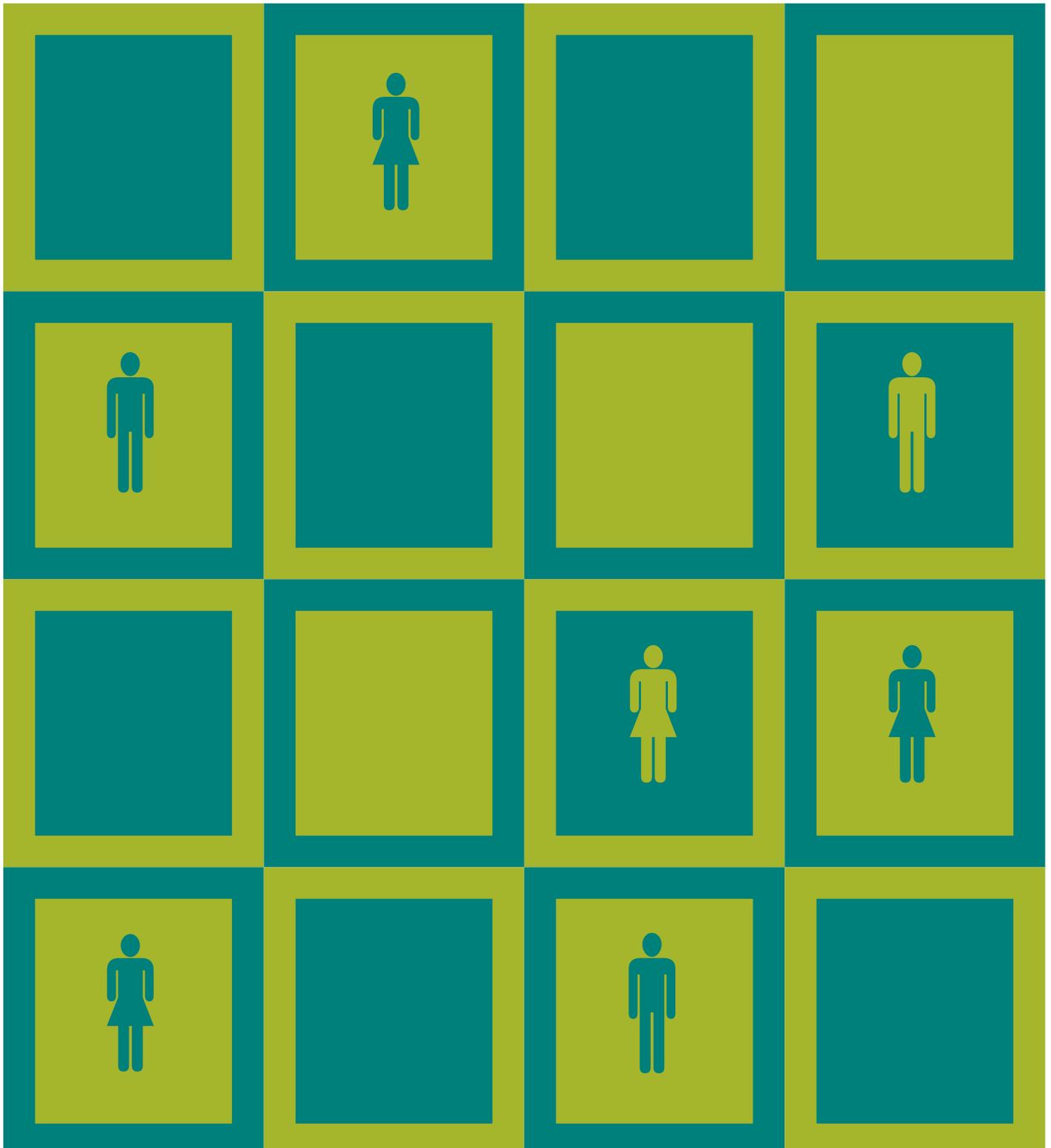


HC 434



Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2012/13



Advisory, Conciliation and Arbitration Service (Acas) Annual Report and Accounts 2012/13

Presented to Parliament pursuant to Section 253(1) of the Trade Union and Labour Relations (Consolidation) Act 1992.

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Chair's foreword

928,995
calls to the
Acas Helpline

Over **850**
collective
disputes
resolved

Acas plays a major role in promoting good employment relations in Britain and as this annual report shows the past year has been a particularly active period for us.

Amongst other things, Acas staff conciliated in some 68,000 employment tribunal cases, answered nearly 930,000 telephone calls for employment relations advice and played an active part in seeking to resolve over 850 collective disputes.

One high spot of 2012/13, for me, as I am sure it was for many people, was the 2012 London Olympic and Paralympic Games and I am particularly proud of the role that Acas played, with others, in ensuring a dispute-free games.

The success of Acas owes everything to the staff who work for it and the independent Council that guides its activities, and I would like to pay tribute to them all for their efforts during the past year.

I would particularly like to thank John Taylor, Acas' first Chief Executive, who retired at the beginning of 2013 after nearly 12 years in the post. Acas owes much to John who helped steer the organisation through some testing times.

I myself will be leaving Acas at the end of 2013 after six years as Chair. Although this will be my last annual report I know that under the leadership of our new Chief Executive, Anne Sharp, and my successor as Chair, Acas will continue to make a major contribution to Britain's growth and recovery agendas by helping organisations and their employees develop productive and harmonious working environments.

Ed Sweeney
Chair, Acas

Chief Executive's introduction



This annual report records the considerable achievements of Acas during 2012/13, the year in which I joined as Chief Executive. Credit for the achievements must go to the work of colleagues across the organisation and to my distinguished predecessor, John Taylor, who retired in February 2013.

Alongside demanding core business and continued strong performance in our customer services, 2012/13 saw us successfully working with others to make sure that the London Olympics and Paralympics were free of disruptive workplace disputes. These achievements were delivered within reducing budgets, as we also played our part in delivering public sector efficiencies.

The current year sees Acas planning and preparing for significant changes in our conciliation service, in response to the new requirement to notify Acas before taking a claim to an Employment Tribunal.

This notification will provide us with the opportunity to offer early conciliation before those involved become further entrenched in their dispute.

It builds on the success of our Pre-claim Conciliation service in avoiding claims to the Employment Tribunal, reducing the financial and emotional costs on those involved, as well as contributing to significant savings for the taxpayer through reduced demands on HM Courts and Tribunals Service.

As this report shows, Acas plays a wide and varied role in supporting the improvement of workplace practice and relations, and in avoiding and resolving workplace conflict. We place considerable importance on continuously improving the way we go about our work, in order to provide excellent customer service and value for money. We evaluate the impact of our work and act on what evaluations tell us about customer needs.

Strong relations between employers and their people are central to business success, economic growth and the wellbeing of individuals and organisations. Our long-standing expertise, first-hand insights and targeted research activity place us in a unique position to bring our influence to bear on employment relations and good HR practice. We will continue to play our part in supporting individuals and organisations with impartiality and commitment.

A handwritten signature in blue ink that reads "Anne Sharp".

Anne Sharp
Acas Chief Executive

The Acas Council

We have a Council that is responsible for setting our strategic direction, policies and priorities. It ensures our statutory duties are carried out effectively. The Chair and members are leading figures from the world of business, trade unions, academia and the legal profession. Appointments to the Council are made by the Department for Business, Innovation and Skills.



Ed Sweeney has been Acas Chair since November 2007; before that he was Deputy General Secretary of Amicus.



Paul Butler is Managing Director of Butler and Trinity, which provides management consultancy support to organisations in the voluntary, housing and education sectors. He has held a range of national and regional roles as a director and chief executive in skills, education and community development, and also worked on a number of cross-party panels with ministers on workforce, education and inclusion issues.

Susan Anderson was the CBI's Director for Public Services and Skills from July 2008 until 2012 when she moved to become a part-time consultant on employment issues at the CBI. She is also a commissioner on the Low Pay Commission.



Jonathan Baume has served as General Secretary of the FDA since 1997, representing senior managers and professionals in central government and the NHS, having joined the union as Deputy General Secretary in 1989. Jonathan retired from the FDA in 2012.



Dr Mary Bousted is General Secretary of the Association of Teachers and Lecturers (ATL). Mary also sits on the Executive Committee of the TUC. She is Chair of the Union Learn Board and writes regularly on education policy issues.



Linda Dickens MBE is Emeritus Professor of Industrial Relations at the University of Warwick and a senior member of the Industrial Relations Research Unit at Warwick Business School. She is also an arbitrator and Deputy Chairman of the Central Arbitration Committee (CAC).



▮▮ **The success of Acas owes everything to the staff who work for it and the independent Council that guides its activities, and I would like to pay tribute to them all for their efforts during the past year. ▮▮**

Ed Sweeney, Acas Chair

Jennifer Eady QC is an employment law barrister at Old Square Chambers. She undertakes advocacy and advisory work for employers, employees, trade unions, employers' associations, central and local government, statutory commissions and NGOs. Jenny also sits as a recorder and as a member of The Pensions' Regulator's Determinations Panel, and is a trustee of the Free Representation Unit and of The Wallace Collection.



John Hannett is General Secretary of the Union of Shop, Distributive and Allied Workers (Usdaw). He also sits on both the Executive Committee and the General Council of the TUC, and is a commissioner on the Low Pay Commission.



Vikki Hawes is a Director of Aldridge Consulting, which provides strategic HR solutions and interim management. She previously held a number of senior posts at Royal Mail.



Nicola Templeman is Corporate Services Director at Cheltenham Borough Homes where she is responsible for strategic leadership and managing approximately 5,000 tenant and leaseholder properties.



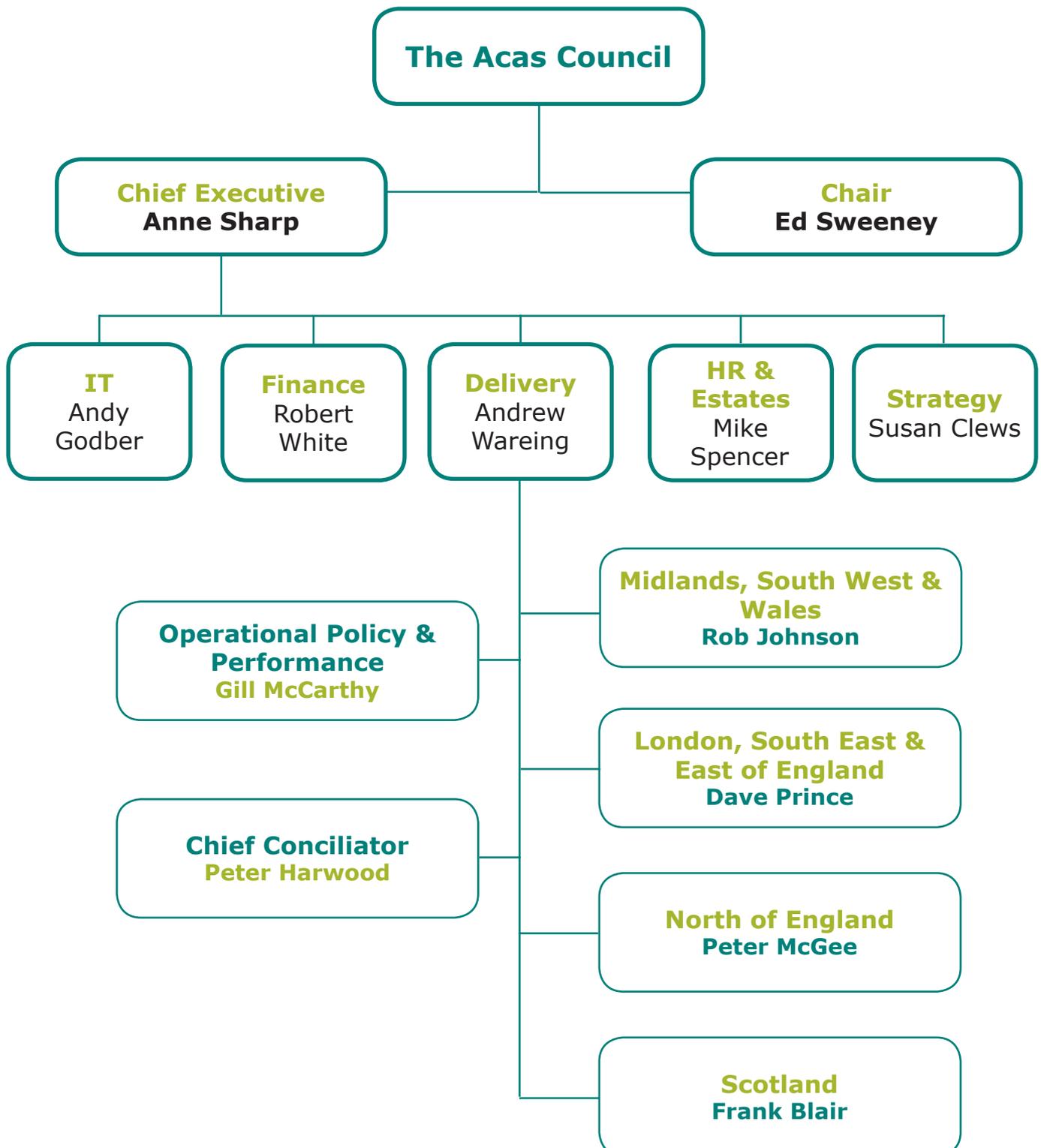
Jonathan Michie is Professor of Innovation and Knowledge Exchange at the University of Oxford where he is Director of the Department for Continuing Education and President of Kellogg College.



Paul Nowak was appointed Assistant General Secretary of the TUC in February 2013. He has responsibility for a number of key policy areas including public services and unemployment and welfare, and for the TUC's organisation in the English regions and Wales, union organising, inter-union relations and the organisation of the TUC's annual Congress.

Our operational management structure

Day-to-day operations are overseen by our Chief Executive and a management board that includes our national and regional directors.



Acas' principal statutory duties and functions:

- To promote the improvement of employment relations in Great Britain.
- To advise employers, workers, unions and businesses on employment relations and employment policy matters.
- To prepare Codes of Practice relating to good employment practice.
- To provide conciliation in complaints made by individuals under legislation on employment rights.
- To provide a conciliation service to resolve collective employment disputes.
- To arrange independent arbitration and mediation.
- To maintain a panel of Independent Experts to be made available to the Employment Tribunal in Equal Pay claims.
- To administer the Acas Arbitration Scheme including the appointment of arbitrators, administrative assistance during the hearing and scrutiny of awards.
- To provide a Secretariat for the Police Arbitration Tribunal.

Acas' strategic aims

(as set out in the Acas Corporate Plan 2011-2015)

- ① To promote better performance in organisations through improved employment relations and more effective dispute resolution.
- ② To assist small and medium-sized enterprises to manage their employment relations to achieve sustainable growth.
- ③ To support the operation of fair and effective workplaces and an engaged workforce.
- ④ To inform public policy and debate on the economic and social value of good employment relations in the workplace.
- ⑤ To enhance the capability of its staff and secure value for money in all it does.

Improving employment relations and resolving workplace disputes

Acas provides a number of services to help resolve conflict at work. Some are designed for situations involving groups of employees (collective); others are designed for situations involving an individual employee.

Resolving workplace disputes involving groups

While the Olympics and Paralympics were untroubled by industrial action (see box on page 15), almost 900 major national and regional disputes required our intervention. We were involved in a wide range of disputes, including those at Swissport Cargo, Eddie Stobart, Argos, London Underground, Nottingham City Council and Southampton City Council.

Collective conciliation

During 2012/13, we received 871 requests for assistance in collective conciliation and were able to resolve matters or help the parties move towards a resolution in 93% of cases. The disputes we worked on were headed by pay-related issues (45%), followed by recognition, other TU matters and working practices, which accounted for 13%, 12% and 12% of cases, respectively.

We began the year with an intervention in the headline-grabbing tanker drivers' dispute involving fuel distribution businesses. The dispute threatened to disrupt the delivery of petrol from refineries to retail outlets following a strike ballot held by Unite. Six highly concentrated days of Acas talks resulted in a deal which included, among other things, proposals for the introduction of an industry-wide code of best practice covering health, safety and training created through a newly-convened industry forum and involving the Health and Safety Executive (HSE).

At Acas we are used to dealing with a single employer and several unions, but in two of the biggest disputes of the year we were dealing with a single union and multiple employers. Six employers were involved in the fuel tanker drivers' dispute and 21 employers, covered by 15 contractors, in the Olympics bonus dispute on London buses (see box on

page 15). Such disputes are logistically more demanding and can be complicated by the fact that the contractors are often in competition with each other. The growth in outsourcing may lead to an increase in the number of multi-employer disputes.

More than 1,600 Public and Commercial Services Union members at French-owned Atos IT Services and Atos Healthcare voted to go on strike in August over the company's pay offer. The parties agreed to come to Acas for conciliation. Two days of talks took place in early August, and led to an improved offer and the suspension of strike action. These talks focused, in particular, on lower-paid healthcare workers and the company agreed to pay them the Living Wage and the London Living Wage.

We were involved for some time in helping Amnesty International and Unite re-negotiate job security terms as Amnesty's International Secretariat prepared for the implementation of

its 'Getting closer to the ground' policy. Under this initiative, much of Amnesty's campaigning and research will be moved out of its London headquarters to hubs around the world over the next three years. Unite members took strike action to demonstrate their opposition to some of the changes Amnesty was proposing. Our intervention helped find positive suggestions for finding common ground and an agreement was reached early in 2013.

Disputes over pensions are probably among the most emotional we deal with. In June, Argos closed its final salary pension scheme for its 2,000 distribution workers across the UK and, following a ballot, Unite members took five days of strike action in September. Following this, the parties agreed to conciliation and

we were able to assist in negotiating improvements in the transition to a defined contribution scheme, which provided the basis for a settlement. We also continued to provide conciliation and advisory help to Royal Mail and the Communication Workers Union as they deployed their 2010 Business Transformation Agreement against a challenging economic backdrop.

Collective arbitration and mediation

This year saw 17 cases being referred to collective arbitration, which over recent years has become less common as the basis for resolving disputes. More than half the cases in 2012/13 related to dismissal and discipline issues. The Police Arbitration Tribunal's consideration of the findings of the Winsor Report (part 2) on police pay and

conditions was the most significant case referred to arbitration during the year and followed the same body's decisions in respect of Winsor (part 1). The tribunal gave decisions on five matters relating to pay and various allowances; it gave no decision on three matters relating to compulsory severance to allow the parties further time for negotiations.

In another case, an experienced Acas panel mediator and an Acas senior adviser undertook a review at a distribution centre for a large national organisation following a tribunal case, which the company had lost, and a subsequent threat of strike action. This resulted in a detailed set of recommendations which management and the union accepted and are now working on jointly.

Resolving workplace disputes involving individuals

Pre-claim conciliation (PCC)

The purpose of PCC is to resolve cases before an employment tribunal (ET) is involved. Success is measured by the number of ET claims avoided. Avoiding tribunal claims saves money for the taxpayer, and for those directly involved – both individuals and organisations – it also reduces stress, uncertainty and disruption.

PCC was introduced in 2009 and its success led the Government to propose that, in future, all claims should come to us before a claim could be lodged with the tribunal. We are currently developing systems to manage this new initiative effectively. This 'early conciliation' (EC) scheme will be introduced in 2014 (see box, p14).

Main PCC statistics:

- 2012/13 saw a slight decrease in cases referred for PCC
- 22,630 (2012/13)
 - 23,777 (2011/12.)

This decrease was mainly due to a fall in larger volume cases where the employer approaches us for conciliation. The number of cases identified through the Acas helpline remained steady. The proportion of cases settled or resolved was 52% (a small decrease from 2011/12 but continues to exceed the target of 47%). The proportion of completed cases in which no subsequent claim was made to an ET was 77%, a marginal change from 78% in 2011/12.

Early Conciliation (EC)

We have been asked by the Government to introduce a new EC service. The Enterprise

and Regulatory Reform Bill containing the proposals for EC received Royal Assent on 25 April 2013 and became the Enterprise and Regulatory Reform Act (ERRA). The regulations which will set out the exemptions and rules of procedure for EC should be finalised around the end of July 2013. The Department for Business, Innovation and Skills (BIS) conducted two rounds of consultation on the draft Employment Tribunal (Early Conciliation: Exemptions and Rules of Procedure) Regulations during 2012/13 and we were involved in both.

The new EC service will be introduced in early 2014. Those wishing to bring an ET claim will be obliged to notify us first. There will be a mechanism to 'stop the clock' for a calendar month on the limitation period in which claims can be submitted, to allow the voluntary exploration of settlement with Acas.

EC will enable us to encourage constructive settlement discussions, giving those involved in the dispute the opportunity to explore a settlement at the earliest stage in the life of a claim, before they become entrenched and ET fees are charged. The main advantage of EC will lie in providing a systematic opportunity to resolve issues in all cases before they proceed to legal action, maximising the benefits currently achieved through successful PCC. If those involved are unable, or unwilling, to resolve matters through EC, they may proceed to the ET.

EC will have significant implications for our individual conciliation service. During 2013/14 we will continue to prepare for this significant change by recruiting and training new conciliators, and reviewing our existing policies, procedures and practices.

ET from a peak in summer 2009. Our new Phoenix IT case-management system was fully implemented across all offices by June 2012, which enabled improvements to be made in case handling by speeding up paperwork. Staff resources were adjusted to produce a 9% increase in efficiency while maintaining levels of performance.

The stats for 2012/13 (in box below) compare with targets of 55%, 70% and 85%, respectively. These results reflect the priorities ascribed to the different tracks based on the potential savings to parties and to the taxpayer. Resolving standard, and particularly open-track cases, can realise much higher savings, so we focus more conciliation resources on these areas. The results for all cases demonstrate a consistent performance with the previous year.

Post-claim conciliation (individual conciliation)

Acas has a legal duty to promote the settlement of claims in the ET. The great majority of those involved make use of our services. Overall in 2012/13, 79% of hearing days were saved without the need for a full tribunal hearing, a figure that matches our performance in 2011/12.

The number of cases received for conciliation in 2012/13, excluding equal pay cases in local authorities and the NHS, was 67,825 compared to 72,075 in 2011/12, a fall of nearly 6%. The decrease in case receipts continues a slow decline in the number of claims to the

Main IC statistics:

- 56% - the proportion of potential tribunal hearing days saved as a result of our intervention in fast-track cases (largely about monetary or entitlements to time off work)
- 74% - the corresponding proportion for standard-track cases (mainly potential unfair dismissals)
- 84% - for open-track cases (mostly discrimination claims).

Supporting the London 2012 Olympics

Acas made an important contribution to the smooth running of the London 2012 Olympics, helping to avoid disruption from disputes. And our efforts were rewarded when London 2012 remained free of industrial action – not a single day was lost to collective action during the games.

This achievement was based on careful planning and work with others. In 2011, we signed an agreement with representatives from the TUC, the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) to ensure that practical, day-to-day employment issues and grievances arising before and during the Olympics were dealt with fairly and speedily. The LOCOG Games-Time Grievance Resolution Protocol drew on lessons from previous games and covered the workforce on the various sites during the Olympics and Paralympics.

During the period leading up to the Games and during the Games themselves, we operated a dedicated Olympics Helpline number. Helpline staff received training in the core contractual terms of contractors, employees and volunteers to enable them to give a telephone diagnosis of problems and, if necessary, quickly deploy colleagues to help resolve any disputes in

the early stages. More than 100 potential disputes were nipped in the bud before serious problems could arise.

We also had a team of experienced conciliation staff on standby throughout the games to address any disputes that might arise. Our aim was to deal with potential causes of major disputes before the games but, as the games drew closer, two major disputes in London threatened to disrupt the transport system.

The first involved London Underground workers, who were asked to vary their normal working patterns to accommodate a games timetable for the tube network.

Discussions over payments and how the new patterns would work saw us help the parties involved – including ASLEF, RMT, TSSA and Unite – reach agreement after three months of talks.

Unite ran an industrial action ballot in the 21 bus companies serving London routes in support of an Olympic bonus for bus workers. The parties agreed to attend talks at Acas but initial efforts failed to find common ground and a one-day strike took place on 22 June. With the games looming, we held further talks and, after four intensive days, a resolution was found.



Brendan Barber, TUC, Lord Coe and Acas Chair, Ed Sweeney signing the Protocol in 2011



Acas staff volunteered during the Olympics. In this photo: Yemi Kenku, Kanta Hirji and Win Grant are taking part in the Parade.

Individual mediation

Some disputes at work between individual employees and their employers, or between individual colleagues or groups of colleagues, are not related to matters that fall within the business of employment tribunals. However, they are still costly in terms of time, stress and disruption for all involved.

Main individual mediation statistics:

In 2012/13:

- 235 new assignments compared to 252 in 2011/12
- 91% - the issue was progressed or resolved in 91% of cases.

They often involve damaged relationships, which can have a severe impact on the wellbeing of employees and overall organisational effectiveness. Typical issues underlying these disputes include: grievances around working relationships; stress in the workplace, which sometimes leads to absences; and poor relationships following the use of formal procedures, such as investigations, where the parties have to continue to work together.

While these situations fall outside our statutory conciliation services, we can and do provide dispute resolution assistance via charged-for individual mediation service.

Equal pay claims

Residual equal pay matters, in some cases linked to the introduction of single status and resultant changes to terms and conditions, continue to place extra demands on our conciliation resources. Requests for conciliation in respect of 7,222 potential claims in local authorities were handled, compared to 28,945 in 2011/12.

Most of the several thousand NHS equal pay claims currently lodged with the employment tribunal did not progress in 2012/13, pending legal decisions.

The Equal Pay Act 1970 (Amendment)

Regulations 2004 provide for the ET to commission a study and report of jobs in work of equal value claims. The regulations require this work to be conducted by a designated independent expert from the Acas panel (see annex, p30).

Since the equal pay regulations were introduced, we have appointed independent experts in 732 new cases, including 10 in 2012/13. Many cases that have been in the system for a number of years are now nearing resolution, and our independent experts are working to complete their reports for tribunals.

Given the complexity of these cases and the large numbers of people involved, much depends on the experts' proven ability to produce sound, credible reports within the exacting timescales set by the tribunals. Considerable progress has been made on developing the common methodological approach used by the experts. A number of cases which will incorporate the common methodology are now at the report writing stage. It is anticipated that these reports will be submitted by autumn 2013.

Providing information and practical advice to employers and employees

People need to know what to do before they can get it right. Our aim is to provide employers, managers and employees with access to the information they need, when they need it. This might be information about a new piece of employment legislation or material to help identify and address issues that are causing problems. A quick visit to our website or call to our helpline may be all that is needed. However, we also provide training on a range of employment-related issues.

Acas Helpline advice

Our Helpline provides callers with guidance on a wide range of employment-related issues whether they are employers, employees or anyone else who has a question for us.

The 2012/13 reporting period was the first full year in which helpline calls were handled using a new automated system. This led to a significant improvement in customer service. The number of customers who dial and hang up before a call is answered was cut to less than 4% of all calls. This marked a significant improvement from 11% in the previous year, reflecting the hard work we had put into doing better, one aspect of which was to reduce average answering times to just under a minute, compared to three minutes in 2011/12.

During the year, in a move to make it easier for those seeking employment-related information, the Helpline piloted taking Redundancy Payment helpline calls for the Insolvency Service. This service helps employees facing redundancy when their employer is insolvent or may be about to become insolvent.

The great benefit of providing this service is that we are now able to advise customers with redundancy queries about their other statutory employment rights. The pilot demonstrated that the move offers the efficiency of a larger centre and delivers consistent customer service. Following the success of the pilot, we took on full operation of the service from 1 January 2013 and handled a total of 17,346 calls during 2012/13.

Building on recent work to set up automated messages containing information about common questions on our helpline queue, we are using the knowledge and experience of helpline staff to establish a new 'helpline online' facility accessed from our website, which we plan to launch in summer 2013.

The purpose of this system is to help customers find answers to questions in much the same way as by calling the helpline. The online facility is not designed to replace the helpline, which will remain available to all; those with complex queries, often covering multiple interlocking issues, are likely still to seek the help of an adviser, as will those whose concerns involve significant potential conflict. It also means that those customers who have used the online information will be better informed when they speak to an adviser.

Acas helpline main statistics

In 2012/13:

- we answered nearly 930,000 calls
- we made improvements to the way we schedule resources, which helped service access, reducing significantly the waiting time for callers
- 2% of calls were referred to pre-claim conciliators
- more than 28,000 callers listened to a recorded message on an employment topic.

During 2012/13, we established a Welsh language helpline service, recruiting and training a small team of Welsh-speaking helpline advisers. By the end of the year, we were able to offer a call back system for people who wished to be advised in Welsh.

By summer 2013, we will be able to operate an in-bound telephone line to work in parallel to the English language service. The helpline already has an interpretation facility to enable customers to speak to an adviser in their first language, via an interpreter.

In 2012/13, we provided advice and guidance in over 40 different languages, with Polish the most requested. The steady flow of PCC referrals from the helpline helped us to settle a substantial number of disputes at an early stage, avoiding an ET referral and successfully demonstrating the effectiveness of early intervention in resolving disputes.

Recorded answers to frequently asked questions are set up as a complementary, opt-in channel, not as a barrier to speaking to an adviser. We use clear and simple language and, where possible, the terminology our customers prefer. At all times customers can transfer to speak with an adviser if they choose.

Acas training

Acas provides training to employers, managers and members of the workforce with a view to:

- promoting better performance in organisations through improved management skills and more effective dispute resolution
- helping small to medium enterprises (SMEs) to manage their workplace relations to achieve sustainable growth
- supporting the operation of fair and effective workplaces and an engaged workforce.

In 2012/13 we trained a total of 27,315 people through our programme of open access and in-company training. We trained 9,178 delegates through our open access programme alone, an increase from 8,876 in 2011/12.

Our courses run across Great Britain and cover the full spectrum of workplace issues, from the fundamentals of employing people for start-up businesses to skills for first line managers, conflict, mediation and relationship issues, and performance management.

We also run any of our standard courses in-company when requested. This year saw an increase in demand for in-depth training, which is aimed primarily at HR professionals, employee representatives and those with existing knowledge of employment law/relations. Delegate numbers increased from 1,411 in 2011/12 to 2,459.

Similarly, our 'getting it right' training, which is designed for SMEs or those with little or no employment law/relations knowledge, saw an increase from 3,998 in 2011/12 to 4,456 delegates.

Our 'key points' briefings fell from 1,405 last year to 666 in 2012/13. This reflects a period that witnessed fewer changes to employment legislation for which these two-hour briefings tend to be useful.

In-company training

Acas is committed to increasing awareness of and use of mediation skills and runs a five-day OCR-accredited training course in Internal Workplace Mediation (CIWM). In 2012/13, we ran 33 open access (CIWM) courses against a target of 28. Nine organisations commissioned in-house CIWM training from us.

In 2012/13 we provided in-company training to 949 organisations, training 18,137 delegates, and typically spending one and a half days working with each organisation. These training events are often tailored to meet specific needs in the workplace.

The most requested topic for in-company training was on discipline and grievance; but other topics covered included:

- equality, diversity and discrimination
- managing people
- conflict, mediation and change management
- information and consultation.

Business solutions

Acas' business solutions service offers support to

Top five open access courses (2012/13)

No. of delegates	Topic
2,259	Discipline and grievance
1,781	Employment law
1,664	Attendance/absence management
891	Managing people
840	Recruiting, contracting and employing people

organisations to diagnose problems in the workplace and then work with them and their TU or employee representatives to address them to find a solution to their problem. Local Acas Senior Advisers work with organisations for as long as they need, whether this involves support for a single intervention or for a longer project. We work with organisations of all sizes and sectors, unionised and non-unionised.

In 2012/13, our business solutions team helped address issues including improving working relationships between management and trade unions; creating employee forums; and job evaluation exercises.

An evaluation of Acas workplace projects found that nine out of 10 of our customers would recommend Acas workplace projects to others and said that Acas was trusted, pragmatic and accurate with impartiality and independence seen as key strengths. Two-thirds of managers surveyed (64%) said that policies,

procedures or practices had been introduced, reviewed or revised as a result of the Acas workplace project.

In 2012/13 we completed 250 in-depth, business support projects in a wide range of types of workplace from small private sector firms to large public sector organisations.

We normally recover costs for this area of work, but fees can be waived in some circumstances, for example, where there is a need to improve working relationships in the wake of an employment dispute or following trade union recognition. We completed 119 fee-waived projects in 2012/13.

As well as in-depth, face-to-face support, we can provide tailored telephone advice and/or visits to customers who are facing complex issues.

In 2012/13 we completed:

- 2,324 telephone advice sessions
- 1,340 face-to-face advisory meetings.

Guidance

Besides calling the Acas Helpline, customers can access information and advice through the Acas website and can also download or order publications.

Our guidance publications continued to prove very popular with 790,000 downloads – some 13% above the 700,000 target and a 6% increase on the previous 12 months.

2012/13 saw a greater emphasis on deregulation over new employment legislation, which gave our guidance team the opportunity to focus on developing existing products.

During the year, we produced new guidance and reviewed and updated core products.

During 2012/13 we developed a suite of 10 free e-learning modules on our website.

They cover the key employment topics, and include a quiz so users can test themselves and receive an Acas certificate of completion. These modules were launched in spring 2013.

We continued to offer advice to colleagues at BIS and the Government Digital Strategy team over content for www.gov.uk.

New/refreshed guidance products during 2012/13 included:



- ▶ tailored information for small businesses and those new to employment relations in the form of online guides 'Help for small firms', and material for an associated training course, 'HR for beginners'.
- ▶ a new publication 'How to manage collective redundancies' – explaining new legislation affecting employers proposing 100 or more redundancies – this replaced the 'Redundancy handling' booklet.
- ▶ a video demonstrating how not to conduct a challenging conversation was produced. This has proved highly popular with more than 7,000 views on YouTube so far
- ▶ new material to run along side our training courses, on 'Handling investigations', 'Managing performance' and 'Employment law updates'.
- ▶ updated the 'Redundancy and restructuring' course material to reflect new content on the role of managers who break the bad news
- ▶ new web guidance for school academies and the new free schools, and on employee engagement.
- ▶ updated and reformatted website library of useful letters, forms and checklists for customers. This received 21,000 hits in its first six weeks compared to the 100 hits a week it was previously attracting.
- ▶ refreshed content of the advisory A-Z pages, with topics added, amended or deleted.
- ▶ a mobile version of the Acas Model Workplace online tool which contributed to a rise in new registrations to over 600 a quarter, more than double the target.

We are working to improve our website links to the www.gov.uk site to direct customers to our in-depth guidance, as well as providing immediate answers to their questions.

Reaching new audiences, raising awareness and influencing policy

While most of Acas' staff are on the frontline delivering services directly to the public, we have a small number of specialist teams, working behind the scenes. These teams:

- seek ways to reach new audiences and raise awareness of Acas and the services we provide
- work with BIS and other government departments on employment relations policy issues and employment legislation developments
- commission research/or stimulate debate on key employment policy areas
- provide external and internal communications advice and delivery, including dealing with the media
- evaluate our services and report back on our performance indicators to BIS, and feed back evaluation survey findings to operational staff
- provide specialist HR, estates and finance support and advice.

Communications activity

Reaching more people with less money

The move to communicating online with key audiences continues to yield good results as we seek to raise awareness of Acas' role and the services it provides. Delegate feedback sheets indicate that emails accounted for 40% of bookings on our training courses. A further 23% of delegates found out about our courses via online channels, including our website and search engines.

We added more than 40,000 subscribers to our e-newsletter database, increasing our reach to even more organisations. Social media also allows us to engage more with our customers – our LinkedIn group grew from 5,000 to 11,000 members last year and our Twitter followers from 1,700 to more than 3,700.

During the year we had 4.6 million visits to our website, an increase of 2% on 2011/12. And we are making more use of online video content – our videos, which we produce in house, are a great way of providing guidance in an accessible and engaging format.

Our most popular video, 'Mediation in action', received more than 18,000 views in 2012/13. 'Having difficult conversations', which we released in April 2012, had 7,236 views over the year, while our 'Breaking bad news at work' video – to help meet a need identified through research on the role of those having to make colleagues redundant – has had 5,214 views since it was released in October 2012.

The Acas Communications Team raised awareness of our regional conferences – of which we ran more this year – to improve employer understanding of the forthcoming changes to employment

law and guidance. We were pleased to see that London's first TUPE event and the 'Changing face of employment relations' event in the South West were both over-subscribed. Other conferences held in Birmingham and Nottingham also proved popular, demonstrating that we are covering the topics of interest to our target audience.

Good news story

Based on industry survey tools, we know that 94% of our media coverage throughout the year was favourable and reached 62% of UK adults. More than 50% of the coverage

we receive is from regional media. We work closely with our regional offices to promote our advice and guidance on the back of local conferences and other events.

Around 15% of our overall coverage was generated through our campaigning and media work. Highlights during the year included coverage of our new guidance on how to break the bad news of redundancy, advice on mental ill health at work and our work in support of the Olympics (see box on page 15).

Our press team also helped raise awareness of Acas consultations on settlement agreements and on extending the right to work flexibly, which resulted in several pieces of national coverage and new media contacts.

During 2012/13, we trained more of our helpline staff and advisers to do media interviews to help spread awareness of Acas guidance, particularly through regional broadcast media. Frontline staff were available for interview on national and local radio stations, providing an authentic and informed Acas voice to those who might need our help.

Influencing the debate on employment relations

Our policy discussion paper series on the 'Future of Workplace Relations' was completed this year with the publication of nine papers. The papers have been well received with four follow up 'comments' also published to take forward the debates around unionisation, voice at work, age management and outsourcing.

In addition, the material presented in the policy paper on outsourcing was the focus of the Acas/TUC fringe session at the September 2012 TUC conference. The past decade has seen a significant growth in organisational restructuring and the increased use of outsourcing in both public and private sectors. This has created a complex set of challenges

for the existing employment relations framework and the management of workplace relations. Ed Sweeney and John Taylor from Acas were joined on the panel by Debra Cadman, HR Director at Capgemini, and Paul Nowak from the TUC. Discussions focused on key issues such as job security, terms and conditions, employee voice and the role of trade unions in increasingly complex organisational structures

Information and consultation in the workplace was also a subject under debate this year at a seminar jointly organised by Acas and Warwick University Business School. Held in February, the event was attended by academics,

policy commentators and representatives from trade unions and industry, including HR practitioners and employers. Professors Mark Hall and John Purcell presented findings from a longitudinal, qualitative study undertaken by a team at Warwick University and funded by BIS, Acas and the Chartered Institute of Personnel and Development (CIPD) in particular focusing on the impact of the Information and Consultation Directive.

A panel of representatives from employer and employee bodies contributed to thoughts on the impact of the regulations seven years on from their introduction.

A further significant development this year was the launch of 'Engage for Success' the GB employee engagement initiative spearheaded by David MacLeod and Nita Clarke. For us, engagement means having employees who share the organisation's vision, values and objectives, and who are provided with an opportunity to increase productivity and innovation. Acas held a seat on the taskforce overseeing this programme and, to coincide with the launch, published two policy discussion papers on engagement.

The papers considered the role of trust in building engagement, and the second paper focused on the value of adopting a strategic approach to age management, both in securing engagement but also ensuring wider positive benefits of employing older workers.

Employment law changes

During 2012/13 we responded to a number of actual and proposed legal changes introduced by the Coalition Government, in particular those stemming from the Employment Law Review. Officials worked with the Acas Council to provide responses to consultations on TUPE, collective redundancy consultations and the right to request employee ownership.

We also launched some important consultations of our own. A public consultation exercise was conducted in the first quarter of 2013 as part of our work in developing a new statutory code on settlement agreements. This followed a letter from the Secretary of State requesting that a new Code be developed to support the changes in the law, being introduced

by the Government in the Enterprise and Regulatory Reform Bill. A second draft new statutory code – on the extended right to request flexible working – was also subject to consultation at the end of the year. The intention is for both codes to be launched later in 2013. Once agreed, both will be supported by new Acas non-statutory guidance.

We worked closely with Acas Council members in developing both codes and benefited from their commitment and expertise to these new projects. The drafts were also subject to a wide circulation amongst interested parties and, in the case of the draft code on extending the right to flexible working, we worked with an advisory body comprising private sector employers and the charity Working Families.

Working with other Government departments and stakeholders

Our work with stakeholders has informed our guidance and codes, but also wider strategic perspectives.

We continued to work with the Department for Work and Pensions on revised guidance on Fit Notes for employers and employees. We also worked with the Chartered Institute of Personnel and Development (CIPD) to refresh the joint guide 'Mediation, an approach to resolving workplace

issues'. We liaised with Skills for Care to share our experience of dealing with employment issues arising from the relationship between elderly and disabled people and their personal assistants. A subsequent Acas policy discussion paper on this issue set out some of the employment relations

implications associated with the personalisation agenda. We also worked with BIS on new guidance on the employment relations aspects of employee ownership.

We collaborated with the Equality and Human Rights Commission (EHRC), and Maternity Now to develop

guidance to help employers manage redundancy and restructuring fairly when the employees involved are pregnant or on maternity

leave. There is persistent evidence of discrimination in this area, first documented in the 2005 EHRC report 'Great Expectations', and

new guidance to reflect changes in the law can help workplaces manage a challenging situation better.

Research and evaluation

Our small team of specialist government social and operational researchers commissions and conducts research on employment relations issues, and carries out evaluations of Acas services. Evaluating our services from the users' perspective is crucial in assessing their impact and ensuring efficient delivery. All key areas of dispute resolution and good practice services benefited from research and evaluation in 2012/13.

A report published following a survey of collective conciliation customers showed that satisfaction has risen over time, with high satisfaction rates across all aspects of conciliator skills and behaviour. A successful outcome was reached in 91% of cases¹ and the survey also found that there were longer-term positive results from Acas' intervention including an improvement in employment relations (organisational ability to deal with disputes – 63%; and improved communication within the organisations – 60%).

¹Based on analysis of 'matched' cases, where both disputing parties were surveyed and reported the same case outcome.

Research on the minority of PCC cases that become employment tribunal claims and an evaluation of a trial of early conciliation support officers were both used to inform early conciliation planning and development.

Research on our advisory and good practice services included an ongoing evaluation of training and a published evaluation report on Acas workplace projects. The report found that nine out of 10 (both management and employee representatives) were satisfied and would recommend Acas workplace projects to others. Those surveyed also said that Acas was trusted, pragmatic and accurate in the information we provided and that our impartiality and independence were key strengths. Two-thirds of managers surveyed (64%) said that policies, procedures or practices had been introduced, reviewed or revised as a result of the Acas workplace project.

A report on our helpline, evaluating a pilot to use 'interactive voice response' technology, concluded this benefited the service by improving the allocation of scarce resources to more complex queries. This has now been introduced and

more than 28,000 callers listened to a recorded message on an employment topic in 2012/13.

Acas played a key role in producing the 'Workplace employment relations study' (WERS). This is the sixth series in the study which dates back to 1980, and drew on information from interviews with managers in 2,680 workplaces with five or more employees. Its first findings were published in January 2013.

These revealed that more businesses are coming to Acas for workplace advice (businesses with five or more employees wanting expert advice had increased by 29% since the last WERS study in 2004). The full findings of this internationally-recognised study will be published by the end of 2013.

Other policy research published in 2012/13 included reports on how best Acas can reach young people, including the challenges they face when starting work and how Acas can support them, and a report looking at how we can reach small and medium-sized businesses.

A study on homeworking in Acas was completed by the School of Management at the London School of Economics, and a report on these findings for an external audience will be published in summer 2013. Current policy research includes the 'Survey of employment

Tribunal Applications 2013', on the emerging use of social media channels in recruitment, building on research we did in 2011/12 on this subject.

Overall, the Research and Evaluation team published 15 evaluation and policy research papers

in 2012/13, and a further seven evaluation or data analysis reports were written for use within Acas to monitor and improve services. Acas policy and research papers can be downloaded from our website in PDF format.

Influencing the international dispute resolution debate

Acas has an unrivalled international reputation in the field of employment relations and often receives requests from abroad to learn more about its work and share good practice. The objective of our international activities is to help inform the development of effective employment relations and structures in other countries, and to learn from what they do differently.

Most of the cost of international activities is met by the foreign country or delegation, or through international aid programmes. Our international work encompasses priorities identified by the Foreign and Commonwealth Office (FCO). We provide assistance to countries closely allied with the UK, such as the Channel Islands and Isle of Man, and support state-building in countries new to, or looking to become members of, the European Union. Developing countries are keen to explore UK systems and practices with a view to developing their own effective employment relations infrastructures.

This year we received 83 international requests for assistance – more than three times as many as in 2011/12. We hosted 19 official visits from overseas delegations and made presentations to 162 delegates. Visitors are keen to learn about our role in UK dispute resolution and are often especially interested in the role we play in preventing disputes and in supporting the improvement of workplace practice.

We provided speakers for 13 external seminars, including one at the Polish Embassy. We welcomed a number of Far East delegations, including those from Hong Kong, South Korea and China, as well as visitors from Australia, Sweden, the Czech Republic and African nations.

We also assisted overseas governments in support of FCO policies; for example, at the Olympic Games government-to-government handover in Brazil, we explained the preparatory work and structures we put in place ahead of London 2012 to ensure a dispute-free games.

We hosted a visit from the Canadian Deputy Minister of Labour who was interested in our role in UK dispute resolution. The Cambodian Arbitration Council visited in March to learn about the UK's strategy for dispute prevention and resolution, and our involvement and experience in executing the strategy. Its visit to Acas was part of a wider programme, including a meeting with retailers that source garment products from a large number of factories in Cambodia.

We hosted a two-day visit by the Australia Fair Work Ombudsman (AFWO) in May. The AFWO was created in July 2009 and, as a young agency with a similar role to that of Acas, was interested in an exchange of information and experiences. In particular, it wanted to learn about our approach to mediation, conciliation, arbitration, our relationships with key stakeholders and the work we do in helping businesses improve workplace productivity.

Making the most of our people and resources

Acas is only as good as the staff who work for it and we pay particular attention to leadership and management, internal communications (listening as well as telling), and training and development provision.

Staff development

The most recent Investors in People (IiP) assessment helped us identify ways of further improving leadership and management capacity. As we worked towards achieving IiP re-accreditation at silver level during 2013/14 we continued to deliver tailored management development programme modules to managers and deputy managers across the organisation. The programme came to an end in March due to the availability of suitable management training via the Civil Service Learning portal. By its close more than 200 managers – 94% of all managers and deputies – had attended.

Work started on evaluating the programme and will be used to identify future learning needs. Engagement survey results demonstrate that the programme, which began in 2010/11, is still having a positive impact on the way our managers perform, both in terms of how they perceive themselves and how staff see them.

Our staff engagement score in 2012/13 was steady at 65% and we would like it to be even higher. As explained in last year's report we established our first two year programme for those we assessed as possible future leaders and this gave them exposure to issues that they would not expect to meet in the course of their 'normal' work, enabling significant development of knowledge and skills.

A 360-degree feedback exercise was completed for members of the Executive Board. This included providing access to a coach to support development needs. These coaches were drawn from the CSL network of internal coaches at no cost.

We continued with our programme of role-specific qualifications for operational staff. A third cohort of helpline advisers started the Open University (OU) post-graduate certificate course in November.

To date 34 students have graduated. Accreditation of our own training constitutes 50% of this qualification.

We continued to act on feedback from both a focus group of helpline staff, and an evaluation completed by the OU and Acas to ensure the course and associated processes are evolving in line with the business.

Our portfolio of national vocational qualifications for staff included NVQs in customer service, business administration, and team leadership and management.

During the year, 13 candidates, three assessors and one internal verifier attained qualifications. A further 18 candidates and five assessors, drawn from a wide range of job roles across Acas, started the programme.

Our trainers too can attain a qualification and a total of 32 staff have secured accreditation since the programme began. We have plans to allow our more experienced trainers to take advanced qualifications during 2013/14.

Equality and diversity

The Equality Duty requires public bodies or organisations carrying out public functions to give “due regard” and consider equality in their day-to-day work in shaping policy, in delivering services and in relation to their own employees. Acas is covered by this Duty. We are required to demonstrate how we intend to achieve the following three aims of the general Duty:

- to eliminate unlawful discrimination, harassment and victimisation
- to advance equality of opportunity between people who share a protected characteristic and those who do not
- to foster good relations between people who share a protected characteristic and those who do not.

Towards the end of 2011/12 we published information on our website to demonstrate how we were complying with the equality duty.

Whilst no organisation can be complacent about discrimination, victimisation and harassment our evidence does not point to specific areas of concern. Our priority therefore is on advancing equality generally.

Internally, we focused on better understanding all the issues that impact upon grade/career progression and why women and people from black and minority ethnic backgrounds (BME) are not more proportionately represented in all grades of job in Acas by:

- Commissioning independent research to examine gender and BME representation at Acas. This produced a list of recommendations for consideration and we now have a clearer understanding of our priorities for follow-up work in this area. These activities will be set out in an action plan and monitored on a six-monthly basis.
- Measuring progress in this area depends upon accurate information. We renewed a request to staff to complete equality data and this significantly improved our understanding of the picture. Given the issues around disability we re-examined declaration rates in January 2013, and found there was a 23% improvement following a proactive approach to increasing awareness of the range of support and resources available to staff. We also organised a disability awareness day at Acas HQ which gave staff the opportunity to explore barriers to disclosing disability and suggestions for overcoming them.

As regards equality for our customers with characteristics we plan to:

- review our services to ensure that elements of each advance equality, and to produce guidance and training for staff to make sure they consider equality at each stage;
- continue to review the research evidence on the experience of our service users to ensure that those with protected characteristics receive at least the same level of service as other users.

We are in the process of finalising this action plan but, in the meantime, we continue to get input and advice from the Disabled People’s Involvement Forum. The forum is a group of non-Acas disabled volunteers that continue to make a valuable contribution to the review of key policies and procedures, through the lens of disability. During 2012/13 members of the forum provided practical suggestions on how we might improve the accessibility arrangements for early conciliation and offered useful insights into how our helpline service could be enhanced to ensure it is fully accessible.

Working Patterns

Acas enables a wide range of flexible working patterns. In 2012/13 we commissioned research about our experience of homeworking which provided valuable insights into how staff feel about how they work, how they are managed and about working for Acas, depending on whether they are office-based, flexible workers or homeworkers. We are currently considering the implications of the research and this will result in improved guidance both for managers of home and flexible workers and for the staff themselves. We are planning to publish a version of the study, as it may provide insights relevant to other organisations.

Shared services

We continue to make more use of shared services, such as Civil Service Learning for all generic training, which complements the training we deliver internally on operational subjects. Civil Service Learning is now the first port-of-call for sourcing all non-operational learning and we have worked hard to stimulate interest among staff as they gain familiarity with what it has to offer. We also ensured that all budget holders and finance staff understand and can apply the new process for its procurement.

We used the Civil Service Resources single portal for advertising vacancies and we signed up for its e-recruitment system and expect to join in June 2013. We use HR policies from Civil Service Employee Policy to ensure there is

a clear rationale for any variation in practice.

The thrust of the Civil Service HR initiative is to reduce the resources deployed in corporate services in order to sustain front line delivery. BIS and its partner organisations have agreed an HR model that involves HR staff collaborating where it is sensible to do so, particularly in areas around learning and development and recruitment.

Finally, we are also considering whether a business case can be made for us to move to UK Shared Business Services Ltd to undertake necessary work on pay and financial transactions, and for it to take on our strategic procurement activity. Decisions on these moves are expected by autumn 2013.

Increasing efficiency

These changes (see box opposite) reduced our private leasehold space by more than 40,000 sq feet, realising savings of more than £800,000 in rental costs. Changes to the estate were undertaken in line with the wider Government requirement to reduce private leasehold estate and increase the use of existing civil estate. The terms on which we took alternative space afford greater flexibility than would be the case with a traditional lease.

More economical use of space

During 2012/13 we continued our programme of estate efficiencies:

- downsizing the Liverpool office in HSE Bootle
- relocating the Manchester office into the Arndale Tower
- relocation of Nottingham office into Apex Court
- relocating the Bristol office into Temple Quay House
- surrender of the office in Paddock Wood, Kent
- EHRC co-location in Glasgow.

Improving IT efficiency

We continued to make use of shared services. We took an innovative approach with the British Geological

Survey (BGS) in using its highly efficient computer data centre. By moving our computer equipment from a commercial data centre, we saved public money and helped the environment

by recycling waste heat energy. (This system uses waste heat from computers and recycles it to keep the nation's deep earth core samples at a constant temperature.)

We are strong advocates of shared procurement and were involved in a number of multi-million pound initiatives to save money on computer services. We

are also taking the lead, on behalf of BIS in gathering requirements for 'group buys' such as Multi-function Devices (MFD's) and secure asset disposal. Savings aggregated across BIS equate to tens of millions of pounds. Acas alone will save over £200,000 per annum on our current costs.

Managing our finances

By focusing hard on improvements, savings and efficiency we continue to deliver our objectives despite public sector restrictions.

The income target for our Good Practice Services was met this year and the cost of delivering that income fully covered.

A full set of accounts for 2012/13, which are

prepared under Section 253 of the Trade Union and Labour Relations (Consolidation) Act 1992, are set out at the end of this report (see pages 51 to 106).

Key financial headlines:

£'000	
Gross cost of Acas	51,329
Less income earned	3,729
Net expenditure	47,600
Grant in Aid	46,450
Capital expenditure	996

Independent experts: Total 24 to 31 March 2013

Dr A J Arthurs	Lecturer in employment relations
Mr S Bamsey	Human resources consultant
Mr R Beddoe	Job evaluation consultant
Ms C Bevan	Human resources and health and safety consultant
Mr D Burn	Human resources consultant
Mr C Campbell	Former senior lecturer in human resource management
Ms R Crafts	Independent consultant specialising in reward issues
Ms R Docherty	Human resources consultant
Mrs J M Evans	Principal lecturer in human resource management
Mrs F Fearn	Human resources consultant
Mr S Flather	Human resources and reward consultant
Mr John Forrester	Human resources business partner
Ms K Gilbert	Senior lecturer in industrial relations
Professor Lynette Harris	Professor of HRM and professional practices
Mr Jonathan Holt	Human resources and pay and grading co-ordinator
Ms Gill Hughes	Former regional officer, Unison
Mr Des Jones	Job evaluation consultant
Mr P Kennedy	Employee relations consultant
Ms E M Lowe	Human resources generalist, visiting lecturer
Mr J Magee	Acas arbitrator and adviser for the aviation industry
Mr C J Roberts	Member of employment tribunal and Human resources practitioner
Ms Janet Sutton	Human resources consultant
Dr S Watson	Independent consultant, specialising in reward issues
Mr P Yeeles	Consultant in employment relations

Our work in facts and figures

This section provides a breakdown of service volumes across a range of services. To facilitate comparisons, figures for the past three years have been provided wherever possible with those prior to 2012/13 updated to take account of finalised management information.



Key performance indicators for Service Level Agreement¹

	2012-13		2011-12	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes:				
a) The promotion of a settlement in disputes in which Acas is involved	80%	93%	80%	91%
b) Acas involvement in large-scale disputes	100%	100%	100%	100%
Conciliation in Employment Tribunal cases:				
Percentage of tribunal hearing days saved as a consequence of conciliation ²				
Fast track cases	55%	56%	55%	56%
Standard track cases	70%	74%	70%	74%
Open track cases	85%	84%	85%	84%
Pre-claim conciliation:				
Percentage of appropriate PCC referrals for which no subsequent ET claim can be identified as having arisen within three months of closure				
	72%	77%	70%	78%
Workplace projects:				
Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention				
	70%	72%	70%	n/a
Acas training services:				
Percentage of delegates reporting that training provided by Acas resulting in a review or change in policy or practice				
	80%	n/a	80%	76%
Helpline:				
a) Percentage of calls answered in no more than 30 seconds	90%	64%	90%	46%
b) Average call quality ³	2.5	3.0	2.5	2.9
c) Average adviser availability ⁴	23 hrs p/week	n/a	23 hrs p/week	28.2 hrs p/week
Non-statutory alternative dispute resolution:				
a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	n/a	80%	n/a
b) Mediation services: percentage of mediations that are successful	90%	91%	90%	89%
Equality services:				
The percentage of workplaces reporting a change in equality policies, practices and supporting activities such as training and monitoring				
	75%	n/a	75%	n/a
Written information and guidance on good practice at work (including guidance on the Acas website and hard copy and online guidance):				
a) The percentage of users for whom the guidance helped to solve a problem at work or reassured them that they had taken the right course of action	65%	71%	65%	n/a
b) the percentage of users for whom the guidance helped to amend or introduce a policy	15%	27%	15%	n/a

Performance against customer satisfaction targets

	2012-13		2011-12	
	Target	Outturn	Target	Outturn
Helpline:				
a) customers satisfied with the service	95%	n/a	95%	94%
b) the percentage of callers who were able to take clear action following their call to the Acas Helpline	70%	n/a	70%	84%
Training services:				
Customers satisfied with charged events	95%	98%	95%	98%

Other performance targets

	2012-13		2011-12	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	94%	100%	92%

Volume indicators

	2012-13	2011-12
Number of re-employments	245	652
Number of collective conciliation requests received	871	984
Number of workplace projects started	250	231
Number of requests for trade dispute arbitration	17	21
Number of calls answered by National Helpline	928,995	924,787
Number of calls answered by Equality Direct	1,976	2,230
Number of advisory visits and in-depth phone calls	3,664	3,384
Number of training sessions delivered	1,897	1,839
Number of equality contracts delivered	346	461

Cost of key services

	2012-13	2011-12
Cost of completed collective conciliation case where a settlement was achieved or significant progress made	£1,688	£1,617
Cost of an arbitration hearing	£4,723	£3,752
Cost of individual conciliation case settled or withdrawn (gross cases)	£195	£190
Cost of a helpline enquiry answered ⁵	£6.50	£6.40

¹Some performance indicators are collected via periodic impact surveys which are not conducted every year. Where survey evidence is not available for a given year, this is denoted by 'n/a' in the appropriate column.

²In accordance with the case listing conventions applied by the Tribunals Service, all actual and potential employment tribunal claims are categorised into three "tracks": fast, standard and open. Fast track cases mainly centre on claims that an employer has failed to pay a statutory or contractual entitlement, or failed to grant statutory rights to time off work in certain circumstances. Standard track cases are most commonly claims of unfair dismissal, while open track cases comprise all those involving allegations of workplace discrimination or detriment associated with public interest disclosures. Broadly speaking, "track" serves as a proxy for the differing levels of complexity typically found in cases of each category (fast track being on average the least complex; open track the most), and is also indicative of differences between the average duration (and therefore cost) of tribunal hearings for cases in the categories concerned.

³Call quality is scored on the following scale: 1 - unacceptable; 2 - acceptable; 3 - very good; 4 - excellent.

⁴The number of hours per week of adviser availability is collected in a way which is no longer comparable with the 23 hour p/week target. In 2012/13 adviser availability time as a percentage of total paid time was 52.4%.

⁵The cost of the Helpline Service in 2011/12 has been recalculated in this report due to an improved method for allocating telephony costs across Acas services.

Individual disputes⁶

Net ET1 conciliation cases received⁷

	2012/13		2011/12		2010/11	
	Volume	%	Volume	%	Volume	%
Fast track	17,966	26.5%	19,330	26.8%	20,498	27.5%
Standard track	31,070	45.8%	32,047	44.5%	33,545	45.0%
Open track	18,789	27.7%	20,698	28.7%	20,577	27.6%
Total	67,825		72,075		74,620	

Net cases received for conciliation from the Employment Tribunal Service by all grounds of complaint

	Jurisdictions	ET1					
		2012/13		2011/12		2010/11	
		Volume	% of cases ⁸	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	37,598	55.4%	40,580	56.3%	42,161	56.5%
	Wages Act	24,269	35.8%	24,854	34.5%	27,260	36.5%
	Breach of contract	23,849	35.2%	25,475	35.3%	27,692	37.1%
	Working Time (Annual Leave)	19,807	29.2%	19,998	27.7%	19,644	26.3%
	Redundancy pay	9,193	13.6%	10,388	14.4%	11,617	15.6%
	Disability discrimination	6,976	10.3%	7,302	10.1%	7,184	9.6%
	Sex discrimination	5,213	7.7%	5,801	8.0%	6,272	8.4%
	Race discrimination	4,288	6.3%	4,579	6.4%	4,704	6.3%
	Equal Pay	3,519	5.2%	2,312	3.2%	2,967	4.0%
	Protective Award	3,327	4.9%	2,066	2.9%	2,659	3.6%
	Failure to provide T&Cs	2,917	4.3%	1,049	1.5%	111	0.1%
	Public Interest Disclosure	2,338	3.4%	2,193	3.0%	1,892	2.5%
Other jurisdictions of note	Age discrimination	2,235	3.3%	2,796	3.9%	2,686	3.6%
	Religion or belief discrimination	846	1.2%	858	1.2%	835	1.1%
	Sexual orientation discrimination	591	0.9%	588	0.8%	625	0.8%
Remaining jurisdictions	Other	8,049		8,312		8,483	
	Total jurisdictions	155,015		159,151		166,792	
	Total cases	67,825		72,075		74,620	

Net ET1 conciliation case outcomes

		2012/13		2011/12		2010/11	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	905	5.4%	978	5.2%	1,001	5.0%
	Settled	4,901	29.0%	5,393	28.7%	5,471	27.3%
	Withdrawn	4,009	23.7%	4,622	24.6%	4,823	24.0%
	Default judgment	2,857	16.9%	2,959	15.7%	3,393	16.9%
	Heard	4,236	25.1%	4,860	25.8%	5,383	26.8%
	Total	16,908		18,812		20,071	
	Potential Hearing Days Saved (PHDS)		55.7%		56.2%		54.0%
Standard track	Struck out	1,905	6.3%	2,456	7.3%	2,335	6.4%
	Settled	14,663	48.4%	15,706	46.7%	17,232	47.5%
	Withdrawn	6,426	21.2%	7,222	21.5%	7,759	21.4%
	Default judgment	773	2.5%	869	2.6%	974	2.7%
	Heard	6,551	21.6%	7,394	22.0%	7,943	21.9%
	Total	30,318		33,647		36,243	
	Potential Hearing Days Saved (PHDS)		74.2%		73.5%		73.7%
Open track	Struck out	1,444	7.3%	1,449	6.7%	1,389	6.5%
	Settled	10,409	52.5%	11,021	51.3%	10,741	50.3%
	Withdrawn	4,982	25.1%	5,815	27.1%	5,887	27.6%
	Default judgment	111	0.6%	93	0.4%	141	0.7%
	Heard	2,890	14.6%	3,112	14.5%	3,201	15.0%
	Total	19,836		21,490		21,359	
	Potential Hearing Days Saved (PHDS)		83.7%		84.0%		83.3%
Overall	Struck out	4,254	6.3%	4,883	6.6%	4,725	6.1%
	Settled	29,973	44.7%	32,120	43.4%	33,444	43.1%
	Withdrawn	15,417	23.0%	17,659	23.9%	18,469	23.8%
	Default judgment	3,741	5.6%	3,921	5.3%	4,508	5.8%
	Heard	13,677	20.4%	15,366	20.8%	16,527	21.3%
	Total	67,062		73,949		77,673	
	Potential Hearing Days Saved (PHDS)		78.8%		78.7%		78.0%
	Resolution rate⁹		72.3%		72.1%		71.2%

⁶ All individual dispute volumes can be produced on either a gross or net basis. Net figures are obtained by adjusting the gross number of claims to take account of multiple claims (for example, if 1,000 claims all arise from the same circumstances, against the same respondent and all the claimants have the same representative, then Acas counts that as one net case). Net figures are a better measure of conciliation workload and success than gross figures, which may reflect a small number of very large multiple claims.

⁷ ET1 figures above include very few NHS and LA equal pay claims either because they have not been passed to Acas for conciliation (because there appears presently to be little or no prospect of success in conciliation) or because the parties have not requested conciliation. In addition, Acas conciliated in and resolved 7,222 potential equal pay cases against local authorities in 2012/13.

⁸ Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

⁹ Resolution rates are calculated excluding cases struck out by the Tribunal since these are generally not susceptible to conciliation.

Net referrals for Pre-Claim Conciliation (PCC) received¹⁰

		2012/13		2011/12		2010/11	
		Volume	%	Volume	%	Volume	%
All PCC referrals received	Fast track	10,021	46.7%	10,260	44.7%	7,666	45.0%
	Standard track	9,391	43.8%	10,070	43.9%	7,328	43.0%
	Open track	2,051	9.6%	2,623	11.4%	2,036	12.0%
	Overall	22,630		23,777		17,781	

		Volume	% of approp. referrals in given track	Volume	% of approp. referrals in given track	Volume	% of approp. referrals in given track
Approp. referrals	Fast track	8,860	88.4%	9,361	91.2%	7,096	92.6%
	Standard track	8,639	92.0%	9,412	93.5%	6,855	93.5%
	Open track	1,787	87.1%	2,418	92.2%	1,919	94.3%
	Overall	20,453	90.4%	22,015	92.6%	16,621	93.5%

Net cases received for PCC by all grounds of complaint^{11 12}

	All jurisdictions	2012/13		2011/12		2010/11	
		Volume	% of cases	Volume	% of cases	Volume	% of cases
Major jurisdics. by volume	Unfair dismissal	10,034	44.3%	11,215	47.2%	8,567	48.2%
	Wages Act	8,645	38.2%	8,335	35.1%	6,177	34.7%
	Working Time (Annual Leave)	2,681	11.8%	1,917	8.1%	1,241	7.0%
	Breach of contract	2,266	10.0%	2,886	12.1%	1,969	11.1%
	Disability discrimination	924	4.1%	1,111	4.7%	856	4.8%
	Redundancy Pay	723	3.2%	857	3.6%	693	3.9%
	Sex discrimination	622	2.7%	938	3.9%	707	4.0%
	Race discrimination	445	2.0%	420	1.8%	369	2.1%
	Written Pay Statement	208	0.9%	125	0.5%	124	0.7%
	Maternity Detriment	188	0.8%	233	1.0%	158	0.9%
	Working Time (breaks/work limits)	149	0.7%	159	0.7%	130	0.7%
	Age discrimination	129	0.6%	272	1.1%	200	1.1%
	Other jurisdcs. of note	Sexual orientation discrimination	71	0.3%	45	0.2%	53
Religion or belief discrimination		24	0.1%	27	0.1%	28	0.2%
Remaining jurisdcs.	Other	680		1,556		930	
	Total jurisdictions	27,789		30,096		22,202	
	Total cases	22,630		23,777		17,781	

Net PCC outcomes

		2012/13		2011/12		2010/11	
		Volume	%	Volume	%	Volume	%
Fast track	Unprogressed	3,337	31.4%	2,888	27.7%	2,266	30.3%
	Impasse	1,956	18.4%	1,945	18.7%	1,596	21.4%
	Resolved	5,345	50.2%	5,592	53.6%	3,609	48.3%
	Total	10,638		10,425		7,471	
Standard track	Unprogressed	2,467	24.1%	2,392	23.9%	1,950	26.9%
	Impasse	2,179	21.3%	2,170	21.6%	1,995	27.5%
	Resolved	5,573	54.5%	5,463	54.5%	3,305	45.6%
	Total	10,219		10,025		7,250	
Open track	Unprogressed	671	30.5%	579	21.0%	483	24.2%
	Impasse	489	22.2%	552	20.0%	458	23.0%
	Resolved	1,040	47.3%	1,626	59.0%	1,051	52.8%
	Total	2,200		2,757		1,992	
Overall	Unprogressed	6,475	28.1%	5,859	25.2%	4,699	28.1%
	Impasse	4,624	20.1%	4,667	20.1%	4,049	24.2%
	Resolved	11,958	51.9%	12,681	54.6%	7,965	47.7%
	Total	23,057		23,207		16,713	

PCC – Avoidance of tribunal claims^{13 14}

	Referral date 01/01/12 – 31/12/12	Referral date 01/01/11 – 31/12/11	Referral date 01/04/10 – 31/12/10
Appropriate referrals	18,114	19,195	13,404
Referrals for which no post-PCC ET claim has been identified	13,939	14,888	9,884
ET claims avoidance rate	77.0%	77.6%	73.7%

¹⁰Since information on the jurisdiction (which determines track) is not available in a small number of cases, the sum of the numbers recorded against each track is less than the number in the "overall" lines.

¹¹Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

¹²This table represents the total number of PCC referrals (whether completed or still in progress) for which jurisdictions had been ascribed at 31 March. As previously footnoted, jurisdiction data is not available in a small minority of cases.

¹³Any performance measure concerning the avoidance of ET claims cannot be finalised immediately following the end of the period as post-PCC ET claims can be lodged up to three months after the initial PCC claim. The data in the table above is therefore restricted to PCC referrals/cases which were received before the end of December in the respective calendar years.

¹⁴Data for this table is collected by interrogating our main individual conciliation database for ET claims where the claimant surname and postcode match ex-PCC referrals. Records with incomplete or anomalous entries in respect to these fields have been excluded for the purpose of this analysis.

Charged-for mediation in individual employment and workplace disputes which were not subject to actual or potential employment tribunal proceedings¹⁵

		2012/13	2011/12	2010/11
New cases started in year		235	252	222
Cases closed in year by outcome	Unprogressed	31	38	34
	Unresolved	18	20	20
	Progress made	55	54	50
	Settled	121	114	129
	Total	225	226	233
	Success rate	91%	89%	90%

¹⁵ Unprogressed cases are where no meaningful mediation activity took place even though the parties formally agreed to mediation and as such these cases are excluded for the purpose of calculating the 'success rate'.

Collective disputes

Collective disputes received for conciliation by region

Region	2012/13		2011/12		2010/11	
	Vol.	%	Vol.	%	Vol.	%
Acas National	47	5.4%	40	4.1%	29	2.7%
London	53	6.1%	74	7.5%	79	7.4%
South East	38	4.4%	43	4.4%	43	4.0%
East of England	42	4.8%	62	6.3%	48	4.5%
East Midlands	32	3.7%	38	3.9%	56	5.2%
West Midlands	48	5.5%	84	8.5%	81	7.6%
North East	111	12.7%	111	11.3%	111	10.4%
Yorkshire and Humber	94	10.8%	103	10.5%	102	9.6%
North West	191	21.9%	196	19.9%	229	21.4%
Scotland	165	18.9%	176	17.9%	220	20.6%
South West	19	2.2%	16	1.6%	27	2.5%
Wales	31	3.6%	41	4.2%	43	4.0%
Total	871		984		1,068	

Collective disputes received for conciliation by dispute cause¹⁶

Dispute cause	2012/13		2011/12		2010/11	
	Vol.	%	Vol.	%	Vol.	%
General pay claim	151	17.3%	169	17.2%	188	17.6%
Other pay/conditions of employment	257	29.5%	285	29.0%	349	32.7%
Recognition	115	13.2%	119	12.1%	116	10.9%
Other TU matters	108	12.4%	113	11.5%	104	9.7%
Changes in working practices	101	11.6%	99	10.1%	80	7.5%
Dismissal/discipline	87	10.0%	102	10.4%	97	9.1%
Redundancy	84	9.6%	109	11.1%	132	12.4%
Other	30	3.4%	85	8.6%	91	8.5%
Total dispute causes	933		1,081		1,157	
Total collective cases received	871		984		1,068	

¹⁶As some collective conciliations are recorded as relating to more than one dispute cause, the sum of percentages in this table exceeds 100%.

Collective disputes closed by outcome

Dispute outcome	2012/13	2011/12	2010/11
Successfully completed	681	751	737
Unsuccessfully completed	53	76	77
All completed cases	734	827	814
Cases withdrawn	77	113	111
Total	811	940	925

Collective disputes received by source of request

Source of request	2012/13		2011/12		2010/11	
	Vol.	%	Vol.	%	Vol.	%
Employer	161	18.5%	172	17.5%	166	15.5%
Trade Union	254	29.2%	270	27.4%	286	26.8%
Joint	281	32.3%	337	34.2%	388	36.3%
Acas initiative	175	20.1%	205	20.8%	228	21.3%
Total	871		984		1,068	

Cases referred to collective arbitration and dispute mediation

Case type	2012/13	2011/12	2010/11
Single arbitration	14	17	27
Board of arbitration	0	0	1
Single mediation	2	0	1
Board of mediation	0	2	0
Two-tier single mediation/ arbitration	0	1	1
Police arbitration tribunal	1	1	0
Other	0	0	1
Total	17	21	31

Issues referred to collective arbitration and dispute mediation

Issue	2012/13	2011/12	2010/11
Annual pay	4	2	8
Other pay and conditions of employment	1	8	2
Dismissal and discipline	10	8	11
Grading	0	2	2
Other	2	1	8
Total	17	21	31

Joint problem-solving activities by topic

Topic	2012/13	2011/12	2010/11
Absence and stress management	0	3	1
Bullying and harassment	5	3	3
Collective bargaining and trade union issues	40	45	36
Conflict, mediation and change management	42	41	32
Discipline and grievance	2	1	1
Employment law	1	0	0
Equality, diversity and discrimination	3	0	1
Implementing flexible working arrangements	1	2	1
Information and consultation	13	6	4
Managing people	1	1	0
Payment and grading arrangements	6	5	2
Recruitment and employing people	1	1	1
Redundancy	3	1	4
Other	1	0	3
Total	119	109	89

Advisory Services

Calls to the Acas Helpline^{17 18}

Volume of calls answered	2012/13	2011/12	2010/11
Total	928,995	924,787	953,999

Acas Helpline call topics¹⁹

Topic of enquiry	2012/13	2011/12	2010/11
	% of calls	% of calls	% of calls
Discipline, dismissal and grievance	35.6%	33.6%	32.6%
Redundancies, lay-offs and business transfers	20.1%	21.4%	21.5%
Contracts	18.1%	18.8%	18.7%
Holiday and working time	11.7%	12.7%	13.8%
Wages and NMW	10.4%	9.9%	9.6%
Absences, sickness and stress	9.2%	9.3%	9.7%
Maternity, paternity and adoption	5.3%	6.0%	6.5%
Diversity and discrimination	4.2%	4.5%	4.6%
Family friendly policies	1.9%	2.0%	2.0%
Others	6.8%	7.5%	8.0%

¹⁷These volumes include calls received by the Equality Direct Helpline (1,976 in 2012/13) and the Redundancy Payments Helpline (17,346 in 2012/13).

¹⁸For some common enquiries, callers to the Acas Helpline are offered the option of listening to a recorded interactive voice response (IVR) message either instead of, or before, speaking to an adviser. Since their introduction in November 2011, these messages have been accessed by callers on around 11,000 occasions in 2011/12 and 28,000 times in 2012/13.

¹⁹As some calls relate to more than one of the specified core topics, the sum of percentages in this table exceed 100%.

In-depth advisory meetings by topic

Topic	2012/13		2011/12		2010/11	
	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	82	6.1%	57	5.7%	75	6.3%
Bullying and harassment	28	2.1%	27	2.7%	22	1.9%
Collective bargaining and trade union issues	96	7.2%	66	6.6%	96	8.1%
Conflict mediation and change management	281	21.0%	241	24.0%	296	25.0%
Discipline and grievance	226	16.9%	134	13.3%	94	7.9%
Employment law	129	9.6%	64	6.4%	100	8.4%
Equality, diversity and discrimination	65	4.9%	55	5.5%	69	5.8%
Implementing flexible working arrangements	10	0.7%	16	1.6%	9	0.8%
Information and consultation	115	8.6%	96	9.6%	95	8.0%
Managing people	75	5.6%	43	4.3%	66	5.6%
Payment and grading arrangements	33	2.5%	41	4.1%	56	4.7%
Recruitment and employing people	116	8.7%	63	6.3%	60	5.1%
Redundancy	70	5.2%	81	8.1%	108	9.1%
Other	14	1.0%	20	2.0%	39	3.3%
Total	1,340		1,004		1,185	

In-depth advisory telephone calls by topic

Topic	2012/13		2011/12		2010/11	
	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	180	7.7%	163	6.8%	196	8.4%
Bullying and harassment	35	1.5%	40	1.7%	42	1.8%
Collective bargaining and trade union issues	107	4.6%	153	6.4%	119	5.1%
Conflict mediation and change management	398	17.1%	427	17.9%	422	18.1%
Discipline and grievance	390	16.8%	321	13.5%	280	12.0%
Employment law	256	11.0%	326	13.7%	263	11.3%
Equality, diversity and discrimination	115	4.9%	153	6.4%	230	9.9%
Implementing flexible working arrangements	83	3.6%	66	2.8%	58	2.5%
Information and consultation	127	5.5%	126	5.3%	121	5.2%
Managing people	112	4.8%	62	2.6%	44	1.9%
Payment and grading arrangements	59	2.5%	83	3.5%	75	3.2%
Recruitment and employing people	215	9.3%	164	6.9%	112	4.8%
Redundancy	203	8.7%	249	10.5%	280	12.0%
Other	44	1.9%	47	2.0%	84	3.6%
Total	2,324		2,380		2,326	

Certificate in Internal Workplace Mediation (CIWM) training

Topic	2012/13		2011/12		2010/11	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM course	9	84	13	101	7	60
Open access CIWM course	33	215	30	253	24	180
Total	42	299	43	354	31	240

Workplace training by topic

Subject of training	2012/13				2011/12				2010/11			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence & stress management	48	5.1%	821	4.5%	51	5.4%	1,490	7.8%	98	9.4%	2,683	12.5%
Bullying & harassment	55	5.8%	1,528	8.4%	65	6.8%	1,979	10.4%	75	7.2%	2,157	10.0%
Collective bargaining & trade union issues	11	1.2%	355	2.0%	11	1.2%	181	0.9%	17	1.6%	343	1.6%
Conflict, mediation & change management ²⁰	94	9.9%	2,012	11.1%	117	12.3%	1,937	10.1%	91	8.7%	1,235	5.7%
Discipline & grievance	248	26.1%	4,483	24.7%	219	23.0%	4,750	24.8%	235	22.5%	4,412	20.5%
Employment law	41	4.3%	1,033	5.7%	50	5.3%	916	4.8%	52	5.0%	904	4.2%
Equality, diversity & discrimination	87	9.2%	2,646	14.6%	81	8.5%	2,385	12.5%	117	11.2%	3,657	17.0%
Implementing flexible working arrangements	2	0.2%	132	0.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Information & consultation	146	15.4%	1,617	8.9%	149	15.7%	1,746	9.1%	120	11.5%	1,291	6.0%
Managing people	148	15.6%	2,268	12.5%	129	13.6%	2,376	12.4%	146	14.0%	3,407	15.9%
Payment & grading arrangements	2	0.2%	30	0.2%	2	0.2%	15	0.1%	4	0.4%	44	0.2%
Recruitment & employing people	39	4.1%	630	3.5%	20	2.1%	535	2.8%	16	1.5%	253	1.2%
Redundancy	22	2.3%	259	1.4%	41	4.3%	407	2.1%	52	5.0%	850	4.0%
Other	6	0.6%	323	1.8%	16	1.7%	399	2.1%	20	1.9%	257	1.2%
Total	949		18,137		951		19,116		1,043		21,493	

²⁰ These figures include in-house CIWM courses which are recorded as part of the 'conflict, mediation and change management' line.

Open Access training by topic²¹

Subject of training	2012/13				2011/12			
	Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	201	21.0%	1,664	18.1%	128	14.2%	1,006	11.3%
Bullying and harassment	10	1.0%	78	0.8%	15	1.7%	85	1.0%
Collective bargaining and trade union issues	4	0.4%	17	0.2%	3	0.3%	15	0.2%
Conflict, mediation and change management ²²	70	7.3%	635	6.9%	60	6.7%	649	7.3%
Discipline and grievance	225	23.5%	2,259	24.6%	160	17.8%	1,455	16.4%
Employment law	128	13.4%	1,781	19.4%	116	12.9%	1,807	20.4%
Equality, diversity and discrimination	19	2.0%	113	1.2%	80	8.9%	809	9.1%
Implementing flexible working arrangements	11	1.1%	70	0.8%	5	0.6%	11	0.1%
Information and consultation	2	0.2%	4	0.0%	2	0.2%	54	0.6%
Managing people	108	11.3%	891	9.7%	81	9.0%	543	6.1%
Payment and grading arrangements	0	0.0%	0	0.0%	1	0.1%	3	0.0%
Recruitment and employing people	110	11.5%	840	9.2%	172	19.1%	1,608	18.1%
Redundancy	39	4.1%	321	3.5%	46	5.1%	350	3.9%
Other	30	3.1%	505	5.5%	32	3.6%	481	5.4%
Total	957		9,178		901		8,876	

Open Access training by topic²¹ (continued - 2010/11)

Subject of training	2010/11			
	Events		Delegates	
	Vol.	%	Vol.	%
Absence & stress management	297	28.3%	4,512	34.7%
Bullying & harassment	25	2.4%	125	1.0%
Collective bargaining & trade union issues	9	0.9%	261	2.0%
Conflict, mediation & change management	51	4.9%	543	4.2%
Discipline & grievance	119	11.4%	927	7.1%
Employment law	102	9.7%	1,331	10.2%
Equality, diversity & discrimination	239	22.8%	3,406	26.2%
Implementing flexible working arrangements	4	0.4%	24	0.2%
Information & consultation	1	0.1%	20	0.2%
Managing people	57	5.4%	387	3.0%
Payment & grading arrangements	2	0.2%	8	0.1%
Recruitment & employing people	71	6.8%	598	4.6%
Redundancy	39	3.7%	394	3.0%
Other	32	3.1%	466	3.6%
Total	1,048		13,002	

²¹ Total delegates include events delivered with partner organisations.

²² These figures also include open access CIWM courses which are recorded as part of the 'conflict, mediation and change management' line.

Total training by topic

Subject of training	2012/13				2011/12			
	Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence & stress management	249	13.1%	2,485	9.1%	179	9.7%	2,496	8.9%
Bullying & harassment	65	3.4%	1,606	5.9%	80	4.3%	2,064	7.4%
Collective bargaining & trade union issues	15	0.8%	372	1.4%	14	0.8%	196	0.7%
Conflict, mediation & change management	164	8.6%	2,647	9.7%	177	9.6%	2,586	9.2%
Discipline & grievance	473	24.8%	6,742	24.7%	379	20.5%	6,205	22.2%
Employment law	169	8.9%	2,814	10.3%	166	9.0%	2,723	9.7%
Equality, diversity & discrimination	106	5.6%	2,759	10.1%	161	8.7%	3,194	11.4%
Implementing flexible working arrangements	13	0.7%	202	0.7%	5	0.3%	11	0.0%
Information & consultation	148	7.8%	1,621	5.9%	151	8.2%	1,800	6.4%
Managing people	256	13.4%	3,159	11.6%	210	11.3%	2,919	10.4%
Payment & grading arrangements	2	0.1%	30	0.1%	3	0.2%	18	0.1%
Recruitment & employing people	149	7.8%	1,470	5.4%	192	10.4%	2,143	7.7%
Redundancy	61	3.2%	580	2.1%	87	4.7%	757	2.7%
Other	36	1.9%	828	3.0%	48	2.6%	880	3.1%
Total	1,906		27,315		1,852		27,992	

Total training by topic (2010/11 continued)

Subject of training	2010/11			
	Events		Delegates	
	Vol.	%	Vol.	%
Absence & stress management	395	18.9%	7,195	20.9%
Bullying & harassment	100	4.8%	2,282	6.6%
Collective bargaining & trade union issues	26	1.2%	604	1.8%
Conflict, mediation & change management	142	6.8%	1,778	5.2%
Discipline & grievance	354	16.9%	5,339	15.5%
Employment law	154	7.4%	2,235	6.5%
Equality, diversity & discrimination	356	17.0%	7,063	20.5%
Implementing flexible working arrangements	4	0.2%	24	0.1%
Information & consultation	121	5.8%	1,311	3.8%
Managing people	203	9.7%	3,794	11.0%
Payment & grading arrangements	6	0.3%	52	0.2%
Recruitment & employing people	87	4.2%	851	2.5%
Redundancy	91	4.4%	1,244	3.6%
Other	52	2.5%	723	2.1%
Total	2,091		34,495	

Advisory services: equality and diversity work

The tables highlight the equality and diversity work carried out across Acas' advisory services. Some of the figures have been quoted in tables earlier in this section.

Equality and diversity work²³

	2012/13	2011/12	2010/11
Diagnostic sessions	44	59	97
Policies and procedures	9	30	41
Board briefings	0	2	3
In-depth advisory meetings	65	55	69
In-depth advisory calls	115	153	230
Workplace projects	7	1	5
Workplace training courses	87	81	117
Open access training events	19	80	239
Total	346	461	801

Equality Direct Helpline

Volume of calls answered	2012/13	2011/12	2010/11
Total	1,976	2,230	2,445

²³ The volumes in this table include general equality and diversity activities as well as those relating to a particular aspect of discrimination.

Acas Accounts 2012/13

Directors Report

1. Acas was set up as a statutory body on 1 January 1976. It has two linked but independent institutions, the Certification Office (CO) and Central Arbitration Committee (CAC) that were established on 1 February 1976. The establishment of these institutions is provided by the Employment Protection Act 1975, now the Trade Union and Labour Relations (Consolidation) Act 1992 . Acas' main statutory functions and duties are:

- having a general duty to promote the improvement of employment relations in Great Britain;
- to advise employers, workers, unions and businesses on employment relations and employment policy matters;
- to prepare Codes of Practice relating to good employment practice;
- to provide conciliation in complaints made by individuals under legislation on employment rights;
- to provide a conciliation service to resolve collective employment disputes;
- to arrange independent arbitration and mediation;
- to maintain a panel of Independent Experts to be made available to the Employment Tribunal in Equal Pay claims;
- to administer the Acas Arbitration Scheme including the appointment of arbitrators, administrative assistance during the hearing and scrutiny of awards; and
- to provide a Secretariat for the Police Arbitration Tribunal.

In carrying out these functions and duties Acas has due regard to the need to promote equality and good relations between people having different protected characteristics and to eliminate unlawful discrimination.

2. Under the Trade Union and Labour Relations (Consolidation) Act 1992, Acas is required to provide both the Certification Officer (CO) and the CAC with staff (employed under Acas terms and conditions), appropriate accommodation and other facilities. Acas is also responsible for paying the CO and members of the CAC such remuneration, travelling and other allowances as may be determined by the Secretary of State for Business, Innovation and Skills.

3. Acas also has a role to play in the appointment of the CO and members of the CAC. Acas must be consulted before the Secretary of State appoints the Chairman, any deputy Chairmen and members of the CAC. The Secretary of State is required to consult with Acas before s/he appoints the Certification Officer.

4. The Service is funded through the Department for Business, Innovation and Skills (BIS) Request for Resources 1 (RfR1).

5. The term "the Service" is used when referring to issues that commonly relate to Acas, CO and CAC.

6. The Government has announced the merger of the CO and CAC as part of the reform of Arms Length Bodies; no date has been set for this merger.
7. The Acas mission is to improve organisations and working life through better employment relations.
8. Acas' strategic aims as published in its Corporate Plan 2011-2015 are to:
 - promote better performance in organisations through improved employment relations and more effective dispute resolution;
 - assist SMEs to manage their employment relations to achieve sustainable growth;
 - support the operation of fair and effective workplaces and an engaged workforce;
 - inform public policy and debate on the economic and social value of good employment relations in the workplace; and
 - enhance the capability of our staff and secure value for money in all we do.

CO

9. The CO is responsible for maintaining a list of trade unions and employers' associations; for receiving, ensuring compliance with statutory requirements and keeping available for public inspection annual returns from trade unions and employers' associations; for determining complaints concerning trade union elections, the maintenance of an up to date register of members, certain other ballots and certain breaches of trade union rules; for ensuring observance of statutory requirements governing mergers between trade unions and between employers' associations; for ensuring the requirements concerning the actuarial examination of members' superannuation schemes are observed for overseeing the political funds and the finances of trade unions and employers' associations; and for certifying the independence of trade unions.

CAC

10. The CAC is responsible for resolving in England, Scotland and Wales, through both voluntary means and adjudication, disputes relating to the following:

- the recognition and derecognition of trade unions for collective bargaining;
- the disclosure of information to trade unions for collective bargaining purposes;
- the establishment and operation of arrangements under the Information and Consultation Regulations;
- the establishment and operation of European Works Councils; and
- the information and consultation requirements of the European Company Statute, the European Cooperative Society Regulations and the Cross-Border Mergers Regulations.

11. The CAC retains the statutory power to provide voluntary arbitration in collective disputes but this has not been used for some years.

Review of activities

Acas

12. Acas' main activities during the year have continued to be:
 - providing impartial information and advice on employment matters;
 - improving the understanding of effective employment relationships;
 - preventing and resolving collective employment disputes; and
 - resolving actual and potential employment tribunal cases.
13. Acas also publishes Codes of Practice on:
 - disclosure of information to trade unions for collective bargaining purposes;
 - time off for trade union duties and activities; and
 - handling discipline and grievance in the workplace.

CO

14. The functions of the CO are contained in the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended). Mr David Cockburn continues in the post of Certification Officer. Actions were carried out in most areas of his responsibilities during the period under review.

CAC

15. The bulk of the CAC's workload is handling applications for recognition and derecognition under Schedule A1 to the Trade Union and Labour Relations (Consolidation) Act 1992. It also receives annually a limited number of cases under the Disclosure of Information provisions and the Information and Consultation Regulations, and has dealt with a small number of cases under the legislation relating to European Works Councils (The Transnational Information and Consultation of Employees Regulations 1999).

16. The European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations have provided no cases to date.

Risk and Control Framework

17. Acas' planning framework includes an overarching strategic Corporate Plan, underpinned by an annual Business Plan. Activity is monitored through quarterly reporting to the Acas Executive Board and Council using a Balanced Scorecard and strategic risk register.

18. Reputational Risk is considered to be one of Acas' main priorities, given the need to maintain confidence in our impartiality. Other risks concern aspects of our service delivery, budget and internal capability.

19. The Senior Responsible Owners of key projects designed to enable Acas to increase capability, efficiency and service standards have identified the key risks in each project.

Management Structure

20. The Council is responsible for the strategic direction, policies and priorities of Acas, and for ensuring that its statutory duties are carried out effectively. The Council also approves the Corporate Plan.
21. The Acas Council is supported by three sub committees: Audit, Human Resources and Remuneration.
22. The Executive Board meets monthly and is charged with directing the day to day activities of Acas and monitoring the key strategic risks faced by the Service.
23. The Executive Board feeds back to staff on operational, financial and personnel matters. The minutes from Executive Board meetings are available to all staff.
24. Due to the confidential nature of discussions full Council and Board papers are not published on the Acas website but the organisation publishes data about financial transactions and engages with stakeholders and customers in a variety of ways, using online and face to face channels.
25. The Executive Board members are as follows:
 - Mr John Taylor (Chief Executive, Acas to: February 2013)
 - Mrs Anne Sharp (Chief Executive, Acas from: February 2013)
 - Mr Rob White (Director of Finance)
 - Mr Andrew Wareing (Chief Operating Officer)
 - Ms Susan Clews (Director of Strategy)
 - Mr Andrew Godber (Director of Information Technology)
 - Mr Mike Spencer (Director of Human Resources and Estates)
 - Mr Nick Riddle (Triennial Review Lead to: May 2012)
 - Mrs Gill McCarthy (Director, Operational Policy and Performance)
 - Mr Peter Harwood (Chief Conciliator)
 - Mr Noel Lambert (Equality and Diversity Champion, from August 2012)
 - Mr Dave Prince (Director, London, South East England and Eastern Areas)
 - Mr Frank Blair (Director, Scotland)
 - Ms Wendy Parker (Acting Director, North of England to July 2012)
 - Mr Peter McGee (Director, North of England Region from: July 2012)
 - Mr Rob Johnson (Director, Wales and Southern England, East and West Midlands)

The Remuneration Report sets out the Salary and Pension details of those members of the Executive Board reporting directly to the Chief Executive.

Acas Council Members

26. Council Members and their original dates of appointment (and dates of re-appointment) are

▶ Mr J Michie ⁴	1 May 2007 (Extended until 31 December 2013)
▶ Ms S Anderson ²	1 May 2007 (Extended until 31 December 2013)
▶ Mr E Sweeney (Chair) ^{2,4}	1 November 2007 (Extended until 30 September 2013)
▶ Ms N Templeman ³	1 April 2008 (Extended until 31 March 2014)
▶ Ms J Eady QC	1 April 2008 (Extended until 31 March 2014)
▶ Ms L Dickens ⁴	1 May 2010
▶ Ms M Bousted ¹	1 May 2010
▶ Mr J Hannett ⁴	1 May 2010
▶ Mr J Baume ²	1 November 2011
▶ Mr P Butler ²	1 November 2011
▶ Ms V Hawes	1 November 2011
▶ Mr P Nowack	1 November 2011

1 Chair of the Audit Committee (from November 2011)

2 Also a member of the Audit Committee

3 Chair of the HR Committee

4 Also a member of the HR Committee

Acas Council

27. The Chairman and members of the Acas Council are appointed by the Secretary of State for Business, Innovation and Skills, initially for three years but their tenure can be extended for a second three-year term. Before making the appointments the Secretary of State is obliged to consult appropriate organisations representing employers and employees. All Acas Council appointments are subject to open competition in line with the Code of Practice issued by the Commissioner for Public Appointments.

28. Appointments to the Acas Council may be terminated by the Secretary of State for Business, Innovation and Skills where s/he is satisfied that a member:

- has been absent from meetings of the Council for a period longer than six consecutive months without the permission of the Council; or
- has become bankrupt or made an arrangement with his creditors (or, in Scotland, has had his estate sequestrated or has made a trust deed for his creditors or has made and had accepted a composition contract); or
- is incapacitated by physical or mental illness; or
- is otherwise unable or unfit to discharge the functions of a member.

Equal Opportunities

29. We strive to promote equality and diversity across all the public sector duties. We are committed to ensuring that recruitment, promotion and career development opportunities are open to all, based solely on an assessment of suitability and aptitude for the job in question. Staff with a disability or other needs are encouraged to identify themselves and to discuss with managers ways in which their working environment and working arrangements might be adapted to allow them to contribute fully to our objectives. Our Diversity Champion continues to provide impetus to progress a holistic strategy. We are starting to reap the benefits of having established a Disability Involvement Forum. All staff have been trained in diversity.

Days Lost Due to Absence

30. Acas encourages a culture where reliable attendance is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. Acas aims to treat those of its staff who are ill with sympathy and fairness and where possible to provide them with support which will enable them to recover their health and attend work regularly.

31. In 2011-12, the average number of working days lost was 8.2 days per annum per employee. In 2012-13 this rose to 9.5 days. We are taking steps to identify the reasons for this and to ensure that a focus on attendance and wellbeing continues.

Employee Involvement

32. We value the views of staff who are encouraged to discuss issues affecting both them and the work they undertake. We encourage membership of our recognised trade unions and members of staff are able to engage with business challenges both individually, feeding their views through line management and collectively through their trade unions. We have well-established consultative machinery and have an agreement on information and consultation. We have developed a Communications Strategy and a recent survey told us that staff found communication much improved. Results from our 2012-13 engagement survey maintained our levels of engagement at 65% (based on the 'Say, Stay, Strive' model), this at a time of considerable uncertainty across the public sector.

Delivering the Equality Duty

33. The Equality Duty requires public bodies or organisations carrying out public functions to give "due regard" and consider equality in their day to day work in shaping policy, in delivering services and in relation to their own employees. Acas is covered by this Duty.

We have published specific information to show that we are complying with the Duty. We have also published equality objectives showing how we intend to achieve the overall aims of the Duty.

Complying with the Equality Duty is not an end in itself. We will ensure that it remains an ongoing process of continuous improvement.

Further information on how Acas delivers the equality duty can be found on the Acas website.

Investors in People (IiP)

34. The Service became the first nationwide, multi-site public sector body to receive IiP recognition in January 1994. Acas has remained accredited ever since. Both the CAC and the CO are accredited in their own right. Our latest re-assessment resulted in our securing the IiP Bronze standard. 2013-14 will see us embark on the next round of re-accreditation where we are aiming to achieve the Silver standard.

Charitable Donations

35. Acas, CO and CAC do not make any charitable donations.

Sustainability Report

36. Acas considers its environmental duties and has demonstrated its commitment by, for example, endeavouring to promote less travel on official business through increased use of videoconferencing.

During 2012–13 Acas continued on its strategic programme of estate changes:

- Downsizing of Liverpool office in HSE Bootle
- Relocation of Manchester into Arndale Tower
- Relocation of Nottingham into Apex Court
- Relocation of Bristol into Temple Quay House
- EHRC co-location in Glasgow.

These changes have reduced the private leasehold space that Acas use by over 40,000 sq foot, and saved circa £700,000 in rent costs.

These changes will impact on Acas' overall carbon footprint. These relocations have been into shared Civil Estates where management of utilities is controlled by building management systems.

Electricity in those buildings not on shared Civil Estates have been procured through a Government Procurement Service contract providing better rates and carbon usage recording.

Going forward, water consumption within the estate will be subject to review. Again, Acas will benefit from access to management information systems. For the remaining estate, discussions will need to be held with landlord in regards to shared services.

Acas works towards the Government standards on sustainability and those promoted by BIS as our sponsor department. As a NDPB Acas was exempt from these requirements for a period of time but still worked towards reporting and recycling whenever possible. Full details of the targets that BIS works towards for itself and its partner organisation can be found on the Business, Innovation and Skills website.

One of the main changes Acas has undertaken is the joining of the Total Facilities Management programme (TFM) and the Buying Solutions framework for utilities suppliers. These changes bring Acas further into the fold for reaching sustainable improvements across the estate.

In 2013-14 Acas estates will become part of the BIS/RCUK Shared Estate Team (SET). Part of this group's remit will be the sustainability agenda in line with the full estates of BIS and partner organisations. The SET will lead on changes to promote sustainability and this will be supported by works undertaken by the TFM.

	m ³	FTE-Office Estate	m ³ / FTE Office estate	Estimated m ³ /FTE for the year - Office estate	Total N. office buildings
Water from Office Estate	2,000	702.79	2.85	11.38	15
			kWh Estate	CO ₂ e factor	tonnes CO ₂ e
TOTAL FROM ESTATE			1,099,445		516.60
PURCHASED ENERGY 2012-13	Mains Standard Grid Electricity (Scope 2+3)*		933,823	0.5204	485.93
	Mains Green Tariff Electricity (Scope 2+3)*		0	0.5204	0.00
	CHP Bought Electricity (GQ) (Scope 2+3)*		0	0.5204	0.00
	CHP Bought Electricity (Other) (Scope 2+3)*		0	0.5204	0.00
	Natural Gas (Scope 1)		165,622	0.1852	30.67
	Gas Oil (Scope 1)		0	0.2778	0.00
	LPG (Scope 1)		0	0.2146	0.00
	Solid Fossil Fuels (Scope 1)		0	0.3402	0.00
	Solid Fuels (Biomass) (Scope 1)		0	0.0000	0.00
	District Heating (Scope 2+3)		0	0.2201	0.00
	Heat from renewable sources (Scope 2)		0	0.0000	0.00
	Heat from non renewable sources (excluding WDHS) (Scope 2)		0	0.0000	0.00
	Heat from WDHS (Scope 2)		0	0.2656	0.00
	Other		0	0.0000	0.00

Waste and recycling

Acas is presently unable to report on the general office waste ratio regarding Landfill options. This is due to the waste collection for offices being included in service charges and not operated separately by Acas. Our landlords have been requested to provide any information that they can in relation to this.

On a positive side, all Acas office work to the recycling of office paper and goods as part of the Government Procurement Service framework.

Data files from e-PIMS (Electronic Property Information Management System), Government's Property and Land asset database containing details of location, tenure and other key attributes for the Acas Estate can be found at the following link:

<http://www.data.gov.uk/dataset/epims>

Our ICTS department works with their suppliers in the recycling of equipment and toners. Below are two tables that highlight the work undertaken by ICT and their suppliers to support the green agenda.

	Total of Items Collected	Remarketed	Recycled	Cost to ACAS
TOTALS	380	53	327	£2,760.20

Toners

	Total of Items Collected	Recycled	Total Weight KG	Cost to ACAS
TOTALS	48	48	376.8	£1,656.00

To reduce our carbon footprint, we have implemented the following actions:

- introduction of Multi Functional Devices (MFDs)
- reduction of stand alone printers
- reduction of homeworker phone/faxes
- purchase of Video Conferencing Units for internal Acas use
- setting MFD defaults to duplex and black and white
- introduction of audio conferencing system.

In addition, we plan to implement the following changes:

- purchase of more energy efficient items
- staff education in saving energy at home while using Acas equipment
- asking staff to switch off monitors when leaving the office
- an audit of our disposal company to ensure that they are following government legislations
- advising staff of government legislations regarding disposal of electronic equipment.

37. Issues around sustainability have been discussed at Executive Board level.

Going Concern

38. The Executive Board have reviewed the financial position as at 31 March 2013 and are content that Acas is a going concern. The level of departmental grant in aid funding has been agreed for 2013-14 and an indicative grant for 2014-15 has been communicated by BIS. As a result of which, we remain satisfied that the preparation of accounts on a going concern basis remains appropriate.

Accounts Direction

39. These accounts are prepared under Part VI Section 253 Subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992, in the form and on the basis directed by the Secretary of State, with the consent of the Treasury.

Payment of Creditors

40. The Service is committed to meeting the government's target on prompt payment of 80% of payments being made within five days.

41. Overall, 95.86% of payments were made within target (2011-12, 97.63%).

Post Year End Events

42. There have been no events affecting the accounts since the end of the financial year.

Auditors

43. The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £48k. No non-audit services were provided.

Disclosure of Relevant Audit Information

44. As far as I am aware, there is no relevant audit information of which the Service's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish the Service's auditors are aware of that information.

Annual Reports

45. The Acas Annual Accounts are published as a combined document with the Annual Report; the CO and the CAC publish separate annual reports.

Acas

46. Acas has a statutory duty to report to the Secretary of State for Business, Innovation and Skills on its activity during the year. The Annual Report contains statistical data. Copies of the Acas Annual Report can be downloaded free of charge from the Acas website www.acas.org.uk.

CAC

47. The CAC publishes an Annual Report that is submitted to the Secretary of State for Business, Innovation and Skills through Acas. Copies are available free of charge from the CAC, 22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ (Tel: 020 7904 2300) or on the CAC's website (cac.gov.uk).

CO

48. The CO is required by the Trade Union and Labour Relations (Consolidation) Act 1992 to submit to the Secretary of State for Business, Innovation and Skills and to Acas a report of his activities. As well as setting out the CO's responsibilities the Annual Report also outlines some of the activities undertaken during the year. Copies of the CO's Annual Report are available free of charge from the Certification Office for Trade Unions and Employers' Associations, Euston Tower, 286 Euston Road, London, NW1 3JJ (Tel: 020 7210 3734) and from the Certification Officer's website www.certoffice.org.uk.

Anne Sharp
Accounting Officer
Acas
4 July 2013

Management Commentary

Financial Results

49. The Service incurred gross costs of £51,329k in the year plus capital expenditure of £996k. Cash expenditure was financed by a Grant-in-Aid of £46,450k from BIS's Request for Resources 1 (RfR1), of BIS's Resource Estimate plus other operating income of £3,729k.

All other expenditure was as a result of business as usual operations.

Operational Results

Acas

50. During 2012-13 the Acas national Helpline handled 928,995 calls

51. 250 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered around 1,900 sessions in the year on a variety of employment relations topics. Altogether, Acas traded services and publication sales brought in over £3.7 million of revenue (income from the Certification Office fees is excluded from this total).

52. Acas dealt with 871 industrial disputes in 2012-13. In 2012-13, Acas individual conciliators handled around 156,758 new and potential employment tribunal claims and, in the case of tribunal cases, 56% of potential tribunal hearing days were saved in short-period cases, 74% in standard period cases and 84% in open period cases through cases being resolved in conciliation.

53. Acas' Key Performance Indicators (KPI) are disclosed fully in the Annual Report, and can be found on page 32 and 33.

CO

54. The CO has continued to carry out the statutory requirements of those parts of the Trade Union and Labour Relations (Consolidation) Act which encompass: listings; change of name; annual returns; independence; mergers; political fund amendments/approval; financial investigations; election, breach of rules and other complaints and superannuation to the standards set out in the CO's Operational Plan.

55. The CO received a total of 494 enquiries from members raising issues or matters of concern about trade unions. This represents a decrease of 223 in the number of enquiries compared with last year.

56. The CO issued 78 decisions relating to breaches of trade union rules. In addition a further nine decisions were issued relating to breach of statute complaints. One enforcement order was issued. The total number of decisions issued of 87 represents an increase of 40 on the number last year of 47.

CAC

57. The CAC received 54 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2012 and 31 March 2013. During this period it did not receive any applications under Parts II to VI of the Schedule. Six complaints were received under the Disclosure of Information provisions and there were three applications for decisions under the Information and Consultation Regulations. In addition, the Secretariat dealt with one employee request for Information and Consultation arrangements. The CAC received one application under the European Works Council Regulations.

Relationship with Stakeholders

58. The Service's key stakeholder relationship is with the Department for Business, Innovation and Skills (BIS) and the Service is funded through the Department for Business, Innovation and Skills (BIS) Request for Resources 1 (RfR1). The Service's relationship with BIS is documented through a Financial Memorandum and Management Statement.

59. Material transactions between Acas and Council Members and members of the Executive Board are disclosed in the Notes to the Account.
Reporting Of Personal Data Related Incidents

60. There were no instances of the loss of personal data during 2012-13.

Pension Liabilities

61. The Service's pension liabilities are disclosed in the Remuneration Report and Note 3 to the Accounts.

Charging Regime

62. Acas provides services for which it charges fees. Any such fees are set to comply with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Anne Sharp
Accounting Officer
Acas
4 July 2013

Remuneration Report

63. Subject to the provisions of the Civil Service Management Code, the Service has delegated authority from the Secretary of State for Business, Innovation and Skills to determine the pay and grading of staff in non Senior Civil Service grades.

64. The Acas Chairman, the Certification Officer, the Chairman of the Central Arbitration Committee (CAC) and the members of the Acas Council, and additionally two Acas staff, who are members of the Senior Civil Service, have their salaries set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at: www.ome.uk.com.

65. The Acas Chairman and the Certification Officer are covered by pension schemes that are, in all respects, identical to the Principal Civil Service Pension Scheme (PCSPS), but reflect that they are not Civil Servants. No pension contributions are made in respect of Acas Council members.

66. The Chairman of the Central Arbitration Committee (Sir Michael Burton) is employed by the Ministry of Justice which charges for time spent on CAC duties. Members of the CAC Committee (deputy Chairmen and Members) are appointed by the Secretary of State for Business, Innovation and Skills. Their rates are set by the Ministry of Justice and are set out below.

Audited information

2012-13

2011-12

	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (rounded to nearest £100)	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (rounded to nearest £100)
Mr E Sweeney (Chair, part-time)	70-75	0	0	70-75	0	0
Mr D Cockburn (Certification Officer, part-time)	70-75	0	0	70-75	0	0
Mrs Anne Sharp Chief Executive, Acas from 4 February 2013)	15-20 (pro-rata) 105-110(FTE)	0	0	0	0	0
Mr JE Taylor (Chief Executive, Acas to 28 February 2013)	125-130 (pro-rata) 130-135 (FTE)	0	0	130-135	5-10	0
Mr A Wareing (Director of Delivery)	75-80	0	0	75-80	5-10	0
Ms S Clews (Director of Strategy, part-time)	65-70	0	0	65-70	0	0
Mr R White (Director of Finance)	75-80	0	0	75-80	0	0
Mr M Spencer (Director of HR & Estates)	65-70	0	0	65-70	0	0
Mr A Godber (Director of ICTS)	80-85	0	0	80-85	0	0
Mr S Gouldstone (Chief Executive, CAC)	60-65	0	0	55-60	0	0

1 Mr M Spencer will be leaving under standard voluntary exit scheme terms on 10 October 2013. He was accepted under the scheme in 2012-13 and the costs were accrued in this year but he will be leaving in 2013-14 and will receive the compensation payment then. Mr Spencer will receive a compensation payment of 30-35k in 2013-14. Mr Spencer will not receive any additional compensation for loss of office.

There were no other compensation payments for loss of office to senior managers in 2012-13.

FReM requires the disclosure of top to median staff pay multiples, and in particular the remuneration of the highest paid director compared to the median remuneration of staff to allow comparability across public and private sectors. The calculation is based upon the full time equivalent of the reporting entity at the reporting period end date on an annualised basis.

	2012-13	2011-12
Band of Highest Paid Director's Total Remuneration (£'000)	130-135	130-135
Median Total	31,455	28,086
Ratio	4.21	4.75

Mr J Taylor and Mr A Wareing received a bonus in 2011-12, relating to their performance in 2010-11.

Acas Council Members	£s
Annual salary	1,695
Daily rate for attendance	172
CAC Deputy Chairmen daily rate	468
CAC Members daily rate for attendance	265
Arbitrators	334

Acas Council Members are each entitled to the above annual salary and receive the daily rate for attending on Acas business. The CAC Deputy Chairmen and Members are reimbursed at the daily rate for attending on CAC business.

	Real increase in pension at age 60 (£k)	Total accrued pension at age 60 at 31/03/13 and related lump sum (£k)	CETV at 31/03/12 (nearest £k)	CETV at 31/03/13 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover (to nearest £100)
Mr E Sweeney (Chair)	0-2.5 plus 0 (lump sum)	5-10 plus 0 (lump sum)	108	141	20	0
Mr D Cockburn (Certification Officer)	0-2.5 plus 0 (lump sum)	15-20 plus 0 (lump sum)	257	289	28	0
Mr JE Taylor (Chief Executive, Acas)	0-2.5 plus 5-7.5 (lump sum)	65-70 plus 200-205 (lump sum)	1,434	1,486	44	0
Mrs Anne Sharp (Chief Executive, Acas)	0-2.5 plus 2.5-5 (lump sum)	40-45 plus 130-135 (lump sum)	886	918	28	0
Mr A Wareing (Director of Delivery)	0-2.5 plus 0-2.5 (lump sum)	20-25 plus 70-75 (lump sum)	404	433	5	0
Ms S Clews (Director of Strategy)	0-2.5 plus 0-2.5 (lump sum)	20-25 plus 65-70 (lump sum)	380	404	1	0
Mr R White (Director of Finance)	0-2.5 plus 0-2.5 (lump sum)	20-25 plus 70-75 (lump sum)	362	388	5	0
Mr M Spencer ¹ (Director of HR & Estates)	0-2.5 plus 0-2.5 (lump sum)	30-35 plus 95-100 (lump sum)	743	751	1	0
Mr A Godber (Director of ICTS)	0-2.5 plus 0 (lump sum)	5-10 plus 0 (lump sum)	64	90	15	0
Mr S Gouldstone (Chief Executive, CAC)	0-2.5 plus 0 (lump sum)	35-40 plus 0 (lump sum)	697	729	27	0

Unaudited Information

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointment to be on merit on the basis of fair and open competition, but also includes the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. All named staff, with the exception of the Certification Officer are entitled to a three months notice period.

The Chair's contract ends in October 2013.

The Certification Officer's role is quasi judicial. His decisions can be appealed to the higher courts. In keeping with appointments of this nature his contract states that 'you will, unless one of the grounds for non-renewal applies, be offered re-appointment at the end of each subsequent term for a further period of re-appointment'. The grounds for non-renewal and removal are specified. There is a process established for removal which requires the Secretary of State to request the Lord Chief Justice to nominate a judge to investigate, and report his/her findings to the Secretary of State and the Lord Chief Justice.

The Chair's performance is reviewed by the sponsor every 3 years. In addition to the above, the Certification Officer is required to present an annual report on his activities to the Secretary of State and the Chair of Acas. This report is laid before Parliament. As members of the SCS, Ms Sharp and Ms Clews and Messers Taylor and Wareing are subject to annual assessment in line with the prevailing rules for the SCS. Messers White, Godber, and Spencer's performance is assessed annually in line with the Acas PM arrangements. As Chief Executive of the CAC Simon Gouldstone's assessment is informed by the CAC Chair's comments.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the Service and thus recorded in these Accounts.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for classic and 3.5% and 5.9% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2013. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Anne Sharp
Accounting Officer
Acas
4 July 2013

Statement of the Service's and Accounting Officer's Responsibilities

Under Part VI section 253 subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992 the Secretary of State, with the consent of HM Treasury has directed the Service to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Service's state of affairs at the year end, its income and expenditure, changes in Taxpayers' Equity and Cashflows for the year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including relevant accounting and disclosure requirements; and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Service will continue in operation.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive of Acas as the Accounting Officer for the Service. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable for keeping proper records and for safeguarding the Service's assets, are set out in Managing Public Money published by the HM Treasury.

Governance Statement

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of Acas' policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. In delivering this role I am supported by the Acas Executive Board and a sub-committee of the Acas Council which regularly monitors risk management activities in Acas.

2. The Purpose of the Governance Statement

This Governance Statement, for which I, as Accounting Officer take responsibility, is designed to give a clear understanding of how the duties detailed above have been carried out during 2012-13.

Acas is a non-departmental public body, governed by the Acas Council. The Council is responsible for determining our strategic direction, policies and priorities, and ensuring our statutory duties are carried out effectively. The Council is supported by three sub-committees, namely the Audit, HR and Remuneration Committees. Day-to-day operations are managed by the Chief Executive and a management board (the Executive Board) that includes our National and Regional directors.

Acas is sponsored by the Department for Business, Innovation and Skills (BIS), with whom we have regular meetings. In addition we provide BIS with the Strategic Risk Register, the Balanced Scorecard, and regular financial management information. The respective roles of the Service and the Secretary of State for BIS are set out in the Acas Management Statement.

3. Acas' Governance Structure

Our governance structure provides clarity and accountability in managing the delivery of Acas' objectives. It ensures we have the capacity to make decisions, monitor performance and assess and manage resources and risk.

The system of governance has been in place in Acas for the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

The Acas Council

The Council sets the strategic direction, policies and priorities, and ensures that Acas meets its agreed strategic objectives and targets. The Council also strives to observe the highest standards of corporate governance, in line with the provisions of the Corporate Governance Code of Good Practice. The Code of Good Practice for the Council of Acas sets out the general responsibilities of Members of the Council.

The Council consists of the Chair and eleven employer, trade union and independent members, appointed by the Secretary of State for Business, Innovation and Skills. Specific responsibilities of the Council include:

- establishing Acas' overall strategic direction within the policy framework set out in statute and the resources framework agreed with the Secretary of State for Business, Innovation and Skills;

- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets which take into account any guidance issued by BIS;
- ensuring that the Council operates within the limits of its statutory authority, within the limits of the Council's financial authority agreed with BIS and in accordance with any other conditions relating to the use of public funds. Members of the Council have a duty to ensure that public funds - which for this purpose should be taken to include all forms of receipts from fees, charges and other sources - are properly safeguarded and that Acas conducts its operations as economically, efficiently and effectively as possible, with full regard to relevant statutory provisions;
- formulating a strategy for implementing the Code of Practice on Access to Government Information, including prompt response to public requests for information;
- ensuring that the Service operates sound environmental policies and practices in accordance with relevant Government guidance; and
- ensuring that high standards of corporate governance are observed at all times.

The Council and their attendance at Council meetings for 2012-13 is as follows:

○ Ed Sweeney	6/7
○ Susan Anderson	7/7
○ Jennifer Eady	7/7
○ John Hannett	5/7
○ Mary Bousted	6/7
○ Linda Dickens	7/7
○ Nicola Templema	3/7
○ Jonathan Michie	4/7
○ Paul Nowak	7/7
○ Paul Butler	7/7
○ Jonathan Baume	6/7
○ Vikki Hawes	5/7

The Audit Committee

This is a sub-committee of the Acas Council and is an advisory body with no executive powers. Its role is to support the Chief Executive of Acas in her responsibility for issues of risk, control and governance, finance and associated assurance. The Committee's membership is constituted by members of the Council with members of the Executive, Internal and External Audit, and our sponsor team in BIS in attendance. In their recent report on Corporate Governance, Internal Audit found that the Audit Committee operates within the framework of current guidance.

The specific duties of the Audit Committee are:

- to review corporate governance assurances including Acas' systems for the assessment and management of risk, the Governance Statement and monitoring arrangements for maintaining standards of business conduct and probity;
- to review the accounting policies and accounts including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors;
- to consider the planned activity and results of both internal and external audit work;

- to consider the adequacy of management's response to issues identified by audit activity, including external audit's Management Letter; and
- to consider assurances relating to the corporate governance requirements for Acas.

The Audit Committee met four times in 2012-13. Audit Committee members, and their attendance at the meetings held in 2012-13 are:

○ Mary Bousted (Chair)	4/4
○ Ed Sweeney	3/4
○ Susan Anderson	2/4
○ Paul Butler	4/4
○ Jonathan Baume	4/4

The HR Committee

This is also a sub-committee of the Council and its purpose is, on behalf of the Council, to:

- receive current information on the strategic challenges that the organisation faces and to satisfy itself that the HR Strategy and accompanying in-year action plan are aligned with the needs of the business. In debating these issues Council members of the Committee are encouraged to bring to bear their particular expertise in helping the organisation deal with some of those challenges;
- ensure that the rules of conduct for Acas staff reflect the public service values set out in the Code of Best Practice for the Council of Acas:
 - ⊙ maximising value for money through ensuring that Acas services are delivered in the most efficient and economical ways, within available resource and, wherever practicable, with independent validation of performance; and
 - ⊙ observing the highest standards of propriety involving impartiality, integrity and objectivity in relation to stewardship of public funds and the management of the Service. To ensure that arrangements are in place enabling staff members to raise any legitimate concerns about propriety with a nominated person.
- provide appropriate assurance to the Council that HR systems and processes comply with all relevant employment legislation, accord with best practice and are aligned with the changing needs of the business;
- assure Council that the organisation continues to make progress towards its commitments under Equality and Diversity; and
- receive feedback from the recognised Trade Unions in respect of what they perceive the issues to be.

The HR Committee's membership, and their attendance at the three meetings held in 2012-13, is as follows:

○ Nicola Templeman	2/3
○ Ed Sweeney	3/3
○ Linda Dickens	3/3
○ John Hannett	3/3
○ Jonathan Michie	3/3
○ Vikki Hawes	2/2 (from Sept 2012)

The Remuneration Committee

The Chair of Acas and three members of the Council constitute the Remuneration Committee. The Committee meets when required and did not meet during 2012-13.

The Terms of Reference for the Committee are to:

- ensure that the pay of the Acas Chief Executive is awarded fairly according to contribution, both in achievement of objectives and in development of competencies, skills and knowledge;
- determine suitable measurable performance criteria for the Chief Executive in determining his/her pay award;
- determine the qualifying criteria for making bonus payments to the Chief Executive which take account of performance;
- deal with any appeals arising from the distribution of awards and/or bonuses to senior civil service staff (SCS) reporting to the Chief Executive. In such circumstances to make the final pay decisions, ensuring that awards are made fairly and equitably in line with current guidance and with particular regard to equal opportunities;
- keep under review the criteria for awarding performance pay and bonuses to SCS members in Acas; and
- monitor the operation of the system.

The Executive Board

Membership of the Acas Executive Board consists of the Chief Executive, Acas National Directors and Regional Directors. It is responsible for the day-to-day management of Acas. All major policies and decisions that impact on the delivery of Acas' business objectives are considered and made by the Executive Board. The Chief Executive's Bulletin is published after each Executive Board meeting and is used to communicate the key decisions made to staff. In addition, the Chief Executive provides an informal and more personal perspective on events effecting Acas through a regular blog, available to all staff through the intranet.

The Terms of Reference for the Executive Board set out the specific objectives that support the delivery of the Council's priorities. These objectives are as follows:

- protect and enhance Acas' reputation of improving organisations and working life through better employment relations;
- establish, subject to any Council direction, Acas' Corporate and Business Plans and monitor, improve and report on Acas' performance against objectives set out in these plans;
- ensure the delivery of Acas' objectives and duties and make certain that appropriate processes and reasonable controls are maintained;
- ensure that all public funds made available to Acas, including any approved income or other receipts, are used in accordance with the statutory duties, and that these, together with Acas' assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that Acas maintains effective change management systems, enabling the organisation to continuously improve the delivery of its mission and services; and
- ensure that Acas meets its statutory duties under the Equality Act 2010, in respect of external service delivery and internal policies and procedures.

The Executive Board is supported by sub-committees for specific areas of the business; these are the Business Management Group (which is responsible for leadership and oversight of all Acas activities carried out to deliver products and services or to support their delivery), the Estates Scrutiny Panel (responsible for the organisation's estates strategy and ensuring that decisions pertaining to the Acas Estate are enacted), the Digital Strategy Project Board (which oversees IT-based projects) and the Research and Evaluation Group (which determines Acas' research and evaluation strategy and priorities).

Assessment of Effectiveness

According to best Corporate Governance practice, all Boards and sub-committees should carry out an annual assessment of their effectiveness. Each governance group has reviewed its Terms of Reference during the year, and no amendments have been made to these. All groups have begun self-evaluation processes since the end of the last financial year.

The self-assessment exercise undertaken by the Executive Board in 2012-13 considered the structure of the Executive Board, its membership, roles and responsibilities, relationships and procedures. Overall, the outcome of this self-assessment was positive. The need to strengthen induction for new members was highlighted; also, greater clarity on the objectives of the Executive Board is needed. The Executive Board have been asked to determine a course of action to address these perceived areas of weakness.

The BMG evaluation was also positive, with members agreeing or strongly agreeing with assertions around the structure of the group, its procedures and relationships.

The Digital Strategy Project Board's self-assessment found that the responsibilities, the structure and procedures of the meeting were correct and relevant. The content and quality of the papers and information provided was good, though the timing of papers could be improved. There was also some scope for improving committee members' understanding of their role and responsibilities.

The Estates Scrutiny Panel discussed the evaluation procedure and agreed actions to evaluate the effectiveness of the ESP and its Terms of Reference at its meeting in May 2013.

The Research and Evaluation Group completed an on-line survey which has sought the views of members and the findings were most positive, with only one action to be considered, namely, to review the make-up of the Panel to add Regional representation.

The Acas Council review is also on-going and will report back in September 2013.

To comply with best practice, the Audit Committee undertook a self-assessment exercise in 2012-13 and these will be used annually thereafter. This event was led by National Audit Office and consisted of a checklist completed by Committee members and followed by a facilitated workshop. The Committee agreed a series of improvement actions and will action these as within a practical timeframe. Appropriate training and induction for new Committee members will also continue. Acas will engage with our audit partners to ensure this continues to meet the requirements of good Corporate Governance.

The HR evaluation was positive, with members of the Committee strongly supportive of the Committee's structure, procedures and relationship with the Council. The output from this evaluation is an improvement plan which focuses on further enhancing the effectiveness of the Committee through improvements to the structure and scheduling of its meetings.

Both the Audit and HR Committees' improvement plans will be completed during 2013-14.

The performance assessment of the Acas Chair is undertaken by BIS. The Chair is responsible for ensuring that the work of the Council and its members are reviewed to ensure they are working effectively.

4. The Risk and Internal Control Framework

The Acas Council retains overall responsibility for the management of risk in Acas. At least annually, the Council will review and challenge the whole Strategic Risk Register. At each Audit Committee meeting, the high-level risks are reviewed to ensure that risk management processes are in place and working. The Chair of the Audit Committee reports back to the Council after each meeting.

In conjunction with Internal Audit, a new, more concise Strategic Risk Register has been designed, which provides the Audit Committee with a better understanding of the key risks faced by the organisation and further enables them to provide an effective challenge. Additional assurance on risk management is provided by a high level assurance framework presented to the Committee. This framework also provides the link between the organisation's high level risks and Internal Audit planning. A tracking document has also been developed to show Committee and Council members how risk scores have changed from quarter to quarter to highlight how risks are being managed within the organisation.

The Executive Board meets regularly to consider the plans and strategic direction of Acas and assesses and monitors key strategic risks within the business planning cycle. The Executive Board review their appetite for risk annually and the risk management policy is presented to the Executive Board for review. The risk management policy defines how risk is managed and is explicit on the roles and responsibilities of all staff. The risk management policy and risk awareness guidance incorporating best practice is accessible to all staff on the intranet.

The identification and assessment of risk is embedded within the Acas business planning cycle. The Acas Business Plan, local Service Delivery Plans and programme/project plans contain an assessment of the key risks relating to the achievement objectives in each part of Acas' business. These are discussed at the relevant management meetings and mid-year monitoring is formally documented. We also have an in-house Programme and Project Management Methodology. The Senior Responsible Owners of key projects (mainly designed to enable Acas to continue to deliver its mission with reduced funding, but also to improve knowledge sharing), have completed and used formal project documentation – which includes the key risks in each project.

Our view on risk appetite is governed by the nature and sensitivity in question and the specific business area. Risk to reputation is one of our priority considerations given the paramount need for us to preserve customer confidence in our impartiality.

Internal Audit reviewed Acas' Risk Management regime during 2012-13; the purpose of the review was to ensure that all risks to the delivery of Acas' objectives are identified, well-managed and escalated appropriately and to provide assurance over Acas risk management policy, guidance and practice in particular in relation to the recent changes in risk management processes agreed with the Audit Committee.

Our risk based approach to management is embedded in:

- the planning process – in Business, Service Delivery, Programme and project plans;
- the Capability Framework;
- our 'Guiding Principles'; and
- our structure for Executive Board papers.

In addition to their review of the Strategic Risk register, the Audit Committee are presented with the Balanced Scorecard at each meeting: this is a comprehensive measure of operational performance and includes qualitative data on the impact of Acas and achievement of milestones against key projects. The performance measures are reviewed annually. The Strategic Risk Register is cross-referenced to the Balanced Scorecard and the Corporate Plan.

The level of risk is determined by assessing the threats and probability of particular scenarios arising. Acas recognises 5 high level and 6 medium/low level risks. These cover a range of issues arising from the specific challenges facing the organisation in the employment relations field and the political and economic environment we work in. The most significant risks are as follows:

- Relatively small changes to employment law can have a significant impact on our services, eg the potential impact on our conciliation service of charging fees for Employment Tribunals. We are managing this risk by working closely with BIS, HMCTS and others to keep abreast of any proposed changes and provide our input at both the policy development and implementation stages;
- The move of some back office functions to a shared service platform. We continue to work closely with BIS and UK SBS Ltd – the shared service provider – so that the services meet Acas needs;
- The potential impact on Acas individual conciliation services of the need to upgrade and maintain the Phoenix IT system as well as enhancing it to enable it to deal with Early Conciliation from 2014. This is being mitigated by a full and professional project management approach to the IT development and by making sure that there are alternatives in place to continue our service delivery in the event of any IT system problems;
- The continuing downward pressure on public sector expenditure and the potential impact of this on effective delivery of operational outputs. We will work closely with the Acas Council and with BIS to minimise any potential degradation of our service levels and we will continue work to identify potential savings, and invest to save opportunities, across the entire Acas business; and
- The relatively low level of support sought from Acas in civil service disputes. We are actively engaging with the key parties in both government and in the Trade Unions.

5. Review of Effectiveness

As Accounting Officer, I have responsibility for conducting an annual review of the effectiveness of the system of the organisation's governance, risk management and internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Executive Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control and is underpinned by individual Director Corporate Governance submissions.

Specifically, the system of control is kept under review by:

- The Acas Executive Board meeting regularly to consider the plans and strategic direction of Acas;
- Full consideration of internal reports by the Acas Audit Committee, and the Chair's regular reports to Acas Council;
- The Acas Executive Board receiving updates on the progress made in implementing outstanding Internal Audit recommendations;
- Regular reports by Internal Audit, to standards defined in the Government Internal Audit Standards, which include the head of Internal Audit's opinion on the adequacy and effectiveness of Acas' system of internal control together with recommendations for improvement. Overall, Internal Audit gave a 'Satisfactory' opinion on the control and governance framework. Some control weaknesses were identified by Internal Audit during their reviews in the year. Appropriate action has been agreed and new procedures introduced to counter these weaknesses.
- The recommendations made during the review of Corporate Governance, which was undertaken by Internal Audit, measuring Acas' compliance with HM Treasury's Code of Good Practice were followed up during the year. This review provided assurance to the Accounting Officer that the corporate governance approach and current practices are efficient, in line with current good practice and other guidance, and enable effective organisational decision-making processes. The outcome of this has been the drafting of a comprehensive Corporate Governance Framework for Acas, which was presented to, and discussed at, the Executive Board in June 2012. This has been completed and is published on our intranet where it is available to all staff;
- Reports from Acas Directors on the steps they are taking to manage Acas' key strategic risk and those within their areas of responsibility;
- My review of the annual Corporate Governance returns by each of the Directors and by the Corporate Governance Challenge Panels convened to scrutinise those returns. The submissions include a description of local governance, risk management and internal control practise. The assertions made within are challenged by the Chair of the Audit Committee and the Chief Executive, supported by Internal Audit, through peer review of the assessments made;

- Maintenance of an organisation-wide Strategic Risk Register;
- The use of an organisation-wide Balanced Scorecard, which is used in conjunction with the Strategic Risk Register, to measure organisational performance. The Balanced Scorecard allows the Council and Executive Board to make detailed decisions based on key performance indicators. We share the performance indicators derived from the Balanced Scorecard with BIS; and
- Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded. There were no reported losses or breaches of data security during the year.

Acas was subject to a triennial review in 2012-13; the purpose of the review was to provide robust challenge to the continuing need for Acas, both the functions and the form, and to review the control and governance arrangements to ensure compliance with recognised principles of good corporate governance. The Review is expected to endorse our continued existence as well as making recommendations on areas where we can further develop our governance.

During this financial year, Acas has continued to strive to achieve the optimum use of our resources in light of reducing budgets and the Government's centrally mandated spending restrictions. Significant progress has been made and the impact of the in-year budget cuts did not negatively impact on the delivery of Acas' services.

Acas has been able to identify efficiency savings. The Comprehensive Spending Review settlement represented a challenging reduction in funding, particularly on administration budgets. Acas has continued to implement the service improvements and efficiency opportunities identified in the BIS commercial strategy, and continue to ready itself for the introduction of Early Conciliation.

Acas remains fully engaged with BIS in preparation for a move to shared service arrangements for back-office functions. Acas is working collaboratively with colleagues in BIS to prepare the Business Case for the transitioning of finance and payroll processing to UK Shared Business Services Limited (UKSBSL). Plans for the creation of a Single Estates Team across BIS and partners continue to develop, with an expectation that this will be set up by the end of summer 2013. Colleagues in Human Resources (HR) are actively involved in the BIS Network HR model of working that, while formally adopted, is still in its infancy. The model assumes that with effective cross-partner collaboration savings in both time and money can be made. The decision to transfer our day-to-day procurement processes to UKSBSL has been taken in principle and we are now working closely with UKSBSL to plan the transition, which is expected to happen in 2013-14.

Anonymous allegations were made against Acas' financial and HR practices during the year. In line with good practice, the Acas Council and Audit Committee, commissioned the Cross-Departmental Internal Audit Service to fully investigate these allegations and found no grounds to substantiate the claims made or any evidence of improper practice. Their report did highlight some areas where better value for money could be achieved and management have worked with Internal Audit to take these recommendations forward. The final report and the allegations were shared with all staff.

A new whistleblowing policy was launched during 2012-13, setting out the steps staff should take to raise their concerns about behaviours and practices within Acas. This is supported by detailed guidance on the procedures to follow when raising these concerns and has been made available to all staff. During 2012-13, there has been one issue raised under the whistleblowing arrangements.

During 2012-13, Cabinet Office introduced mandatory fraud awareness training. Virtually all staff able to complete the training had done so by the end of the financial year.

Acas complied with the Alexander Tax Review; assurance was received from the one individual who met the off-payroll worker definition that their tax affairs were in order. There are currently no off-payroll workers engaged by Acas.

In line with requirements set out by BIS, the Director of Finance has reviewed expenditure items for appropriateness of spend, and will challenge this expenditure if it appears not to offer value for money or does not support the achievement of Acas' objectives. Acas continues to publish details of individual expenditure over £500, prompt payment statistics, organisation charts and details of senior staff remuneration.

In June 2012, a project to review financial management in Acas was initiated by BIS. The objectives of the review were to provide a clear assessment of current financial management capability, to identify good financial practice, and to ensure that this best practice is shared across the BIS family. An aim of the review was to provide BIS with assurance that the financial management function in its partners is fit for purpose and is capable of managing the increased risk arising from reducing budgets. The review highlighted a number of areas in Finance and across Acas that are working well and are indicative of a strong financial management regime. The reviewers provided a series of suggested actions to address the areas identified for improvement, with an action plan for implementing these and a timeline for completion; these recommendations have been fully endorsed by management but it is to be noted that the ability to deliver was predicated on a move to the shared service platform which would free up resource to concentrate on strategic business partnering.

There have been no other significant control issues during the course of this financial year.

I have considered the evidence provided with regards to the production of the Governance Statement. The conclusion of this review is that governance and control structures have been appropriate for Acas and have been working satisfactorily throughout 2012-13.

Anne Sharp
Accounting Officer
Acas
4 July 2013

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Advisory, Conciliation and Arbitration Service for the year ended 31 March 2013 under the Trade Union and Labour Relations (Consolidation) Act 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Service's and Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Advisory, Conciliation and Arbitration Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Advisory, Conciliation and Arbitration Service; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Advisory, Conciliation and Arbitration Service's affairs as at 31 March 2013 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Trade Union and Labour Relations (Consolidation) Act 1992; and
- the information given in the sections entitled Directors' Report and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
8 July 2013

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Comprehensive Net Expenditure

for the period ended 31 March 2013

	Note	2012-13		2011-12 (Restated)	
		£'000	£'000	£'000	£'000
Expenditure					
Staff Costs	3	(32,318)		(32,573)	
Depreciation	4	(2,886)		(2,688)	
Other Expenditure	4	(16,125)		(15,783)	
					(51,044)
			(51,329)		
Income	5		3,729		3,606
Net Expenditure			(47,600)		(47,438)
Other Comprehensive Expenditure					
Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles	6		832		188
Total Comprehensive Net Expenditure for the year ended 31 March			(46,768)		(47,250)

The notes on pages 89 to 106 form part of these accounts.

Statement of Financial Position

for the period ended 31 March 2013

		31 March 2013		31 March 2012	
		£'000	£'000	£'000	£'000
	<i>Note</i>				
Non-Current Assets					
Property, plant and equipment	6.1	3,577		4,367	
Intangible Assets	6.2	<u>4,451</u>		<u>4,974</u>	
Total non-current assets			8,028		9,341
Current Assets					
Inventories	7	5		11	
Trade and other receivables	8	2,907		2,761	
Cash and cash equivalents	9	<u>1,094</u>		<u>1,118</u>	
Total Current Assets			4,006		3,890
Total Assets			12,034		13,231
Current Liabilities					
Trade and other payables	10	(4,360)		(3,866)	
Provisions	11	<u>(852)</u>		<u>(1,566)</u>	
Total current liabilities			(5,212)		(5,432)
Non-current assets less net current liabilities			<u>6,822</u>		<u>7,799</u>
Non-current liabilities					
Provisions	11	<u>(1,875)</u>		<u>(2,534)</u>	
Total non-current liabilities			(1,875)		(2,534)
Assets less liabilities			<u>4,947</u>		<u>5,265</u>
Reserves					
General Reserve			3,592		4,387
Revaluation Reserve			<u>1,355</u>		<u>878</u>
			<u>4,947</u>		<u>5,265</u>

The notes on pages 89 to 106 form part of these accounts.

These accounts were approved on 4 July 2013.

Anne Sharp
Accounting Officer, Acas

Statement of Cashflows

for the period ended 31 March 2013

	<i>Note</i>	2012-13	2011-12
		£'000	£'000
Cash flows from operating activities			
Net expenditure		(47,600)	(47,438)
(Increase) in trade and other receivables	8	(146)	(509)
Decrease in inventories	7	6	1
Increase in trade payables	10	494	546
Use of Provisions	11	(1,104)	(1,115)
Less non cash movements		<u>2,870</u>	<u>2,433</u>
Net cash outflow from operating activities		<u>(45,480)</u>	<u>(46,082)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(525)	(478)
Purchase of intangible assets	6.2	(471)	(583)
Proceeds of disposals of property, plant and equipment	6.1	2	0
Proceeds of disposals of intangible assets	6.2	<u>0</u>	<u>0</u>
Net cash outflow from investing activities		<u>(994)</u>	<u>(1,061)</u>
Cash flows from financing arrangements			
Grants from parent Department		<u>46,450</u>	<u>48,009</u>
		<u>46,450</u>	<u>48,009</u>
Net financing			
Net (decrease)/increase in cash and cash equivalents in the period		<u>(24)</u>	<u>866</u>
Cash and cash equivalents at the beginning of the period	9	<u>1,118</u>	<u>252</u>
Cash and cash equivalents at the end of the period	9	1,094	1,118

The notes on pages 89 to 106 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2013

	General Reserve	Reval. Reserve	Total Reserves
	£000	£000	£000
Balance at 1 April 2011	3,721	785	4,506
Changes in taxpayers' equity for 2011-12			
Net gain/(loss) on revaluation of property, plant and equipment	0	188	188
Transfers between reserves	95	(95)	0
Net Expenditure after Interest	(47,438)	0	(47,438)
Total recognised income and expense for 2011-12	(43,622)	878	(42,744)
Grant from Parent	48,009	0	48,009
Balance at 31 March 2012	4,387	878	5,265
Changes In Taxpayers Equity for 2012-13			
Net gain/(loss) on revaluation of property, plant and equipment	0	832	832
Transfers between reserves	355	(355)	0
Net Expenditure after Interest	(47,600)	0	(47,600)
Total recognised income and expense for 2012-13	(42,858)	1,355	(41,503)
Grant from Parent	46,450	0	46,450
Balance at 31 March 2013	3,592	1,355	4,947

The notes on pages 89 to 106 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

1.1. Basis of Preparation

These financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by HM Treasury, as required by the Accounts Direction issued by the Secretary of State for Business, Innovation and Skills. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The particular accounting policies adopted by the Service are set out below. They have been applied consistently in dealing with items that are considered material in relation to the accounts. As required by the Accounts Direction, other guidance issued to NDPBs is also taken into account.

Where applicable, estimation techniques are applied consistently and assumptions made are explicitly stated. In the application of Acas's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, which are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently throughout and adhered to fully.

1.2. Accounting Convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of property, plant and equipment and intangible assets.

1.3. Activities

The financial statements cover the activities of Acas, the Certification Office (CO) and the Central Arbitration Committee (CAC).

1.4 Grants-in-Aid

Grant-in-Aid received used to finance activities and expenditure which supports the statutory and other objectives of the entity are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

1.5. Property, Plant and Equipment

Property, plant and equipment consisting of furniture, fixtures and fittings, IT and telecoms equipment, office machinery and improvements to leasehold properties are stated at cost or valuation less accumulated depreciation. Minor items of the above are expensed in the year of purchase.

The thresholds for capitalisation are as follows:

- ▶ IT and telecom equipment: all (with the exception of some minor pieces of kit)
- ▶ Furniture, fixtures and fittings: £1,000
- ▶ Office Machinery: £1,000
- ▶ Improvements to leasehold properties: £3,000

Property, plant and equipment are revalued using relevant published indices. Upward revaluation is transferred to the Revaluation Reserve.

1.6 Intangible Assets

Intangible fixed assets consist of capitalised software and licences, revalued using relevant published indices. Internally developed software is considered to have useful life of five years.

1.7 Impairment

An annual impairment review is conducted. Impairments are calculated by estimating the recoverable amount; if this recoverable amount is less than the carrying amount, the asset is reduced to its recoverable amount and the impairment loss is recognised first in an appropriate Revaluation Reserve and, any remainder after the reserve is exhausted, in the Net Expenditure Account.

1.8. Depreciation and Amortisation

Depreciation is provided at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life with a full year's charge being levied in the year of purchase, as follows:

▶ Furniture, fixtures and fittings	7 years
▶ Office machinery	5 years
▶ Computer equipment	5 years
▶ Leasehold improvements	Life of lease
▶ Software Licences	Life of agreement

1.9. Development Expenditure

The Service has development expenditure in relation to the production of chargeable publications. This expenditure does not meet the criteria for capitalisation and therefore is expensed in year.

Development expenditure is capitalised as an internally generated intangible asset if the following criteria are met:

- i. An asset can be identified;
- ii. It is probable that future economic benefits attributable to the asset will flow into Acas; and
- iii. The cost can be measured reliably.

1.10 Operating Income

The Service receives income from a variety of operations and this is credited to other operating income net of VAT (see note 5). Operating income is income that relates directly to the operating activities of Acas and is recognised to the extent that it is probable that the economic benefits will flow to Acas and can be reliably measured. Income is recognised in the period it is generated.

1.11 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes which are described in the Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. The Service recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Service recognises the contributions payable for the year.

In addition the Service has to meet the retirement benefits for two former Chair of Acas and one former Chair of the CAC. The costs of these benefits are met from the annual Grant-in-Aid and are disclosed in the staff costs note. A provision for the expected costs of future benefits has been established. Actuarial advice was sought on the valuation of this liability in 2009-10 which will be revalued on a periodic basis.

1.12 VAT

The Service maintains its own registration for VAT and is partially exempt. Expenditure is shown gross where the VAT element is not allowable for recovery. Outstanding recoverable VAT is shown under Trade Receivables.

1.13 Operating Leases

Rentals payable under operating leases for both buildings and other equipment are charged to the Net Expenditure Account on a straight line basis over the term of the lease. Lease incentives are accounted for over the life of the lease agreement.

1.14 Inventories

Inventories are valued at the lower of current replacement cost or net realisable value.

1.15 Provisions

Provisions for liabilities and charges have been created where, at the date of the Financial Position, a legal or constructive obligation exists (i.e. a present obligation arising from past events), where the transfer of economic benefits is probable and a reasonable estimate can be made. The Accounting Officer and the Executive Board are responsible for determining what obligations should be recognised and for estimating the liability arising.

Material provisions greater than one year are discounted to a value using a discount rate set by HM Treasury (currently -1.8%).

1.16 Going Concern

The financial statements cover the activities of Acas, the Certification Office (CO) and the Central Arbitration Committee (CAC) and are prepared on a going concern basis. The Directors have assessed the financial position as at 31 March and are content not to doubt Acas' continuing existence.

1.17 Financial Instruments

The only exposure to financial instruments arises from normal operational activities. They comprise Cash and Cash Equivalents (cash at bank available for immediate withdrawal), Trade and Other Receivables (measured at fair value) and Trade and Other Payables (measured at nominal value).

Financial instruments play a very limited role in managing risk. Acas' exposure to financial instrument risk is detailed in Note 16 to the Accounts.

1.18 Segmental Analysis

A segment is a distinguishable component of the business engaged in providing particular services or products.

Acas has identified the basis on which future segmental analysis will be reported on, and has secured the agreement of our sponsoring Department to use an agreed format. The segments identified reflect the main activities of Acas' business, which are economically distinct from each other and which are reviewed routinely by management. As there

are no differences in the risk and rewards within particular economic environments, no geographic segmental information will be provided.

The information received by management does not include assets and liabilities broken down by segment.

1.19 Key Judgements/Uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. Management has made estimates and assumptions in these financial statements in the areas described below:

Acas has estimated the liability it currently has in relation to potential payments to staff for untaken annual leave. A sample of employees was taken and the results gained were extrapolated to produce an estimated figure for the whole workforce. Acas also applies estimation techniques in the calculation of depreciation and provisions, details of which are in Notes 6 and 11.

1.20 New IFRSs in issue but not yet effective and FReM changes 2012-13

There are no new IFRSs that have an effective date after 31 March 2013 which have an impact on Acas's future financial statements together or major FReM changes for 2012-13

2. Segmental analysis

2012-13

	Public Services	Conciliation I/c and C/c	Advice Line	Good Practice Services	CO & CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Total	(5)	0	0	(3,713)	(11)	(3,729)
Expenditure						
Total Salaries	2,835	16,961	8,042	2,560	1,248	31,646
Total GAE Overhead	783	503	509	682	65	2,542
Allocation	1,614	8,582	5,961	286	698	17,141
Total Expenditure	5,232	26,046	14,512	3,528	2,011	51,329
Net Expenditure	5,227	26,046	14,512	(185)	2,000	47,600

2011-12

	Public Services	Conciliation I/c and C/c	Advice Line	Traded Services	CO & CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Total	(8)	0	0	(3,589)	(9)	(3,606)
Expenditure						
Total Salaries	2,931	18,082	7,389	2,789	1,207	32,398
Total GAE Overhead	835	619	389	601	80	2,524
Allocation	1,418	8,679	5,124	212	689	16,122
Total Expenditure	5,184	27,380	12,902	3,602	1,976	51,044
Net Expenditure	5,176	27,380	12,902	13	1,967	47,438

The business segments have been identified for Acas as follows and reflect the main activities of the Service's business, which are economically distinct from each other:

Good Practice Services (GPS)

GPS activities cover a range of services designed to improve the knowledge and skills of employers and individuals in Employment Relations, through training courses and materials, workplace projects and other activities. In general these are charged for products. Income recorded here is Acas' Operating Income.

Individual and Collective Conciliation

Activities included in this business segment include dispute resolution between employers and staff. Expenditure which is incurred to directly support Individual and Collective Conciliations and Arbitrations, and the staff engaged in these activities, is charged here.

Helpline

The Acas Helpline is an advice line run from each office in the Acas Estate.

Public Services

This covers a range of activities including supporting the Acas Council, Employment Relations policy development and strategy, Knowledge Transfer, Research and Evaluation, Information, Publications (excluding GPS leaflets), Communications, PR and Marketing, stakeholder relations and fee waived activities undertaken in the Acas Regions, including the provision of advice and guidance for which no charge is made. Income from the sale of Acas' publications is recorded against this segment.

Certification Office and Central Arbitration Committee (CO and CAC)

This is the cost associated with the fulfillment of the duties of, and the running of, these offices. The CO receives income from fees for its services.

The costs of the business segments are reported to the Executive Board on a monthly basis.

Direct costs, which include salary and Grant Aided Expenditure (GAE), are allocated to the business segments. All costs that cannot be directly attributed to the segments (overhead expenditure, including accommodation costs, non-cash charges (for example, depreciation) and indirect costs) are allocated to the business segments on a headcount basis using an apportionment model built into Acas' financial systems.

Included in Overhead Allocation are salary costs included in Notes 3 and 4 to the Account and Other Expenditure and Non Cash Costs included in Note 4 to the Account.

3. Staff Numbers and Related Costs

(a) Average number of persons employed during the period was as follows:

	2012-13					2011-12
	Permanently Employed	Others	Ministers	Special Advisors	Total	
Acas National	112	9	0	0	121	126
Regional Offices	634	15	0	0	649	683
Certification Office	8	0	0	0	8	8
Central Arbitration Committee	9	0	0	0	9	10
Total	763	24	0	0	787	827

(b) The aggregate payroll costs of these persons were as follows:

Acas	2012-13			2011-12 (Restated)
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	23,767	963	24,730	25,101
Social security costs	1,830	75	1,905	1,926
Other pensions costs	4,141	165	4,306	4,449
VES Scheme	534	0	534	194
Sub total	30,272	1,203	31,475	31,670
Less recoveries in respect of outward secondments	(77)	0	(77)	(89)
Total Net Costs	30,195	1,203	31,398	31,581

CO & CAC	2012-13			2011-12
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	730	5	735	786
Social security costs	59	0	59	64
Other pensions costs	126	0	126	142
VES Scheme	0	0	0	0
Sub total	915	5	920	992
Less recoveries in respect of outward secondments	0	0	0	0
Total Net Costs	915	5	920	992

Total Acas, CO & CAC	2012-13			2011-12
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	24,497	968	25,465	25,887
Social security costs	1,889	75	1,964	1,990
Other pensions costs	4,267	165	4,432	4,591
VES Scheme	534	0	534	194
Sub total	31,187	1,208	32,395	32,662
Less recoveries in respect of outward secondments	(77)	0	(77)	(89)
Total Net Costs	31,110	1,208	32,318	32,573

In 2011-12 seven exit packages were granted under Civil Service or Other Compensation Schemes totalling £193,950. 'Restated' Voluntary Early Severance expenditure has been re-classified from running costs in note 4 to staff costs in note 3.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit Scheme but Acas is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the Resource Accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2012-13, employers' contributions of £4,403k were payable to the PCSPS (2011-12: £4,591k) at one of four rates in the range of 16.7% to 24.3% of pensionable pay, based on salary bands (the rates in 2011-12 were between 16.7% to 24.3%). The Scheme Actuary reviews employer contributions usually every four years following a full Scheme valuation. From 2012-13, the rates will be in the range of 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contribution of £26,508, were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. In addition, employer contributions of £2102.21, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £0. Contributions prepaid at that date were £ 0.

In 2012-13, 2 persons (2011-12: 2 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £0 (2011-12: £0).

Civil Service and Other Compensation Schemes

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
<£10,000	0	0	0
£10,000-£25,000	0	0	0
£25,000-£50,000	0	5	5
£50,000- £100,000	0	4	4
Total Number of Exit Packages	0	9	9
Total Resource Cost (£)	0	534,000	534,000

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year that the Scheme is agreed. Where Acas has agreed early retirements, the additional costs are met by Acas and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

4. Other expenditure

	2012-13			2011-12 (Restated)		
	ACAS	CO/ CAC	TOTAL	ACAS	CO/ CAC	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	5,566	221	5,787	5,798	25	5,823
Travelling and incidental expenses	1,560	6	1,566	1,678	4	1,682
Fees and expenses of arbitrators, conciliators & CAC members	(7)	5	(2)	8	9	17
Running Costs	6,644	33	6,677	6,180	32	6,212
Services provided by OGDs	99	0	99	62	0	62
Rentals under operating leases	244	1	245	257	2	259
External audit fees	48	0	48	48	0	48
Staff training costs	566	8	574	759	2	761
Research and development costs	796	3	799	914	3	917
Conference costs	135	7	142	76	15	91
Legal costs	199	1	200	158	4	162
Bad debts	6	0	6	4	0	4
<i>Non Cash Costs</i>						
Depreciation and Amortisation	2,886	0	2,886	2,688	0	2,688
Losses, write offs and loss on disposal of property, plant and equipment	253	0	253	219	0	219
Loss on Revaluation	0	0	0	0	0	0
Provisions for liabilities and charges - Early Retirements	(51)	0	(51)	0	0	0
Provisions for liabilities and charges VER	0	0	0	(5)	0	(5)
Provisions for liabilities and charges - Dilapidations and Onerous Leases	(242)	0	(242)	(533)	0	(533)
Unwinding of Discount-Early Retirement	24	0	24	64	0	64
	18,726	285	19,011	18,375	96	18,471

In 2011-12 seven exit packages were granted under Civil Service or Other Compensation Schemes totalling £193,950. 'Restated' Voluntary Early Severance expenditure has been re-classified from running costs in note 4 to staff costs in note 3.

5. Income

The Service charges fees for the provision of training in all major aspects of employment relations, and receives income from the sale of publications relating to its work for the public. Acas strives towards Full Cost Recovery for these charged for services.

	2012-13			2011-12		
	Acas	CO/ CAC	Total	Acas	CO/ CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	3,696	11	3,707	3,589	9	3,598
Sale of publications etc	5	0	5	8	0	8
Other receipts	17	0	17	0	0	0
	3,718	11	3,729	3,597	9	3,606

	2012-13		2011-12	
	£'000		£'000	
Receipts from Fees (Acas)		3,713		(3,589)
Total Expenditure		(3,528)		3,602
Net Surplus		185		13

The CAC has no Operating Income.

6.1 Property, Plant and Equipment

2012/13

	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2012	0	5,658	4,339	1,190	11,187
Additions	0	67	421	37	525
Disposals	0	(1,387)	(431)	(234)	(2,052)
Revaluations	0	128	329	13	470
Impairment	0	0	0	0	0
At 31 March 2013	0	4,466	4,658	1,006	10,130
Depreciation					
At 1 April 2012	0	2,681	3,314	825	6,820
Charge in year	0	428	698	112	1,238
Disposals	0	(1,166)	(415)	(218)	(1,799)
Revaluations	0	68	219	7	294
Impairment	0	0	0	0	0
At 31 March 2013	0	2,011	3,816	726	6,553
Net Book Value at 31 March 2013	0	2,455	842	280	3,577
Asset Financing					
Owned	0	2,455	842	280	3,577

6.1 Property, Plant and Equipment (continued)

2011-12

	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2011	4,960	5,704	4,088	1,311	16,063
Additions	0	12	456	10	478
Disposals	0	(380)	(207)	(141)	(728)
Revaluations	0	322	2	10	334
Impairment	0	0	0	0	0
Transfer	(4,960)	0	0	0	(4,960)
At 31 March 2012	0	5,658	4,339	1,190	11,187
Depreciation					
At 1 April 2011	0	2,170	2,888	837	5,895
Charge in year	0	505	668	110	1,283
Disposals	0	(139)	(245)	(127)	(511)
Revaluations	0	145	3	5	153
Impairment	0	0	0	0	0
Transfer	0	0	0	0	(0)
At 31 March 2012	0	2,681	3,314	825	6,820
Net Book Value at 31 March 2012	0	2,977	1,025	365	4,367
Asset Financing					
Owned	0	2,977	1,025	365	4,367

6.2 Intangible Fixed Assets 2012-13

	Computer Software	Assets Under Construction	Total
Cost or Valuation	£'000	£'000	£'000
At 1 April 2012	8,380	0	8,380
Additions	471	0	471
Disposals	(473)	0	(473)
Revaluation	958	0	958
Transfer	0	0	0
At 31 March 2013	9,336	0	9,336
Depreciation			
At 1 April 2012	3,406	0	3,406
Charge in Year	1,648	0	1,648
Disposals	(471)	0	(471)
Revaluation	302	0	302
At 31 March 2013	4,885	0	4,885
Net Book Value at 31 March 2013	4,451	0	4,451
Asset Financing			
Owned	4,451	0	4,451

Included in Intangible Assets are Phoenix (formerly Caseflow) assets with a carrying value of £3,589k (2011-12, £4,118k). Phoenix is a conciliation case management and management information system. The assets are estimated to have a useful life of five years.

	Computer Software	Assets Under Construction	Total
Cost or Valuation	£'000	£'000	£'000
At 1 April 2011	2,838	0	2,838
Additions	583	0	583
Disposals	(9)	0	(9)
Revaluation	8	0	8
Transfer	4,960	0	4,960
At 31 March 2012	8,380	0	8,380
Depreciation			
At 1 April 2011	2,007	0	2,007
Charge in Year	1,405	0	1,405
Disposals	(7)	0	(7)
Revaluation	1	0	1
At 31 March 2012	3,406	0	3,406
Net Book Value at 31 March 2012	4,974	0	4,974
Asset Financing			
Owned	4,974	0	4,974

7. Inventories

Inventories consists of chargeable publications in various media forms and are valued at a current replacement cost basis

	2013	2012
	£'000	£'000
Closing inventories	5	11

8. Trade Receivables and Other Current Assets

	2013	2012
	£'000	£'000
Amounts falling due within one year:		
VAT receivables	286	264
Deposits and advances (staff)	76	67
Trade Receivables	857	924
Prepayments	1,667	1,480
	2,886	2,735
Amounts falling due after more than one year:		
Deposits and advances (staff)	21	26
	2,907	2,761

9. Cash and Cash Equivalents

	2013	2012
	£'000	£'000
Balance at 1 April	1,118	252
Net cash inflow	(24)	866
Balance at 31 March	1,094	1,118
The following balances at 31 March are held at:		
Government Banking Service	1,094	1,118
	1,094	1,118

10. Trade payables and other current liabilities

	2013	2012
	£'000	£'000
Trade and Staff Payables	1,282	1,237
Accruals	2,109	1,993
Holiday Pay	822	519
Deferred Income	147	117
	4,360	3,866

11. Provisions and Contingent Liabilities

11.1 Provisions for Liabilities and Charges

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2012	162	1,675	2,175	88	4,100
In period:					
Expenditure during year	(26)	(694)	(331)	(53)	(1,104)
Increase in provisions	0	0	0	53	53
Reversed unused in the year	0	(51)	(295)	0	(346)
Unwinding of discount	0	24	0	0	24
Closing Provision at 31 March 2013	136	954	1,549	88	2,727

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Summary of Cashflow Timings					
Within 1 Year	26	532	241	53	852
Between 2 and 5 Years	104	422	435	35	996
Beyond 5 Years	6	0	873	0	879
Total	136	954	1,549	88	2,727

1 Provision for future years' pensions for former Chair persons.

2 This covers the cost of the Voluntary Early Retirement schemes taken in 2005-06.

3 This covers dilapidations to Leasehold Properties where negotiations with Landlords are ongoing to 'put right' alterations made.

4 Acas has been unable to agree with Landlords about surrendering the lease of one property; as a result a provision was created for the estimated costs of occupation of this property until their lease break. This was previously disclosed under the Dilapidations provision.

11. Provisions and Contingent Liabilities (continued)

11.1 Provisions for Liabilities and Charges (continued)

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2011	188	2,501	2,860	140	5,689
In period:					
Expenditure during year	(26)	(885)	(138)	(66)	(1,115)
Increase in provisions	0	0	76	14	90
Reversed unused in the year	0	(5)	(623)	0	(628)
Unwinding of discount	0	64	0	0	64
Closing Provision at 31 March 2012	162	1,675	2,175	88	4,100
	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Summary of Cashflow Timings					
Within 1 Year	26	697	790	53	1,566
Between 2 and 5 Years	104	978	654	35	1,771
Beyond 5 Years	32	0	731	0	763
Total	162	1,675	2,175	88	4,100

11.2 Contingent Liabilities

One Personal Injury case, one Employment Tribunal case, one potential Personal Injury case and one potential Employment Tribunal case were pending at the year end. The estimated costs if Acas were to be found liable would be approximately £110,000.

12. Capital Commitments

Acas is committed to further Estates moves in 2013-14 which it is estimated will incur £65,000 capital expenditure (2011-12, £296,000).

13. Commitments under Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2012-13		2011-12	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Obligations under Operating Leases				
Not later than one year	2,821	101	2,949	173
Later than one year and not later than five years	7,722	23	10,425	160
Later than five years	4,966	0	8,448	0
	15,509	124	21,822	333

14. Losses and Special payments

Special payments include extra-contractual, ex gratia and compensation payments. In 2012-13, there were no special payments made. (2011-12 one totalling £77k).

15. Related Party Transactions

Acas is a Non Departmental Public Body sponsored by the Department for Business, Innovation and Skills.

During the year Acas has had various material transactions with BIS including legal and internal audit services.

In addition, the Service has had various material transactions with Other Government Departments and other central government bodies.

None of the Acas Council members or key managerial staff has undertaken any material transactions with Acas during the year.

16. Financial Instruments

As the cash requirements of Acas are met through Grant-in-Aid provided by BIS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Acas' expected purchase and usage requirements and Acas is therefore exposed to little credit, liquidity or market risk.

17. Intra Government Balances

	Debtors: amounts falling due within one year	Debtors: amounts falling due after more than one year	Creditors: amounts falling due within one year
	£'000	£'000	£'000
Balances with other central government bodies	389	0	28
Balances with local authorities	200	0	25
Balances with NHS Trusts	30	0	34
Balances with public corporations and trading funds	18	0	100
Balances with bodies external to government	2,249	21	4,173
Total as at 31 March 2013	2,886	21	4,360
Balances with other central government bodies	468	0	0
Balances with local authorities	92	0	0
Balances with NHS Trusts	83	0	0
Balances with public corporations and trading funds	33	0	0
Balances with bodies external to government	2,059	26	3,886
Total as at 31 March 2012	2,735	26	3,866

18. Events after the Accounting Period

There have been no events after the balance sheet date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.



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