

**ADVISORY, CONCILIATION AND
ARBITRATION SERVICE (ACAS)**

Annual Report and Accounts 2011/12

Advisory, Conciliation and Arbitration Service (Acas) Annual Report and Accounts 2011/12

Report on the activities of the Advisory, Conciliation and Arbitration Service (Acas) and Accounts for the period 1 April 2011 to 31 March 2012.

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

Ordered by the House of Commons to be printed on 13 July 2012.

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at publications@acas.org.uk

This publication is available for download at www.official-documents.gov.uk and from our website at www.acas.org.uk.

ISBN: 9780102979497

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2497792 07/12

Printed on paper containing 75% recycled fibre content minimum.

CONTENTS

Foreword from Chair	2
Chief Executive's Statement	4
The Acas Council	6
Management structure of Acas	8
Enhancing awareness and take-up of dispute resolution and conflict management in the workplace	9
Providing information, practical advice and guidance to employers and employees	16
Reaching new audiences	23
Raising awareness and influencing policy	25
Making the most of our people and resources	32
Our work in facts and figures	40
Performance against key indicators	41
Individual disputes	43
Collective disputes	44
Advisory services	50
What we spend and how we spend it – Acas Accounts 2011/12	56

Chair's foreword

The past year has been a testing time for the country. Hopes at the beginning of the year that we may witness a modest recovery from the recession of 2009/10 have been largely dashed and, as the financial year drew to a close, reports were coming in that the economy had actually slipped back into recession.

The difficult economic climate has had an impact on employment relations with many groups of workers seeking wage increases to recover from a period of pay restraint while employers continue to hunt for cost savings in order to survive.

Such tensions inevitably lead to workplace strife and the past year has seen Acas involved in a number of high-profile national disputes. Last summer we finally saw the end of the long-running BA dispute. We had been closely involved at various stages and the use of the Acas Arbitration Scheme was an integral part of the settlement. At the year's end, we saw the start of the fuel tanker drivers' dispute. As I write this foreword, the fuel tanker drivers have voted narrowly to accept the proposals negotiated following eight days of conciliation at Acas. The Acas talks went to the wire as far as the deadline for giving notice of industrial action is concerned and acceptance of the deal lifted the threat of a nationwide strike.

Acas' involvement in national disputes grabs the headlines but much of our work goes unreported. This does not mean, however, that this other work is unimportant. Helping individuals to resolve problems in the workplace, and working with organisations to improve their employment relations and increase employee engagement has a significant economic impact. At Acas, we are rightly proud of the contribution we make to the economic health of the nation. Through our website and telephone helpline we have been able to reach thousands of employers and employees looking for helpful information and practical advice on workplace issues. Our training courses have helped more than 6,000 organisations gain a better understanding of employment law and good employment relations practice.

Over recent years we have witnessed the growing influence of social media and the world of employment relations has not been immune from its reach. At Acas we have seen the impact it can have on collective employment disputes. In September, we hosted a fringe meeting at the TUC conference where we were able to explore some of the implications of social media and new communications technology for the future of dispute resolution. During the past year we also published two papers on social media: a research report on the use of social media by employers at work; and a policy discussion paper examining the broader implications of social media for employment relations.

At the heart of Acas' success is its staff and I am constantly impressed by the dedication and commitment of the people who work in the organisation. Our staff engagement index has risen again this year, which is a remarkable achievement given the current upheaval in the public sector. The government has been so impressed with the level of engagement at Acas that we have been asked by the Cabinet Office to use our experience to improve levels of engagement in Civil Service departments at large.

As well as being held in high regard nationally, Acas also has a good international standing. In September, I was pleased to host a gathering of international dispute resolution agencies in Cardiff. The event provided us with an opportunity to discuss the many workplace issues that face the international community and learn from each other's experiences. It included a public conference, hosted by Cardiff Business School, at which the various international delegates were able to share their insights with a range of stakeholders. A full report on the public conference is available on the Acas website.

The past 12 months have seen a number of changes to the membership of the Acas Council. Sarah Veale, Sarah Anderson and Peter Bennett have stepped down, and I would like to place on record my thanks and appreciation for their efforts on Acas' behalf over the years. The Council plays an important part in the life of Acas, bringing not just the benefit of its wisdom and experience but also providing a clear sense of direction and a guarantee of independence and impartiality. Four new members have joined the Council during the year: Vicki Hawes, Paul Butler, Paul Nowak and Jonathan Baume. I am looking forward to working with them and the other Council members to ensure Acas continues to deliver a high-quality service during the coming year.

Chief Executive's statement

This has been another productive year for Acas. Demand for our services remained high, due in large part to the difficult economic climate. In 2011/12, we answered 925,000 calls to our helpline and received more than four million visits to the Acas website; we also dealt with 72,000 individual conciliation claims.

While meeting this high demand for our services, we did not lose sight of the need to economise and become more efficient. We introduced a new rostering tool on our helpline, which allowed us to match the number of advisers working to the peaks and troughs in demand. As a result, we were able to reduce queues and provide a better service to customers. We also rolled out a major new case management system for individual conciliation, which allows us to deal with cases more speedily and effectively.

The Coalition Government made clear in its public consultation on 'Resolving Workplace Disputes' during 2011 that alternative dispute resolution was a high priority. We were therefore delighted when the Government asked us to introduce a new early conciliation service from 2014. In the first instance, potential tribunal claims will be referred to Acas to see if we can resolve the dispute before it is lodged at the employment tribunal. The new service will build on our current pre-claim conciliation service, which has more than proved its worth. In 2011/12, we dealt with more than 20,000 cases of which 78% did not result in a subsequent tribunal claim.

Providing advice and guidance is of course as much a part of our work as resolving disputes. Over the past year we have added a number of new products to our portfolio, including new guidance on promoting positive mental health at work and how to manage challenging conversations. We have also been developing a new mobile version of the Acas website. This will be launched shortly.

Reaching new audiences is a key priority. During the year we made big efforts to extend our reach through social media platforms, including Twitter and LinkedIn. In fact, our LinkedIn site has become a 'go to' place for HR managers seeking information and advice. We also work with other bodies to get our message across; for example, a leaflet offering advice to new employers taking on staff was sent out to more than 300,000 new businesses by HM Revenue & Customs.

Acas is widely recognised as a leading authority on employment relations and we contributed to the public debate in this field throughout the year, issuing a number of discussion papers as part of our Acas 2020 project on subjects that included the future role of trade unions, the ageing workforce, migrant labour and mutualism. We also sponsored a range of research reports into workplace mediation and conflict management. In addition I sat on the reconstructed Employee Engagement Taskforce.

This summer will see the eyes of the world on Britain as it hosts the Olympics and Paralympics. Acas has been playing its part in preparing for these huge events: during the year we have created a range of products to help employers and their workforces plan for the Olympics and cope with issues such as getting to work, taking holidays, flexible working and volunteering.

Acas has had a good year and this has been made possible by the commitment and professionalism of our staff. I would like to pay tribute to each and every one of them. We have long placed great emphasis on training and development, and 2011/12 saw us make further strides in this direction. We extended our management development programme and introduced a new scheme to develop staff with the potential to become future Acas leaders. We also developed a range of accredited training packages for our operational staff and the first cohort of 25 students successfully graduated from the Open University post-graduate certificate course for helpline advisers in November.

2012/13 is likely to be another busy year for Acas. We will be developing plans for implementing the early conciliation service and producing a new code on the right to request flexible working. We will also learn the results of a triennial review that began as the year drew to a close which looks to assess the continuing need for our core delivery functions and examine our corporate governance arrangements.

The Acas Council

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

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

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.

Dr Mary Bousted is General Secretary of the Association of Teachers and Lecturers (ATL). Mary also sits on the Executive Committee of the TUC.

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 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.

Linda Dickens MBE is 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).

Jennifer Eady QC is an employment law barrister. She undertakes advocacy and advisory work for employers, employees, trade unions, employers' associations, central and local government, statutory commissions and NGOs.

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

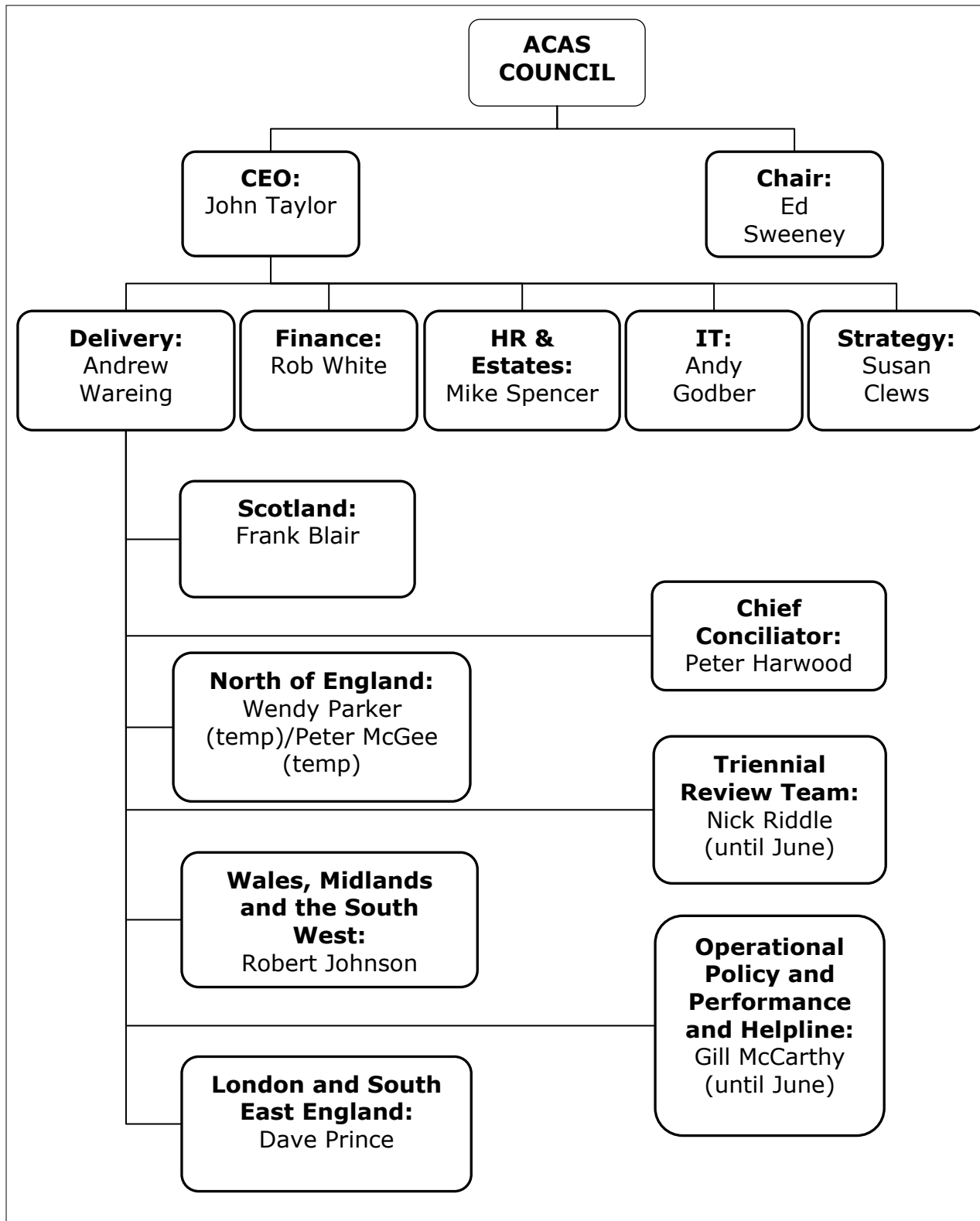
Vikki Hawes is a Director of Aldridge Consulting, which provides strategic HR solutions and interim management. She previously held a number of senior posts at Royal Mail.

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 heads the TUC's Organisation and Services department, which is responsible for the TUC's regional councils, public services, organising and recruitment, and health and safety. The department also leads the TUC's work to reach out to young workers, inter-union relations and the organisation of the TUC's annual Congress.

Nicola Templeman is the Corporate Services Director at Cheltenham Borough Homes where she is responsible for strategic leadership and management of approximately 5,000 tenant and leaseholder properties. Nicola is also a board member of Wiltshire Rural Housing Association.

The management structure of Acas



Enhancing awareness and take-up of dispute resolution and conflict management in the workplace

Resolving disputes between groups

Collective conciliation

Against a background of continued economic uncertainty as well as public sector unrest over jobs, pay and pensions, a number of major national and regional disputes have required Acas intervention. Overall, we have been involved in nearly 1,000 disputes, including those at Vivergo, Cammell Laird, JobCentre Plus, London Underground and, at the end of the year, the dispute between Unite and the main petrol distributors. The British Airways dispute was also resolved with the settlement including a role for the Acas Arbitration Scheme.

Annual pay negotiations at Cammell Laird Ship Repairers had broken down leading the parties involved to request Acas conciliation. The dispute with the GMB and Unite trade unions took place against a background of scheduled industrial action. This might have damaged the company's ability to win major contracts, so it was important for all parties to find a resolution as quickly as possible. A settlement, covering various areas including pay, was reached at Acas and the threat of industrial action was lifted.

In September, London Underground requested Acas to conciliate in a dispute over a multi-year pay deal involving four different trade unions: ASLEF, RMT, TSSA and Unite. The complexities of such negotiations can often defeat those involved, but Acas conciliation resulted in a four-year agreement until April 2015, bringing a measure of stability to all concerned.

The trade unions – Unite, Usdaw and GMB – were in dispute with Unilever over the closure of the company's final salary pension scheme. Their members had taken industrial action at various locations around the country, attracting media coverage. Acas invited all the parties involved to conciliation in February. Over two days of talks, a set of proposals were drafted on which the unions agreed to ballot their members. This led to the settlement of the dispute.

Usually, our involvement in conciliation occurs when two parties cannot reach agreement using their own internal negotiation procedures and one or the other, or both, request our assistance. In other circumstances, we take a proactive approach and seek to persuade the parties that their interests might be best served by using conciliation. Once involved, we try to get discussions back on track and help to find common ground, sometimes suggesting ideas that might move the dispute forward.

Acas conciliators' role is to help find ways of reaching agreement but they have no powers to decide upon a settlement or to make formal recommendations. Their commitment, impartiality, interpersonal skills, trustworthiness and reliability are much valued, and this is reflected in high success rates.

If we see a longer-term problem underlying the dispute, we will offer to work with the parties to see if we can help them after the dispute is resolved. We worked with the Royal Mail Group and the Communications Workers Union (CWU), for example, as they carried forward the company's modernisation plans.

During 2011/12 we received 972 requests for assistance in collective conciliation and were able to resolve matters or help the parties move towards a resolution in 91% of cases. The disputes we helped with were headed by pay-related issues which accounted for just under half of cases (45%), followed by recognition (12%), trade union matters (11%) and redundancies (11%).

Collective arbitration and mediation

Providing an arbitration service in employment disputes where both parties request it is one of our statutory duties. Some cases flow directly from the work of our collective conciliators while others arise as a result of Acas being written into the parties' dispute resolution or dismissal procedures.

We saw fewer cases being referred to collective arbitration, and most of those involved dismissals and pay-related disputes. The most significant case referred for arbitration during the year was the Police Arbitration Tribunal's consideration of the findings of the Winsor Report (part 1) on police pay and conditions. This involved two days of hearings as the Arbitration Panel had to deal with 18 recommendations arising from the report.

Arbitration and mediation remain important elements in Acas' dispute resolution toolkit. In arbitration, an individual appointed by Acas from our panel of arbitrators and mediators, considers the parties' positions in a dispute and comes to a decision aimed at settling the dispute. The parties agree in advance to be bound by the decision.

A distinguishing feature of Acas arbitration is its non-legalistic nature while remaining binding and confidential. The fundamental aim of arbitration is to bring the dispute to an end. As the parties are usually in a continuing relationship, our arbitrators apply employment relations, as opposed to legal principles, to help the parties move forward once the dispute has been settled. Arbitration is a measure of last resort; its effectiveness lies in the relatively sparing use of it made by parties. Acas mediation provides a person from the same panel to assist parties involved in a dispute to find a settlement. Usually the mediator will have powers to suggest ways forward and make formal non-binding recommendations, which the parties are expected to consider as a basis for resolution.

During 2011/12 we received 21 cases, with just over three quarters relating to either dismissal and grievance, or other pay and conditions of employment.

Resolving disputes between individuals

The government issued a consultation document, Resolving Workplace Disputes, on 27 January 2011 which included a proposal that all cases should come to Acas for early conciliation prior to a Tribunal claim being lodged. Acas supported these proposals. Consultation closed in April and the government announced its intentions on 23 November 2011.

These proposals will have major implications for the Acas individual conciliation service. We are working closely with the Department for Business, Innovation and Skills, which is responsible for the legislative framework, to develop a practical operating model. Over the coming year we will be preparing for change and reviewing our current policies and procedures to ensure that they support the new policy initiative. We will also be consulting stakeholders as we develop our operating model to ensure that we take account of their needs.

Pre-claim conciliation (PCC)

Acas has had a statutory duty to promote the settlement of potential claims, if requested, before they were lodged at an employment tribunal since it was established. However, no systematic arrangements existed before 2009 for identifying such claims and promoting this facility.

PCC in statistics	
•	The volume of potential claims referred to PCC has increased by 34% since 2010/11.
•	The proportion of cases settled or otherwise actively resolved has risen from 48% in 2010/11 to 55% in 2011/12.
•	The proportion of completed cases in which no subsequent claim was made to an employment tribunal has increased from 74% to 78% in 2011/12.

Following the 2007 Dispute Resolution Review, a more proactive approach to conciliation at this stage in the life of disputes was developed. To enable Acas to manage demand and to match available resources, the former statutory duty became a discretionary power in April 2009. The

PCC service was launched on 6 April 2009. Since then the volume of referrals, take-up of the service and effectiveness have all improved significantly. We have achieved this by matching resources to demand, promoting the service and training. The growing experience of our PCC conciliators has also proved to be significant.

PCC is a last resort alternative to litigation – its success is measured by the number of employment tribunal claims avoided, which generates financial savings for the taxpayer and the parties. It also helps businesses work more effectively by saving them management time in contesting the claim, and reduces stress and disruption for all involved.

The success of PCC has led to the government proposing that in future all claims should come to Acas first before a claim can be lodged with the employment tribunal. This is currently known as 'early conciliation' (see page 14).

Post-claim conciliation (individual conciliation)

The purpose of ET1 conciliation is to resolve employment tribunal claims without the need for a full tribunal hearing. Its success is reflected in the number of potential tribunal hearing days saved. This generates financial savings for the taxpayer and the parties, saves businesses the management time they would have expended contesting the claim, and reduces stress and disruption for all involved.

Acas has a legal duty to promote the settlement of claims to the employment tribunal. The great majority of parties make use of our services in trying to help resolve such claims, and in around three out of four cases the matter does not require a full tribunal hearing. The number of adjusted cases received for conciliation in 2011/12, excluding equal pay cases in local authorities and the NHS, was 3% lower than in 2010/11, and has been falling since late 2009.

However, disputes over equal pay in certain areas of the public sector continued at a substantial level. Some of these large multiple claims placed significant demands on our conciliation resources – requests for conciliation in respect of 28,945 potential claims in local authorities were dealt with compared to 23,875 in 2010/11. Most of the several thousand NHS equal pay claims currently lodged with the employment tribunal were stayed pending test cases, although 2011/12 has seen conciliation activity for a small proportion of these cases.

Overall, the continued decline in the number of cases received since the peak in 2009 has meant that for most of the year conciliation resources were in balance with the work coming in. Staff turnover towards the end of the year meant that there was a small shortfall, which is being addressed.

During 2011/12 we began the roll out of a major new electronic case management system and by the year end, nine of our 12 offices had successfully transferred to the new system. Once this process is complete, we will be able to use the system to operate more efficiently and improve services to our customers.

Individual conciliation in statistics	
•	The number of adjusted cases received for conciliation, excluding equal pay cases in local authorities and the NHS, was 72,075 compared to 74,620 in 2010/11.
•	The proportion of potential tribunal hearing days saved as a result of Acas intervention in fast-track cases (largely those dealing with monetary or time-off entitlements) was 56%. The corresponding proportion for standard-track cases (mainly potential unfair dismissals) was 74% and for open-track cases (mostly discrimination claims) was 84%. This compares with targets of 55%, 70%, and 85%, respectively. These differing levels of outcomes reflect the priorities ascribed to the different tracks: the potential savings to parties and the taxpayer from resolving cases in the standard- and particularly open-track cases are much higher and therefore conciliation resources are focused more on these areas. The results for fast- and open-track cases represent an improvement on 2010/11, while performance on standard track has remained constant.
•	Overall, 79% of cases were resolved without the need for a full tribunal hearing, compared with 78% in 2010/11.

Individual mediation

Some disputes between individual employees and their employers, or between individual colleagues or groups of colleagues, do not lead to actual or potential claims to employment tribunals and are not appropriate to our statutory conciliation services. However, Acas can and does provide dispute resolution assistance in these situations through charged-for individual mediation.

Individual mediation in statistics	
•	Our mediators took on 251 new assignments in 2011/12 compared to 222 in 2010/11.
•	In 89% of cases the issue was progressed or resolved.

Acas has trained mediators in each of its offices across the country to respond to requests from organisations for our help in resolving such disputes. Although the issues that come to mediation are not likely to end up in the employment tribunal, they are still costly in terms of time and disruption to business. They often involve damaged relationships, which can have a severe impact on organisational effectiveness.

Independent experts

In total, there are 24 independent experts at 31 March 2012

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 J Forrester	Human resources business partner
Ms K Gilbert	Senior lecturer in industrial relations
Professor L Harris	Professor of HRM and professional practices
Mr J Holt	Human resources and pay and grading co-ordinator
Ms G Hughes	Former regional officer, Unison
Mr D 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 Member of employment tribunal and human resources
Mr C J Roberts	Practitioner
Ms J Sutton	Human resources consultant
Dr S Watson	Independent consultant, specialising in reward issues
Mr P Yeeles	Consultant in employment relations

The Equal Pay Act 1970 amendment regulations 2004 provide for employment tribunals 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. When a tribunal is dealing with an equal pay claim and requests such assistance, Acas provides it with an independent expert who, if the process runs its full course, prepares a report on whether the jobs are of equal value.

Since the equal value regulations were introduced, Acas has appointed independent experts in 722 new cases, including eight in 2011/12. Acas also provides extra support to its panel of experts by circulating information about all aspects of equal pay legislation, key developments in case law and any relevant employment relations implications.

Many cases that have been in the system for a number of years are now nearing resolution. This has put our independent experts under considerable pressure to produce reports for the tribunals. Given the complexity of these cases and the large amounts of money involved, much depends on the experts' proven ability to produce sound, credible reports within the exacting timescales set by tribunals.

As has been the case in recent years our challenge has been to ensure that there are sufficient numbers of independent experts available to meet the needs of tribunals. We have worked closely with the HM Courts and Tribunals Service and independent experts to develop a more flexible and effective system to help deal with the administration and the redistribution, when necessary, of large numbers of multiple cases.

Providing information, practical advice and guidance to employers and employees

Advice and guidance through the Acas helpline

The Acas helpline provides guidance for employers and employees on resolving employment disputes, and understanding employment rights and rules.

In April 2009 the helpline increased its opening hours, allowing customers to seek Acas assistance from 8am to 8pm, Monday to Friday and from 9am to 1pm on Saturdays. This presented a number of challenges, including the practical issue of how to schedule helpline advisers' time on the telephones.

Until December 2011 our helpline was scheduled using a system, which was reliant on advisers building their own rosters to fit a demand profile. The process was labour-intensive and making changes; for example, for annual leave, could be extremely time-consuming.

In December 2011, we introduced a new tool, Verint WFM, to help us match the number of advisers to call levels, improved our service to customers and minimise queues.

Throughout the summer of 2011 we consulted our advisers on the process for setting up the system and they told us what they wanted from the new system. This informed our decisions on how it would function.

Rhiannon Mantle, an Acas helpline adviser from Cardiff, commented: "Like anything new there was concern to begin with. Normally after Christmas we'd be hammered by constant queues, which were draining and impacted our leave, flexi and reading time. Now, the queues have dramatically gone down.

"Managers previously put the rotas together locally whereas Verint works on the number of advisers available nationally. This means it's easier to plan leave. We can also tell Verint what our preferences are; for example, I prefer to work from 8am to 4pm, and it builds this into the roster where possible."

Staff on the Acas helpline have also been researching different means of answering customer queries to complement our existing telephone advice helpline.

One option was interactive voice response (IVR). The benefit of this approach is that we can deal with a proportion of our relatively simple queries using IVR, freeing up time to deal with more complex queries.

We were aware of the possibility that customers might regard these messages as a barrier to accessing the service rather than a new information channel, and that they might not be prepared to listen to the longer, more complex messages we would need to use given the nature of employment relations advice.

To assess customer attitude we commissioned a piece of research to examine their appetite and understanding of this material. We recorded a number of messages for the public to listen to, checking their understanding of the content and discussing their views about the facility. The results of the initial work were positive and, having improved the recordings and menu options, we launched the system in November 2011. IVR is 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 we can, we use the terminology our customers prefer. At all times customers can transfer to speak with an adviser if they choose to do so.

We surveyed users of the service and established that the majority rated the messages highly in terms of clarity and relevance. Customers also indicated that while in general their preference is telephone contact when seeking advice, a significant proportion valued having a choice and saw recorded messages as a positive additional channel of information.

Up to the end of March, the messages have been listened to 11,000 times, and we estimate that 2,700 customers have had their query answered by the service.

We will be extending the range of IVR messages to cover some topical issues and, on the basis of our customers' feedback, we will be improving the scripts and menus.

Acas helpline main statistics	
•	In 2011/12, the helpline answered nearly 925,000 calls.
•	In addition, during the last four months of the year, almost 11,000 callers listened to a recorded message on an employment topic.
•	We have made improvements to the way that we schedule resources, which has improved service access.
•	The helpline referred more than 2% of calls to pre-claim conciliators (PCC). The increased number of PCC referrals has helped Acas to successfully demonstrate the effectiveness of early intervention in resolving disputes.

In 2012 Acas is working on a new web-based service, which will enable a more sophisticated question and answer process for customers to use in real time. It is envisaged that this facility could be developed to integrate with a web-chat channel for customers.

Calls to the helpline enable employers and employees to get speedy advice to take the next step in resolving disputes in the workplace. This helps to overcome concerns about handling potentially complex issues and ensures positive outcomes wherever possible.

Acas training and business support

The aim of Acas' training and business support services is to promote better performance in organisations through improved employment relations and more effective dispute resolution; as well as to support the operation of fair and effective workplaces and an engaged workforce.

Open-access training

The focus of our open-access training programme continues to be on understanding the law and best practice, engaging with and encouraging delegates to think about the practical implications of what they have learned and how they can use it in their own organisations. During 2011/12 our open-access training programme trained just short of 9,000 delegates on a range of different employment relations subjects; the top five topics of which were:

Top five open access training course topics	
Main topic of training	Delegates trained
Employment law	1,808
Recruitment & employing people	1,638
Discipline & grievance	1,455
Absence & stress management	1,007
Equality, diversity & discrimination	809

The Agency Worker Regulations

The legislation entitles agency workers to the same basic employment and working conditions as if they had been recruited directly, when they complete a qualifying period of 12 weeks in the same job. A substantial number of businesses needed to know how the regulations would affect them given that agency workers make up some 4% of the UK workforce.

During 2011/12 Acas ran a programme of courses on the 2011 changes to the Agency Worker Regulations. In total these events were delivered to over 600 delegates. These courses comprised a mix of two-hour briefing sessions and three-hour 'getting it right' courses, and were aimed at the hirer (or end-user), including companies, partnerships, sole traders and

public bodies that book agency workers. Acas ensured that delegates not only understood the changes but also had the opportunity to consider how the legislation would affect their particular organisation. The 'getting it right' course also included case studies to help contextualise what the changes would mean in the workplace.

Workplace training

Demand for our workplace training remained strong in 2011/12 with more than 1,600 days spent delivering approximately 950 courses. The greatest demand for bespoke training courses was on the topics of discipline and grievance, managing people and equality, diversity and discrimination.

Certificate in workplace mediation (CIWM)

Demand for our accredited Certificate in Internal Workplace Mediation (CIWM) increased, both for courses delivered in-company and for our open-access courses. In total, we delivered 13 in-company courses and ran 30 open-access courses in 2011/12 reaching a total of 254 delegates.

Business solutions

Workplace projects

Acas senior advisers continued to share their accumulated knowledge and experience of employment relations issues and conflict resolution with organisations of all sizes, covering a range of employment-related topics. We have helped organisations address change management issues, conflict management, improve working relations between management and trade unions and create employee forums. Advisers also helped organisations with grading issues by facilitating job evaluation exercises.

Advisers use a range of techniques, including: joint working groups of management and employees/employee representatives; workshops and focus groups; and employee surveys.

This year saw an increase in requests for our assistance in improving workplace communication and consultation. Training was typically delivered to management and employee representatives in the skills required as a member of an employee forum.

We always seek to work jointly. Acas remains committed to the principle that workplace relations are most effective when they allow the participation of all those affected by any change. Joint commissioning by employers and employee representatives is a desired requirement when we are working in organisations. Joint working is particularly important when delivering training in the area of employee engagement, communication and consultation.

Acas' intervention in a workplace can lead to:	
●	more effective working relationships
●	better communication and consultation
●	improved employee engagement
●	reduced workplace misunderstandings and tension
●	fewer disciplinary and grievance problems
●	improved productivity and retention of staff
●	increased profitability
●	enhanced legislative compliance
●	reduced employment tribunal costs.
Acas business solutions at a glance:	
●	124 in-depth, business support exercises (workplace projects)
●	110 non-charged workplace projects
●	1,001 visits to organisations advising on employment related-matters
●	2,378 in-depth telephone advice calls delivered to employers.

Advice by phone and customer visits

Some of the enquiries received can be handled through a telephone conversation, although more in-depth issues require a visit to the employer. Advice sought by organisations has included: improving employee relationships, discipline and grievance handling, employment legislation issues, redundancy information, employee communication and consultation, and employing staff (such as recruitment and contracts of employment).

Guidance products

Our guidance products remain an important source of trusted information for customers and over the past year we have created and updated our products. Acas produced a new guide, Promoting positive mental health at work, working closely with Mindful Employer, a UK-wide initiative run by Workways, a service of Devon Partnership NHS Trust. The guide advises employers how to manage mental health problems and aims to help overcome the stigma too often associated with mental illness. This guidance has been supported by an accompanying open-access training session, which is now being run in Acas offices across the country. The training is delivered with input from Mindful Employer, providing delegates with a more rounded training experience.

We also produced a new guide, 'Challenging conversations and how to manage them', focusing on the difficult one-to-one conversations managers can have with employees about performance, conduct and personal problems. The principles of this guide can be explored further through our 'Having difficult conversations' training course. This course has been updated this year with new, practical exercises so delegates can put theory into practice.

Other training and advisory materials produced during 2011/12 include: Working without the default retirement age; Managing remote workers; and Agency workers.

Acas developed a set of web pages to help managers develop policies on the use of social media in the workplace. The guidance was based upon original research commissioned by Acas' Research and Evaluation Unit. We also produced new web-based guidance on social care and the employment relationship to help organisations that are employing people under the direct payments system, as well as offering advice to personal assistants. This new web-based guidance has formed part of our wider advice available through the Acas website. The Acas advisory A-Z has been updated and re-written to support the needs and preferences of our website users. This upgrade is an ongoing project and will continue in 2012/13.

We have created a range of products to help employers and their workforces plan for the Olympics, including offering regular employment relations advice on the Acas website and providing a training course covering the key employment issues that may affect companies during this period, such as getting to work, taking holidays, flexible working and volunteering.

We have continued to work with Business Link and Direct.Gov to enhance the employment advice available on their websites and to help make relevant information easier for customers to access. This includes working with colleagues in the Department for Business, Innovation and Skills on the transition of advice to the new government Digital Services website, ensuring that good practice continues to be available.

We also responded to customer feedback, modernising all our training materials by introducing a new corporate style, and increasing interactivity by including embedded video clips.

Acas Model Workplace – where are we now?

The Acas Model Workplace is a diagnostic tool for employers and consists of 10 modules covering different areas of employment relations, including performance management, equality and managing change. The model is free and aims to help employers assess the effectiveness of people management in their organisation. Since its launch in 2010, more than 3,400 organisations have registered to use the tool and nearly 23,000

individual modules have been completed. The model has been used across a wide range of business sectors and has proved most popular with organisations of between 10 and 49 employees. We are currently preparing to launch a mobile version of the model to make it more accessible to a wider audience. We will also be talking to stakeholders about how to promote the tool further.

Acas learning online

During 2011/12, the Information and Guidance team has been redeveloping Acas' e-learning. Ten new modules with a new format and style will become available on the Acas website during 2012/13.

Reaching new audiences

This year, we successfully gained a second exemption from the government's marketing freeze to enable us to promote our training and advisory services, mainly through online channels.

The move to marketing services online has been successful – feedback indicates that 72% of delegates find out about our training courses via online channels. This marketing approach enabled us to finish the year at 111% of income target for open-access training courses.

During 2011/12 there were more than 4.5 million visits to the Acas website – over 400,000 more than in the previous year.

We also reached more users via social media with more than 1,700 followers on Twitter and 5,000 LinkedIn members, compared to 600 and 1,000, respectively, last year. Our LinkedIn group has become a 'go to' place for HR managers to get information and advice.

The Acas website was successfully accredited by the Royal National Institute of Blind People to its Surf Right logo standard, which is aligned with Web Content Accessibility Guidelines 2.0. We were also nominated for 'Best Employment Advice Website' at the National Online Recruitment Awards in 2011.

We increased 'pro-actively generated' coverage for Acas in the media by 16%, meeting the target we had set at the start of the year.

Spikes in media coverage included Acas' advice for employers on introducing new regulations for employing agency workers, and why and how employers should have a policy for managing employees' use of social media both inside and outside the workplace. Coverage of Acas' social media guidance appeared in more than 100 media outlets, many of which were online.

The challenge for the coming year is to continue to reach more employers and employees while spending less money.

More people found out about us online thanks to improvements in our search engine optimisation; for example, through increased use of video content. We produced in-house videos on topics that included social media advice for employers and guidance on how collective conciliation takes place. We also expanded our online PR contacts and used, for example, online forums such as those run by the Guardian to provide advice.

The expansion of our customer relationship management system (CRM) continued to improve our efficiency, relevance and measurability of contact with customers.

The expansion of social media encourages greater engagement with users, spreading employment relations best practice to audiences we may not have reached through traditional channels.

We have added 29,000 subscribers to our database, an increase of 35% over 2010/11. This means we can provide relevant and timely content to a large number of organisations without the traditional hard copy print costs involved with large-scale mailings.

To spread our message about the importance of good employment relations to as wide an audience as possible, we will continue to work with other stakeholders including HM Revenue & Customs (HMRC), which sends our leaflet offering advice to employers taking on employees for the first time to more than 300,000 new businesses.

Cross-working across the Communications team to reflect the integrated nature of our communications work allowed us to provide consistent messaging across marketing, PR, web content and social media, as well as internal communications. Improved marketing and PR performance enables us to reach more customers for less money.

Acas Customer Services Team

The Acas Customer Services Team (CST) had another good year, offering continued high quality service to customers. Since September 2011, the CST has been the first point of contact for all first-time callers to Acas; since January 2012, a better filtering process for incoming calls has benefited the caller and improved Acas efficiency. In February, CST took over the processing of all individual conciliation customer referrals.

During the year, the team fielded 37,000 customer calls, administered £3.2 million of income and processed nearly 4,500 customer referrals. As well as good practice service enquiries, the team fields 2,000 calls a month from individual conciliation (IC) customers, most of whom are entirely new to the conciliation process.

Pre-recorded messages now direct around 1,000 callers a month with employment law queries, who had been coming through to the CST, to the Acas helpline, saving the customer from having to make an extra call and improving the efficiency of the team.

All customer referrals from IC/pre-claim conciliation (PCC) colleagues now come to the CST, which means that the CST processes all referrals from all sources.

Throughout the year, the team underwent a programme of continuous improvement and innovation. The result is:

- organisational cost-efficiency gains through improved processes managed by a single team
- less pressure on busy area support teams
- better information about customer behaviour
- better information about the efficiency and effectiveness of Acas responses to customer demand.

Raising awareness and influencing policy

Influencing the debate on employment relations policy

Acas/TUC Fringe

This year we held the Acas TUC fringe meeting at the annual TUC conference in September. The aim was to stimulate debate around the impact of key issues such as ageing, fragmentation, technological advance and the role of trade unions on the employment relations environment over the next decade. Acas' Chief Conciliator spoke about the use of social media in collective disputes, Sarah Veale, Head of Equality and Employment rights at the TUC discussed the challenges facing trade unions in the years ahead; and Simon Marsh, Employment and Communications Director of the Chemical Industries Association talked about the future challenges of working with trade unions from an employer's perspective.

The future of workplace relations – the Acas 2020 project

The purpose of the Acas 2020 project is to build an evidence base and to analyse current and future trends in employment relations; and then to disseminate this thinking to an external audience who can participate in the debate on the direction of employment relations in the coming decade. The aim is to raise awareness among key players in the employment relationship arena, and to provide strategic and informed decision-making.

Having written 'The future of workplace relations – an Acas view' in January 2011, we commissioned a series of papers on the future of workplace relations. Researchers and academics have looked in more detail at a series of specific issues, producing the following papers:

- A new era of public service employment relations? The challenges ahead (August 2011)
- Social media and its impact on employers and trade unions (September)
- What role for trade unions in future workplace relations? (September)
- The employment relations challenges of an ageing workforce (November)
- The future implications of migrant labour for employment relations (January 2012)
- Mutual advantage? The future implications of mutualism for employment relations (Feb 2012)
- Voice and participation in the modern workplace: challenges and prospects (March 2012).

At the same time as focusing on the wider agenda, the Acas 2020 initiative has been looking inside the organisation, exploring Acas' future role in providing conflict resolution, and advice and guidance on employment relations. What new services might we need to provide?

What changes do we need to make to existing services? And do we need to provide these services in a different way?

Health, work and wellbeing

Policy debates on the relationships between health, work and wellbeing have continued to be important this year. Acas hosted officials working on the independent review of sickness absence, which was published in November 2011, for an in-depth meeting on Acas experience of the way in which employers and employees deal with the issue. Acas also fed into a review of fit note guidance with suggestions for improvement which were subsequently taken up.

Raising awareness and influencing policy

International agencies conference

The international agencies conference is held annually and offers a chance for bodies worldwide to come together to exchange ideas. 2011 marked our turn to host the event. There were closed sessions and a public event, sponsored by Cardiff Business School.

Acas staff from both our Cardiff and HQ offices were involved in drawing up the agenda and looking after all the administrative arrangements, including briefing senior Acas staff attending and writing speeches, to handling publicity prior to and after the event.

The conference helped to cement Acas' international prestige. In its wake, Ed Sweeney and staff from Acas' Research and Evaluation unit visited the International Labour Organisation (ILO) in Geneva to share experiences on employment relations and dispute resolution. This visit led to Acas contributing to the drafting of an ILO guide on effective workplace dispute prevention and resolution.

An account of the international conference is available on the Acas website.

Responses to government consultations

During 2011/12 we responded in detail to a number of government consultations, including those on resolving workplace disputes, charging for applications for tribunals, TUPE and collective redundancies.

The responses were managed by Acas strategy and policy staff. Operational staff were consulted where appropriate for their views and the Acas Council made significant contributions and were formally involved in agreeing final submissions.

Acas work in this area is to share our knowledge and experience to lead to better employment legislation.

Working with other government departments/stakeholders

In October 2011, the default retirement age (DRA) was abolished in Great Britain. At BIS' request, Acas produced the primary guidance on how employers should deal with employees where it was no longer possible to retire them at a set age. In drafting the guidance, external organisations were consulted and the guidance was also discussed and agreed by the Acas Council.

Acas has been working with a number of partner organisations, under the auspices of BIS, to contribute to a leadership and management strategy, including an evidence paper. Our focus has been on the ways in which businesses can improve leadership and management capability, based heavily on the expertise we have gained assisting organisations in making practical improvements to people management systems.

The results of this work

Our goals in these areas are to influence the development of policy and legislation; to inform debates; and to influence, and in some instances, develop practical and appropriate guidance on key issues.

Our response to the 'Resolving workplace disputes' consultation, together with other information contacts with the Department for Business, Innovation and Skills (BIS) officials, helped the government to develop its ideas for Acas to deliver an early conciliation service.

Acas had a constructive relationship with Regional Development Agencies and we believe it is important to retain such standing with its successors, keeping abreast of local developments, influencing the growth agenda and promoting the importance of good employment relationships. Acas is now focusing its efforts to work with English Local Enterprise Partnerships (LEPs). Regions have started to engage with their LEPs to inform them of the strategic and operational roles Acas performs in supporting businesses and promoting growth.

Business intermediaries have been identified and relationships are being developed. Engaging with intermediaries allows Acas to spread good practice in a cost-effective manner, tailoring messages according to occupational sector, and so helping us to support more businesses.

Our policy discussion paper series now has a growing subscriber base, including academics, students, trade unionists, HR practitioners and the media in the UK and as far away as the US and Thailand. 'The future of workplace relations. An Acas view', for instance, has now been adopted by The Open University as one of the course materials on its Strategic Human Resource Management course.

Equality and diversity

Our work supporting and advancing equality was illustrated this year with our involvement in the government's initiative 'Think, act, report', which aims to encourage greater transparency in gender pay and equality in the private sector. We were asked to produce supportive guidance in this challenging area, setting out how businesses could take part.

We worked closely with our social partners and others, securing support for the guidance, which was successfully launched in the summer by home secretary Theresa May at the 'Think, act, report' conference for business hosted by Eversheds.

London 2012

Work has continued over the year in preparation for our role at the Olympics and Paralympics. Great emphasis has been placed on the importance of dispute-free Games, and Acas has been working closely with the organising committee, Locog, and the TUC to ensure there are adequate resources in place to service the joint Locog/TUC/Acas Games time grievance resolution protocol. This has included establishing an agreed communication strategy and running training events for key players to ensure there is understanding and commitment to the process. Services will include a fast-stream conciliation service for individual and collective disputes, which will pick up issues rapidly and seek to resolve them before they become destructive.

Other services include an Olympic helpline with direct referral arrangements where appropriate to Acas conciliators. Appropriate advice for employers has been published on the Acas website and special open-access training events have been run to prepare businesses for any staffing issues that may arise during the summer.

Research and evaluation

Acas has a specialist team of researchers that produce research and evaluation reports for use within Acas and externally. Evaluation exercises assess the impact of our services and collate the views of users, helping us to develop and improve services. We also conduct research on wider employment relations subjects and contribute to projects such as the Workplace Employment Relations Study.

In the past year, a significant strand of our research and evaluation programme has measured the impact of changes to the resolution of individual disputes following the 2007 Gibbons Review and the subsequent Employment Act 2008. The research focused both on measuring the outcomes associated with Acas' services and exploring wider conflict handling.

In 2011 we published an overview paper summarising findings from a series of independent reports, The Dispute Resolution Regulations two years on: the Acas experience. This paper highlighted the impact of the pre-claim conciliation service, enhanced helpline and employer responses to the revised Acas 'Code of practice on discipline and grievance'.

We have continued to further our research programme, exploring the opportunities and challenges of workplace mediation and this year published Dr Paul Latreille's 'Mediation: a thematic review of the Acas/CIPD evidence'.

Further research has also continued on the area of conflict management, with two case studies by Dr Richard Saundry and colleagues from the University of Central Lancashire, 'Transforming conflict management in the public sector' and 'Managing conflict in the private sector', both of which explore innovative approaches to conflict handling.

Collective conciliation research has also been a priority in the past year. First, secondary analysis as well as primary qualitative research interviews were conducted that built on the research of trade union negotiating officials' use (and non-use) of Acas collective conciliation. Secondly, we published a report, 'Public sector employers' attitudes to use of Acas collective conciliation', a companion piece to earlier studies that examined public sector managers' approaches to collective dispute resolution.

Research on the Acas collective conciliation service as a whole got underway, with a published report due in mid-2012 on users' views of the service.

Published research reports

Including those mentioned above, Acas' research and evaluation section has published 21 new research reports this year.

Research reports not already mentioned were:

- (a) evaluations of other Acas services: two research papers examining the impact of Acas training and workplace projects: A survey to assess the impact of Acas open access training services on the medium- to long-term organisational effects of the service; and Looking back to move forward – assessing the impacts of Acas workplace projects, summarising this service over its life-span and highlighting key findings from the three surveys since 2005 to give an overall assessment of the impact of workplace projects and to help shape the service's future
- (b) wider employment relations debates: research papers have focused on issues including the role of employment agencies in pay setting, multiple discrimination, and workplaces and social networking, a timely, exploratory research study that sets out the employment relations implications of use of social media in the workplace.

We also contributed 'Bullying and Harassment at Work: Acas Solutions' to Workplace bullying (Routledge, edited by Dr Noreen Tehrani), which explores strategies promoted by Acas to respond to bullying at work. It includes a critical analysis of both mediation and group-based, facilitated discussions, and the extent to which they provide mechanisms for addressing negative behaviours in the workplace.

International work

Acas has an unrivalled international reputation in the field of employment relations, including dispute resolution, and often receives requests from government organisations in other countries to learn more about our work and share good practice. The objective of Acas international activities is to help inform the development of effective employment relations and structure in other countries.

Acas hosted 19 official visits from overseas delegations and made presentations to more than 140 delegates. Visitors from a wide range of countries – including China, South Africa, Australia, Hong Kong, Cyprus and Finland – were especially keen to learn about Acas' role in dispute resolution.

Acas CEO John Taylor was approached by the Foreign and Commonwealth Office to assist the Directorate of Public Service Management in Botswana, following its recognition of trade unions. He also represented Acas at employee relations conferences and alternative dispute resolution symposiums in Bulgaria and Brussels.

Acas occasionally receives confidential requests for assistance from overseas governments or international organisations and has carried out one such assignment on a charged-for basis this year in support of wider government policy/concerns. This year we trained two individuals who learnt how Acas trains its conciliators.

Several Chinese parties visited Acas, including trade union and management delegations. All were keen to hear about the role of Acas and how it conciliates in trade disputes. Delegations from some African nations were interested in the mechanics of job evaluation. Our Head of Research, Gill Dix, accompanied UK and other international academics to Beijing in December 2011. Papers on dispute resolution and third-party intervention were presented at an international conference at Renmin University.

Acas received official visitors from sister organisations in South Africa, Australia and Northern Ireland, which wanted to learn about the latest developments in employment relations and share good practice.

Representatives from our research team and the Acas Chair visited the ILO in Geneva to discuss the UK experience of dispute resolution, current employment relations issues and Acas assistance to the Olympics, as well as sharing research information.

The cost of activities is primarily met by the foreign country or delegation, or through international aid programmes. Our international work encompasses priorities identified by the Foreign and Commonwealth Office. 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 effective employment relations infrastructures of their own.

Making the most of our people and resources

Developing our staff

Management development programme

During 2010/11 Acas embarked on a programme of training for all its managers based on the idea of the 'manager as coach'. This programme carried on in 2011/12. We have continued to deliver the first three modules of the programme to new managers and deputy managers and have begun to roll out modules four and five. Engagement survey results demonstrate that the programme is having a positive impact on the way our managers perform, both in terms of how they perceive themselves and how their staff see them.

Accredited training

We have recognised for some time that our operational training is first class. However, it has lacked any form of accreditation, which is a weakness. As a result, we have developed approaches that would allow operational staff, if they wished, to have an accredited qualification after internal training.

The first cohort of students graduated from the Open University (OU) post-graduate certificate course for helpline advisers in November 2011. All 25 were successful. The second cohort began studying in October 2011. The course has been modified following input from a focus group of helpline staff, and an evaluation completed by the OU and Acas.

Our portfolio of national vocational qualifications for staff includes (NVQs) in customer service, business administration, and team leadership and management. A round of induction events attracted staff from a wide range of job roles across Acas. We now have 34 learners and six assessors on the programme and are planning to increase the assessor team to meet this demand.

We continue to provide our trainers with a qualification. Thirteen staff have secured training accreditation this year, bringing the total to 28.

Civil Service learning

Acas is part of a new pan-Civil Service initiative to reduce the costs of non-operational learning and development. Work has begun to ensure that staff understand what it could mean for their personal development.

Developing future leaders programme

Acas has put in place a development programme for those who have the potential to be senior managers but need to widen their range of skills and experiences to reach this goal.

A group of 14 people is in place, each with their own coach. Group members individually agree what skills and competencies they want to develop with their coach, taking into account Acas' business needs. They are expected to take on and/or lead projects and carry out activities in another part of the business. Members have access to most aspects of Acas training.

This programme is the first of its kind at Acas. It aims to provide potential future leaders with a solid understanding of how the organisation operates, underpinned with exposure to a range of learning experiences. The programme will be monitored and evaluated over the course of the next two years.

The programme was agreed by the Board as one of a number of wider initiatives to foster improved performance across Acas. All staff were invited to apply, a selection exercise was carried out and the group chosen. They come from diverse work backgrounds and geographical areas across Acas, with the helpline function particularly well represented. The group meet quarterly to review progress, undertake learning activities and meet senior figures within Acas.

The aims of the programme are to:

- identify potential senior leaders of the future
- ensure they are developed through a structured and consistent programme
- and retain them within the organisation.

The benefits to the business are:

- building a pool of experienced people to apply for future vacancies
- having a group of people ready and willing to undertake project work across Acas
- motivating some of our best people to achieve more.

Projects being supported by the group, include:

- Acas 2020
- Early conciliation
- Acas' response to the government's free schools programme
- Acas' response to the introduction of local enterprise partnerships.

As well as this future leaders programme, we have continued to develop the coaching capability of all our managers, encouraging them to reflect on their performance and to find ways to improve.

Investors in People (IiP)

In April 2011 Acas celebrated achieving IiP accreditation at bronze level. We are continuing to use the standard to support continuous improvement throughout the organisation.

Boosting employee engagement

We believe that the engagement of our staff is key to meeting our objectives. As a result, we considered a range of measures to build on our already high levels of engagement. One of these was to ensure that managers have best practice guidance and procedures to work with when tackling health matters with their staff, and that they feel confident to use them. We also wanted to be innovative in our approach to employee engagement.

The Cabinet Office asked us to work with them, using our experience to help improve levels of engagement in other government departments. We also collaborated with research colleagues to develop a case study of how we had gone about this task.

The human resources team developed the guidance and worked with managers both via formal training courses and providing additional support to help them tackle difficult attendance issues. We took advantage of external best practice and adapted it for Acas.

We are about to run a taster session of 'Lighten Up!', a workshop developed by Gloucestershire Health Trust to help staff become more resilient and able to cope with stress.

Our engagement index has risen again this year, which is encouraging given the uncertainty over jobs across the public sector. The survey results also demonstrate that managers are more positive than before to the question, 'I have the tools to do my job'.

We need to engage staff to deliver the best possible service to our customers given the changes around the corner, including the introduction of the early conciliation service in the next two years or so. The results of our internal survey on the effectiveness of communication in Acas (conducted in summer 2011) were extremely positive: staff felt communication had either improved (49%) or stayed the same (43%) in the previous 12 months, despite a challenging period of uncertainty for the organisation. These results were supported by the 2011 staff survey findings, which showed an increase in Acas' overall level of employee engagement. Staff also felt that the organisation kept them informed about matters affecting them.

Delivering the public sector equality duty at Acas

Training senior managers

We have trained our senior managers in what 'due regard' means under the public sector equality duty, which came into force on 5 April 2011. We have produced a guidance booklet for all our staff that sets out how managers and those making local decisions should account for equality in the decisions they take and how they deliver our services.

The Council, Board and Business Management Group (BMG) take decisions about Acas. In all cases we require the authors of papers to these bodies to consider any effects on equality and to describe what these are so our decision-makers can then take this into account. All the decisions taken by Acas at council, board and BMG meetings and our thoughts on equality in each case during 2011 can be found on the Acas website.

Staff data

We carried out an analysis of our staff equality data that included gender, race and disability, using data from April to the end of March. This information can be found on the Acas website.

The data on our website indicated that a more detailed examination is required to look at both female and black and minority ethnic representation at senior levels and to explore why a large number of staff did not disclose whether they are disabled or not.

Key equality objectives

As a result of the analysis of our data we have undertaken some initial research into progression. We plan over the next three years to help improve opportunities for those staff that are not as well represented at senior levels as other groups.

We developed a pragmatic and a proportionate approach towards gathering and publishing information to comply with the equality duty. This involved setting up a group of representatives from our Acas board, including the Equality Champion, to consider and make decisions on the type and volume of information being placed on our site. We consulted our Equality and Diversity group, which consists of managers and trade union members, to seek contributions from them on the site before it went live on 31 January 2012.

A consultation exercise with staff generated a wide range of practical suggestions, many of which link into the published information available on our website. Further information on how we deliver the equality duty in Acas can be found on our website.

Complying with the equality duty is not an end in itself – it is an ongoing process of continuous improvement. Considering equality in all that we do should help to ensure that our services remain fully accessible to our customers.

The Disabled People's Involvement Forum

The forum, which consists of five external disabled volunteers, was invited to comment on the equality duty site from an accessibility angle. There were no significant concerns, but we will review the points it has raised around content and consider further enhancements to the website.

It was also invited to contribute to an equality assessment of the current individual conciliation process. As a result of the forum's input, the introductory letter offering conciliation has been reviewed and now states that appropriate access needs will be met to ensure that effective conciliation can take place. There has also been a review of the explanatory guidance notes on conciliation and these will now be available on our Acas website in Word as well as PDF format. The conciliation section of our website is being reviewed to ensure that we take account of access requirements.

The forum contributed to discussions on early conciliation and provided suggestions on administrative arrangements for improving accessibility. Members of the forum will continue to act as a sounding board on the policy as early conciliation develops.

Quarterly meetings have been held with Acas, the forum, our own disability champions and the conciliation policy leads within Acas.

Health and safety

Last year, we continued with a programme of work to remind staff and managers about their responsibilities under the Health and Safety At Work Act.

The executive board endorsed a proposal outlining the steps that we would take and plans are now being made.

The programme of awareness and training will assure us that we are fully compliant and that health and safety considerations are embedded in all our work.

Estates

The coalition government requires all public sector bodies to reduce the number of buildings that they occupy and to maximise the use of any remaining space. This has required us to look at opportunities for 'co-location' wherever possible. We have been working with other organisations in the Department for Business, Innovation and Skills (BIS) group.

To date we have moved our Liverpool office to share space at the Health and Safety Executive's office in Bootle, offered space to some Skills Funding Agency staff at our Leeds office and are close to moving our Nottingham office to new premises that we will share with a number of other BIS group organisations. Further potential moves are under discussion.

As our estate represents our single biggest investment after our staff, the programme of co-location will serve to reduce our running costs.

Internal policies

We have been working closely with BIS and other partner bodies to establish a total facilities management (TFM) contract across all BIS-sponsored organisations. All our maintenance and service requirements will be met through a single lead contractor once we transfer to the new contract. For Acas, this will mean one point of contact for any questions regarding building maintenance and service supply.

Due to our previous experience of undertaking tenders we were able to offer appropriate advice throughout the process, enabling our partners to gain a rounded view of how the contract would work in practice.

The creation of a centralised database of all internal contracts will allow us to work with our present suppliers to ensure that contracts that can be ended ready for migration to the TFM contract in 2013 are subject to the appropriate notice periods.

In 2013 the present contract with our maintenance supplier expires and we will join the TFM contract. We will also see savings in this area of spending.

Continuing to improve our organisational effectiveness – information sharing

We have been using information technology to:

- deliver business process improvements
- extend and improve the delivery of our services
- enhance the electronic delivery of services
- improve the resilience, security and recoverability of information.

Following an agreement with the Ministry of Justice who decided not to go forward with the Casflow system, Acas decided to continue with it. Renamed as Phoenix, we have successfully modified it and it has now been rolled out to 75% of Acas offices on schedule with the remainder on plan for completion by the end of July 2012. The working practice changes enabled by the new system bring both efficiency savings (realised ahead of plan) and service improvements.

A new system for balancing the allocation of staff resources against predicted helpline call demand was successfully implemented with immediate and significant service improvements to caller waiting times. The rostering system has achieved efficiency and effectiveness savings thanks to the better alignment of demand peaks and troughs against the number of advisers on duty.

A new contacts management system was implemented, supporting the greater electronic penetration of Acas employment relations material.

Two further external initiatives started during the year are on track to go live in the early part of 2012/13. These are:

- to extend the reach of Acas web-based services from standard PCs to mobile devices – many of the demographic groups that Acas finds harder to reach and support often use these devices, rather than traditional fixed computers
- implementing a new online e-learning service covering a range of employment relations topics. As well as improving on our previous offerings, the new service will be built on re-usable technology so that, as well as appearing as a core Acas service, any of the modules can be made available through other organisations or platforms as appropriate.

Lastly, work has continued on improving the robustness of our internal systems. A series of projects are delivering improvements to the way we store, secure and recover information, reducing our carbon footprint and exploiting industry best practice.

Information management

We have put in place improved processes to ensure Acas continues to look after its records, including those relating to customers and staff, as efficiently as possible and in line with government requirements and relevant legislation such as the Data Protection Act. A programme of work and policy review has been carried out to ensure all staff are fully aware of the need to manage information collected or created in the course of their work and are supported to do so by the systems we operate. This includes planning for how we would continue to operate our services in the event of an emergency.

Managing our finances

A full set of accounts for 2011/12, 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 56 to 103).

Acas has continued to make optimum use of its resources despite falling budgets. We have been able to deliver our services while continuing to meet spending restrictions, increasing transparency and making significant reductions in budgets, particularly on administration.

Acas continues to ready itself for the potential implementation of shared service platforms for some of its back office functions. Throughout the year, we have participated in and contributed to the various programmes led by the Department for Business, Innovation and Skills (BIS).

The effects of the economic downturn on businesses and individuals have not had as marked an impact on demand for Acas services as anticipated. As a result, Acas was able to deliver in excess of its revised income forecast for 2011/12.

Key financial headlines	£'000
Gross cost of Acas	£51,044
Less income earned	£3,606
Net expenditure	£47,438
Grant in Aid	£48,009
Capital expenditure	£1,061

Acas in facts and figures

Performance against key indicators

Acas services:
Individual disputes
Collective disputes
Advisory services

Acas Accounts 2011/12

PERFORMANCE AGAINST KEY INDICATORS

Key performance indicators for Service Level Agreement¹

	2011-12		2010-11	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes:				
a) The promotion of a settlement in disputes in which Acas is involved	80%	91%	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%	52%	54%
Standard track cases	70%	74%	70%	74%
Open track cases	85%	84%	85%	83%
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%	78%	70%	74%
Workplace projects:				
Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention	70%	n/a	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%	76%	80%	n/a
Helpline:				
a) Percentage of calls answered in no more than 30 seconds	90%	46%	90%	51%
b) Average call quality ³	2.5	2.9	2.5	2.5
c) Average adviser availability ⁴	23 hrs p/week	28.2 hrs p/week	23 hrs p/week	26.6 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%	89%	90%	90%
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

¹ Some 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.

² In 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.

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

⁴ The target for this measure is an adjusted figure taking into account periods when advisers were unavailable for call taking duties (e.g. during periods of absence).

Publications on good practice at work:				
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%	n/a	65%	n/a
b) the percentage of users for whom the guidance helped to amend or introduce a policy	15%	n/a	15%	n/a

Performance against customer satisfaction targets

	2011-12		2010-11	
	Target	Outturn	Target	Outturn
Helpline:				
a) customers satisfied with the service	95%	94%	95%	n/a
b) the percentage of callers who were able to take clear action following their call to the Acas Helpline	70%	85%	70%	n/a
Training services:				
Customers satisfied with charged events	95%	98%	95%	98%

Other performance targets

	2011-12		2010-11	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	92%	100%	100%

Volume indicators

	2011-12	2010-11
Number of re-employments	652	618
Number of collective conciliation requests received	972	1,068
Number of workplace projects started	234	223
Number of requests for trade dispute arbitration	21	31
Number of calls answered by National Helpline	924,787	953,999
Number of calls answered by Equality Direct	2,230	2,445
Number of advisory visits and in-depth phone calls	3,379	3,511
Number of training sessions delivered	1,865	2,091
Number of equality contracts delivered	462	801

Cost of key services

Direct Cost of Key Services*

	2011-12	2010-11
Cost of completed collective conciliation case where a settlement was achieved or significant progress made	£1,617	£1,492
Cost of an arbitration hearing	£3,752	£3,032
Costs of individual conciliation case settled or withdrawn (net cases)	£190	£207
Cost of a helpline enquiry answered	£6.00	£5.67

*Direct costs have been calculated using all relevant Salaries plus Grant Aided Expenditure (GAE) and all other directly attributable costs, and excluding accommodation, non cash items and overhead allocations to services. The calculation of the cost of services has previously included an apportionment of non-direct costs; these have been removed from the costs of services as they gave rise to significant variations in total costs which were not related to outputs.

OUR WORK IN FACTS AND FIGURES⁵

Individual disputes^{6 7 8}

Net ET1 conciliation cases received⁹

	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
Fast track	19,330	26.8%	20,498	27.5%	22,267	25.5%
Standard track	32,047	44.5%	33,545	45.0%	41,121	47.0%
Open track	20,698	28.7%	20,577	27.6%	24,033	27.5%
Total	72,075		74,620		87,421	

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

	Jurisdictions	ET1					
		2011/12		2010/11		2009/10	
		Volume	% of cases ¹⁰	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	40,580	56.3%	42,161	56.5%	51,112	58.5%
	Breach of contract	25,475	35.3%	27,692	37.1%	31,178	35.7%
	Wages Act	24,854	34.5%	27,260	36.5%	29,019	33.2%
	Working Time (Annual Leave)	19,998	27.7%	19,644	26.3%	20,199	23.1%
	Redundancy pay	10,388	14.4%	11,617	15.6%	12,368	14.1%
	Disability discrimination	7,302	10.1%	7,184	9.6%	7,344	8.4%
	Sex discrimination	5,801	8.0%	6,272	8.4%	7,648	8.7%
	Race discrimination	4,579	6.4%	4,704	6.3%	5,446	6.2%
	Age discrimination	2,796	3.9%	2,686	3.6%	3,650	4.2%
	Equal Pay	2,312	3.2%	2,967	4.0%	3,478	4.0%
	Public Interest Disclosure	2,193	3.0%	1,892	2.5%	1,834	2.1%
	Protective Award	2,066	2.9%	2,659	3.6%	2,945	3.4%
Maternity Detriment	1,688	2.3%	1,525	2.0%	1,875	2.1%	
Other Jurisdictions of note	Religion or Belief discrimination	858	1.2%	835	1.1%	929	1.1%
	Sexual orientation discrimination	588	0.8%	625	0.8%	661	0.8%
Remaining jurisdictions	Other	7,673	10.6%	7,069	9.5%	8,535	9.8%
	Total jurisdictions	159,151		166,792		188,221	
	Total cases	72,075		74,620		87,421	

⁵ 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 2011/12 updated to take account of finalised management information.

⁶ See footnote 1 for an explanation of tracks.

⁷ 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.

⁸ In addition, Acas received 13 new cases under the Acas Arbitration Scheme for unfair dismissal. Most were received as part of one agreement following a dispute in 2009/10.

⁹ 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 28,945 *potential* equal pay cases against local authorities in 2011-12.

¹⁰ Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

Net ET1 conciliation case outcomes

		2011/12		2010/11		2009/10	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	978	5.2%	1,001	5.0%	646	3.3%
	Settled	5,393	28.7%	5,471	27.3%	5,560	28.2%
	Withdrawn	4,622	24.6%	4,823	24.0%	4,316	21.9%
	Default judgment	2,959	15.7%	3,393	16.9%	3,614	18.3%
	Heard	4,860	25.8%	5,383	26.8%	5,566	28.3%
	Total	18,812		20,071		19,702	
	Potential Hearing Days Saved (PHDS)		56.2%		54.0%		51.8%
Standard track	Struck out	2,456	7.3%	2,335	6.4%	2,010	5.4%
	Settled	15,706	46.7%	17,232	47.5%	18,000	48.8%
	Withdrawn	7,222	21.5%	7,759	21.4%	7,911	21.4%
	Default judgment	869	2.6%	974	2.7%	1,221	3.3%
	Heard	7,394	22.0%	7,943	21.9%	7,775	21.1%
	Total	33,647		36,243		36,917	
	Potential Hearing Days Saved (PHDS)		73.5%		73.7%		74.2%
Open track	Struck out	1,449	6.7%	1,389	6.5%	1,015	5.1%
	Settled	11,021	51.3%	10,741	50.3%	10,005	50.4%
	Withdrawn	5,815	27.1%	5,887	27.6%	5,719	28.8%
	Default judgment	93	0.4%	141	0.7%	97	0.5%
	Heard	3,112	14.5%	3,201	15.0%	3,003	15.1%
	Total	21,490		21,359		19,839	
	Potential Hearing Days Saved (PHDS)		84.0%		83.3%		83.5%
Overall	Struck out	4,883	6.6%	4,725	6.1%	3,671	4.8%
	Settled	32,120	43.4%	33,444	43.1%	33,565	43.9%
	Withdrawn	17,659	23.9%	18,469	23.8%	17,946	23.5%
	Default judgment	3,921	5.3%	4,508	5.8%	4,932	6.5%
	Heard	15,366	20.8%	16,527	21.3%	16,346	21.4%
	Total	73,949		77,673		76,460	
	Potential Hearing Days Saved (PHDS)		78.7%		78.0%		78.0%
	Resolution rate¹¹		72.1%		71.2%		70.8%

¹¹ 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) received¹²

		2011/12		2010/11		2009/10	
		Volume	%	Volume	%	Volume	%
All PCC referrals received	Fast track	10,260	44.7%	7,666	45.0%	2,197	24.0%
	Standard track	10,070	43.9%	7,328	43.0%	5,797	63.3%
	Open track	2,623	11.4%	2,036	12.0%	1,160	12.7%
	Overall	23,777		17,781		9,758	

		Volume	% of approp. referrals in given track	Volume	% of approp. referrals in given track	Volume	% of approp. referrals in given track
Appropriate PCC referrals	Fast track	9,361	91.2%	7,096	92.6%	1,910	86.9%
	Standard track	9,412	93.5%	6,855	93.5%	5,209	89.9%
	Open track	2,418	92.2%	1,919	94.3%	1,014	87.4%
	Overall	22,015	92.6%	16,621	93.5%	8,712	89.3%

Net cases received for PCC by all grounds of complaint^{13 14}

	All jurisdictions	2011/12		2010/11		2009/10	
		Volume	% of cases	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	11,215	47.2%	8,567	48.2%	6,940	71.1%
	Wages Act	8,335	35.1%	6,177	34.7%	1,874	19.2%
	Breach of contract	2,886	12.1%	1,969	11.1%	935	9.6%
	Working Time (Annual Leave)	1,917	8.1%	1,241	7.0%	327	3.4%
	Disability discrimination	1,111	4.7%	856	4.8%	539	5.5%
	Sex discrimination	938	3.9%	707	4.0%	616	6.3%
	Redundancy pay	857	3.6%	693	3.9%	413	4.2%
	Protective Award	792	3.3%	20	0.1%	9	0.1%
	Race discrimination	420	1.8%	369	2.1%	237	2.4%
	Age discrimination	272	1.1%	200	1.1%	149	1.5%
	Equal Pay	246	1.0%	415	2.3%	71	0.7%
Maternity Detriment	233	1.0%	158	0.9%	77	0.8%	
Other jurisdictions of note	Sexual orientation discrimination	45	0.2%	53	0.3%	30	0.3%
	Religion or belief discrimination	27	0.1%	28	0.2%	11	0.1%
Remaining jurisdictions	Other	802	3.4%	749	4.2%	397	4.1%
	Total jurisdictions	30,096		22,202		12,625	
	Total cases	23,777		17,781		9,758	

¹² Since 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.

¹³ Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

¹⁴ This table represents the total number of PCC referrals (whether completed or still in progress) for which jurisdictions had been ascribed at 31st March. As previously footnoted, jurisdiction data is not available in a small minority of cases.

Net PCC outcomes

		2011/12		2010/11		2009/10	
		Volume	%	Volume	%	Volume	%
Fast track	Unprogressed	2,888	27.7%	2,266	30.3%	857	43.5%
	Impasse	1,945	18.7%	1,596	21.4%	382	19.4%
	Resolved	5,592	53.6%	3,609	48.3%	730	37.1%
	Total	10,425		7,471		1,969	
Standard track	Unprogressed	2,392	23.9%	1,950	26.9%	2,442	45.5%
	Impasse	2,170	21.6%	1,995	27.5%	1,135	21.1%
	Resolved	5,463	54.5%	3,305	45.6%	1,795	33.4%
	Total	10,025		7,250		5,372	
Open track	Unprogressed	579	21.0%	483	24.2%	520	48.9%
	Impasse	552	20.0%	458	23.0%	197	18.5%
	Resolved	1,626	59.0%	1,051	52.8%	346	32.5%
	Total	2,757		1,992		1,063	
Overall	Unprogressed	5,859	25.2%	4,699	28.1%	3,873	45.8%
	Impasse	4,667	20.1%	4,049	24.2%	1,715	20.3%
	Resolved	12,681	54.6%	7,965	47.7%	2,873	34.0%
	Total	23,207		16,713		8,461	

PCC – Avoidance of tribunal claims^{15 16}

	Referrals with outcome date 01/01/11 – 31/12/11	Referrals with outcome date 01/01/10 – 31/12/10	Referrals with outcome date 01/04/09 – 31/12/09
Appropriate referrals	19,195	13,404	4,236
Referrals for which <u>no</u> post-PCC ET claim has been identified	14,888	9,884	2,965
ET claims avoidance rate	77.6%	73.7%	70.0%

Charged-for mediation in individual employment and workplace disputes which were not subject to actual or potential employment tribunal proceedings¹⁷

		2011/12	2010/11	2009/10
New cases started in year		251	222	238
Cases closed in year by outcome	Unprogressed	35	34	26
	Unresolved	20	20	6
	Progress made	53	50	45
	Settled	111	129	138
	Total	219	233	215
Success rate	89%	90%	97%	

¹⁵ Any performance measure concerning the avoidance of ET claims is necessarily a lagging indicator 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 reached an outcome on or before the end of December in the respective years.

¹⁶ Data 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.

¹⁷ 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	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
Acas National	39	4.0%	29	2.7%	33	3.6%
London	73	7.5%	79	7.4%	70	7.6%
South East	43	4.4%	44	4.1%	23	2.5%
East of England	62	6.4%	48	4.5%	63	6.9%
East Midlands	38	3.9%	56	5.2%	33	3.6%
West Midlands	76	7.8%	80	7.5%	62	6.8%
North East	111	11.4%	111	10.4%	86	9.4%
Yorkshire and Humber	102	10.5%	102	9.6%	97	10.6%
North West	195	20.1%	229	21.4%	215	23.4%
Scotland	177	18.2%	220	20.6%	180	19.6%
South West	16	1.6%	27	2.5%	24	2.6%
Wales	40	4.1%	43	4.0%	31	3.4%
Total	972		1,068		917	

Collective disputes received for conciliation by dispute cause¹⁸

Dispute cause	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
General pay claim	168	17.3%	188	17.6%	161	17.6%
Other pay / conditions of employment ¹⁹	280	28.8%	349	32.7%	260	28.4%
Redundancy	105	10.8%	131	12.3%	112	12.2%
Recognition	117	12.0%	116	10.9%	126	13.7%
Other TU matters	106	10.9%	104	9.7%	94	10.3%
Dismissal / discipline	99	10.2%	97	9.1%	85	9.3%
Changes in working practices	97	10.0%	81	7.6%	87	9.5%
Other	83	8.5%	91	8.5%	81	8.8%
Total dispute causes	1,055		1,157		1,006	
Total collective cases received	972		1,068		917	

¹⁸ As some collective disputes are recorded in Acas' management information as relating to more than one recorded dispute cause, the sum of percentages in this table exceeds 100%.

¹⁹ Typical examples of the 'other pay / conditions of employment' category include issues such as pay bonuses, job evaluation, grading arrangements, pension allowances and leave entitlements.

Collective disputes closed by outcome

Dispute outcome	2011/12	2010/11	2009/10
Successfully completed	754	737	715
Unsuccessfully completed	76	77	47
All completed cases	830	814	762
Cases withdrawn	113	111	115
Total	943	925	877

Collective disputes received by source of request

Source of request	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
Employer	171	17.6%	166	15.5%	180	19.6%
Trade Union	268	27.6%	286	26.8%	251	27.4%
Joint	336	34.6%	388	36.3%	362	39.5%
Acas Initiative	197	20.3%	228	21.3%	110	12.0%
Unknown	0	0.0%	0	0.0%	14	1.5%
Total	972		1,068		917	

Cases referred to collective arbitration and dispute mediation

Case type	2011/12	2010/11	2009/10
Single arbitration	17	27	38
Board of arbitration	0	1	0
Single mediation	0	1	2
Board of mediation	2	0	1
Two-tier single mediation / arbitration	1	1	1
Police arbitration tribunal	1	0	1
Other	0	1	1
Total	21	31	44

Issues referred to collective arbitration and dispute mediation

Issue	2011/12	2010/11	2009/10
Annual pay	2	8	13
Other pay and conditions of employment	8	2	6
Dismissal and discipline	8	11	24
Grading	2	2	0
Other	1	8	1
Total	21	31	44

Joint problem-solving activities by topic

Topic	2011/12	2010/11	2009/10
Absence and stress management	3	1	0
Bullying and harassment	3	3	3
Collective bargaining and trade union issues	45	36	29
Conflict, mediation and change management	42	32	16
Discipline and grievance	1	1	3
Employment law	0	0	0
Equality, diversity and discrimination	0	1	3
Implementing flexible working arrangements	2	1	1
Information and consultation	6	4	11
Managing people	1	0	4
Payment and grading arrangements	5	2	8
Recruitment and employing people	1	1	3
Redundancy	1	4	18
Other	0	3	1
Total	110	89	100

Advisory services

Calls to Acas Helpline^{20 21}

Volume of calls answered	2011/12	2010/11	2009/10
Total	924,787	953,999	1,020,670

Acas Helpline call topics²²

Topic of enquiry	2011/12	2010/11	2009/10
	% of calls	% of calls	% of calls
Discipline, dismissal and grievance	33.5%	31.7%	30.4%
Redundancies, lay-offs and business transfers	19.9%	20.9%	24.5%
Contracts	16.0%	18.2%	17.9%
Holiday and working time	11.5%	13.4%	13.5%
Absence, sickness and stress	9.0%	9.4%	9.1%
Wages and National Minimum Wage (NMW)	8.1%	9.3%	8.5%
Maternity, paternity and adoption	5.1%	6.3%	6.9%
Diversity and discrimination	3.6%	4.4%	4.0%
Family friendly policies	1.3%	2.0%	2.0%
Other	8.1%	8.3%	7.0%

In-depth advisory meetings by topic

Topic	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
Absence and stress management	57	5.7%	75	6.3%	29	3.4%
Bullying and harassment	27	2.7%	22	1.9%	30	3.5%
Collective bargaining and trade union issues	65	6.5%	96	8.1%	59	7.0%
Conflict, mediation and change management	241	24.1%	296	25.0%	180	21.3%
Discipline and grievance	134	13.4%	94	7.9%	108	12.8%
Employment law	64	6.4%	100	8.4%	75	8.9%
Equality, diversity and discrimination	55	5.5%	69	5.8%	28	3.3%
Implementing flexible working arrangements	16	1.6%	9	0.8%	13	1.5%
Information and consultation	96	9.6%	95	8.0%	78	9.2%
Managing people	43	4.3%	66	5.6%	42	5.0%
Payment and grading arrangements	41	4.1%	56	4.7%	50	5.9%
Recruitment and employing people	60	6.0%	60	5.1%	35	4.1%
Redundancy	81	8.1%	108	9.1%	100	11.8%
Other	21	2.1%	39	3.3%	20	2.4%
Total	1,001		1,185		847	

²⁰ These volumes include calls received by the Equality Direct Helpline.

²¹ In addition, since November 2011 callers to the Acas Helpline have been offered the choice of listening to interactive voice response (IVR) messages to answer queries on some common call subjects. Since their introduction the IVR messages have been accessed on almost 11,000 occasions during 2011-12.

²² As some calls relate to more than one of the specified core topics, the sum of percentages in this table exceed 100%.

In-depth advisory telephone calls by topic

Topic	2011/12		2010/11		2009/10	
	Volume	%	Volume	%	Volume	%
Absence and stress management	163	6.9%	196	8.4%	93	6.0%
Bullying and harassment	40	1.7%	42	1.8%	69	4.4%
Collective bargaining and trade union issues	153	6.4%	119	5.1%	92	5.9%
Conflict, mediation and change management	427	18.0%	422	18.1%	240	15.4%
Discipline and grievance	321	13.5%	280	12.0%	268	17.2%
Employment law	326	13.7%	263	11.3%	144	9.2%
Equality, diversity and discrimination	153	6.4%	230	9.9%	78	5.0%
Implementing flexible working arrangements	66	2.8%	58	2.5%	44	2.8%
Information and consultation	126	5.3%	121	5.2%	74	4.8%
Managing people	62	2.6%	44	1.9%	39	2.5%
Payment and grading arrangements	83	3.5%	75	3.2%	46	3.0%
Recruitment and employing people	164	6.9%	112	4.8%	96	6.2%
Redundancy	248	10.4%	280	12.0%	249	16.0%
Other	46	1.9%	84	3.6%	25	1.6%
Total	2,378		2,326		1,557	

Charged workplace projects by topic

Topic	2011/12	2010/11	2009/10
Absence and stress management	11	4	9
Bullying and harassment	6	4	10
Collective bargaining and trade union issues	5	10	10
Conflict, mediation and change management	55	59	32
Discipline and grievance	5	2	8
Employment law	2	0	0
Equality, diversity and discrimination	1	4	1
Implementing flexible working arrangements	0	1	0
Information and consultation	21	14	31
Managing people	2	8	0
Payment and grading arrangements	6	16	14
Recruitment and employing people	5	3	1
Redundancy	2	2	3
Other	3	7	5
Total	124	134	124

Workplace training by topic

Subject of training	2011/12				2010/11				2009/10			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	50	5.2%	1,478	7.7%	98	9.4%	2,683	12.5%	50	4.7%	898	4.3%
Bullying and harassment	67	7.0%	1,994	10.4%	75	7.2%	2,157	10.0%	86	8.1%	2,193	10.6%
Collective bargaining and trade union issues	11	1.2%	181	0.9%	17	1.6%	343	1.6%	21	2.0%	246	1.2%
Conflict, mediation and change management ²³	117	12.3%	1,916	10.0%	90	8.6%	1,235	5.7%	108	10.2%	1,478	7.1%
Discipline and grievance	219	22.9%	4,748	24.8%	235	22.6%	4,412	20.5%	316	29.8%	6,290	30.3%
Employment law	50	5.2%	914	4.8%	52	5.0%	904	4.2%	73	6.9%	1,098	5.3%
Equality, diversity and discrimination	81	8.5%	2,385	12.5%	117	11.2%	3,657	17.0%	54	5.1%	1,722	8.3%
Implementing flexible working arrangements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.1%	10	0.0%
Information and consultation	151	15.8%	1,746	9.1%	120	11.5%	1,291	6.0%	141	13.3%	1,657	8.0%
Managing people	130	13.6%	2,433	12.7%	146	14.0%	3,407	15.9%	119	11.2%	2,499	12.0%
Payment and grading arrangements	2	0.2%	15	0.1%	4	0.4%	44	0.2%	6	0.6%	38	0.2%
Recruitment and employing people	20	2.1%	535	2.8%	16	1.5%	253	1.2%	22	2.1%	415	2.0%
Redundancy	41	4.3%	407	2.1%	52	5.0%	850	4.0%	54	5.1%	1,662	8.0%
Other	16	1.7%	399	2.1%	20	1.9%	257	1.2%	10	0.9%	574	2.8%
Total	955		19,151		1,042		21,493		1,061		20,780	

²³ These figures also include in-house Certificate in Workplace Mediation (CIWM) courses which are recorded as part of the 'conflict, mediation and change management' line.

Open Access training by topic²⁴

Subject of training	2011/12				2010/11				2009/10			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	128	14.1%	1,007	11.3%	297	28.3%	4,512	34.7%	90	12.3%	860	9.5%
Bullying and harassment	15	1.6%	85	1.0%	25	2.4%	125	1.0%	14	1.9%	100	1.1%
Collective bargaining and trade union issues	3	0.3%	15	0.2%	9	0.9%	261	2.0%	1	0.1%	6	0.1%
Conflict, mediation and change management	61	6.7%	661	7.4%	51	4.9%	543	4.2%	53	7.2%	701	7.7%
Discipline and grievance	160	17.6%	1,455	16.3%	120	11.4%	927	7.1%	244	33.2%	3,434	37.8%
Employment law	117	12.9%	1,808	20.2%	102	9.7%	1,331	10.2%	96	13.1%	1,599	17.6%
Equality, diversity and discrimination	81	8.9%	809	9.1%	239	22.8%	3,406	26.2%	43	5.9%	556	6.1%
Implementing flexible working arrangements	7	0.8%	11	0.1%	4	0.4%	24	0.2%	4	0.5%	31	0.3%
Information and consultation	2	0.2%	54	0.6%	1	0.1%	20	0.2%	1	0.1%	6	0.1%
Managing people	82	9.0%	556	6.2%	57	5.4%	387	3.0%	37	5.0%	289	3.2%
Payment and grading arrangements	1	0.1%	3	0.0%	2	0.2%	8	0.1%	3	0.4%	14	0.2%
Recruitment and employing people	175	19.2%	1,638	18.3%	71	6.8%	598	4.6%	98	13.4%	903	9.9%
Redundancy	46	5.1%	350	3.9%	39	3.7%	394	3.0%	46	6.3%	539	5.9%
Other	32	3.5%	482	5.4%	32	3.1%	466	3.6%	4	0.5%	47	0.5%
Total	910		8,934		1,049		13,002		734		9,085	

²⁴ Total delegates include events delivered with partner organisation.

Total training by topic

Subject of training	2011/12				2010/11				2009/10			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	178	9.5%	2,485	8.8%	395	18.9%	7,195	20.9%	140	7.8%	1,758	5.9%
Bullying and harassment	82	4.4%	2,079	7.4%	100	4.8%	2,282	6.6%	100	5.6%	2,293	7.7%
Collective bargaining and trade union issues	14	0.8%	196	0.7%	26	1.2%	604	1.8%	22	1.2%	252	0.8%
Conflict, mediation and change management	178	9.5%	2,577	9.2%	141	6.7%	1,778	5.2%	161	9.0%	2,179	7.3%
Discipline and grievance	379	20.3%	6,203	22.1%	355	17.0%	5,339	15.5%	560	31.2%	9,724	32.6%
Employment law	167	9.0%	2,722	9.7%	154	7.4%	2,235	6.5%	169	9.4%	2,697	9.0%
Equality, diversity and discrimination	162	8.7%	3,194	11.4%	356	17.0%	7,063	20.5%	97	5.4%	2,278	7.6%
Implementing flexible working arrangements	7	0.4%	11	0.0%	4	0.2%	24	0.1%	5	0.3%	41	0.1%
Information and consultation	153	8.2%	1,800	6.4%	121	5.8%	1,311	3.8%	142	7.9%	1,663	5.6%
Managing people	212	11.4%	2,989	10.6%	203	9.7%	3,794	11.0%	156	8.7%	2,788	9.3%
Payment and grading arrangements	3	0.2%	18	0.1%	6	0.3%	52	0.2%	9	0.5%	52	0.2%
Recruitment and employing people	195	10.5%	2,173	7.7%	87	4.2%	851	2.5%	120	6.7%	1,318	4.4%
Redundancy	87	4.7%	757	2.7%	91	4.4%	1,244	3.6%	100	5.6%	2,201	7.4%
Other	48	2.6%	881	3.1%	52	2.5%	723	2.1%	14	0.8%	621	2.1%
Total	1,865		28,085		2,091		34,495		1,795		29,865	

Equality and diversity work

This following highlights 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 work²⁵

	2011/12	2010/11	2009/10
Diagnostic sessions	59	97	82
Policies and procedures	30	41	12
Board briefings	2	3	1
In-depth advisory meetings	55	69	28
In-depth advisory calls	153	230	78
Workplace projects	1	5	4
Workplace training courses	81	117	54
Open access training events	81	239	43
Total	462	801	302

Equality Direct Helpline

Volume of calls answered	2011/12	2010/11	2009/10
Total	2,230	2,445	2,368

²⁵ The volumes in this table include general equality and diversity activities as well as those relating to a particular aspect of discrimination.

**ADVISORY, CONCILIATION and ARBITRATION SERVICE
CERTIFICATION OFFICE
CENTRAL ARBITRATION COMMITTEE**

**2011-2012
ACCOUNTS**

For the year ended 31 March 2012

Contents	Page
Annual Report to the Accounts	58
Directors Report	58
Management Commentary	67
Remuneration Report	68
Statement of the Service's and Accounting Officer's Responsibilities	74
Governance Statement	75
The Certificate and Report of the Comptroller and Auditor General to the House of Commons	83
Statement of Comprehensive Net Expenditure Account	85
Statement of Financial Position	86
Statement of Cashflows	87
Statement of Taxpayers' Equity	88
Notes to the accounts for the period ended 31 March 2012	89

ANNUAL REPORT TO THE ACCOUNTS

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 two sub committees: Audit and Human Resources.
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 Ed Sweeney (Chair)

Mr John Taylor (Chief Executive, Acas)

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 (Director, Operational Policy and Performance to: 30 April 2012), (Triennial Review Lead From 1 May 2012)

Mrs Gill McCarthy (Director, Operational Policy and Performance from: 1 May 2012)

Mr Peter Harwood (Chief Conciliator)

Mr Jerry Gibson (Director, London, South East England and Eastern Areas to: 31 May 2011)

Mr Dave Prince (Director, London, South East England and Eastern Areas From 1 June 2011)

Mr Frank Blair (Scotland Director)

Mr Phil Pluck (Director, North of England Region to: 31 January 2012)

Ms Wendy Parker (Acting Director, North of England Region from: 1 February 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:

Ms S Anderson CBE ²	1 May 2004	(Term ended 30 September 2011)
Ms S Veale	1 May 2004	(Term ended 30 September 2011)
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 P Bennett ¹	1 May 2007	(Term ended May 2011)
Mr E Sweeney (Chair) ^{2,4}	1 Oct 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 2010-11, the average number of working days lost was 10 days per annum per employee. In 2011-12 this has reduced to 8.2 which is partly due to a small number of capability dismissals and the launch of our Health, Work and Wellbeing initiative which ensures managers have best practice guidance and procedures to work with when addressing health matters with their staff.

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. Three standing committees discuss issues around health and safety, learning and development, and equality and diversity. We have developed a Communications Strategy and a recent survey told us that staff found communication much improved. Results from our latest engagement survey show that we have an Engagement Index of 65% (based on the 'Say, Stay, Strive' model). This represents a positive increase of 1% on the 2010 survey 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.

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.

HM Treasury's *Public Sector Annual Reports: Sustainability Reporting; guidance for 2011-12 Reporting* sets out the minimum requirements and best practice for sustainability performance reporting. Acas is currently unable to produce a robust estimate of our consumption of natural resources, emissions or waste required to meet these reporting requirements.

At present, much of the Acas Estate is by lease to private landlord and these leases include the provision of utility payments through the service charges paid. The service charges do not include a breakdown of the consumption of natural resources. As more of the Acas Estate relocates to BIS/Government Property Unit Hubs, Acas will be able to produce more benchmarking data to measure the sustainability of the Estate. As an organisation, Acas ensures that any works required on the estate are only undertaken by professionals and contractors with a strong sustainable ethic and that renewable and sustainable resources are used where ever possible. Acas presently strives to work to the sustainability agenda as set down by our parent department BIS and their requirements for arm length agency reporting.

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>

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 2012 and are content that Acas is a going concern. The level of departmental grant in aid funding has been agreed for 2012-13 and an indicative grant for 2013-14 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 the government's target on prompt payment.
41. Overall, 97.63% of payments were made within target deadlines.

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 and illustrative case studies. 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 web site (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.

.....

Date.....6 July 2012.....

John E Taylor

Accounting Officer Acas

Management Commentary

Financial Results

49. The Service incurred gross costs of £51,044k in the year plus capital expenditure of £1,061k. Cash expenditure was financed by a Grant-in-Aid of £48,009k from BIS's Request for Resources 1 (RfR1), of BIS's Resource Estimate plus other operating income of £3,606k.

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

Operational Results

Acas

50. During 2011-12 the Acas national Helpline handled 924,787 calls
51. 234 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered over 1,865 sessions in the year on a variety of employment relations topics. Altogether, Acas traded services and publication sales brought in over £3.6 million of revenue (income from the Certification Office fees is excluded from this total).
52. Acas dealt with 972 industrial disputes in 2011-12. In 2011-12, 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's Key Performance Indicators (KPI) are disclosed fully in the Annual Report, and can be found on page 41 and 42.

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 727 enquiries from members raising issues or matters of concern about trade unions. This represents an increase of 128 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 43 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2011 and 31 March 2012. During this period it did not receive any applications under Parts II to VI of the Schedule. Four complaints were received under the Disclosure of Information provisions and there were four 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 2011-12.

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.

.....
John E Taylor
Accounting Officer
Acas

Date.....6 July 2012.....

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 four Acas staff and one of the CAC 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

	2011-12			2010-11		
	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
Mr JE Taylor (Chief Executive, Acas)	130-135	5-10	0	130-135	0	0
Mr A Wareing (Director of Delivery)	75-80	5-10	0	75-80	0	0
Ms S Clews (Director of Strategy, part-time)	65-70	0	0	70-75	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)	55-60	0	0	55-60	0	0

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.

	2011-12	2010-11
Band of Highest Paid Director's Total Remuneration (£'000)	130-135	130-135
Median Total	28,086	28,086
Ratio	4.75	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

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 31/03/12 and related lump sum (£k)	CETV at 31/03/11 (nearest £k)	CETV at 31/03/12 (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	5-10 plus 0 (lump sum)	64	85	14	0
Mr D Cockburn (Certification Officer)	0-2.5	10-15 plus 0 (lump sum)	226	257	21	0
Mr JE Taylor (Chief Executive, Acas)	0-2.5	65-70 plus 195-200 (lump sum)	1,443	1,464	0	0
Mr A Wareing (Director of Delivery)	0-2.5	20-25 plus 70-75 (lump sum)	376	404	0	0
Ms S Clews (Director of Strategy)	0-2.5	20-25 plus 65-70 (lump sum)	351	380	1	0
Mr R White (Director of Finance)	0-2.5	20-25 plus 65-70 (lump sum)	329	362	5	0
Mr M Spencer (Director of HR & Estates)	0-2.5	30-35 plus 95-100 (lump sum)	710	752	0	0
Mr A Godber (Director of ICTS)	0-2.5	5-10 plus 0-5 (lump sum)	31	43	7	0
Mr S Gouldstone (Chief Executive, CAC)	0-2.5	35-40 plus 0-5 (lump sum)	641	697	1	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 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, Messers Taylor and Wareing and Ms Clews are subject to annual assessment in line with the prevailing rules for the SCS. Messers White, Godber, Spencer, and Gouldstone's performance is assessed annually in line with the Acas PM arrangements. As acting 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 changes in the Retail Prices Index (RPI). 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 set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. 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** a 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 RPI. 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 www.civilservice-pensions.gov.uk

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.

..... **Date**.....6 July 2012.....

John E Taylor
Accounting Officer
Acas

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 *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 2011-12.

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 two sub-committees, namely the Audit and HR 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

The governance structure is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Acas' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of governance has been in place in Acas for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

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 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 2011-12 is as follows:

Ed Sweeney	6/6	
Susan Anderson	5/6	
Jennifer Eady	6/6	
John Hannett	4/6	
Mary Bousted	4/6	
Linda Dickens	5/6	
Nicola Templeman	2/6	
Jonathan Michie	4/6	
Paul Nowak	3/3	(from Nov 2011)
Paul Butler	2/3	(from Nov 2011)
Jonathan Baume	3/3	(from Nov 2011)
Vikki Hawes	2/3	(from Nov 2011)
Sarah Veale	2/3	(until Sept 2011)
Sarah Anderson	3/3	(until Sept 2011)

The Audit Committee

This is a sub-committee of the Acas Council and supports the Chief Executive of Acas in his responsibilities for issues of risk, control and governance, finance and associated assurance. The Audit Committee is an advisory body with no executive powers. 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. An Independent Financial Expert sat on the Committee to provide specific capability during 2011-12. In their recent report on Corporate Governance, Internal Audit found that the Audit Committee operates within the framework of current guidance and the addition of professional financial expertise has strengthened the Committee.

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;
- 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;
- consider the planned activity and results of both internal and external audit work ;

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

The Audit Committee met four times in 2011-12. Audit Committee members, and their attendance at the meetings held in 2011-12 are:

Ms Mary Bousted (Chair) (4/4)
 Mr Ed Sweeney (3/4)
 Ms Sarah Anderson (2/2)
 Ms Susan Anderson (3/4)
 Mr Jonathon Baume (1/1)
 Mr Paul Butler (1/1)
 Mr David Punt (2/4)¹

¹ Mr David Punt resigned his membership of the Audit Committee in May 2012.

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 2011-12, is as follows:

Ms Nicola Templeman (Chair) - 2/3
 Mr Ed Sweeney - 3/3
 Ms Linda Dickens - 3/3
 Mr Jonathan Michie - 3/3
 Mr John Hannett - 2/3

The HR Committee reviewed its Terms of Reference in 2011-12.

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.

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.

The self-assessment exercise undertaken by the Executive Board in March 2012 considered the structure of the Executive Board, its membership, roles and responsibilities 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 was sought. The Executive Board have been asked to determine a course of action to address these perceived areas of weakness. This evaluation will, in accordance with best practice, be carried out annually.

The Acas Council held an event in March 2012 which provided an opportunity to consider Risk Appetite in light of the challenges Acas is likely to face and opportunities that will present themselves in the coming year. The Council used this event to 'take stock' of their performance over the past 12 months; though this did not take the form of a formal self-assessment, the Council did devote time to considering their effectiveness. The theme of the event was the external environment and the key influences that will inform our strategic planning.

The Audit Committee did not undertake a formal self-assessment in 2011-12; to comply with best practice, an annual self-assessment exercise will be undertaken in 2012-13 and annually thereafter. Appropriate training and induction for new Committee members will also continue. Acas will engage with our audit partners to ensure this meets the requirements of good Corporate Governance.

The Estates Scrutiny Panel, the Digital Strategy Project Board and the Research and Evaluation Group did not undertake any form of self-assessment in the year; once again, to

comply with best practice, these bodies will carry out a self assessment of their effectiveness in 2012-13 and annually thereafter.

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 will be 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.

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. Revised policy guidance, setting out the actions required of senior management and the Executive Board, was issued in 2011-12. 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 findings of the *Managing Risk of Financial Loss* review have been implemented, with local risk registers being maintained by individual directorates and regions. This review, conducted originally in 2010-11 found good corporate governance embedded in the organisation; the results were shared with BIS and HM Treasury. During 2011-12, the outcomes of this programme were reviewed to ensure compliance. Good progress was found to have been made, and this was reported back to the Audit Committee.

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.

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.

Following the recommendations made by the Audit Committee, a revised format for the Strategic Risk Register has been introduced; this is a more concise document and was introduced to provide members of the Executive Board, Council and Audit Committee with a clear understanding of the risks that the organisation faces and to further support the Audit Committee's role in providing an effective challenge to the Executive. This Strategic Risk Register is supported by a high level assurance framework which provides assurance that Acas has mitigating actions in place to ensure risks are effectively managed. This also provides a 'roadmap' between the organisation's risks and Internal Audit's planning for their annual work programme. The Audit Committee will review the highest ranked risks at each meeting and the Council will review the full Risk Register annually.

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 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 five high level and 11 medium level risks, and these cover a range of risks 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 of which are as follows:

- The charging of fees for Employment Tribunals may result in a significant reduction in the ability of Acas Conciliators to resolve claims which are lodged, which would undermine Acas' reputation for dispute resolution. It may further lead to an overall reduction in the number of cases brought and a consequent need to develop means to reduce the size of the Acas workforce;
- Acas does not benefit from the move to a shared service platform or is provided with services that do not fully meet its business needs;
- Funding reductions and Government requirements push Acas to make decisions about the Acas Estate, which do not promote effective delivery of operational outputs;
- Acas fails to become involved in civil service disputes which has traditionally proved more difficult than in other sectors; and
- Proposals may lead to Acas not being able to keep certain confidential information out of the scope of an FOI request with the possibility of loss of reputation for confidentiality and an inability to continue to deliver its services.

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.

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.
- Specifically, included in the 2010-11 Internal Audit programme was a review of Acas' Corporate Governance regime which 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 overall Audit Opinion was *Green*, indicating a strong control environment. The recommendations of this report have been accepted fully by management and have been implemented. An action plan to strengthen Corporate Governance was created, with principle owners, at Executive Board level, identified to take forward any actions needed;
- A comprehensive review of Corporate Governance which was undertaken during the year, measuring Acas' compliance with HM Treasury's Code of Good Practice. 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. It is planned to complete this in time for the July meeting of the Executive Board;
- 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;
- 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 of breaches of data security during the year.

During this financial year, Acas has continued to strive to achieve the optimum use of our resources in light of reducing budgets and the new Administration'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 continues to ready itself for the introduction of Early Conciliation and the potential implementation of a shared service platform.

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 2011-12.

.....

Date.....6 July 2012.....

John E Taylor
Accounting Officer
Acas

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 (ACAS) for the year ended 31 March 2012 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 Taxpayer's 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 Service, 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 ACAS' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by ACAS; 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 ACAS' affairs as at 31 March 2012 and of its 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 directions issued by the Secretary of State under the Trade Union and Labour Relations (Consolidation) Act 1992; and
- the information given in the sections entitled Director's Report and Management Commentary within the Annual Report 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; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; 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

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

Date: 10 July 2012

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the period ended 31 March 2012

	Note	2011-12		2010-11	
		£'000	£'000	£'000	£'000
Administration Expenditure					
Staff Costs	3	(4,848)		(4,970)	
Depreciation	4	0		0	
Other Expenditure	4	(4,245)		(3,906)	
			(9,093)		(8,876)
Income	5		0		0
Net Expenditure			(9,093)		(8,876)
Programme Expenditure					
Staff Costs	3	(27,531)		(27,824)	
Depreciation	4	(2,688)		(1,586)	
Other Expenditure	4	(11,732)		(11,955)	
Exceptional Item	4	0		(2,424)	
			(41,951)		(43,789)
Income	5		3,606		3,751
Net Expenditure			(38,345)		(40,038)
Interest Payable/Receivable			0		0
			(47,438)		(48,914)
Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles	6		188		233
Total Comprehensive Net Expenditure for the year ended 31st March			(47,250)		(48,681)

The notes on pages 89 to 103 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

consists of:

Advisory, Conciliation and Arbitration Service
Certification Office, Central Arbitration Committee

		31 March 2012		31 March 2011	
		£'000	£'000	£'000	£'000
	<i>Note</i>				
Non-Current Assets					
Property, plant and equipment	6.1	4,367		10,168	
Intangible Assets	6.2	<u>4,974</u>		<u>831</u>	
Total non-current assets			9,341		10,999
Current Assets					
Inventories	7	11		12	
Trade and other receivables	8	2,761		2,252	
Cash and cash equivalents	9	<u>1,118</u>		<u>252</u>	
Total Current Assets			3,890		2,516
Total Assets			<u>13,231</u>		<u>13,515</u>
Current Liabilities					
Trade and other payables	10	(3,866)		(3,320)	
Provisions	11	<u>(1,566)</u>		<u>(1,183)</u>	
Total current liabilities			(5,432)		(4,503)
Non-current assets less net current liabilities			<u>7,799</u>		<u>9,012</u>
Non-current liabilities					
Provisions	11	<u>(2,534)</u>		<u>(4,506)</u>	
Total non-current liabilities			(2,534)		(4,506)
Assets less liabilities			<u><u>5,265</u></u>		<u><u>4,506</u></u>
Reserves					
General Reserve			4,387		3,721
Revaluation Reserve			<u>878</u>		<u>785</u>
			<u><u>5,265</u></u>		<u><u>4,506</u></u>

The notes on pages **89** to **103** form part of these accounts.

These accounts were approved on

.....6 July 2012.....

John E Taylor
Accounting Officer
Acas

STATEMENT OF CASHFLOWS

for the period ended 31 March 2012

consists of:

Advisory, Conciliation and Arbitration Service
Certification Officer

Central Arbitration Committee

	<i>Note</i>	2011-12	2010-11
		£'000	£'000
Cash flows from operating activities			
Net expenditure		(47,438)	(48,914)
Increase in trade and other receivables	8	(509)	(223)
Decrease in inventories	7	1	5
Increase in trade payables	10	546	(1,833)
Use of Provisions	11	(1,115)	(1,122)
Less non cash movements		2,433	4,834
Net cash outflow from operating activities		(46,082)	(47,253)
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(478)	(696)
Purchase of intangible assets	6.2	(583)	(248)
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals of intangible assets	6.2	0	0
Net cash outflow from investing activities		(1,061)	(944)
Cash flows from financing arrangements			
Grants from parent Department		48,009	47,200
		48,009	47,200
Net financing			
Net (decrease)/increase in cash and cash equivalents in the period		866	(997)
Cash and cash equivalents at the beginning of the period	9	252	1,249
Cash and cash equivalents at the end of the period	9	1,118	252

The notes on pages 89 to 103 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ended 31 March 2012

	General Reserve	Reval Reserve	Total Reserves
	£000	£000	£000
Balance at 1 April 2010	5,389	598	5,987
Changes in taxpayers' equity for 2010-11			
Net gain/(loss) on revaluation of property, plant and equipment	0	233	233
Transfers between reserves	46	(46)	0
Net Expenditure after Interest	(48,914)	0	(48,914)
Total recognised income and expense for 2010-11	(43,479)	785	(42,694)
Grant from Parent	47,200	0	47,200
Balance at 31 March 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

The notes on pages **89** to **103** form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2012

1. Statement of Accounting Policies

1.1. Basis of Preparation

These financial statements have been prepared in accordance with the 2011-12 *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

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's 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's 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 Programme and Administration Costs

The Statement of Net Comprehensive Expenditure is analysed between administration and programme expenditure. The classification of expenditure as administration or programme follows the definition of administration costs set out in FReM.

Programme costs are incurred in delivering Acas' services. All income is programme. Administration costs reflect the costs incurred in running Acas.

1.20 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.

1.21 New IFRSs in issue but not yet effective and FReM changes 2011-12

There are no new IFRSs that have an effective date after 31 March 2012 which have an impact on Acas's future financial statements together or major FReM changes for 2011-12.

2. Segmental Analysis

2011-12	Public	Conciliation	Advice	Traded	CO &	Total
	Services	l/c and C/c	Line	Services	CAC	
	£'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	835	619	389	601	80	2,524
Overhead 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
2010-11						
2010-11	Public	Conciliation	Advice	Traded	CO &	Total
	Services	l/c and C/c	Line	Services	CAC	
	£'000	£'000	£'000	£'000	£'000	
Income:						
Total	(13)	0	0	(3,720)	(18)	(3,751)
Expenditure						
Total Salaries	2,807	18,839	7,009	3,064	1,368	33,087
Total GAE	1,158	1,188	273	661	74	3,354
Overhead Allocation	559	10,640	3,984	540	501	16,224
Total Expenditure	4,524	30,667	11,266	4,265	1,943	52,665
Net Expenditure	4,511	30,667	11,266	545	1,925	48,914

Included in Overhead Allocation are salary costs included in Note 3 to the Accounts 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:

	2011-12					2010-11
	Permanently Employed	Others	Ministers	Special Advisors	Total	
Acas National	117	9	0	0	126	128
Regional Offices	646	37	0	0	683	729
Certification Office	8	0	0	0	8	9
Central Arbitration Committee	10	0	0	0	10	10
Total	781	46	0	0	827	876

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

	2011-12			2010-11
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Administrative				
Acas				
Wages and salaries	3,811	109	3,920	3,915
Social security costs	298	8	306	344
Other pensions costs	704	7	711	791
Sub total	4,813	124	4,937	5,050
Less recoveries in respect of outward Secondments	(89)	0	(89)	(80)
Total Net Costs	4,724	124	4,848	4,970

	2011-12			2010-11
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Programme				
Acas				
Wages and salaries	20,978	203	21,181	21,542
Social security costs	1,605	15	1,620	1,584
Other pensions costs	3,721	17	3,738	3,729
Sub total	26,304	235	26,539	26,855
Less recoveries in respect of outward Secondments	0	0	0	0
Total Net Costs	26,304	235	26,539	26,855

	2011-12			2010-11
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
CO & CAC				
Wages and salaries	786	0	786	761
Social security costs	64	0	64	58
Other pensions costs	142	0	142	150
Sub total	992	0	992	969
Less recoveries in respect of outward Secondments	0	0	0	0
Total Net Costs	992	0	992	969

	2011-12			2010-11
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Total Acas, CO & CAC				
Wages and salaries	25,575	312	25,887	26,218
Social security costs	1,967	23	1,990	1,986
Other pensions costs	4,567	24	4,591	4,670
Sub total	32,109	359	32,468	32,874
Less recoveries in respect of outward Secondments	(89)	0	(89)	(80)
Total Net Costs	32,020	359	32,379	32,794

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 2011 -12, employers' contributions of £4,591k were payable to the PCSPS (2010-11:£4,680k) 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 2011-12 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 £15,708, 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 £1,250, 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 2011-12, 2 persons (2010-11: 1 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £0 (2010-11: £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	4	4
£25,000-£50,000	0	3	3
Total Number of Exit Packages	0	7	7
Total Resource Cost (£)	0	193,950	193,950

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 of departure. 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.

No exit packages were granted under Civil Service or Other Compensation Schemes in 2010-11.

4. Other Expenditure

Administrative	2011-12			2010-11		
	ACAS	CO/CAC	TOTAL	ACAS	CO/CAC	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	1,436	0	1,436	1,367	0	1,367
Travelling and incidental expenses	281	0	281	240	0	240
Fees and expenses of arbitrators, conciliators & CAC members	0	0	0	0	0	0
Running Costs	1,925	0	1,925	1,734	0	1,734
Services provided by OGDs	62	0	62	33	0	33
Rentals under operating leases	129	0	129	130	0	130
External audit fees	48	0	48	48	0	48
Staff training costs	230	0	230	212	0	212
Research and development costs	7	0	7	7	0	7
Conference costs	0	0	0	0	0	0
Legal costs	127	0	127	135	0	135
Bad debts	0	0	0	0	0	0
	4,245	0	4,245	3,906	0	3,906
Programme						
Accommodation costs	4,362	25	4,387	4,106	69	4,175
Traveling and incidental expenses	1,397	4	1,401	1,196	3	1,199
Fees and expenses of arbitrators, conciliators & CAC members	8	9	17	9	11	20
Running Costs	4,449	32	4,481	3,997	40	4,037
Services provided by OGDs	0	0	0	0	0	0
Rentals under operating leases	128	2	130	131	0	131
Staff training costs	529	2	531	486	2	488
Research and development costs	907	3	910	943	3	946
Conference costs	76	15	91	87	8	95
Legal costs	31	4	35	33	4	37
Bad debts	4	0	4	3	0	3
<i>Non-cash costs:</i>						
Depreciation and Amortisation	2,688	0	2,688	1,586	0	1,586
Losses, write offs and loss on disposal of property, plant and equipment	219	0	219	2,440	0	2,440
Loss on Revaluation	0	0	0	169	0	169
Provisions for liabilities and charges - Former Chairpersons Pensions	0	0	0	0	0	0
Provisions for liabilities and charges VER	(5)	0	(5)	(117)	0	(117)
Provisions for liabilities and charges - Dilapidations	(533)	0	(533)	638	0	638
Unwinding of Discount	64	0	64	118	0	118
	14,324	96	14,420	15,825	140	15,965

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.

	2011-12			2010-11		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Receipts from fees	3,589	9	3,598	3,649	18	3,667
Sale of publications etc	8	0	8	17	0	17
Other receipts	0	0	0	67	0	67
	3,597	9	3,606	3,733	18	3,751

An analysis of income from services provided to external customers is shown below. This information is provided for fees and charges purposes.

	2011-12 £'000	2010-11 £'000
Receipts from Fees (Acas)	(3,589)	(3,720)
Total Expenditure	3,602	4,265
Net Expenditure	13	545

The Service has no Admin Income.

The CAC has no Operating Income.

6.1 Property, Plant and Equipment

2011-12

	Assets Under Construction £'000	Leasehold Improvements £'000	Computer Hardware, Telecomms & Office Mach. £'000	Furniture Fixtures & Fittings £'000	Total £'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
----------------------------------	----------	--------------	--------------	------------	--------------

During 2011-12, Phoenix (formerly Caseflow) became operational, and as a result, £4,960k of assets were transferred from Assets Under Construction and were reclassified as Intangible Assets, as the core asset is software.

2010-11

	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.	Furniture Fixtures & Fittings	Total
Cost or Valuation	£'000	£'000	£'000	£'000	£'000
At 1 April 2010	7,068	6,841	4,215	1,366	19,490
Additions	422	0	267	7	696
Disposals	0	(1,465)	(170)	(70)	(1,705)
Revaluations	0	328	(224)	8	112
Impairment	(2,424)	0	0	0	(2,424)
Transfer	(106)	0	0	0	(106)
At 31 March 2011	4,960	5,704	4,088	1,311	16,063
Depreciation					
At 1 April 2010	0	3,022	2,478	787	6,287
Charge in year	0	491	705	117	1,313
Disposals	0	(1,459)	(160)	(70)	(1,689)
Revaluations	0	116	(135)	3	(16)
Impairment	0	0	0	0	0
At 31 March 2011	0	2,170	2,888	837	5,895
Net Book Value at 31 March 2011	4,960	3,534	1,200	474	10,168
Asset Financing					
Owned	4,960	3,534	1,200	474	10,168

1. During 2010-11 the Tribunal Service purchased assets on behalf of Acas totalling £422k. This was financed out of Acas's Grant-in-Aid. These were disclosed as 'Assets Under Construction' as they were not yet operational. The assets were transferred to Acas during the year and form part of joint TS / Acas Caseflow system. As a result of Acas taking forward this project on a stand-alone basis, Caseflow is now called Phoenix. As explained in Note 18 an amount of £2.4 million was written off following an impairment review.
2. Leasehold improvements with nil net book value totalling £1.46 million have been written off in the year.

6.2 Intangible Fixed Assets

2011-12

	Computer Softwar	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
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

Included in Intangible Assets are Phoenix (formerly Caseflow) assets with a carrying value of £4,118k. Phoenix is a conciliation case management and management information system. The assets are estimated to have a useful life of 5 years.

2010-11

	Computer Software	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2010	2,485	131	2,616
Additions	248	0	248
Disposals	0	0	0
Revaluation	(132)	0	(132)
Transfer	237	(131)	106
At 31 March 2011	2,838	0	2,838
Depreciation			
At 1 April 2010	1,802	0	1,802
Charge in Year	273	0	273
Disposals	0	0	0
Revaluation	(68)	0	(68)
At 31 March 2011	2,007	0	2,007
Net Book Value at 31 March 2011	831	0	831
Asset Financing			
Owned	831	0	831

7. Inventories

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

	2012 £'000	2011 £'000
Closing inventories	11	12

8. Trade Receivables and Other Current Assets

	<u>2012</u>	<u>2011</u>
	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year:		
VAT receivables	264	214
Deposits and advances (staff)	67	70
Trade Receivables	924	563
Prepayments	1,480	1,374
	<u>2,735</u>	<u>2,221</u>
Amounts falling due after more than one year:		
Deposits and advances (staff)	26	31
	<u>2,761</u>	<u>2,252</u>

9. Cash and Cash Equivalents

	<u>2012</u>	<u>2011</u>
	<u>£'000</u>	<u>£'000</u>
Balance at 1 April	252	1,249
Net cash inflow	866	(997)
Balance at 31 March	<u>1,118</u>	<u>252</u>
The following balances at 31 st March are held at:		
Office of Paymaster General	1,118	252
	<u>1,118</u>	<u>252</u>

10. Trade Payables and Other Current Liabilities

	<u>2012</u>	<u>2011</u>
	<u>£'000</u>	<u>£'000</u>
Trade Payables	1,237	1,290
Accruals	1,993	1,213
Holiday Pay	519	490
Deferred Income	117	327
	<u>3,866</u>	<u>3,320</u>

11. Provisions and Contingent Liabilities

11.1 Provisions for Liabilities and Charges

	Future Pensions ¹	VER Scheme ²	Dilapidations ³ (Restated)	Onerous Lease ⁴ (Restated)	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

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.

	Future Pensions	VER Scheme	Dilapidations	Onerous Leases	Total
	£'000	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2010	214	3,479	2,286	193	6,172
In period:					
Expenditure during year	(26)	(979)	0	(117)	(1,122)
Increase in provisions	0	0	573	65	638
Reversed unused in the year	0	(117)	0	0	(117)
Unwinding of discount	0	118	0	0	118
Closing Provision at 31 March 2011	188	2,501	2,859	141	5,689

	Future Pensions	VER / VES Scheme	Dilapidations	Onerous Leases	Total
	£'000	£'000	£'000	£'000	£'000
Summary of Cashflow Timings					
Within 1 Year	26	890	214	53	1,183
Between 2 and 5 Years	104	1,598	1,445	88	3,235
Beyond 5 Years	58	13	1,200	0	1,271
Total	188	2,501	2,859	141	5,689

11.2 Contingent Liabilities

Two Personal Injury case and four Employment Tribunal cases were pending at the year end. The estimated costs if Acas were to be found liable would be approximately £150,800 (2010-11, £78,650).

12. Capital Commitments

Acas is committed to a further capital expenditure of £296,000 as at the year-end; this is in relation to Estates moves (2010-11, £219,400).

13. Commitments under Operating Leases

	2011-12		2010-11	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Obligations under Operating Leases				
Not later than one year	2,949	173	3,049	160
Later than one year and not later than five years	10,425	160	10,966	303
Later than five years	8,448	0	10,834	0
	21,822	333	24,849	463

14. Losses and Special payments

Special payments include extra-contractual, *ex gratia* and compensation payments. In 2011-12, there was one special payment made, 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's 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	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	3,866
Total as at 31 March 2012	2,735	26	3,866
Balances with other central government bodies	250	0	58
Balances with local authorities	158	0	35
Balances with NHS Trusts	56	0	33
Balances with public corporations and trading funds	29	0	81
Balances with bodies external to government	1,728	31	3,113
Total as at 31 March 2011	2,221	31	3,320

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.



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

● Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

ISBN 978-0-10-297949-7



9 780102 979497