



Interaction
international development
toolkit

Powers and funding

If public money is involved, all expenditure has to stand up to the scrutiny of local government financial regulations, and all activities have to demonstrate a clear benefit to the community. It is therefore important to be aware of the legal guidelines relating to expenditure. Normal international or twinning activities pose no legal problems and should be subject to the usual local government rules. Therefore, as no specific rules exist, common sense should be used and political agreement sought where appropriate.

Under the Local Government Act 1972, local authorities may pay for the travel and related costs of councillors making official and courtesy visits overseas and for the costs of officially receiving and entertaining guests. Authorities may also pay the costs of members and officers attending conferences or meetings, at home or abroad. The legal position was greatly strengthened, and applied to a wider range of international development cooperation, by the Local Government (Overseas Assistance) Act 1993.

Under this Act, local authorities are empowered to provide advice and assistance on any matter on which they have skill and experience to any overseas body carrying out local government related activities. The Act sets out the maximum an authority can spend. There is no specific limit for assistance given under a scheme wholly or partly funded by the European Commission, UK government or other multinational organisation in which the UK government participates, such as the United Nations. In all other cases, the financial limits exclude staffing costs and charges for services, and are based on local authority population figures. For cultural, educational or similar town twinning activities, the limit is set at twice the amount spent, or budgeted for, in the previous financial year.

In case of doubt, councils should seek legal advice. In practice, few authorities come close to the legal financial limit, and in recent years there has been no serious problem with funding twinning and international activities.

For more information on the Local Government (Overseas Assistance) Act 1993, visit: http://www.hms0.gov.uk/acts/acts1993/Ukpga_19930025_en_1.htm.