongoing concerns about accessibility and diversity. At the same time, it highlights the challenges faced by IRPs in balancing competing considerations, including fairness, affordability, public perception, and the need to maintain the civic ethos of local government.

International evidence

Looking beyond England, international comparisons show a range of different approaches to councillor remuneration. Other parts of the UK have more consistent systems. In Scotland, the Scottish Government determines the basic pay of councillors and this cannot be varied by individual councils. The Independent Remuneration Panel for Wales is responsible for determining the level of payments. Both place Councils in 'bands' for payment levels. In Northern Ireland, the Basic Allowance rates and the maximum level for Special Responsibility Allowances are set by the Northern Ireland Executive.

In systems similar to the UK, such as Ireland² or Australia³, allowance-based models remain common, with councillors treated primarily as part-time representatives. Elsewhere, particularly in parts of Europe, there has been a shift towards more formalised salary structures, especially for those in executive roles. These approaches tend to reflect a more explicitly professional view of local political office, with clear expectations around time commitment and responsibilities. Between these two approaches lie a range of hybrid systems. Many jurisdictions differentiate between ordinary councillors, who receive allowances, and those holding executive or leadership roles, who are paid salaries. This reflects an attempt to recognise differences in responsibility without fully professionalising the entire council. In some cases, remuneration is also guided by national frameworks or independent bodies that set pay levels using objective criteria such as population size, workload, or comparisons with other public offices. The New Zealand⁴ system is a commonly cited example, where a central authority determines a total remuneration pool for each council and sets limits on how it can be distributed.

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While these different models offer useful points of comparison, the evidence base on their relative effectiveness remains limited. There is little robust research linking remuneration structures directly to outcomes such as service performance or policy effectiveness.

The impact on participation

The strongest evidence concerns the relationship between pay and participation in local democracy. Earlier research by Inlogov and BMG suggested that those involved in community activity and work felt the rewards of being a councillor, both financial and in terms of personal fulfilment, were not sufficient to offset the demands and challenges⁵. There was a shared view among councillors, officers and those involved in community activity that higher allowances could help attract a broader and more diverse range of candidates. At the same time, some councillors expressed concern that the current approach to remuneration not only limits the inflow of new talent, but may also lead capable younger councillors to step down in favour of returning to better-paid employment.

Research consistently identifies financial barriers as one of the factors contributing to this pattern. Individuals without independent income, or with significant caring responsibilities, may find it difficult to take on a role that is poorly remunerated or unpredictable in terms of workload. Studies highlight how institutional arrangements, including remuneration, can either enable or constrain participation by different social groups⁶.

A recent study in Italy suggests that higher levels of remuneration tended to attract more candidates, particularly those entering politics for the first time⁷. In less affluent areas, or where barriers to entry were lower, increases in pay were associated with a rise in the number of women standing for mayoral positions, alongside an improved likelihood of their election. However, an earlier US study found that the representation of the working class was the same or worse in states that paid legislators higher salaries, perhaps because of increased competition for these roles⁸.

There is increasing attention to the role of remuneration in supporting more inclusive local democracy. Measures such as childcare allowances, parental leave, and more predictable pay structures are often discussed alongside basic allowance levels.

Should the English model change?

There is a growing body of evidence suggesting that the traditional ‘part-time councillor’ model is increasingly out of step with reality. Research over several decades has documented a steady expansion in councillors’ responsibilities, driven by changes in governance arrangements, larger councils with fewer councillors, stronger scrutiny requirements, and increased expectations from constituents. Studies^{9,10} point to the growing complexity of the role, while more recent evidence shows that many councillors now spend time equivalent to full-time employment on council duties. This shift has implications for how remuneration is understood: allowances that were designed to compensate for part-time involvement may no longer reflect the realities of the role.

The consequences of this mismatch are highlighted in survey evidence, which shows that many councillors experience some degree of financial disadvantage as a result of holding office. This is particularly the case for those who need to reduce working hours or forego other income in order to meet the demands of the role.

A number of factors, therefore, raise serious questions about the adequacy of the current remuneration system, among which are issues such as:

- the reduction in the number of councillors over time and the further reductions to occur as a result of the government’s reorganisation proposals;
- the increasing volume and complexity of work councillors are experiencing;
- the abolition of the committee system and a move to all council decision-making being based on an executive tier of councillor;
- the current and on-going financial constraints placed on local government;
- more complex community and case work demands;
- the increasing demands for councillors to interact with organisations beyond the council.

The current system raises significant concerns about whether current levels of remuneration are sufficient to support a diverse and representative cohort of councillors. Local government in England, as in many countries, remains demographically unrepresentative of the populations it serves while remaining (within the limitations of the First Past The Post voting system) representative of the political opinions of voters as expressed through the electoral system and party support. In England, the proportion of councillors in full-time employment fell from 25 per cent in 2004 to 20 per cent in 2022, with a small increase in the last four years of the period¹¹. Councillors are disproportionately older, more likely to be male, and more likely to have professional or managerial backgrounds. Survey evidence suggests that a majority of councillors do not feel adequately compensated and that many

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believe current allowance levels deter potential candidates. A high proportion also indicate that more generous remuneration would make it easier for people from a wider range of backgrounds to stand for election.

Changes to councillor pay raise wider questions about the nature of local political office. Increasing remuneration may make the role more accessible and support more effective performance, but it can also shift expectations about what councillors are and how they should operate. There is a long-standing concern that higher levels of pay may contribute to the professionalisation of local politics, potentially distancing councillors from the communities they represent. Copus argued that the identity of councillors as citizen representatives is an important feature of the UK system, and that altering this balance could have unintended consequences¹².

Public perception is also an important consideration. Decisions about councillor pay are often sensitive, particularly at a time when local authorities are under financial pressure. Even where there is a strong evidence base for increases in allowances, councils may be reluctant to act for fear of public criticism. The use of IRPs is designed to mitigate this by providing an external and ostensibly neutral assessment, but councils remain ultimately responsible for decisions. This creates an ongoing tension between evidence-based policy and political acceptability.

The English system allows councils to tailor remuneration to their own circumstances, but this comes at the cost of significant variation. In practice, councillors in different parts of the country may receive very different levels of compensation for broadly similar roles. Some commentators argue that this undermines fairness and makes the role harder to understand publicly, while others see it as a necessary feature of a locally driven system.

Finally, there is the question of how remuneration systems should respond to continuing changes in local government. As responsibilities evolve, particularly in areas such as social care, housing, and economic development, councillors are expected to operate in increasingly complex policy environments. This raises questions about whether current models, particularly those based on a part-time conception of the role, remain sustainable, and whether more formalised or structured approaches to remuneration may be required in future.

Conclusions

Councillor remuneration is not simply a technical issue but a key component of democratic governance. Different models reflect different assumptions about the nature of political office and the balance between civic duty and professional responsibility. While there is no clear consensus on the 'best' approach, there is strong evidence that remuneration affects who participates in local democracy and how accessible local political office is. The challenge for policymakers is to design systems that support inclusive and effective governance while maintaining public confidence and preserving the civic character of local representation.

Our key recommendations are:

- 1. Set remuneration at levels that support broader participation:** Allowance levels and structures should be reviewed to ensure they are sufficient to make the role financially accessible to a wide range of candidates, including those in employment, younger people, and those without independent means, while maintaining public confidence and affordability.
- 2. Strengthen national guidance and the available evidence base while retaining local flexibility:** Central government should consider clearer guidance and enhanced benchmarking data and tools, for example on workload assumptions and comparators, to support greater consistency and transparency, while still allowing councils to reflect local circumstances.
- 3. Expand and normalise support measures that reduce barriers to participation:** Local authorities should strengthen and actively promote measures such as carers' allowances, parental leave, and expense support, ensuring they are practical, accessible, and widely used, so that structural barriers to participation are effectively reduced.
- 4. The public service discount should be reconsidered:** the discount fails to reflect expectations on diversity and inclusion and does not reflect the current roles and work of councillors.
- 5. Debate and revise the system of councillor remuneration:** The inadequacies, contradictions and inconsistencies of the current system of councillor remuneration and the increasing complexities of the demands made upon, and the work and roles of the councillor, questions whether a shift to salaried councillors (full-time for some roles) is required. At very least consideration needs to be given as to whether the current system can be suitably reformed to meet the challenges councillors now face.

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Contact

Please contact Jason Lowther at j.lowther@bham.ac.uk

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