



## **BULLETIN 1/2014**

# **SELF DIRECTED SUPPORT**

## **AUGUST 2014**

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### **Accounting for Self-Directed Support: Authority Deemed to be Acting as Principal**

1. Self Directed Support arrangements are based on the [Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#) , The [Self-directed Support \(Direct Payments\) \(Scotland\) Regulations 2014](#) and various guidance documents ([available here](#)).
2. From 1 April 2014 councils are required, for new clients or on re-assessment of support for existing clients, to offer the following options to eligible clients:

SDS 1	Direct Payment to the individual
SDS 2	Management of Personalised Budget  Selection of support by the supported person, the making of arrangements by the local authority and (where relevant) the payment by the authority to a 3 <sup>rd</sup> party care provider.
SDS 3	Services selected by the Authority  Selection of support for the supported person by the local authority and (where relevant) the payment by the authority to a 3 <sup>rd</sup> party care provider.  Note: the client may choose option 3 OR option 3 is the default if the client does not make a choice
SDS 4	Any mix of SDS1, 2 & 3

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3. On 13 August LASAAC considered whether an authority should be considered to be acting as an 'agent' of the client, particularly under Option 2.
4. LASAAC concluded that the authority should continue to be regarded for financial reporting purposes as acting as 'principal' in arranging care provision i.e. the authority will record expenditure when the support service is actually provided to the client
5. This advice should be regarded as applicable for the 2014/15 financial year and following periods.
6. Please note that this advice does not negate the requirement for authorities to ascertain and comply with the required VAT treatment for expenditure incurred on client support arrangements.

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**LASAAC [The Local Authority (Scotland) Accounts Advisory Committee] is constituted of volunteer members representing the four funding bodies: CIPFA, ICAS, Audit Scotland and the Scottish Government. LASAAC is primarily concerned with the development and promotion of proper accounting practice for Scottish local government. A key task in achieving this is LASAAC's representation on CIPFA-LASAAC which produces the UK-wide 'Code of Practice on Local Authority Accounting in the United Kingdom'.**

Further information about LASAAC can be obtained at <http://www.cipfascotland.org.uk/technical/lasaac.cfm>

The Chartered Institute of Public Finance and Accountancy (CIPFA) provide secretariat support for LASAAC. If you would like to contact LASAAC please communicate with

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