

acas

# Annual Report and Accounts 2007/08

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INVESTOR IN PEOPLE

This report on the activities of the Advisory, Conciliation and Arbitration Service (Acas) for the period 1 April 2007 to 31 March 2008 was submitted to the Secretary of State for the Department for Business, Enterprise and Regulatory Reform on 17 July 2008 as requested by the Trade Union and Labour Relations (Consolidation) Act 1992.

## **Acas Annual Report and Resource Accounts 2007/08**

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Acas aims to improve organisations and working life through better employment relations. We provide up-to-date information, independent advice, high quality training and we work with employers and employees to solve problems and improve performance.

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# The Acas Council: Members



< **Ed Sweeney** has been Acas Chair since 1 November 2007. Prior to this he was Deputy General Secretary of Amicus.



< **Sarah Anderson CBE** is involved in running a number of small businesses and is also a Non Executive Director of JobCentre Plus. She was formerly a member of the Small Business Council.



< **Rita Donaghy CBE** was Acas Chair from September 2000 until 31 October 2007.



< **Peter Bennett** is Human Resources Director for Network Rail. Prior to that he held senior HR roles at Boots and BOC Gases.



> **Susan Anderson** is Director of Human Resources Policy at the Confederation of British Industry where she is responsible for areas including employee rights and relations and European Social Policy.



> **Dr Simon Auerbach** is an Employment Judge. He was formerly a partner in a firm of solicitors, Pattinson and Brewer.



< **Debbie Coulter** is Deputy General Secretary of the GMB Trade Union. She is also a member of the Joint Policy Commission, the Labour Party's National Executive Committee (NEC), and of the NEC's Women, Race and Equalities Committee.



> **John McMullen** is Partner and Head of Employment Law at Watson Burton LLP and Professor of Labour Law at the University of Leeds.



< **Dave Prentis** is the General Secretary of Unison.



> **Derek Simpson** is Joint Secretary of the trade union Unite. He also holds various roles within the TUC as well as being a member of the Labour Party's National Policy Forum.



> **Sarah Veale CBE** is the Head of Equality and Employment Rights at the TUC.



< **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. He was previously Professor of Management at the University of Birmingham where he was Director of the Business School.



# Foreword from the Chair



The past year has been a significant one for Acas. It has also been a year in which the organisation has shown, once again, what a central role it has to play in the employment relations life of the country.

The issue that has dominated many of the headlines has been workplace dispute resolution and, in particular, the recommendations made by Michael Gibbons following his review of the subject in 2006/07. Acas contributed to the review and we were supportive of the central recommendation that the statutory

dispute resolution process should be replaced by a less formal system based on clear, simple guidance together with incentives to encourage early settlement of disputes. In recognition of Acas' expertise in the prevention and resolution of workplace problems the Government has asked Acas to play a leading role in implementing the Gibbons review. I was delighted when Pat McFadden, the Minister for Employment Relations, announced at our national conference in February that we would be receiving up to £37 million over the next three years to fund this role. Work has already started on developing our helpline and planning for an extension of our pre-claim conciliation service. At the end of the reporting period, we also published a revised version of our Code of practice on handling discipline and grievance in the workplace for public consultation.

We have long maintained that Acas has an important contribution to make to the productivity of the British economy and during 2007/08 we published a significant piece of independent research which backed up this claim. The research, undertaken by Pamela Meadows, a respected and well-known economist at the National

Institute of Economic and Social Research, found that Acas adds £800 million to the economy. For every pound of taxpayers' money invested in Acas over £16 is returned and this level of return is a testament to the expertise and professionalism of Acas' staff.

I have been at Acas for just over six months now and I have been deeply impressed by the quality and dedication of the Acas staff I meet as I travel up and down the country. They deliver a wonderful service, often in difficult circumstances, and the success and standing that Acas enjoys in the community is down entirely to their efforts.

Finally I would like to thank two outgoing members of the Acas Council – Simon Auerbach and Su Jenkins and welcome their replacements Jennifer Eady QC and Nicola Templeman.

Being fairly new to Acas, I realise I have much to learn but I am looking forward to the future and to the positive contribution that I know Acas can make to employment relations in Britain.



Ed Sweeney  
Acas Chair



I have been at Acas for just over six months now and I have been deeply impressed by the quality and dedication of the Acas staff I meet



# Chief Executive's statement

## 2007/08 has been a massive year of challenge and achievement for Acas.

In November 2007, the National Institute of Economic and Social Research published a groundbreaking report *A Review of the Economic Impact of Employment Relations Services Delivered by Acas*. It found that Acas adds £800 million to the British economy through its six principal service areas. Pamela Meadows, the author of the report, pointed out that this economic assessment was very much at the lower end of the scale. The potential for long-term improvements in productivity and investment are likely to make return on investment even higher for Great Britain plc.

As the Chair says in his statement, in February 2008 Pat MacFadden, Minister of State for Employment Relations and Postal Affairs, announced that Acas will receive up to £37 million extra funding. This will be made available over a three-year period to deliver elements of the new dispute resolution system – helping us to intervene earlier before disputes become formalised and more intractable. This will enable us to make an even bigger contribution to the British economy.

As always, this report gives us the opportunity to recognise past achievements and look to the future. In October, Acas bade farewell to Rita Donaghy after

seven years as Chair. Her contribution during that time was exceptional. Her quiet, unruffled demeanour hid a steely character fiercely committed to the improvement of employment relations. In November, Acas welcomed Ed Sweeney as the new Chair. He brings with him wide experience in employment relations in the financial sector and a real commitment to improving the productivity of the British workplace.

During the year I have also had the chance to witness at first hand the expertise of Acas staff. I saw the professional and adaptable nature of our helpline advisers when they received calls relating to the summer floods. In addition to dealing with calls on the usual range of employment relations issues, advisers talked callers through their travel options as homes, workplaces and transport were being cut off by the floods.

In general, Acas staff delivered services to their normal high standard – we conciliated in over 150,000 individual cases – saving 75 per cent of all potential tribunal hearing days. We consistently receive positive feedback on the training we provide – with 96 per cent of delegates reporting that they were satisfied or very satisfied. This year we also undertook independent research

on our range of publications – this revealed that over 90 per cent of customers trust Acas and believe that we provide high quality publications.

As always, Acas remains at the forefront of employment relations developments. For example, a pilot scheme aimed at helping vulnerable workers is taking place in Birmingham where our advisers are working alongside other agencies to help employers and employees alike.

Looking to the year ahead the new Employment Bill, which proposes changes to the dispute resolution system, will provide a huge, but not the sole, focus for much of Acas' work. We have stopped using the fixed periods for conciliation. As mentioned previously, Acas will receive up to £37 million of extra funding to deliver these reforms. The key issues that affect Acas are:

- abolishing the current 2004 statutory three-step dispute resolution procedure (and related primary legislation)
- funding for Acas to run pilots to make our statutory conciliation service more widely available to parties before disputes become tribunal claims
- a revised Code of practice on discipline and grievance supported by a wider body of non-statutory good practice guidance for employers and employees



Acas remains at the forefront of employment relations developments

- expanding and enhancing the Acas Helpline to make its current services more widely available and provide more capacity to handle enquiries about disputes and potential tribunal claims
- providing pre-claim conciliation.

The new legislation is unlikely to come into effect until April 2009. Before then, Acas must prepare for the changes. In particular,

running and learning from the pilots and ensuring that the necessary recruitment and training is undertaken to deliver the expanded service.

There are many other challenges and I am confident in the experience and skills that Acas has to meet these. Our work on issues such as dispute resolution, training, health and wellbeing, vulnerable workers and high-performing

workplaces puts us in the right place to achieve our aim to improve organisations and working life through better employment relations.

**John Taylor**  
Chief Executive



Our mission is to  
improve organisations  
and working life  
through better  
employment relations.



# At a glance: Acas Performance

Acas' mission is to improve organisations and working life through better employment relations. To achieve this, we provide practical support and advice to employers and employees. We help prevent or resolve both large-scale and individual disputes by providing a range of services such as conciliation, mediation and arbitration.

We also provide advice and information on complex employment legislation and good practice in employment relations through our national helpline, training, publications and website.

We have a set of key performance indicators (KPIs) which are laid out in our Service Level Agreement (SLA) with the Department for Business, Enterprise and Regulatory Reform (BERR). These KPIs help us to measure the impact and effectiveness of our work. We also have a number of other service indicators to help us evaluate our services.

This section gives a brief overview of how Acas has performed against these indicators during the 2007/08 year.

## Performance indicators

### Collective disputes

#### Conciliation in collective disputes

Our objective in collective conciliation is to become involved in all large-scale disputes, at the very least to keep in touch with the parties even if our dispute

resolution services are not required. For those disputes where we do conciliate, our aim is to help the parties resolve the issues successfully, with a KPI target of 80 per cent.

In respect of the SLA, we calculate that we were successful in 90 per cent of the disputes we dealt with during the year. We were directly involved in all the large-scale disputes that took place – most notable of which was the Royal Mail dispute.

### Individual disputes

#### Conciliation in employment tribunal cases

Our Service Level Agreement (SLA) with BERR provides that our statutory individual conciliation performance is measured by reference to the proportion of potential hearing days (PHDS) that conciliation in net cleared Employment Tribunal cases saves (excluding Local Authority equal pay and other extraordinary multiple cases). All settlements and all claim withdrawals in open period cases, and all settlements and all claim withdrawals which occur within the fixed period for

conciliation (including where the power to conciliate was exercised or where the conciliator agreed to extend the fixed period) in standard and short period cases count towards the achieved figure.

In 2007/08 we achieved a PHDS of 53 per cent in short period cases (against a target of 50 per cent), 63 per cent in standard period cases (against a target of 60 per cent), and 85 per cent in open period cases (against a target of 85 per cent). Taken together, this equates to 75 per cent of total potential hearing days saved.

In addition, we resolved just over 51,000 actual and potential local authority equal pay claims, representing a further substantial saving to tribunal resources.

We also undertake periodic independent research to look at customer satisfaction with the statutory individual conciliation service we provide. However, no new results became available during the period of this report.

#### Mediation in other individual employment disputes

We provide a charged-for mediation service to assist the resolution of individual employment disputes which have not reached the point where a Tribunal claim could be made, or where the parties indicate no wish to seek judicial determination of the difference between them. In 2007/08, we took on 185 new such assignments and cleared 172.

# At a glance: Acas performance during 2007/08

Excluding those cases where mediation was unprogressed (for example, because the parties changed their minds before action could commence), a resolution of the dispute or significant progress towards a resolution was made in nearly 90 per cent of cleared cases. Qualitative survey feedback also showed that commissioners and parties involved in the mediations were satisfied or very satisfied with the service they received in 95 per cent of cases.

## Information and advice services

### Acas national helpline

The Acas helpline gives impartial information and advice on all sorts of employment-related matters to employers, employees and their representatives.

Feedback is gathered by independent customer research every two years. There was no research carried out in the 2007/08 reporting year. However, the research for the 2007 Customer Feedback Survey was carried out in February and March of that year and reported that 87 per cent of callers were able to take clear action following their call to the helpline therefore comfortably exceeding the KPI target of 70 per cent.

We also have service standards for the helpline to provide callers with quick access to a helpline adviser, aiming to answer 70 per cent of incoming calls within 20 seconds. Unfortunately, we have not had the capacity to meet this target as demand has continued

to increase for the helpline while resource has remained static. This year, 57 per cent of calls were answered within 20 seconds, falling well below what we would have wished for our customers.

### Workplace projects

Our main objective for workplace projects is to improve workplace employment relations. The key performance indicator looks at the percentage of projects where the managers and employee representatives reported an improvement in employment relations following our intervention.

We measure our impact by using independent customer feedback surveys to establish whether there has been an improvement in at least one of the following areas:

- communications
- day-to-day working
- trust
- employee morale
- fair treatment of employees.

In 2007/08, 81 per cent of our workplace projects reported improving employment relations, against the target of 70 per cent.

### Acas training

Our training services aim to raise awareness of good employment practice and its contribution to improved organisational performance. It also aims to develop the people skills of managers and employee representatives.

During 2007/08 the key performance indicator for this area of work was revised and as a result no new data is available for this year. The KPI has changed. It did measure those SMEs (small and medium sized enterprises with fewer than 250 employees) who introduce or reform discipline and grievance procedures after attending an Acas training event or using an Acas website tool. The new target is the percentage of delegates reporting that training provided by Acas resulted in a review or change in policy or practice.

We also have a customer service performance target – 95 per cent of customers are satisfied, or very satisfied, with the training they receive. Our customer feedback surveys demonstrate that this target was achieved again in 2007/08. Eighty-three per cent of respondents also reported a positive impact on participants' ability to deal effectively with the training topic area. Seventy-five per cent noted that adherence to the organisation's policies had improved. Two-thirds of respondents reported positive impacts on the effectiveness and the timeliness with which employment relations issues were dealt with in their organisations. This in turn will help embed a culture of dispute prevention within those organisations.



### **Certificate in Internal Workplace Mediation (CIWM)**

Conflict in the workplace causes distress for individuals and lost productivity for businesses. Mediation is an effective way to prevent workplace disputes from reaching the employment tribunal stage. Our objective is to promote the use of mediation and through our Certificate in Internal Workplace Mediation, train individuals to act as mediators in their own workplaces. Workplace mediators learn different skills and behaviours which not only help resolve disputes at an early stage but enable them to model a different approach to conflict management in their day to day dealings with people at work. The key performance indicator for this work was revised during the year and is now the percentage of successful mediations undertaken by (accredited) mediators trained by Acas. This data will be collected one year after the training was completed. The data collecting process was instigated during the current year. Customer satisfaction surveys showed that 99 per cent of trainees were satisfied with the course overall and 80 per cent were very satisfied.

### **Acas equality and diversity services**

Our objective is to assist employers to formulate and introduce policies and practices to ensure equality at work. The key performance indicator for this work was revised during 2007/08 from a two part indicator (the percentage of parties who respond that agreed objectives

are 'mainly or fully met' and the percentage of workplaces reporting an improvement in equality policies) to a single indicator. The new indicator is the percentage of workplaces reporting a change in equality policies, practices and supporting activities. These include staff training, monitoring progress, and impact assessments of the effectiveness of policies and practices.

Seventy-six per cent of respondents reported a change in policies, practices and supporting activities against a target of 75 per cent. Ninety-five per cent of customers were satisfied or very satisfied with the service they received.

### **Acas publications on good practice**

Two new Key Performance Indicators (KPIs) were used to measure the effectiveness of Acas publications. The first KPI was the percentage of customers who were helped by a publication to solve a problem at work. The target was set at 65 per cent and the outturn was 76 per cent. The second KPI was the percentage of readers who were helped to amend or introduce a policy. The target was 15 per cent and the outturn was 20 per cent.

In April and May independent research on publications was carried out by Ipsos MORI. They found that over 90 per cent of customers trust Acas and believe we provide high quality publications that are clear and easy to understand.

### **Unit costs**

We aim to deliver a cost-effective and efficient service to our customers and stakeholders. We look for efficiency savings where this is practicable, without affecting the quality of the service.

In 2007/08 the cost of a successfully cleared individual conciliation case (including non-tribunal claims) was £213, very much in line with the cost in the previous year. One of the main reasons for costs remaining at this low level is the successful and efficient handling of equal pay non-tribunal cases.

The cost of a successful collective conciliation case is £2,773 and an arbitration case £2,414. In the case of the former, the number of cleared cases fell dramatically, chiefly as a result of the increased complexity and, in major disputes, the duration of cases. With arbitration, we continue to devote fewer resources to this activity than we have done in the past and the increase over the previous year largely reflects inflation.

The average cost of our advisers answering a helpline call was £8.50, down from £9.11 the previous year. This is still higher than we would wish but it reflects the fact that we have had high staff turnover on the helpline, with many advisers undergoing training and not able to answer calls.

# Performance targets

## Key performance indicators for service level agreement (SLA)

	2007/08 target	2006/07 outturn	2005/06 target
--	----------------	-----------------	----------------

### Conciliation in collective disputes

- |  |      |      |      |
|--|------|------|------|
| a) The promotion of a settlement in disputes in which Acas is involved | 80%  | 90%  | 80%  |
| b) Acas involvement in large-scale disputes                            | 100% | 100% | 100% |

### Conciliation in employment tribunal cases

- |  | 2007/08 target | 2006/07 outturn | 2005/06 target |
|--|----------------|-----------------|----------------|
| Percentage of tribunal hearing days saved during fixed period of conciliation in short and standard period cases or prior to the full hearing in open period cases | 50%            | 52%             | 50%            |
|  | 60%            | 63%             | 60%            |
|  | 85%            | 84%             | 85%            |

### Workplace projects

- |   |     |     |     |
|---|-----|-----|-----|
| The percentage of workplace projects reporting an improvement in employment relations following Acas intervention | 70% | 70% | 70% |
|---|-----|-----|-----|

### Acas training services

The percentage of managers in SMEs who introduce or reform discipline and grievance procedures following

- |   |     |     |     |
|---|-----|-----|-----|
| a) Attendance at an Acas training event | 70% | n/a | 70% |
| b) Use of an e-learning tool            | 65% | n/a | 70% |

### Acas helpline

- |  |     |     |     |
|--|-----|-----|-----|
| The percentage of callers who were able to take clear action following their call to Acas helpline | 70% | 87% | 70% |
|--|-----|-----|-----|

### Mediation services

- |   |     |     |     |
|---|-----|-----|-----|
| a) The percentage of mediations that are successful                               | 80% | 82% | n/a |
| b) The number of individuals receiving accreditation following Acas CIWM training | 72  | 121 | 72  |

### Equality services<sup>2</sup> (NEW)

The percentage of workplaces reporting a change in equality policies, practices and supporting activities such as training and monitoring

- |   |     |     |     |
|---|-----|-----|-----|
| The percentage of workplaces reporting a change in equality policies, practices and supporting activities such as training and monitoring | 75% | 76% | 70% |
|---|-----|-----|-----|

- |  |     |     |     |
|--|-----|-----|-----|
| a) The percentage of users for whom the guidance helped solve a problem at work or reassured them that they had taken the right course of action | 65% | 76% | 60% |
| b) The percentage of users reporting that the guidance helped to amend or introduce a policy   | 15% | 20% | n/a |

### Performance against key targets

	2007/08 target	2006/07 outturn	2005/06 target
--	----------------	-----------------	----------------

### Promoting settlements of employment tribunal cases

- |  |     |     |     |
|--|-----|-----|-----|
| Customers very satisfied or satisfied with service | 85% | n/a | 85% |
|--|-----|-----|-----|

### Provision of information and advice

- |   |     |     |     |
|---|-----|-----|-----|
| Percentage of helpline callers answered within 20 seconds | 70% | 57% | 70% |
|---|-----|-----|-----|

Customers satisfied or very satisfied with the service

- |  |     |     |     |
|--|-----|-----|-----|
| Customers satisfied or very satisfied with the service | 95% | n/a | 95% |
|--|-----|-----|-----|

### Training Services

- |   |     |     |     |
|---|-----|-----|-----|
| Customers very satisfied or satisfied with charged events | 95% | 96% | 95% |
|---|-----|-----|-----|

## Other performance targets

	2007/08		2006/07		2005/06	
	target	outturn	target	outturn	target	outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	<b>100%</b>	<b>90%</b>	100%	88%	100%	92%
Percentage of letters to helpline answered within seven working days	<b>100%</b>	<b>96%</b>	100%	98%	100%	98%
Percentage of bills paid within the terms of the relevant contract or within 30 days of receipt of valid invoice	<b>100%</b>	<b>98%</b>	100%	96%	100%	96%
<b>Other performance indicators</b>			<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>	
Number of ET1s and non-ET1s received			<b>203,184</b>	162,653	141,288	
Number of non-ET1s received			<b>51,935</b>	57,476	31,576	
Number of re-employments			<b>670</b>	660	913	
Number of collective conciliation requests received			<b>896</b>	912	952	
Number of workplace projects started			<b>237</b>	221	245	
Number of requests for trade dispute arbitration			<b>47</b>	47	57	
Number of calls answered by the national helpline			<b>885,353</b>	839,335	908,553	
Number of calls answered by Equality Direct			<b>5,238</b>	6,181	5,061	
Number of advisory visits			<b>1,972<sup>3</sup></b>	1,343	2,002	
Number of training sessions delivered			<b>2,500</b>	2,707	2,964	
Number of equality contracts delivered			<b>199<sup>4</sup></b>	1,008	135	
Parties to tribunal cases who felt that Acas helped speed up the resolution of their case			<b>n/a</b>	n/a	81%	
Costs of completed collective conciliation case where a settlement was achieved or significant progress made			<b>£2,773</b>	£2,044	£1,873	
Cost of an arbitration hearing			<b>£2,414</b>	£2,287	£1,850	
Cost of individual conciliation case settled or withdrawn			<b>£213</b>	£219	£280	
Cost of a helpline enquiry answered			<b>£8.50</b>	£9.11	£7.33	

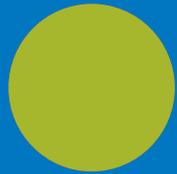
1 The figure was reported as 89% in 2005/06 but was later adjusted to 68%.

2 This KPI has been changed. Therefore, it is not possible to have direct comparisons with previous years.

3 For 2007/08 this includes in-depth advisory telephone calls which have replaced some visits to maximise the number of employers assisted within the available resource.

4 The variance between 2006/07 and 2007/08 is due to a change in the methodology for recording equality and diversity contracts. The new system now focuses solely on recording equality and diversity policies, procedures and healthchecks with all advice and workplace training captured elsewhere. It is not therefore possible to make a direct comparison between the years.

# Workplace effectiveness



Good employment relations are key to business success. We work with employers and employees to get to the root of problems in the workplace. When working relations break down, we work with all parties to find a way forward.

### **Improving relationships – what our advisers have been doing**

For more than 30 years we have worked closely with managers and employees/representatives to improve working life through better employment relations. Involving employees in things that affect their work leads to a more committed workforce and productive organisation.

Over the year, our senior advisers continued to carry out workplace projects, in both private and public sector organisations, to help improve performance, business effectiveness and productivity. Areas covered by these projects included:

- improving working relationships
- assistance with grading arrangements
- helping to identify causes of stress and developing ways to prevent it.

Information and consultation remained an important activity and our advisers helped many organisations to set up and train employee representative groups thereby giving employees real input into the future of their organisations.



# Workplace effectiveness

## Vulnerable workers

During 2007/08 our advisers were involved in issues faced by vulnerable workers and pilot studies in Birmingham and London are ongoing. In the Birmingham pilot, for example, our advisers are working with local employer participants to carry out an audit of their compliance with legal requirements and basic employment relations practice.

High employee turnover associated with the hospitality industry which can be linked to employees being unfairly treated in matters of grievances, discipline, dismissal and wages. compounds the problem for vulnerable workers. So we contacted businesses in the hospitality sector of the city, as well as distributing flyers to local businesses. To help publicise the pilot our advisers also participated in two interviews with local radio stations – one aimed at Asian listeners, the other at the African-Caribbean community.

So far these audits suggest that businesses are often unaware of legal requirements and basic employment relations practice. Having established good relationships with participant employers, our advisers are providing dedicated advice, support and training.

## Resolving disputes

Our approach to resolving disputes is built on experience and customer needs. During 2007/08 we received 896 requests for assistance in collective conciliation and were able to resolve matters or help the parties move towards a resolution in more than 95 per cent of cases. As in previous years, the issues we helped with were headed by pay and other terms and conditions (53 per cent), followed by trade union recognition, which again accounted for 18 per cent of cases. The year was characterised by considerable unrest in the public sector, particularly in the civil service. We spent much time and effort keeping track of these disputes and given the complexities, we expect public sector disputes will continue through the coming year.

## Resolving disputes

Typically our involvement in conciliation occurs when parties cannot reach agreement using their own internal negotiation procedures and request our assistance. We help to get discussions back on track and to rebuild the employment relationship. Parties are often entrenched and movement towards a settlement can be tricky and difficult. Our success is in helping parties to break these deadlocks.



Employment Relations Minister Pat McFadden (pictured centre back) visited Birmingham on 23 October to meet local organisations involved in the vulnerable workers pilot project.

# Case study 1: The background

There had been a long-standing dispute between the union Unite and Fujitsu Services Limited based in Central Park in Manchester. Unite is the largest union in the United Kingdom, with over two million members in the public and private sectors and Fujitsu is a multinational company, employing more than 15,000 people in over 20 countries.

The dispute arose from disagreements over redundancy terms, union recognition and pay and the fact that it had remained unresolved for many months resulted in a position of low trust between the managers of the company and Unite officials.

## How Acas helped

Acas North West was contacted to see if our collective conciliation service could help break the

deadlock. We began the conciliation process by working with teams from both Fujitsu and Unite to restore trust so that meaningful discussions on how to resolve the situation could go ahead. Eventually conciliation was possible and the conciliator spoke to both parties separately so that the areas in dispute could be identified and the respective positions clarified. When the time was right, both teams were asked to reduce their numbers and work together in one room.

Fujitsu  
and  
Unite

## The results

An agreement on all areas of the dispute was achieved and then officially signed on 20 September 2007. This marked the end of the dispute and paved the way for better employment relations in the future.

**Putting pen to paper:**  
Representatives from Unite, Fujitsu and Acas at the official signing of the agreement on 20 September which marked the end of the dispute and paved the way for better employment relations.



This was a complex case in which there were several areas of dispute. Fortunately, we were working with people who wanted to find a solution to their problems and were willing to explore options in an imaginative way. The outcome is very pleasing because we can see that relations on site will continue to improve.

**Collective conciliator,  
Acas North West**



Breakdown in  
relationships

# Workplace effectiveness

Our conciliators can only become involved with the agreement of the parties. Although their role is to help find ways of reaching agreement, they have no powers to decide upon a settlement or to make formal recommendations. The conciliator's overriding aim is to settle the dispute or at least get the parties past a deadlock to engage in direct, constructive discussions again. Our conciliators use a number of techniques, which include:

- providing external, alternative perspectives and new thinking
- acting as a catalyst
- playing the role of devils' advocate
- all the time challenging the parties to reach a mutually agreed solution.

Success for a conciliator is not only measured by settling the dispute. Sometimes helping the parties to re-establish a direct dialogue is a successful outcome, as it can lead to the parties sorting out their difficulties themselves. In our experience this is often the best way to improve employment relations in the long term.

Earlier this year we concluded a survey of collective conciliation customers. The main conclusions showed our conciliators as being highly-committed and delivering an outstanding service. The survey found that customers are very satisfied with our service, with 85 per cent likely to use or recommend Acas in the future. Customer satisfaction ratings for collective conciliators were at 90 per cent or higher for a number of interpersonal skills and personal qualities including:

- impartiality
- rapport
- listening
- trustworthiness.

In the opinion of 69 per cent of customers, our collective conciliation resulted in a speedier resolution to the dispute than if we had not been involved; 58 per cent said that the intervention had helped to avoid strike action.

There were other spin-offs with 39 per cent of customers stating that relations between employers and workers representatives had improved as a result of the intervention, and that there had been longer-term improvements to employee morale, working practices and performance.

## Working behind the scenes

Since our inception we have built up a reputation for resolving both large and small collective disputes. The parties to the dispute can be assured that we will provide expert practitioners to help them find a solution. We will also at all times ensure that details of the dispute are not disclosed to third parties by us, unless the parties so wish. While this is undeniably helpful to the parties, it also means that much of our valuable work receives little or no media coverage.

However, some cases do attract media attention. One example was the dispute over annual pay of bus drivers represented by Unite, and employed by Stagecoach. A series of six one-day stoppages in later November and early December 2007 was called, which would have crippled bus services in central and south Manchester in the approach to Christmas. Our conciliators were called in and helped the parties to reach agreement and avert industrial action.



Another dispute that made the headlines was at the Royal Mail. This long-running dispute over pay and modernisation required our conciliators to display their full range of skills and qualities. We worked behind the scenes to close the gap between the parties and the matter was finally resolved with the assistance of the Trades Union Congress.

Even in disputes where we are not directly involved, our high level contacts with business, trade unions and in the wider employment relations field ensure that we are aware of developments as they unfold and stand ready to assist if required.

### **Arbitration and mediation in collective disputes**

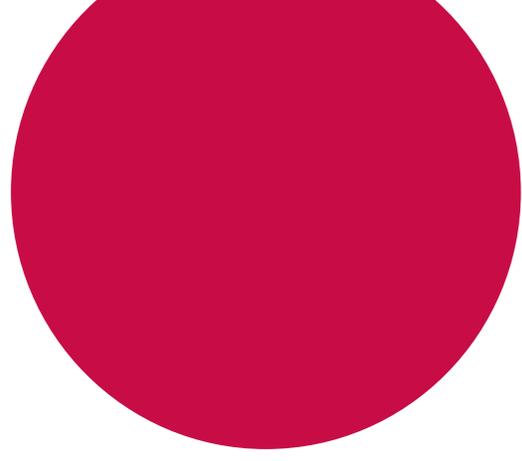
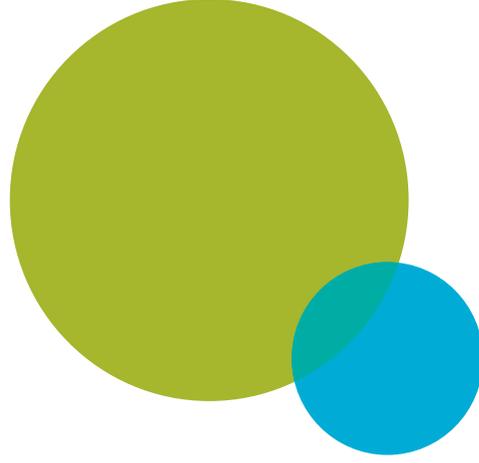
Arbitration and mediation are two further tools we have to resolve disputes. As in 2006/07 we had 47 arbitration and mediation cases this year. These cases often came from work done by our collective conciliators and covered a range of industries and organisations. While the number of cases is low by historical standards, there were some complex ones that required a significant amount of work to prepare the parties for the hearings. The most common issue concerned pay.

Both arbitration and mediation involve an independent person giving direction to employer and workforce parties on how they can settle their differences. These processes are, as with all Acas-provided assistance, entered into voluntarily by the parties and the arbitrator or mediator is required to operate within the parameters laid down in agreed terms of reference.

Arbitration is a process in which an arbitrator from the Acas Panel, our list of highly-regarded experienced arbitrators, considers the parties' positions in a dispute and decides upon the terms for settlement. The parties agree in advance to be bound by this decision.

Mediation provides a mediator from the Acas Panel to assist parties involved in a dispute to find a mutually agreeable settlement. Usually the mediator will have powers to suggest a way forward and make formal recommendations. These recommendations are not binding, but parties are expected to seriously consider them as a basis for resolving the dispute.

The Police Arbitration Tribunal (PAT) sat for the second consecutive year to settle the issue of the annual pay award for the police force and made an award in accordance with its terms of reference. However, this award was not ratified by the Home Secretary, who decided to stage the award to meet the requirements of the Government's public sector pay policy. The Police Federation subsequently sought and was granted permission to challenge the Home Secretary's decision in the High Court.



# Workplace effectiveness

## Equality and diversity

### Acas equality and diversity services

Our network of 15 equality and diversity advisers continued to work closely with organisations during 2007/08, providing advice, support and good practice frameworks.

The services offered by our advisers include:

- providing a 'healthcheck' on equality and diversity within an organisation
- working with employer and employee representatives to draw up or improve policies and procedures
- helping to embed these policies and procedures through workplace training tailored to the specific needs of the organisation.

During the year there was an increase in the demand for equality and diversity training, primarily in this training focused on raising awareness to help prevent misunderstandings and disputes before they arise.



Alan Hope (opposite) and Colin Williamson (below) from Acas Scotland at an Equality Matters in Business (EMB) event in Elgin where we were working in partnership with Scottish Enterprise and Highlands and Islands Enterprise.



EMB aims to promote the business benefits of equality and diversity for SME employers. Acas' involvement included presenting awareness sessions across Scotland and providing a dedicated EMB Helpdesk to give SMEs free impartial information and guidance on all aspects of equality and diversity in the workplace.

### How we can help with diversity: Acas equality and diversity services in practice

A housing association working in an area with a high ethnic minority population in North West England asked us to look at their policies and procedures across all diversity strands following a discrimination complaint.

As well as the usual healthcheck of written policies and guidance, our equality and diversity advisers facilitated staff focus groups themed around:

- age (both young and old)
- gender
- race and ethnicity
- sexual orientation (the organisation already had information on disability).

The focus groups generally comprised a good representation of the organisation in terms of level and role, although the sexual orientation group was sparsely attended.

A report of the issues raised by the focus groups was presented to the organisation's equality steering group. Recommendations capitalised on strengths, such as staff commitment and motivation, and addressed areas for change, such as inconsistency of practice between different business units and some managers' lack of knowledge and awareness. We continue to be involved in strategic action planning and may deliver some training.

# Case study 2: The background

Daniel's Group is a subsidiary of Singapore Food Industries that operates over eight manufacturing sites in the United Kingdom. It is home to brands such as the New Covent Garden Soup Company and Johnsons chilled juices.



This training is part of our long-term strategy to keep equality of opportunity at the forefront of our business and we recognise the business benefits good practice brings.

**Gillian Hargreaves,**  
**Group Human Resource  
Manager**



We have worked with Daniel's Group for a number of years providing training for managers and employees on dignity at work. Last year we discussed the need to update the training programme and deliver it to all employees and managers within the group.

#### **How Acas helped**

Together we developed a training package that took into account the needs of the ethnically diverse workforce. The main objective

was to promote positive relationships at work by highlighting to employees their right to be treated fairly at work, but also pointing out their responsibilities to treat their colleagues with the same respect which they expect from them. Safeguards were put in place to ensure language needs were met in every case.

#### **The results**

The new training package was piloted successfully in Leeds on 6 November 2007 and then passed to our local offices in the relevant regions for our trainers to deliver locally. The events were well-received and the feedback was very good.

Promote  
positive  
relationships

Daniel's  
Group



# Workplace effectiveness

## Work in support of the public duties

The Race Relations (Amendment) Act 2000 introduced the race equality duty that requires public authorities to monitor their functions and policies for any adverse impact on race equality. The disability equality duty came into force in December 2006 and requires all public bodies to actively look at ways of ensuring that disabled people are treated equally. The gender equality duty came into force in April 2007 and requires public authorities to promote equality between women and men and eliminate unlawful sex discrimination and harassment.

The embedding of these public duties has led government departments and local authorities to promote equality and diversity in the private sector through their procurement process. During the year we provided assistance to public bodies by helping to identify what they might want to ask of their suppliers to promote equality and diversity through the supply chain. Equally important, we provided information and advice on the equality and diversity standards required for private sector businesses seeking to provide goods and services to the public sector.

For example, our equality adviser in Yorkshire and Humber offered specialist advice and assistance to the Leeds Homes Construction Partnership (LHCP). This innovative initiative, sponsored by Leeds City Council, established an equality and diversity standard for local construction companies and their supply chains, where success is measured on a scale. The scale establishes a company's overall suitability, being over and above the required basic standard. The aim is for companies to continue to improve their equality and diversity performance and progress up the scale, rather than simply complying with the law. We delivered a range of in-depth training sessions to companies involved in the project, and this received positive feedback.

## Equality Direct

During 2007/08 our Equality Direct helpline continued to provide straightforward and practical equality and diversity advice to employers and employer representatives.

We are working with JobCentre Plus (JCP) to provide a new service to JCP customers. When employers require assistance with equality and diversity matters, JCP gives them our Equality Direct helpline details. For example, an employer might have a new employee (or an employee whose circumstances have changed) and requires advice on reasonable adjustments that should be made, or an employer may need advice on their recruitment policy. Where the employers require in-depth advice, Equality Direct will refer them to one of our equality and diversity advisers. This new arrangement ensures that JCP customers are given timely and effective advice on equality and diversity issues.

## Measuring the effectiveness of equality and diversity

In spring 2007 we conducted an impact-focused evaluation of our equality and diversity services. The results were very positive and reflect the practical benefits that our equality and diversity advisers bring to organisations.

## Equality and diversity evaluation: key findings

### Customer satisfaction:

- 97% found our advisers good or very good at understanding equality issues
- 92% found our advisers good or very good at helping them to decide best way forward
- 91% found our advisers good at offering practical solutions
- 85% found our advisers good at understanding workplace issues.

### Impact:

On equal opportunities/diversity policy:

- 76% introduced or amended a specific or general equality and diversity policy or procedure
- 59% amended their equality and diversity policy
- 10% introduced an equality and diversity policy.

Other human resource policies introduced or changed:

- 38% their recruitment procedures
- 34% their bullying and harassment procedures
- 27% their retirement policy
- 26% their policy on monitoring their workforce
- 25% their policy on monitoring recruits
- 25% their policy on training and development.

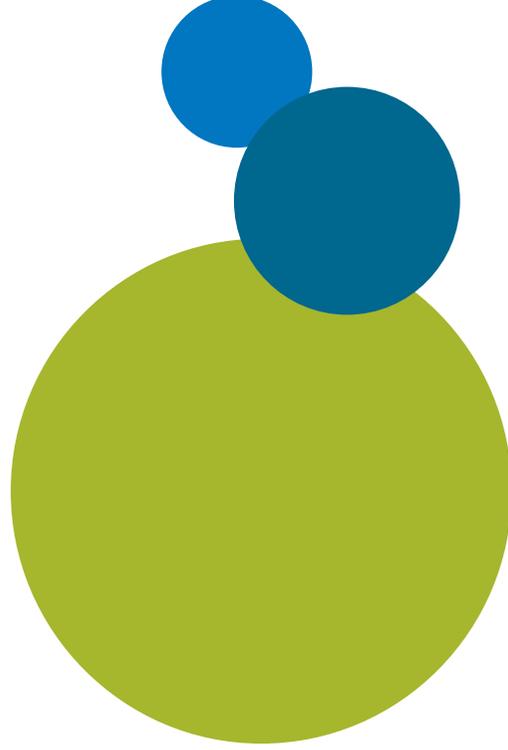
## Monitoring progress

There remains a large gap between the number of employers that have equality and diversity policies and those that have monitoring procedures to measure the success of these policies in practice. Our advisers are working hard to help close this gap by showing employers the potential benefits of introducing monitoring procedures, and allaying fears that data held by them could be 'used against them' at a later date.

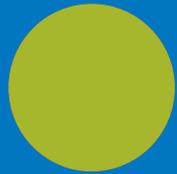
## The Equality and Human Rights Commission

The Equality and Human Rights Commission (EHRC) opened for business on 1 October 2007. We work closely with the EHRC, both at a national level and regionally, to ensure that our work complements theirs.

Looking to the coming year the EHRC and the forthcoming Single Equality Act will focus attention on workplaces to be fair and equitable. We have the skills to assist employers with this process.



# Relationships with small companies





A key part of our mission is to provide training, practical advice and guidance to help companies keep up-to-date with employment law and good practice in employment relations. This is especially useful for small companies with limited human resource expertise.

### Acas training

Despite 2007/08 providing a challenging economic environment in which to promote and deliver our services, it was another good year for Acas training. We continued to work with our existing customer base as well as penetrating new markets wherever possible. Although the number of training events was slightly down on what we expected to deliver, the income generated was slightly more than planned, with bespoke workplace training performing particularly well and exceeding projected income by more than 12 per cent.

**In full flow:** An Acas trainer goes through the main points to consider during a training session on how to handle discipline and grievances in the workplace.



We are committed to developing training that supports our mission to improve organisations and working life through better employment relations. Two new products developed this year are typical of the work we are doing to support the needs of our customers. These are:

- o an open access training event 'Conducting a fair investigation'
- o an event entitled 'Age discrimination – 18 months on'.

### Conducting a fair investigation

Managers in any business may have to investigate misdemeanours or complaints by staff and this can be a daunting task if they are unsure how to conduct an investigation fairly. Using the knowledge and experience of our senior advisers to identify the key areas of concern and misunderstandings, we have developed and delivered a new training event on investigations. There was considerable demand for this and several training events were sold out. During the year we held 55 workplace training events for around 640 delegates.

# Relationships with small companies

The training session covers the theory, legislation and good practice in conducting investigations, and embeds this through practical exercises. We are now developing a two-day event on investigations, to give participants more time to look at the theory and legislation and on the second day, to focus on investigative interviews. Each delegate will prepare, conduct, observe and critique an investigative interview in a safe environment.

## Age discrimination – 18 months on

It is 18 months since age discrimination legislation came into force in the United Kingdom

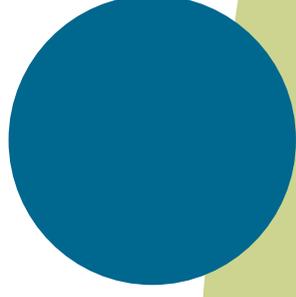
and there is now case law following employment tribunal findings. In response to customer requests we developed a two-hour session to provide an updated overview of age discrimination, examining this case law and the practical lessons learned.

## E-learning

To meet the needs of those who find it particularly difficult to attend our training sessions or who wish to access information at a time and place which best suits them, we continued to develop and add to our e-learning packages, which can be freely accessed from our website at [www.acas.org.uk](http://www.acas.org.uk).

These are:

- Handling redundancy
- Managing absence
- Discipline and grievance
- Working parents
- Informing and consulting
- Contracts and written statements
- Bullying and harassment
- Sexual orientation
- Religion or belief
- Age discrimination.



## Workplace training evaluation: key findings

### Satisfaction:

- 97% would recommend our workplace training to other organisations
- 95% of customers were either satisfied or very satisfied, with 66% being very satisfied
- 92% would be likely to use us to provide further training
- 87% considered the workplace training received to be good, or very good value for money.

### Impact:

- 86% noted a positive impact on trainees' awareness of their responsibilities
- 83% identified a positive impact on participants' ability to deal effectively with the topic area covered by the training
- 76% identified a positive impact on participants' awareness of their rights
- 75% saw an improvement to adherence to their organisation's policies.

### Impact on employment relations:

- 78% noted a positive impact in their organisation's overall ability to deal effectively with the topic area covered by the training
- 69% identified a positive impact in their organisation's effectiveness in dealing with employment relations issues
- 65% saw a positive impact in their organisation's timeliness in dealing with employment relations issues.

## The Acas helpline

The Acas national helpline deals with a wide range of employment-related questions, providing a confidential and impartial service to both businesses and employees.

Our advisers answered 885,353 calls during 2007/08, compared with 839,335 in 2006/07. For much of 2007/08, as in the previous year, we did not have the resource capability to deal with the rising volume of calls. Taking account of people who experienced difficulties getting through we estimate that had we had sufficient resources we would have answered more than one million calls. The most frequently asked questions were once again about discipline and dismissal issues, accounting for almost one-quarter of calls in 2007/08.

During the year we initiated a programme of improvements to the helpline, including a substantial programme of recruitment, and upgrade work on our telephone system. This will underpin our contribution to the proposed enhanced helpline service to be provided by Acas. This was one of the recommendations arising from the Gibbons Review of the statutory discipline and grievance procedures and set out in the Employment Bill published in December 2007 (see page 34 for more details of the Gibbons Review and how it will affect Acas in the coming year).

Helpline advisers need to be able to balance legal knowledge with a healthy dash of common sense to help callers work

through the issues they face. Calls to the helpline also reflect national events. For example, in 2007/08 the helpline received calls on the best way of dealing with problems associated with flooding. Some employees needed time off without notice to deal with flooding in the home. In other instances, staff wanted to work but could not do so because of problems with transport or because workplaces were closed. Our advisers provided practical guidance on rights and obligations, and talked callers through their options given their situation and the constraints of individual contracts of employment.



### Top three topics:

The top three topics people rang the Acas helpline about this year were:

- 23% Discipline, dismissal and grievance
- 16% Contractual matters
- 14% Redundancy, lay-off and business transfers.

Of those who called the Acas helpline:

- 34% were employers
- 57% were employees
- 9% other.

# A day in the life of...

## Andrew Arch Acas helpline adviser, Acas West Midlands

Andrew had 19 years' experience as a civil servant providing frontline services in Job centres before joining Acas two years ago. He works in our Birmingham office as a helpline adviser and short period conciliator. Besides answering all sorts of queries on employment-related rights and issues, Andrew also gets away from his telephone headset to provide face-to-face advice and information at Acas stands at human resource (HR) clinics and other events throughout the West Midlands. On this day he was participating in a HR in-practice event for general practitioner practice managers.

### 7.30 am

Arrived at the hotel to set up the display stand and put out relevant leaflets and self help guides.

Two Acas colleagues arrive and we discuss the plan for the day – particularly our participation in HR clinics that give delegates the opportunity of having one-to-one discussions about employment-related matters. I meet a representative of the event organisers who will also be running clinics dealing with employment-related queries/problems faced by delegates alongside Acas.

### 8.45 am

The delegates start arriving and looking around the stands before the first presentation. I explain our services to a number of delegates, discussing their employment concerns and placing them on the Acas mailing list, and then attend the first presentation.

### 10.15 am

The first HR clinic begins and I have a number of appointments. We discuss a broad range of subjects connected to employment law/relations, particularly amending or modifying contracts and new holiday legislation.

### 11.45 am

We break for lunch during which there is another HR clinic. I have a lengthy discussion with a delegate regarding a sickness-related matter and the wider issue of developing policies within the workplace to provide clear guidance to employees. I advise her of relevant Acas training events in her area.

### 1.30 to 4.30 pm

The rest of the day progresses in much the same way – meeting and networking with delegates, answering employment-related questions and attending a number of presentations.

The day closes at 4.30 pm and I pack up and head home. It is nice to have the chance to get out and meet customers face-to-face.



# Relationships with small companies

To ensure that our helpline advisers are equipped to answer complex legal questions on employment law as well as encouraging staff development, 15 helpline advisers successfully gained a Certificate in Employment Law and Employment Relations (CEREL). The CEREL course is run by Strathclyde University and covers relevant employment legislation and the wider employment relations context. It helps our advisers to deal with a range of complex and often contentious queries on employment law.

We provide assistance to callers from all walks of life, and use an interpreting service so that callers who have difficulties understanding English can receive high quality employment information and advice in their own language. Around 600 callers used this service in 2007/08 and these calls focused on issues surrounding payment of wages, working time, holiday entitlement and the national minimum wage.

**It's good to talk:** Independent research released in October 2007 revealed that seeking Acas advice on workplace problems helps to avert thousands of employment tribunals, saving businesses millions of pounds. Carried out by the Institute for Employment Studies, *The Acas helpline survey 2007* was undertaken with employers, employees and third parties who had used the Acas national helpline. It showed that almost a quarter (23%) of employees had been considering making an employment tribunal claim before calling, but of this percentage, almost a third (30%) decided against pursuing a claim as a result of the information provided, meaning 16,000 were averted.



# Individuals in the workplace





No two employees or workplaces are the same, so we tailor our services accordingly to promote good working relationships and best employment practice.

### **Alternatives to tribunals**

Conflict in the workplace causes distress for individuals and lost productivity for businesses. Our alternative dispute resolution services help organisations and individuals to manage conflict and resolve disputes at an early stage and avoid employment tribunal claims.

A key part of our mission is to help organisations to prevent and manage conflict efficiently and effectively, and where possible in a way that maintains and improves working relationships. Many of our publications and training products aim to develop conflict management skills in the workplace and complement the range of services we offer for resolving individual employment disputes, described in more detail below.

### **Acas mediation services**

Through 2007/08 we continued to develop charged-for services to resolve disputes at work that have not yet reached the point where an individual could make a claim to an employment tribunal. We provide mediation as well as training in-house mediators to resolve disputes within their own workplace.

### **Individual mediation**

Our individual mediation service works on a cost recovery basis and helps to resolve differences or disputes between individual employees and employers or between individual colleagues or groups of colleagues.

During the year we began 185 cases and completed 173, an increase of almost 30 per cent on 2006/07. A number of cases came from call-off contract arrangements we have with some organisations, but the majority came from an employer seeking our help with a particular issue. In nearly 90 per cent of cases we succeeded in helping the parties either to fully resolve the problem or to make significant progress towards doing so. Feedback was excellent, with 95 per cent of participants declaring themselves either satisfied or very satisfied with the service provided.

# Individuals in the workplace

## Individual mediation

### feedback: key findings

The main objective of commissioning mediation was to improve the working relationship between the parties. Participants rated mediators particularly highly on explaining the purposes of mediation, being impartial and setting boundaries for acceptable behaviour.

- 93% of commissioners and 76% of participants would use mediation again
- 89% of commissioners were satisfied or very satisfied with our mediation service
- 88% of participants were satisfied or very satisfied with our mediation service
- 87% of participants were satisfied or very satisfied with the agreement reached
- 82% of mediations were judged successful and were either partially or fully resolved.

## The Acas Certificate in Internal Workplace Mediation (CIWM)

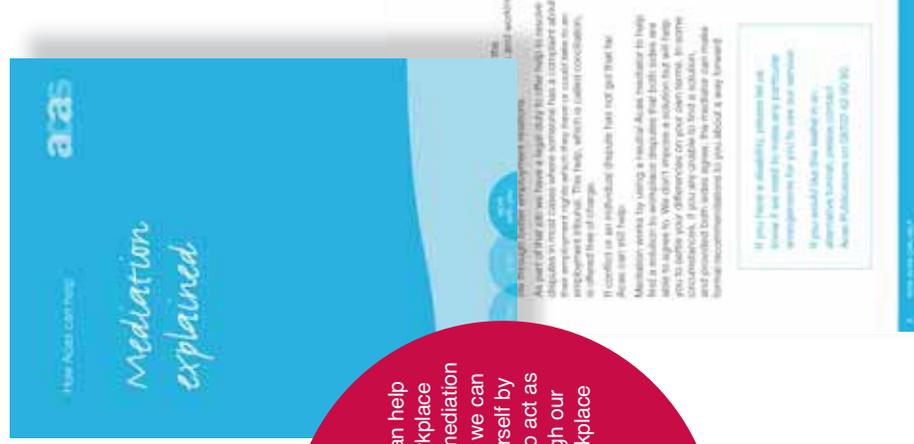
Mediation is an effective way to deal with workplace conflict. Our Certificate in Internal Workplace Mediation (CIWM) equips individuals to act as mediators in their own workplaces. The course is accredited by OCR, one of the UK's main awarding bodies. Workplace mediators learn the skills and behaviours to help them resolve disputes at an early stage and enable them to model a different approach to conflict management in their day-to-day dealings with people in the workplace.

OCR awarded us Direct Claims Status in 2006/07 in recognition of the effectiveness of our assessment and verification standards and quality assurance. This means that we can award certificates to candidates we assess as meeting the standard without reference to OCR first.

During 2007/08 we held 12 in-house courses for organisations implementing their own workplace mediation schemes and a further 16 open access courses for delegates from organisations wanting to train individuals rather than a team.

Overall 121 trainees were accredited as mediators. Feedback from these courses was excellent:

- 99 per cent of trainees were satisfied or very satisfied with the course overall
- 98 per cent of trainees thought that the course completely met their needs or met them to a large extent.



**What's on offer?** Acas can help sort out conflict in the workplace through our conciliation, mediation or arbitration services. Or we can help you to sort it out yourself by training your employees to act as in-house mediators through our Certificate in Internal Workplace Mediation course.

## Acas conciliation

### Individual conciliation

We have a legal duty to promote the settlement of actual and potential claims for almost every statutory employment right without the need for their being determined by an employment tribunal. The majority of parties, around nine in 10, make use of our services in trying to help resolve such claims, and in around three in four of cases the matter does not require a full tribunal hearing.

We call the dispute resolution work we do in regard to actual or potential employment tribunal claims 'individual conciliation', to distinguish it from our work in helping parties resolve collective employment disputes (see 'Resolving disputes' page 15), and from the mediation we provide (see page 30) in problems that have not reached the point where a claim has been or could be presented to a tribunal. But the difference between individual conciliation and individual mediation is essentially in the context rather than the process. We apply the same principles of independence, impartiality and confidentiality in all our dispute resolution work, and use the most cost-effective techniques appropriate to the needs of each case. Most contacts with parties and

representatives are by telephone, supplemented by fax and email correspondence, although in some of the more complex cases, particularly those relating to discrimination, the conciliator may meet with one or both sides, together or separately.

The impartiality and integrity of the conciliator in talking through the facts of a case, together with the conciliator's knowledge of employment law and the tribunal process, can help the parties focus on the key issues and see the strengths and weaknesses of their case, and lead to the development of proposals for settlement. The approach the tribunal will take can be explained and the benefits of settlement will be clarified. No details of the discussions taking place in the course of conciliation are made public, nor are the terms of settlement. For this reason, the conciliator can gain the confidence of the parties and explore often delicate issues to find a solution acceptable to both parties, without the need for a public airing of the dispute.

### Caseloads and outcomes in 2007/08

The number of adjusted cases received in 2007/08 for conciliation, including non-employment tribunal (ET1) claims, but excluding actual and potential equal pay cases in local authorities and the National Health

Service (see page 33), was 67,339 compared with 67,258 during 2006/07. The proportion of open-period cases (those where there is no fixed period for conciliation) grew from 25 per cent in 2006/07 to 29 per cent, mainly as a result of an increase in equal pay and age discrimination cases, while the proportion of short-period cases (those where there is a limited seven-week window for conciliation and typically cases involving unpaid wages, holiday pay, breach of contract and redundancy pay) remained generally stable, at 26 per cent (25 per cent in 2006/07). Standard-period cases (those with a 13-week fixed conciliation period and typically related to allegations of unfair dismissal) fell to 46 per cent of adjusted case receipts, compared with 50 per cent in 2006/07.

Available conciliator resources remained broadly in balance with demand over the year, although this fragile balance could be under threat in 2008/09 if case receipts were to increase by an appreciable extent and funds were not available to provide for a corresponding increase in conciliator resources.

Our Service Level Agreement (SLA) with the Department for Business, Enterprise and Regulatory Reform (BERR) gauges the effectiveness of conciliation in terms of the

# Individuals in the workplace

proportion of potential tribunal hearing days saved (PHDS) as a result of our intervention and was described in last year's annual report (page 31). In 2007/08 we set ourselves targets of 50 per cent PHDS in short-period cases, 60 per cent in standard-period cases and 85 per cent in open-period cases and achieved 53 per cent, 63 per cent and 85 per cent respectively. These outcomes reflect the priorities ascribed to the different 'tracks'. Taking all cases together, we achieved 75 per cent PHDS, compared with 73 per cent in 2006/07.

## Equal pay

Disputes over local authority equal pay, described in detail in last year's annual report (page 31), continued to make substantial demands on our conciliation resources during 2007/08. The number of non-ET1 settlements of this kind brokered in potential claims to the tribunal in 2007/08 remained very high at more than 48,000. Although slightly down on last year's 56,000 settlements. The geographical spread of these cases remained wide, and in addition to ongoing demand in the Midlands, Yorkshire and Humber, and the North West, an increasing number of requests for conciliation also came from local authorities in Wales and, for the first time, London. The local authority equal

pay issue remains a source of both individual and collective conflict, and we expect much the same level of demand for our services on this issue throughout the coming year, and possibly for some time thereafter.

Meanwhile the National Health Service (NHS) continued to face a mounting volume of equal pay claims, largely but not exclusively associated with the *Agenda for Change* programme of pay restructuring. We understand there are now more than 30,000 tribunal claims against NHS employers in this regard, and a test case (*Hartley v Northumbria Healthcare NHS Foundation Trust*) is expected to be heard in late autumn 2008 in the Newcastle tribunal. Just about all other NHS cases are stayed pending that decision. To date there has been little or no conciliation activity in respect of the cases lodged, nor have we been approached for conciliation on potential cases.

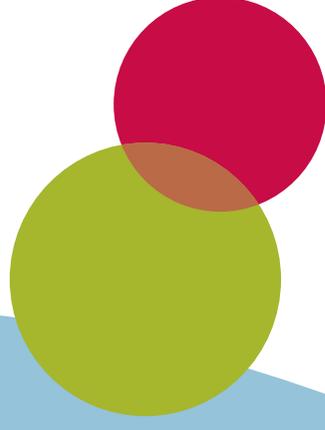
## Other developments

Over the year we devoted considerable attention to redesigning and enhancing our in-house conciliator training, and to developing our conciliators' already high levels of expertise and professionalism. We are supplementing our extensive in-house training with arrangements for conciliators

to pursue an externally accredited qualification in individual employment dispute resolution, a Post Graduate Certificate in Individual Employment Dispute Resolution provided by the University of Greenwich. The first tranche of trainees began the course towards the end of 2007/08 and a second tranche began in April 2008. In the long-term we intend that all conciliators who have completed the full suite of in-house training will go on to study for this accredited qualification.

During 2007/08, in association with the Employment Appeal Tribunal (EAT), we started a pilot to offer conciliation in selected EAT cases. In the nine months that the pilot has been operating, 19 cases were referred to us by the EAT, of which eight were settled or withdrawn, and seven were heard. Conciliation is still ongoing in four cases.

The Employment Bill currently going through Parliament proposes to abolish fixed periods for conciliation, and its provisions are likely to be in force from April 2009. Our experience is consistent with the Gibbons Review's findings (see opposite) that fixed periods have not led to more or earlier resolution of individual employment rights disputes, and we welcome their removal.





## Gibbons Review

In December 2006 Michael Gibbons was asked by the then Secretary of State for Trade and Industry, Alistair Darling, to carry out a review of the statutory dispute resolution procedures introduced in 2004.

Gibbons found that, while the principles underlying the statutory procedures enjoyed broad support from stakeholders, the procedures themselves tended to introduce unnecessary formality at an early stage of the dispute resolution process, often escalating rather than resolving the conflict. He concluded that the statutory procedures had failed, and proposed their repeal together with a package of measures to make the system simpler, less prescriptive, and more focused on early dispute resolution.

The publication of the Gibbons Review in March 2007 was accompanied by a consultation seeking views on its recommendations. This attracted considerable interest and received a substantial number of responses. In our formal reply the Acas Council broadly agreed with Gibbons' conclusions, endorsing

the Government's proposals for an enhanced advice service (based on the Acas helpline, see page 26) and for additional Acas conciliation to be available before tribunal claims were lodged.

In December 2007 the Government published its Employment Bill underpinning changes to the dispute resolution system. The Bill proposes to remove the statutory three-step discipline and grievance procedures, and invites us to prepare a new Code of practice and accompanying non-statutory guidance to promote earlier dispute resolution. Among other things, the Bill also provides for the removal of fixed conciliation periods. These changes to primary legislation are likely to come into force in April 2009, and are likely to be accompanied by supporting modifications to secondary legislation.

In February 2008 the Minister for Employment Relations, Pat McFadden, announced additional funding of up to £37 million over the Government's Comprehensive Spending Review covering 2008 to 2011 so that we could expand and enhance the Acas helpline and launch a more proactive early dispute resolution service – pre-claim conciliation (PCC).

A revised Code of practice was drafted and, following discussion at the Acas Council meeting in late March, issued for public consultation in May 2008. Preparations are under way to enhance the helpline service – including the provision of more advisers, additional training, and improved telephony technology – to enable us to offer a more consistent and accessible service based on the best of current practice. The new PCC service will be piloted in three Acas areas between June and November 2008; the findings from these pilots will feed into future staffing and financial projections.



It was at the Acas TUC fringe meeting in Brighton in September 2007 that Minister for Employment Relations, Pat McFadden, first hinted that significant changes were likely to be made to resolving disputes in the workplace. But it was at the Acas/CIPD National conference in February 2008 during his opening remarks that he confirmed that Acas would be getting up to £37 million to take forward this work and reaffirming Acas' belief that 'prevention is better than cure' when it comes to sorting out disputes at work.

# Individuals in the workplace

In the light of the Government's intentions and the widespread support we understand they received in the public consultation on the Review's proposals, the Acas Council recently decided that our policy on the use of our statutory power to conciliate after the expiry of fixed conciliation periods should be amended in anticipation of the expected legislative changes. Therefore, in all cases live at 1 April 2008, and those that we receive on or after that date, our conciliators will be able to conciliate at any time between the end of any designated fixed period and the point at which a tribunal determines all matters of liability and remedy, where they consider that by doing so they may be able to broker a resolution of the case. In addition, as outlined on page 34, we hope to pilot the provision of more proactive early dispute resolution services in the middle of 2008/09 and, if successful, launch these services across Great Britain from April 2009.

Later in 2008/09 we hope to begin piloting the Caseflow system, in partnership with the Employment Tribunals Service (ETS). Caseflow will enable case papers to be sent to us electronically and provide for electronic case management of both ETS cases and our corresponding conciliation cases. This means that our conciliators will get case papers more quickly and be able to start conciliation earlier. The system should also provide other efficiency gains. If all goes well, we hope to complete the roll-out of the system during 2009/10.

## Acas Arbitration Scheme

The Acas Arbitration Scheme has been in operation since May 2001 as an alternative to an employment tribunal hearing, to resolve claims alleging unfair dismissal, or those about a request to work flexibly. To date, we have accepted 60 cases for resolution under the scheme from across Great Britain.

In cases where dismissals were found to be unfair, settlements have been broadly consistent with the range of awards by employment tribunals. While the number of cases received has not fulfilled expectations, the scheme provides a low-cost, informal alternative to employment tribunals.



## Independent experts

In certain circumstances the equal pay amendment regulations provide for employment tribunals to commission a study and report of jobs to be compared in 'work of equal value' claims. The employment tribunals decide in accordance with the Equal Pay Act whether they require a member of our panel of independent experts to prepare a report for a resumed tribunal hearing, which is arranged once the report is completed.

The designated experts on our panel are not employees of Acas or the employment tribunal and are completely independent. Our involvement is limited to maintain a list of such experts (see opposite) and ensure that they are available to employment tribunals. We do, however, provide support by circulating information about all aspects of equal pay legislation, developments in case law, and any relevant employment relations implications. We also arrange for the experts to get together from time to time, to enable them to update on case histories, share expertise, and receive briefings from relevant third parties.

In 2007/08 the Employment Tribunal Service reported receiving 44,013 claims. Since the equal value regulations were introduced, experts have been appointed in 477 cases, 38 of which arose in the 2007/08 period. Given the trend of developments in this area, the demand for the services of our panel of independent experts continued to be strong during the year and is likely to remain so in the future.

As in recent years, during 2007/08 our independent experts were required to report in a large number of cases regarding equal value claims in the local government sector. These large-scale, high value, multiple cases make significant demands on the time, dedication and specialist skills of our panel and we greatly appreciate their work.

### Independent experts

**Dr A J Arthurs**

Lecturer in employment relations

**Simon Bamsey**

Human resources consultant

**Robin Beddoe**

Job evaluation consultant

**Christine Bevan**

Human resources and health and safety consultant

**Mrs W Bishop**

Former senior personnel adviser

**Derek Burn**

Human resources consultant

**Mr C Campbell**

Former senior lecturer in human resource management

**Dr Susan Corby**

Reader in employment relations

**Rachel Crafts**

Independent consultant specialising in reward issues

**Rosemary Docherty**

Human resources consultant

**Elizabeth Doherty**

Teacher and researcher

**Mrs J M Evans**

Principal lecturer in human resource management

**Mrs F Fearn**

Human resources consultant

**Steve Flather**

Human resources and reward consultant

**Moira French**

Human resources manager

**Ms K Gilbert**

Lecturer in industrial relations

**Michael Hinks**

Human resources 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

**Kevin Rampling**

Performance pay and reward consultant

**Mr C J Roberts**

Member of employment tribunal and human resources practitioner

**Dr Stephen Watson**

Independent consultant, specialising in reward issues

**Mr P Yeeles**

Consultant in employment relations

# Spreading the word



Good employment relations make good business sense. We continue to spread the word and provide information, advice and guidance – not just locally and nationally, but also internationally.

### **Acas working in partnership**

Over the past 12 months we developed a number of partnerships, building on existing relationships and working with new organisations to increase access to our range of services.

In 2006/07 one of our main projects focused on ways to reach small and medium-sized enterprises (SMEs), businesses with fewer than 250 employees. This project came to an end in 2007 and provided a number of outcomes for us to build on to improve our connections with SMEs. The most significant conclusion of the project concerned the viability of having a subscription service for SMEs. The project revealed a lack of interest in a subscription service, instead advising a more focused approach on intermediary organisations, particularly in the hospitality and banking sectors.

We worked with several organisations to formalise our existing relations and develop future working arrangements by showing a commitment through a Memorandum of Understanding (MoU). The MoU provides formal recognition of a relationship, setting out aims and proposed actions for working together, with a high level authority.

One example of this type of partnership working is with JobCentre Plus (JCP), see also page 21. We carried out a research project to track our working relationships with JCP and discovered that while many of our regional offices had substantial and productive relations with JCP colleagues, others had limited contact. We carried out an exercise with frontline JCP colleagues to raise awareness of our products and encourage greater cooperation between our two services. This relationship has been formalised by the construction of a MoU acknowledging our existing good work and setting out future options for increased collaboration.

Internally, we completely reorganised our partnerships team and revised the Intranet guidance for staff considering working in partnership with other organisations, including a substantial section on risk analysis and suitability. On procurement, we worked with colleagues in other parts of Acas to provide additional guidance for completing tender, bid and proposal documents. We also developed a list of strategic stakeholder organisations at a national level that it is important for us to engage with, and assigned a senior member of staff to be the main contact for these relationships.

# A day in the life of...

## Nick Langford Regional Publicity Manager, Acas London

Nick has been Acas London's Regional Publicity Manager for just over four years. He manages new customer referrals, deals with the media, markets Acas services and products, and designs and delivers training programmes and events. He works flexibly at home, with a couple of days a week in the office.

### 6.00 am

As the father of a very alert and energetic two-year-old (Noah), I am usually woken up fairly early and today is no exception.

### 7.30 am

My day starts early as working at home means I cut out the London commute. I start by checking emails and planning my day, fitting in breakfast somewhere in between.

### 9.30 am

New business referrals are very important so I deal with these first. Simple additions to our mailing and emailing lists are dealt with quickly, but complex training enquiries take more time. I call the customer to find out more about the organisation and what it needs, to see how we can best help. I then usually refer the customer to one of our three training delivery teams. Finish dealing with new referrals by 10.30 am. Noah and my partner Jackie have gone to a toddler group and the house is quiet.

### 11.00 am

My next priority is our open access training events. I keep a check on how each event is filling up, whether further advertising is

Nick at work (opposite conducting a role-play during a course) and rest (above spending time with his son Noah). Nick has found that flexible working from home has given him a better work-life balance.



needed or whether to update the website to show that the event is full or nearly full. If an event is really popular we sometimes put on an extra event. I make sure there is a trainer and a suitable room available. I rely on the very capable admin team back at the office to help, and my fellow presenters to chip in when asked.

### 12.30 pm

Lunchtime. One of the special benefits of being a homeworker is that I get to spend time with my son in his formative years. Lunch with the family is a treat.

### 2.00 pm

Off to visit a company in West London to talk about training on 'Having difficult conversations'. I developed this course for Acas and it has been very successful. I am really enthusiastic about the event and this must show as I get a good response. After an hour and a half of discussion the customer books a series of three one-day training courses for this summer. All I need now is a willing co-presenter.

### 5.00 pm

Back home in time for tea with the family. I then spend an hour or so checking emails and seeing what has come in while I was out. Tomorrow I am organising our attendance at an exhibition and need to find some willing volunteers. But first more pressing matters – bath time for Noah. Where is that little rascal?



## Reaching our audiences

The main highlights for the year included:

- media coverage measured from January 2007 to January 2008 was 98 per cent favourable. The advertising value equivalent of this coverage was £2.5 million
- research with SMEs showed that 81 per cent were aware of Acas, with 59 per cent knowing Acas very or fairly well. Those who are aware of Acas see us as professional, trusted and impartial
- the website continued to grow in popularity with more than three million visits last year.

## New Acas Chair

This year saw a period of change, particularly with a new incumbent at the helm following the departure of Acas Chair Rita Donaghy at the end of October 2007. Her successor, Ed Sweeney, started on 1 November and his first week at Acas coincided with a PR campaign to highlight the Economic Impact Report which showed a £16 return to the UK economy for every £1 invested in Acas. Ed immediately got on board and he completed a round of TV and radio interviews – at all hours of the day and night – to raise awareness of the report.

Ed's first week set the trend for his continued support to increase media coverage and widen awareness of Acas. Working alongside our Chief Executive, John Taylor, he has established a



firm and favourable media presence promoting our organisation and our services.

## New PR agency

As part of the drive to promote Acas, this year we employed a PR agency, GCI, to support the work of our in-house press team and our network of regional publicity managers on a retained basis. A key part of this support was work on both national and regional levels, particularly with the trade media. Over the last year, we secured coverage in around 14 to 16 media channels per month, including in key regional publications, the trade press and the national press.

Campaigns have included promoting the National Institute of Economic and Social Research Economic Impact Report. PR was also used to highlight the findings from 'The Acas Helpline Survey 2007' as well as launch new booklets on flexible working and health, work and wellbeing; research results on the impact of sexual orientation regulations and the religion or belief regulations; and a new Acas e-learning package.

Public relations will continue to be an important part of our work during 2008/09.

**A big build up:** there were no champagne bottles broken over a computer screen nor much of a fanfare to mark the relaunch of the Acas website in April 2008, but a lot of work was done behind the scenes during 2007/08 to ensure that the website now features better navigation and new features for HR professionals, employers and employees. There are also regional pages to provide businesses with details of training and services on offer in their area. Take a look at [www.acas.org.uk](http://www.acas.org.uk).

## The Acas website

Research on website users showed that 70 per cent of users were partially or completely successful in getting what they needed from our website, while 68 per cent had a positive general perception of it.

The website was redeveloped during the year, based on the results of research with customers and staff. The new site, was launched in April 2008. It aims to provide easy-to-use navigation and links to help our customers find what they need quickly and easily. It will provide comprehensive guidance for both employers and employees, with the most sought-after topics to the fore, and a full guide and explanation of our services showing how to access these quickly and easily. Website users can also register for the Acas customer newsletter online.

In 2008/09, we will conduct further user research on the site, and will continue to develop the website based on customer feedback and other initiatives, such as the Gibbons Review (see page 34).

# Spreading the word

## Acas customer newsletter

The Acas customer newsletter continued to increase its circulation and frequency during this year – going out four times with an extra issue at the end of November. Anecdotal feedback continues to be very positive and since the first issue of the newsletter back in August 2004, it has now become the main marketing channel for Acas training courses as well as keeping readers up-to-date on the latest developments in employment legislation such as changes to flexible working and the increase in holiday entitlement.

## Acas guidance

Although customer feedback on our publications has been very positive, we are always looking for ways to improve our published advice. During 2007/08 we commissioned independent research on our guidance publications, carried out by Ipsos MORI.

Ipsos MORI explored customers' use and perceptions of publications in terms of design and content. They also assessed the need to streamline and re-organise the range of publications.

The research showed that customers were highly satisfied with the content of our publications, which they regarded as 'exemplary'. Users found all publications to be clearly written, jargon-free and professional. Some of the more recent examples were particularly

praised for the way they were set out with the inclusion of diagrams, dual columns and case studies. Although customers liked the older publications, they felt that they could be improved if they were upgraded to the standard of the more recent examples.

We asked the researchers to probe customer feelings about the range of formats for publications, as we were concerned this might be confusing. We have a wide range of formats, including 'Advisory handbooks', 'Advisory booklets', 'Advice leaflets', 'Self-help guides', 'Rights at work guides', 'Getting it right guides' and 'Employment equality legislation guides'. Although initially customers were content with the range, it became apparent after further probing that there was some confusion about the difference between the various offerings. Customers also didn't understand why the same or

apparently similar subjects were covered in more than one format. As one respondent said "... when you look for a publication you are looking for it not by what kind of publication it is but by what it covers – the topic." Customers saw a role for two formats:

- detailed guidance to be used to help those working in a human resources (HR) role or employees dealing with personnel issues at work
- brief guidance to be used by senior management, staff or members of the public.

Following the research we are working to simplify our range of guidance publications and bring the presentation of older publications up to the standard of more recent examples.

We also produced new guidance during the year on 'Flexible working and work-life balance' and 'Health, work and wellbeing'.



When questioned, 8 out of 10 readers of Acas booklets said that they much preferred the easy-to-follow layout of our newer booklets such as **Health, work and wellbeing** and **Flexible working and work-life balance** – both published during 2007/08 as they contain flowcharts, diagrams and boxes to make the information easier to take on board.

## Internal communications

Internal communications continued to play a key role in supporting organisational objectives.

This year we ran the third internal communications staff survey, which had the biggest response to date with 508 members of staff taking part. This represents a 61 per cent response rate. The survey found that 63 per cent of respondents were satisfied with internal communications while 53 per cent felt that the quality of internal communications has improved. This research formed the basis of a revised internal communications strategy for 2008/09, to continue to improve the service.

Highlights this year included:

- o improving the quality of the main internal communications channels, notably the Chief Executive's bulletin and team briefing system, the Intranet news feed service and the monthly staff newsletter, Acas Active, by updating these following feedback from staff focus groups
- o providing advice and guidance to the Chief Executive and senior management team on internal communications and issues

- o playing an integral role in a number of internal change programmes and initiatives and sitting on several internal project groups
- o raising the profile of the team generally across the organisation and our ability to support internal initiatives
- o providing internal communications advice on a revised Acas Vision.

## International work

During the year we worked with Northern Ireland Public Sector Enterprises Ltd to successfully complete the EU-funded Bulgaria 'twinning' project, which was started in January 2006. The aim was to enhance the organisational capacity and skills of the Bulgarian Ministry of Labour and Social Policy, the Bulgarian Economic and Social Council, and the national representatives of trade unions and employers'

organisations (collectively called the 'social partners'), to develop and sustain an effective social dialogue in Bulgaria as a member state of the European Union.

Our experts were heavily involved in developing the principles of effective social dialogue and an 'Operational Manual and Procedures' for social dialogue. A major part of the project involved identifying the needs of the social partners and developing a training programme that covered knowledge, skills, behaviours, and management of effective social dialogue.

Building on the success of the training delivered to Brazil's Ministry of Work and Employment last year on the methodologies and techniques of arbitration and mediation, we were asked to deliver another three-day workshop for a group of 35 delegates in Brazil.



**Time out:** Acas trainers Julian Gibson and Pauline Wilson take a break from training to have a photo taken with some of the Brazilian delegates.

# Spreading the word

A study visit to Acas from Malaysia's Ministry of Human Resources resulted in our experts travelling to Kuala Lumpur to enhance the skills of conciliators in the Department of Industrial Relations. The Department wished to raise the rate of settlement through conciliation to 60 per cent and wanted us to share experience and knowledge so that their conciliators could learn about the challenges that conciliation posed in a developed country such as the United Kingdom.

We were invited to design and run a training programme for Greece's Organisation for Mediation and Arbitration. This looked at the latest developments in the field of conflict resolution related to collective bargaining, as well as new trends, approaches and techniques in mediation and arbitration.

The number of overseas delegates visiting Acas continued to grow during the year. The President of the Industrial Court of Trinidad and Tobago was particularly impressed by our work and hoped for opportunities for cooperation. Our experts also briefed the South African Public Health and Social Development Sectoral Bargaining Council and trade union officials from Colombia. Officials from China were frequent visitors, seeking to increase their knowledge of our work. We were also pleased to receive visitors from France, Japan, South Korea, Tanzania and the USA.

Phil Rimmer, Acas East of England's Business Development Manager ended up slightly further east than Lowestoft when he travelled to Kuala Lumpur to train Malaysian conciliators.

## Strategy and policy

### Codes of practice

Towards the end of 2007 the Government asked us to consider revising two of its statutory Codes of practice:

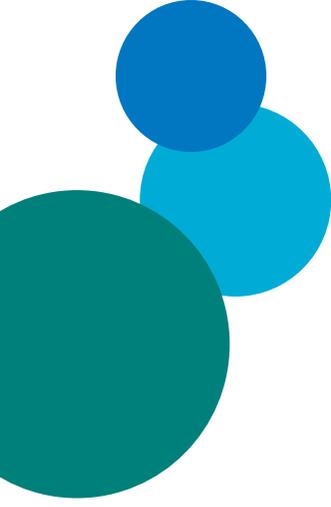
- the Code on disciplinary and grievance procedures and
- the Code on time off for trade union duties and activities.

The revision to the discipline and grievance code was needed to take account of the changes being made to workplace dispute resolution by the Employment Bill, particularly the removal of the statutory dismissal and discipline procedures. Our staff and Acas Council members worked on the revision and a draft of the new code was issued for public consultation on 2 May 2008.

The draft is considerably shorter than the existing code and this reflects the many responses to the Government's consultation on the Gibbons Review (see page 34) that called for a more concise, principles-based code on discipline and grievance.

We aim to have the new code ready for implementation in April 2009, when the new dispute resolution arrangements set out in the Employment Bill come into effect.





The revision to the time off code arose out of a government consultation on workplace representatives during 2007. This review found that many people wanted us to update the current code to take account of the changes that have occurred in the workplace since the code was first issued in the mid-1970s. We plan to issue a draft of the revised code for public consultation during summer 2008 and the new code is scheduled to come into effect in April 2009.

### **Policy publications**

We use the direct experience and knowledge of our operational staff to inform external public policy debates on employment relations. We also monitor developments and trends to help develop policy and service delivery within our organisation. We produce a range of policy publications and two new additions to the Policy Discussion series were published in 2007/08. These were:

- *Health work and wellbeing: rising to the public sector attendance management challenge*
- *Employee representatives: challenges and changes in the workplace.*

We also published two editions of Employment Relations Matters, a bulletin containing short articles on a range of topical issues including:

- vulnerable workers
- the Leitch review of skills
- equality.

All of these publications are available on our website, [www.acas.org.uk](http://www.acas.org.uk).

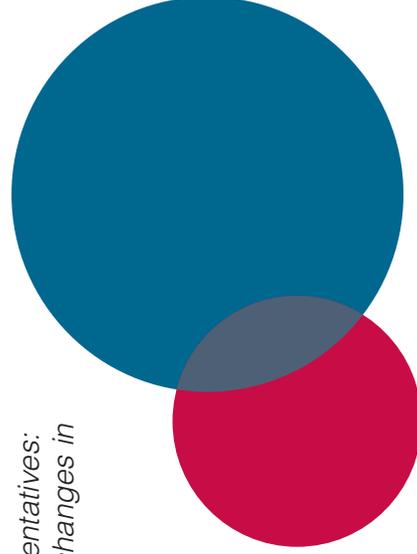
### **Policy theme groups**

We steer policy development through a range of cross-functional groups on:

- public sector reform
- equality and diversity
- workplace effectiveness and productivity
- micro, small and medium-sized businesses
- vulnerable workers
- regionalisation.

The regionalisation theme group produced a strategy to address the latest developments from the Government's Sub-National Review. The strategy aims to highlight the integral role of employment relations in the current debate on regional economic strategy, high productivity and global competitiveness. A number of our regions are working closely with regional development agencies and partner organisations to support the implementation of regional economic strategies, providing expertise gleaned from our frontline staff and from research that we have commissioned on trends in employment relations on a regional basis, such as regional analysis of the latest Workplace Employment Relations Survey.

We continue to play a key role in the high profile health, work and wellbeing agenda. As well as participating in a range of government stakeholder groups to support the national strategy and develop employer approaches to promote healthy workplaces, we produced a new guidance booklet on work and health. We are also partnering several organisations to develop other products and services.



# Spreading the word

## Workplace effectiveness theme group

Our mission is to improve organisations and working life through better employment relations. We pursue this in many ways, from advisory projects and the provision of training to providing advice through publications and our website.

In 2005 the essential ingredients of workplace effectiveness were distilled into the Acas model workplace. In 2007 we decided it was time to look again at our model workplace to utilise the advantages of information and communication technology (ICT) and web systems now readily available. So we re-established the workplace effectiveness theme group, with membership drawn from both regional staff, with their wealth of everyday experience of employment relations, and national staff, with expertise in web design, communications and the link between 'people management' and organisational performance.

The key decision was to revise the model workplace in line with the latest evidence on high performance working and to turn it into a web-based diagnostic tool. This will be used by our advisers working with organisations to improve performance and employment relations, and by managers themselves, especially in medium-sized organisations. The essential policy and practice areas in effective employment relations will each have a self-assessment tool, which provides a score ranking to identify areas of strengths and weaknesses and links to our advice on the web and in publications.

Further work of the theme group is looking at the use of employee engagement surveys and the development of training management training in employment relations and workplace effectiveness.

## Acas corporate plan

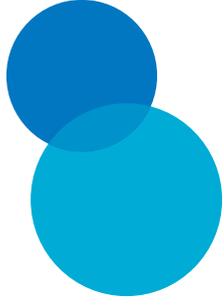
In June 2007 we published our corporate plan for 2007 to 2010. This set out the key strategic aims for the next three years, and formed the basis for our business planning processes. The aims encapsulate our core functions and reinforce the importance of our staff in delivering those aims. The five aims are:

- to enhance awareness and take-up of dispute resolution and conflict management in the workplace
- to provide information and practical advice and guidance to employers and employees
- to reach new audiences
- to raise awareness and influence policy
- to make the most of our people and resources.

The *Acas Corporate Plan 2007–2010* is available on our website [www.acas.org.uk](http://www.acas.org.uk).

## Corporate governance

During 2007/08 the Acas Management Board started to use a balanced scorecard to measure all aspects of our business as well as progress against our strategic aims. The Acas Board found this a useful tool in making business decisions and supporting continuous improvement.



## Research and evaluation

During the year our Research and Evaluation Section (RES) conducted a number of studies exploring the impact of Acas and our services on both customers and the economy as a whole. We also continued our programme of employment relations research.

A major feature of our 2007/08 research programme was the *Review of the Economic Impact of Employment Relations Services Delivered by Acas*, commissioned by RES and conducted by economist Pamela Meadows from the National Institute of Economic and Social Research. The review found that the services explored in the study together generated economic benefits worth nearly £800 million a year, meaning that each pound spent on Acas produces more than £16 of net benefit to the economy.

During the year we launched a new partnership research programme to take forward our programme of employment relations research. Under this programme we advertised our interest in research partnerships with the academic community, and we have sponsored four projects so far.

The first, on small and medium-sized enterprises' (SMEs) experience of alternative dispute resolution (ADR) was commissioned to inform debate following the Gibbons Review, see page 34. This study, conducted by the University of the West of England and Nottingham Trent

University, will be published early in 2008/09. We also continued to work with other funding bodies to support larger-scale research projects. In one example of this, the first report of a longitudinal study of experiences of the information and consultation of employees (ICE) regulations, was published on the Department for Business, Enterprise and Regulatory Reform (BERR) website. We are co-funding this project with BERR and the Chartered Institute of Personnel and Development (CIPD).

We also published a report of the 2007 survey of Acas helpline customers, see page 28. This demonstrated the role that information provided by our helpline plays in helping callers to determine whether or not they should pursue a claim to an employment tribunal. The helpline and other customer research illustrated the high regard that customers have for our services. For example, 94 per cent of callers reported that they were satisfied with the helpline service. Equivalent figures from surveys of other services conducted during the year were 95 per cent in respect of workplace training and 85 per cent for collective conciliation. In all cases only a small proportion of customers expressed dissatisfaction with Acas, despite the fact that, in collective conciliation in particular, we often deal with difficult conflict-laden situations.

For individual conciliation services we published a qualitative study *Race discrimination claims:*

*Unrepresented claimants' and employers' views on Acas' conciliation in employment tribunal cases.* This research, conducted by the Policy Studies Institute, highlighted the negative impact that experiencing discrimination and bringing a claim can have on claimants, and the way that conciliators who build trust, empathy and rapport with parties can lessen that impact.

Another study, *The Experiences of Sexual Orientation and Religion or Belief Discrimination Employment Tribunal Claimants*, published during the year was the first to look at the experiences of parties in discrimination cases covering sexual orientation or religion or belief. It demonstrates the difficult nature of discrimination cases, and the challenges posed to the employment tribunal system by the needs of parties involved in such cases.

**A good return on investment:** for every £1 spent by Acas over £16 is returned, generating benefits worth almost £800 million a year across UK businesses, employees and the economy.



# Managing Acas





Our staff are our business and we value them, their expertise and their work enormously.

## Human resources and lifelong learning

### Building relationships and partnerships

We value the views of our staff and encourage them to discuss issues affecting both themselves and their work. We also encourage membership of recognised trade unions. Staff can address business challenges both individually, feeding their views through line management, and collectively through their trade union representatives. We have a well-established consultative machinery and an agreement on information and consultation. Three standing committees discuss issues concerning:

- o health and safety
- o learning and development
- o equality and diversity.

During the course of the year we reviewed the purpose of these committees and made improvements to how they operate. We encouraged union learning representatives to take local initiatives to stimulate learning and development, particularly among junior members of staff.

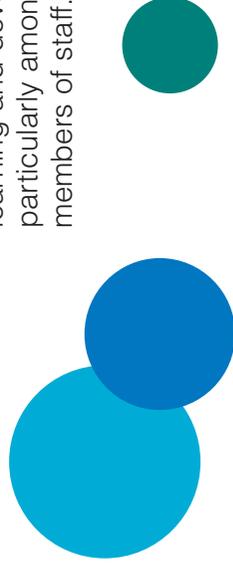
### Equality and diversity

We made progress across the three equality duties covering race, disability and gender during 2007/08. We strengthened our capacity to undertake impact assessments by a comprehensive equality monitoring exercise. We also carried out equality impact assessments on some of our policies and procedures, ranging from our use of assessment centres to our policy on special leave, to ensure that we meet the standards required by these duties.

On our gender duty and following an equal pay review, we formed a working group to ensure we keep an eye on a range of gender issues. These include addressing any underlying reasons there might be for pay gaps.

On the disability duty we built a network of disability champions across our business over the year to deliver awareness training to staff. To underpin our policy development we are establishing a disability involvement forum comprising external volunteers.

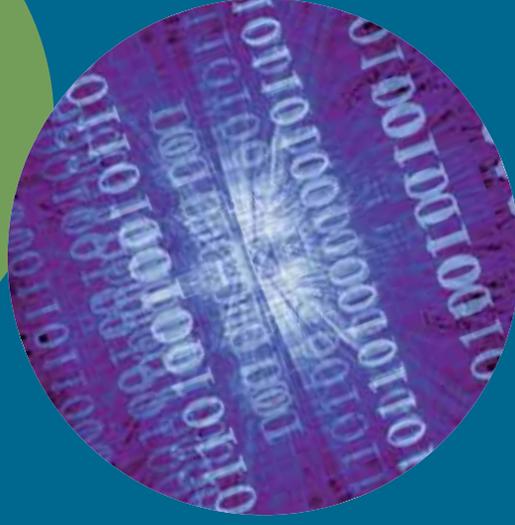
Our fair treatment contacts, who are volunteers within Acas, are available to discuss any areas of concern staff may have about their treatment at work. We intend to replace the fair treatment contacts who have left during the year.



# A day in the life of...

## Bijal Pandya Digital Solutions Technician

Bijal has been with Acas for three years now. Before joining Acas, Bijal worked for a local council as a complaints officer. Bijal works in Digital Solutions based in Acas National. Digital Solutions provides project management, advice and support on technical developments and on implementing applications, such as the new documents and record management system, databases and projects, such as Casflow.



### 9.00 am

I arrive at the office and log into my phone system to check voice mail messages. Catch up on emails and log into the helpdesk software.

### 9.30 am to 10.30 am

Spend time returning calls from users of the referral system and performance management system and answering emails. It's not always possible to return every call first time round as some people work on the helpline and may be on calls to other users.

### 11.00 am to 12.00 pm

Once a week I tidy up the system. The referral system generates pages of data and I clean up any forms that are stuck or need to be moved on.

I usually get interrupted, which can be a good thing as it means my day is never the same. My day-to-day tasks vary depending on the calls that I receive. Some calls may take a few minutes, others may take much longer.

### 12.30 pm to 1.00 pm

Stop for a bite to eat when I have finished dealing with a query. The staff room is a good place to get away from the desk, chat with colleagues and get a chance to catch up on what else is happening in Acas.

### 1.00 pm to 3.00 pm

I usually have a few FAST survey requests from our conciliators. I liaise with both the conciliators and the organisation requesting the survey or conference. I gather the relevant information and develop and design the survey.

I liaise with the organisation until the survey goes live, usually two to three weeks. Once the survey is completed I gather the results and hand them over to the conciliator.

### 3.30 pm to 5.00 pm

Deal with more service desk calls, then it's time to go home.



## Learning and continuous professional development

We succeeded in meeting the Investors in People (IiP) standard during 2007/08 and do not intend to rest on this success. Our network of IiP liaison staff across Acas will be trained as internal assessors so that the extent to which we can provide evidence that we are meeting the indicators is kept under continual review.

We continue to prioritise development activities that best reflect the needs of the business. We are open to the provision of more flexible approaches to delivering training and development activities.

Our programme of accredited training continued during 2007/08 and we are exploring ways of further developing the capability of our managers, where possible offering them an accredited qualification. We have recently surveyed those 52 staff who have completed CEREL (see page 28). The survey found that 69 per cent of staff who have gained accreditation believe their performance has improved – a view shared by their managers with 63 per cent of them agreeing performance has improved.

Changes to the way we deliver conciliation (see page 33) continued to lead to training and briefing events for those involved. Wherever possible we provided training locally to address work-life balance issues and maximise accessibility for all.

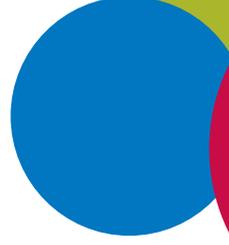
While residential events will always have their place we no longer rely on them, preferring to use a variety of media and delivery mechanisms to suit individuals with caring and other responsibilities, and those with different learning styles.

Our human resource strategy and performance management process reflect the requirements of the Professional Skills for Government (PSG) agenda and we continued work to equip all staff with the skills and knowledge they need. Our Chief Executive is the Non-Departmental Public Bodies (NDPB) representative member of Government Skills, the sector skills council for central government.

Our accreditation strategy is concerned with equipping our staff with recognisable skills and qualifications that are both significant for organisational development and transferable. The development of our competency framework takes account of the requirements of both PSG and our own requirements for expertise across the organisation.

## Work-life balance

During the year we supported staff through a variety of flexible working arrangements. We continued to extend the use of homeworking and remain open to other forms of working arrangements that suit both individuals and the business.



Acas is always looking at ways to help staff improve their work-life balance by offering flexible working arrangements that suit both individuals and the business.



## Pay and reward systems

Within the constraints of HM Treasury's pay remit process, our reward strategy is to ensure that:

- staff at all levels continue to receive performance-related progression increases that enable them to attain equality of pay with their colleagues in a reasonable period
- staff remain motivated to perform and achieve organisational objectives
- proposals are objectively based and non-discriminatory
- proposals are affordable.

## Health and safety

We are committed to maintaining a safe working environment for our staff, contractors and visitors and ensuring that effective health and safety policies and arrangements are in place to meet this commitment. The increase in homeworking has meant that our responsibilities now extend into people's homes and this makes reassurance a more complex process. We actively seek the support of our staff and unions through the safety committee structure, and we work in partnership with our contractors to achieve these aims.

The electronic display screen equipment risk assessment, training and reporting tool is continually maintained and monitored to ensure new staff members complete the package. Where there are significant changes to workstations staff are

required to redo the assessment. During the year we continued to maintain and build on our health and safety advice on the Intranet, ensuring that guidance notes covering key risk areas were up-to-date and accurate.

We continued to monitor and review our occupational health contract to ensure that it meets the needs of staff and their managers, seeking feedback from users and discussing findings with the provider. We are reviewing the support we provide to staff through our staff counselling service to ensure that it meets their needs, and are considering offering other areas of support, for example debt counselling. We are also considering ways to raise awareness of health issues as part of an holistic approach to managing attendance.

During the year we developed a 'resilience survey', and this will be rolled out to all staff during 2008/09. We also developed a revised policy on bullying and harassment, and are working with the new equality and diversity manager to ensure that we are taking account of the needs of disabled staff.

## Estates

As part of our estates strategy we continued to keep the Acas estate under review to ensure that our offices remain fit for purpose and represent good value for money. The relocation of our former offices in Birmingham and Pensnett to a single-site location in Birmingham was completed during the year.

The most significant decision relating to our estate during 2007/08 concerned the co-location of Acas National with our London region. This should be completed by April 2009 and will save us an estimated £1.5 million per year.

We signed a new facilities management contract at the end of the year. This should lead to a reduction in our costs in the next two to three years.



# Case study 3: The background

Acas Yorkshire and Humber have built up a strong working relationship with Unilever Leeds during the past five years.

Unilever

We have delivered training to both managers and supervisors, shop stewards and employee representatives on a number of topics. During 2007/08 Unilever set up a new discipline and grievance procedure and asked Acas to help with its effective implementation.

**How Acas helped**  
Working together with Unilever's HR Operations Manager, Nicola Taylor, we helped to identify training needs and plan a training package based on the new Unilever disciplinary procedure. A pilot training day was held for both shop stewards and managers so that the final training package could be agreed by all parties.

**The results**  
The training was then delivered and the feedback showed that it was well-received by the delegates and one of the main benefits was it helped them to embed the principles of good practice. The discipline and grievance policy was then fully implemented.

## Identify training needs

Acas trainer Carole Sayer and Unilever HR Operations Manager Nicola Taylor put their heads together to look at ideas for future training.



I now brainstorm our approach each year with Acas, adjusting content so as to benefit individuals. Thanks to Acas' experience and expertise we seem to have come up with an ideal format.

Nicola Taylor,  
Unilever HR  
Operations Manager



# Managing Acas

## Managing our finances

A full set of our accounts for 2007/08, 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 72 to 107).

2007/08 was the last year of the CSR2004 settlement, and we received £43 million in budget allocation (2006/07 £45.2 million). We continue to drive down the unit costs of activities, and

implemented a number of projects during the year to improve efficiency, including the use of Government Procurement cards, and staff reorganisations.

2008/09 is the first year of the CSR2007 period, where we again have a challenging reduction in funding, which will be met by efficiency savings. Additional funding for new Dispute Resolution Review (DRR) services will provide a significant investment going forward.

## Acas Performance

### Complaints to Acas

In 2007/08 we received 125 formal complaints (the same as for 2006/07) about our services. Of these, 108 concerned our helpline (compared to 115 last year) and 17 were about our individual conciliation service (compared to 10 in 2006/07).

Of the 108 complaints about our helpline service, the majority (77) related to difficulties accessing the service, 19 were about the attitude of the helpline adviser who answered the call and 12 concerned the quality of the information delivered.

### Issue

### Results (£'000's)

Gross cost of Acas (excluding exceptional items)

**£47,244**

Less income earned by Acas

**£3,941**

Exceptional items

**£6**

**Net Operating Cost**

**£43,309**

Grant in Aid

**£45,123**

Capital expenditure

**£1,614**

Audit Committee Members

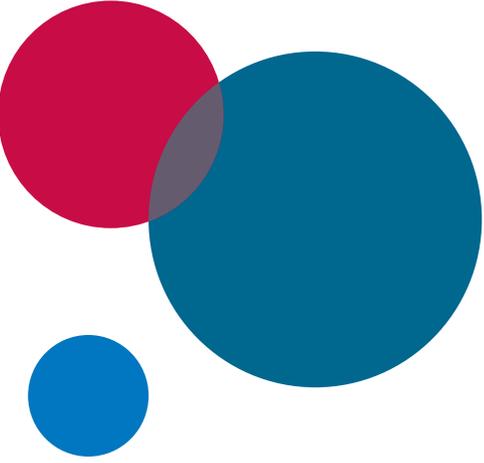
**Mr J Michie (Chair)**  
**Ms S Anderson CBE**  
**Mr E Sweeney**  
**Mr J McMullen**

During the year there were

periods when we struggled to deal with the volume of demand for our helpline. This is why the largest amount of complaints relate to difficulty in getting through. In each case we

apologised for the inconvenience and offered a call-back to assist in resolving the callers' concerns. A proportion of the complaints suggested that we should have a queuing system to facilitate access to the service.

Unfortunately this was not possible during the reporting period, but a telephone queue has subsequently been installed.



Of the 19 complaints about the attitude of members of staff, one was accepted unequivocally. For the remainder we offered an apology on the basis of the complaint itself. A high proportion of these complaints related to calls where we could only offer limited assistance. Often, in these circumstances, our adviser encourages the caller to take formal legal advice. We believe that the emotive situation that has led to the call to Acas contributes to a negative perception of the call. Nonetheless, we value all feedback and wherever possible pass it back to the adviser who took the call. If this is not possible, it is fed back to the team as a whole.

Of the 12 complaints regarding the quality of the information delivered, it was not possible to reach a firm conclusion on any of the calls. This is because complaints about the content of a call are frequently made a long time after the call was received. Complaints included concerns around information on the application of discipline and grievance procedures, entitlement to maternity pay and specifics of particular pieces of case law progressing through the European Court.

As regards complaints about our individual conciliation service, three resulted in an apology – one for the incorrect use of an individual's name; one for a failure to return calls in good time; and one for the failure to inform a claimant that an offer was not at that stage a formal one, but was subject to the employer's ratification. A further complaint led to both an apology and an ex-gratia payment as the conciliator had failed to inform the claimant that an offer to settle was time bound before it was withdrawn.

A further eight complaints alleged either bias or unfair pressure to either withdraw or settle, or the inappropriate conduct of the conciliation. Our investigations found no evidence to substantiate these allegations. A further four complaints concerned the question of whether a settlement had in fact been reached and the enforcement of settlements and again in none of these complaints did we find any evidence to substantiate the complaint. A final complaint concerned the wording of the standard introductory letter to represented claimants.



See pages 07–12  
for more details  
about Acas'  
performance  
during 2007/08.



# Facts and figures

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## Individual disputes – individual conciliation

Regional breakdown of cases received for conciliation from the employment tribunals

Cases received for conciliation from the employment tribunals by main and other grounds of complaint

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Resource Accounts 2007/08

# Individual disputes – individual conciliation

## Regional breakdown of cases received for conciliation from the employment tribunals by main ground of complaint from 1 April 2007 to 31 March 2008

Region	Unfair dismissal	Wages Act	Breach of contract	Redundancy pay	Sex discrimination	Race discrimination
London	4,371	790	406	102	1,217	999
South East	3,614	896	425	239	471	254
East of England	2,411	788	395	208	448	206
East Midlands	3,273	999	437	323	309	167
West Midlands	2,331	784	402	314	303	216
North East	2,407	928	450	224	252	31
Yorkshire and Humber	2,705	1,468	359	350	468	180
North West	4,640	2,148	767	507	1,295	225
Scotland	3,110	1,537	365	217	205	65
South West	2,715	914	370	214	465	111
Wales	1,775	567	435	193	209	57
<b>Total</b>	<b>33,352</b>	<b>11,819</b>	<b>4,811</b>	<b>2,891</b>	<b>5,642</b>	<b>2,511</b>

## Number of non ET1 conciliations

Non ET1 conciliations **51,935**

### Notes:

1. Very few sex discrimination and equal pay cases brought against NHS employers are included in these figures because they have not been passed to Acas for conciliation by the Employment Tribunals unless the parties have requested conciliation or there appears to be a reasonable prospect of success in conciliation.
2. Similarly, large numbers of cases lodged at the Employment Tribunals concerning working time are also not included in these figures because they were not susceptible to conciliation and were struck out before being entered onto the database.
3. Conciliation is not always conducted in the region in which the claim is made.
4. Non-ET1 conciliations are conciliations undertaken where a case has not yet been submitted to an Employment Tribunal, but where one could be if the matter is not resolved. The vast majority of these cases (45,266) related to potential claims against local authorities in regard to equal pay.

Disability discrimination	Working time	Equal pay	National minimum wage	Flexible working	Age discrimination	Other	Total
810	13,829	315	20	13	429	9,737	<b>33,038</b>
435	957	18	7	3	161	366	<b>7,846</b>
380	118	267	16	2	181	447	<b>5,867</b>
262	451	521	6	2	80	376	<b>7,206</b>
295	379	2,145	3	4	94	247	<b>7,517</b>
123	285	8,375	7	5	38	218	<b>13,343</b>
274	285	6,568	7	4	167	340	<b>13,175</b>
631	310	5,164	14	6	184	368	<b>16,259</b>
205	544	18,904	12	7	53	655	<b>25,879</b>
279	155	65	11	6	105	307	<b>5,717</b>
156	94	11,610	5	2	55	244	<b>15,402</b>
<b>3,850</b>	<b>17,407</b>	<b>53,952</b>	<b>108</b>	<b>54</b>	<b>1,547</b>	<b>13,305</b>	<b>151,249</b>

Non ET1 total **51,935**

# Individual disputes – individual conciliation (continued)

## Cases received for conciliation from the employment tribunals by main and other grounds of complaint

Main cause of complaint conciliated	2007/08 Number	%	2006/07 Number	%	2005/06 Number	%
Unfair dismissal	33,352	22.1	35,583	33.8	35,944	32.8
Wages Act	11,819	7.8	11,495	10.9	13,201	12.0
Breach of contract	4,811	3.2	5,399	5.1	6,067	5.5
Redundancy pay	2,891	1.9	2,964	2.8	2,847	2.6
Sex discrimination	5,642	3.7	8,095	7.7	5,202	4.7
Race discrimination	2,511	1.7	2,383	2.3	2,243	2.0
Disability discrimination	3,850	2.5	3,654	3.5	3,197	2.9
Working time	17,407	11.5	3,780	3.6	23,907	21.8
Equal pay	53,952	35.7	25,264	24.0	12,393	11.3
National minimum wage	108	0.1	431	0.4	64	0.1
Flexible working	54	0.0	58	0.1	91	0.1
Age discrimination	1,547	1.0	394	0.4	0.0	
Others	13,305	8.8	5,677	5.4	4,556	4.2
<b>Total</b>	<b>151,249</b>		<b>105,177</b>		<b>109,712</b>	

Secondary and other causes	2007/08 Number	%	2006/07 Number	%	2005/06 Number	%
Unfair dismissal	9,879	12.9	8,884	11.8	8,453	10.3
Wages Act	13,322	17.4	16,753	22.3	19,974	24.3
Breach of contract	18,199	23.8	18,603	24.7	19,694	24.0
Redundancy pay	3,604	4.7	4,036	5.4	3,971	4.8
Sex discrimination	3,765	4.9	4,080	5.4	7,782	9.5
Race discrimination	1,549	2.0	1,359	1.8	1,869	2.3
Disability discrimination	1,950	2.5	1,790	2.4	1,332	1.6
Working time	11,360	14.8	11,180	14.9	10,458	12.7
Equal pay	4,561	6.0	2,233	3.0	1,754	2.1
National minimum wage	259	0.3	308	0.4	307	0.4
Flexible working	191	0.2	167	0.2	146	0.2
Age discrimination	1,105	1.4	345	0.5	0	0.0
Others	6,789	8.9	5,505	7.3	6,433	7.8
<b>Total</b>	<b>76,533</b>		<b>75,243</b>		<b>82,173</b>	

## All

All	2007/08 Number	%	2006/07 Number	%	2005/06 Number	%
Unfair dismissal	43,231	19.0	44,467	24.6	44,397	23.1
Wages Act	25,141	11.0	28,248	15.7	33,175	17.3
Breach of contract	23,010	10.1	24,002	13.3	25,761	13.4
Redundancy pay	6,495	2.9	7,000	3.9	6,818	3.6
Sex discrimination	9,407	4.1	12,175	6.7	12,984	6.8
Race discrimination	4,060	1.8	3,742	2.1	4,112	2.1
Disability discrimination	5,800	2.5	5,444	3.0	4,529	2.4
Working time	28,767	12.6	14,960	8.3	34,365	17.9
Equal pay	58,513	25.7	27,497	15.2	14,147	7.4
National minimum wage	367	0.2	739	0.4	371	0.2
Flexible working	245	0.1	225	0.1	237	0.1
Age discrimination	2,652	1.2	739	0.4	0	0.0
Others	20,094	8.8	11,182	6.2	10,989	5.7
<b>Total</b>	<b>227,782</b>		<b>180,420</b>		<b>191,885</b>	

### Notes:

1. Very few sex discrimination and equal pay cases brought against NHS employers are included in these figures because they have not been passed to Acas for conciliation by the Employment Tribunals unless the parties have requested conciliation or there appears to be a reasonable prospect of success in conciliation.
2. Similarly, large numbers of cases lodged at the Employment Tribunals concerning working time are also not included in these figures because they were not susceptible to conciliation and were struck out.
3. Conciliation is not always conducted in the region in which the claim is made.

# Individual disputes – individual conciliation (continued)

## Conciliation cases cleared<sup>1</sup>

Main jurisdiction	Year	Total	Settled	% Withdrawn	ET	%		
Unfair dismissal	<b>07/08</b>	<b>30,458</b>	<b>13,187</b>	<b>43.3</b>	<b>10,590</b>	<b>34.8</b>	<b>6,681</b>	<b>21.9</b>
	06/07	33,568	13,320	39.7	11,510	34.3	8,738	26.0
	05/06	30,089	11,989	39.8	10,631	35.3	7,469	24.8
Wages Act	<b>07/08</b>	<b>10,025</b>	<b>3,447</b>	<b>34.4</b>	<b>3,146</b>	<b>31.4</b>	<b>3,432</b>	<b>34.2</b>
	06/07	11,808	4,457	37.7	3,349	28.4	4,002	33.9
	05/06	13,879	5,086	36.6	4,411	31.8	4,382	31.6
Breach of contract	<b>07/08</b>	<b>4,235</b>	<b>1,421</b>	<b>33.6</b>	<b>1,244</b>	<b>29.4</b>	<b>1,570</b>	<b>37.1</b>
	06/07	4,731	1,584	33.5	1,417	30.0	1,730	36.6
	05/06	5,527	1,962	35.5	1,839	33.3	1,726	31.2
Redundancy pay	<b>07/08</b>	<b>2,096</b>	<b>344</b>	<b>16.4</b>	<b>531</b>	<b>25.3</b>	<b>1,221</b>	<b>58.3</b>
	06/07	2,470	376	15.2	653	26.4	1,441	58.3
	05/06	2,567	467	18.2	678	26.4	1,422	55.4
Sex discrimination	<b>07/08</b>	<b>3,809</b>	<b>2,201</b>	<b>57.8</b>	<b>1,109</b>	<b>29.1</b>	<b>499</b>	<b>13.1</b>
	06/07	4,348	2,358	54.2	1,499	34.5	491	11.3
	05/06	6,357	2,229	35.1	3,494	55.0	634	10.0
Race discrimination	<b>07/08</b>	<b>2,106</b>	<b>979</b>	<b>46.5</b>	<b>668</b>	<b>31.7</b>	<b>459</b>	<b>21.8</b>
	06/07	2,012	952	47.3	594	29.5	466	23.2
	05/06	2,417	1,064	44.0	773	32.0	580	24.0
Disability discrimination	<b>07/08</b>	<b>3,324</b>	<b>1,799</b>	<b>54.1</b>	<b>1,115</b>	<b>33.5</b>	<b>410</b>	<b>12.3</b>
	06/07	2,966	1,621	54.7	938	31.6	407	13.7
	05/06	2,479	1,329	53.6	789	31.8	361	14.6
Age discrimination	<b>07/08</b>	<b>979</b>	<b>522</b>	<b>53.3</b>	<b>337</b>	<b>34.4</b>	<b>120</b>	<b>12.3</b>
	06/07	57	30	52.6	26	45.6	1	1.8
	05/06	0	0		0		0	
Working time	<b>07/08</b>	<b>2,323</b>	<b>1,002</b>	<b>43.1</b>	<b>620</b>	<b>26.7</b>	<b>701</b>	<b>30.2</b>
	06/07	2,394	934	39.0	645	26.9	815	34.0
	05/06	2,608	1,140	43.7	868	33.3	600	23.0
Equal pay	<b>07/08</b>	<b>4,317</b>	<b>2,421</b>	<b>56.1</b>	<b>1,851</b>	<b>42.9</b>	<b>45</b>	<b>1.0</b>
	06/07	1,785	1,348	75.5	381	21.3	21	1.2
	05/06	2,187	874	40.0	1,277	58.4	36	1.6
National minimum wage	<b>07/08</b>	<b>89</b>	<b>34</b>	<b>38.2</b>	<b>23</b>	<b>25.8</b>	<b>32</b>	<b>36.0</b>
	06/07	122	58	47.5	34	27.9	30	24.6
	05/06	79	31	39.2	29	36.7	19	24.1
Flexible working	<b>07/08</b>	<b>52</b>	<b>19</b>	<b>36.5</b>	<b>32</b>	<b>61.5</b>	<b>1</b>	<b>1.9</b>
	06/07	43	20	46.5	20	46.5	3	7.0
	05/06	62	36	58.1	19	30.6	7	11.3
Others	<b>07/08</b>	<b>4,155</b>	<b>1,046</b>	<b>25.2</b>	<b>1,535</b>	<b>36.9</b>	<b>1,574</b>	<b>37.9</b>
	06/07	4,905	1,367	27.9	1,479	30.2	1,928	39.3
	05/06	4,277	889	20.8	2,071	48.4	1,317	30.8
<b>Total</b>	<b>07/08</b>	<b>67,968</b>	<b>28,422</b>	<b>41.8</b>	<b>22,801</b>	<b>33.5</b>	<b>16,745</b>	<b>24.6</b>
	06/07	71,023	28,405	40.0	22,545	31.7	20,073	28.3
	05/06	72,528	27,096	37.4	26,879	37.1	18,553	25.6

Notes:

1. Figures only include conciliated tribunal cases. Non-ET1 cases, cases not passed to Acas for conciliation, and cases struck out by the Employment Tribunal are not included.

### Charged-for mediation in employment and workplace disputes which were not the subject of actual or potential employment tribunal proceedings

Year	New cases started	Unprogressed	Resolved	Progress made	Cases completed Unresolved	Total	% successful
<b>07/08</b>	<b>185</b>	<b>12</b>	<b>103</b>	<b>40</b>	<b>17</b>	<b>172</b>	<b>89.4</b>
06/07	150	–	99	8	27	134	79.9
05/06	128	–	75	4	6	85	92.9

Notes:

1. The success rate is calculated by reference to completed cases resolved, progress made and unresolved.
2. Unprogressed cases are those cases where no meaningful mediation activity took place even though the parties have earlier formally agreed to mediation. Data was not collected on unprogressed cases prior to 2007/08.

# Collective disputes

## Collective disputes by region and source

Region	Year	Total received	Employer	Trade union	Joint	Acas
London	<b>07/08</b>	<b>103</b>	<b>24</b>	<b>32</b>	<b>36</b>	<b>11</b>
	06/07	109	28	19	51	11
	05/06	100	16	29	45	10
South East	<b>07/08</b>	<b>35</b>	<b>14</b>	<b>6</b>	<b>12</b>	<b>3</b>
	06/07	32	10	8	9	5
	05/06	37	6	14	9	8
East of England	<b>07/08</b>	<b>70</b>	<b>16</b>	<b>9</b>	<b>36</b>	<b>9</b>
	06/07	53	14	12	20	7
	05/06	62	11	25	18	8
East Midlands	<b>07/08</b>	<b>48</b>	<b>20</b>	<b>5</b>	<b>20</b>	<b>3</b>
	06/07	45	7	9	25	4
	05/06	50	10	12	25	3
West Midlands	<b>07/08</b>	<b>59</b>	<b>15</b>	<b>23</b>	<b>18</b>	<b>3</b>
	06/07	75	28	19	10	18
	05/06	80	29	13	24	14
North East	<b>07/08</b>	<b>101</b>	<b>17</b>	<b>21</b>	<b>60</b>	<b>3</b>
	06/07	121	12	12	41	56
	05/06	94	5	26	50	13
Yorkshire and Humber	<b>07/08</b>	<b>97</b>	<b>25</b>	<b>9</b>	<b>50</b>	<b>13</b>
	06/07	96	25	21	31	19
	05/06	62	16	12	28	6
North West	<b>07/08</b>	<b>193</b>	<b>44</b>	<b>64</b>	<b>70</b>	<b>15</b>
	06/07	178	28	34	89	27
	05/06	209	27	48	118	16
Scotland	<b>07/08</b>	<b>128</b>	<b>19</b>	<b>74</b>	<b>24</b>	<b>11</b>
	06/07	154	24	98	25	7
	05/06	180	17	101	53	9
South West	<b>07/08</b>	<b>32</b>	<b>9</b>	<b>5</b>	<b>13</b>	<b>5</b>
	06/07	18	6	3	7	2
	05/06	29	6	6	11	6
Wales	<b>07/08</b>	<b>30</b>	<b>5</b>	<b>14</b>	<b>9</b>	<b>2</b>
	06/07	31	10	6	15	0
	05/06	36	13	6	14	3
Acas National	<b>07/08</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	0	0	0	0	0
	05/06	13	3	2	5	3
<b>All</b>	<b>07/08</b>	<b>896</b>	<b>208</b>	<b>262</b>	<b>348</b>	<b>78</b>
	06/07	912	192	241	323	156
	05/06	952	159	294	400	99

## Collective disputes by region and cause

Region	Year	General pay	Other pay	Recognition in working practices	Other TU	Redundancy	Discipline and dismissal	Others
London	<b>07/08</b>	<b>29</b>	<b>27</b>	<b>19</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>12</b>
	06/07	31	21	21	5	4	4	17
	05/06	16	24	17	12	7	4	9
South East	<b>07/08</b>	<b>11</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>
	06/07	11	10	5	0	2	0	2
	05/06	8	11	8	1	3	2	2
East of England	<b>07/08</b>	<b>18</b>	<b>9</b>	<b>21</b>	<b>4</b>	<b>9</b>	<b>1</b>	<b>8</b>
	06/07	10	15	11	4	5	2	5
	05/06	15	12	14	9	4	1	4
East Midlands	<b>07/08</b>	<b>7</b>	<b>15</b>	<b>12</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>5</b>
	06/07	9	17	10	2	2	1	2
	05/06	18	8	8	3	7	2	1
West Midlands	<b>07/08</b>	<b>14</b>	<b>14</b>	<b>17</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>4</b>
	06/07	25	14	16	3	5	0	9
	05/06	20	20	18	5	7	4	3
North East	<b>07/08</b>	<b>22</b>	<b>19</b>	<b>17</b>	<b>8</b>	<b>4</b>	<b>6</b>	<b>14</b>
	06/07	24	68	13	2	5	2	7
	05/06	24	24	22	5	7	1	6
Yorkshire and Humber	<b>07/08</b>	<b>18</b>	<b>31</b>	<b>10</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>9</b>
	06/07	29	40	8	3	3	1	7
	05/06	16	13	11	5	5	1	5
North West	<b>07/08</b>	<b>27</b>	<b>45</b>	<b>16</b>	<b>21</b>	<b>19</b>	<b>20</b>	<b>9</b>
	06/07	42	25	15	27	25	8	17
	05/06	50	50	29	25	13	14	10
Scotland	<b>07/08</b>	<b>53</b>	<b>32</b>	<b>30</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>5</b>
	06/07	57	28	36	3	10	8	5
	05/06	62	39	33	6	7	12	2
South West	<b>07/08</b>	<b>12</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
	06/07	5	3	7	1	0	0	0
	05/06	7	9	10	0	0	1	1
Wales	<b>07/08</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>2</b>
	06/07	11	0	5	1	1	1	12
	05/06	12	0	5	4	2	0	0
Acas National	<b>07/08</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	0	0	0	0	0	0	0
	05/06	4	5	2	0	1	0	0
<b>All</b>	<b>07/08</b>	<b>220</b>	<b>208</b>	<b>159</b>	<b>68</b>	<b>53</b>	<b>41</b>	<b>73</b>
	06/07	254	241	147	51	62	27	83
	05/06	252	215	177	75	63	42	43

# Collective disputes (continued)

## Collective cases by outcome

Region	Year	Total cases	Completed	Successful	Unsuccessful	Withdrawn
London	<b>07/08</b>	<b>73</b>	<b>72</b>	<b>67</b>	<b>5</b>	<b>1</b>
	06/07	89	81	74	7	8
	05/06	99	96	87	9	3
South East	<b>07/08</b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>1</b>	<b>1</b>
	06/07	22	22	21	1	0
	05/06	42	42	36	6	0
East of England	<b>07/08</b>	<b>55</b>	<b>50</b>	<b>46</b>	<b>4</b>	<b>5</b>
	06/07	57	55	50	5	2
	05/06	64	64	58	6	0
East Midlands	<b>07/08</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>0</b>
	06/07	39	38	36	2	1
	05/06	43	43	37	6	0
West Midlands	<b>07/08</b>	<b>50</b>	<b>47</b>	<b>47</b>	<b>0</b>	<b>3</b>
	06/07	66	65	63	2	1
	05/06	63	63	60	3	0
North East	<b>07/08</b>	<b>69</b>	<b>56</b>	<b>51</b>	<b>5</b>	<b>13</b>
	06/07	83	70	61	9	13
	05/06	73	61	56	5	12
Yorkshire and Humber	<b>07/08</b>	<b>67</b>	<b>67</b>	<b>66</b>	<b>1</b>	<b>0</b>
	06/07	49	49	48	1	0
	05/06	34	30	28	2	4
North West	<b>07/08</b>	<b>134</b>	<b>130</b>	<b>127</b>	<b>3</b>	<b>4</b>
	06/07	213	208	208	0	5
	05/06	218	213	204	9	5
Scotland	<b>07/08</b>	<b>120</b>	<b>115</b>	<b>99</b>	<b>16</b>	<b>5</b>
	06/07	168	165	148	17	3
	05/06	200	197	178	19	3
South West	<b>07/08</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>1</b>	<b>0</b>
	06/05	25	25	25	0	0
	05/06	34	32	29	3	2
Wales	<b>07/08</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>1</b>	<b>0</b>
	06/07	24	24	24	0	0
	05/06	54	51	50	1	3
Acas National	<b>07/08</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	0	0	0	0	0
	05/06	12	12	7	5	0
<b>All</b>	<b>07/08</b>	<b>672</b>	<b>640</b>	<b>603</b>	<b>37</b>	<b>32</b>
	06/07	835	802	758	44	33
	05/06	936	904	830	74	32

### Cases referred to arbitration and dispute mediation

Area	2007/08	2006/07	2005/06
Single Arbitrator	39	44	55
Board of Arbitration	0	0	0
Single Mediator	2	2	2
Board of Mediation	0	0	0
Police Arbitration Tribunal	4	1	0
Other	2	0	0
<b>Total</b>	<b>47</b>	<b>47</b>	<b>57</b>

### Issues referred to arbitration and dispute mediation

Nature of claim	2007/08 Number	2007/08 %	2006/07 Number	2006/07 %	2005/06 Number	2005/06 %
Annual pay	8	17.0	14	30.0	11	19.0
Other pay and conditions of employment	12	25.5	12	26.0	10	17.5
Dismissal and discipline	14	29.9	11	23.0	5	9.0
Grading	1	2.1	2	4.0	14	24.5
Others	12	25.5	8	17.0	17	30.0
<b>Total</b>	<b>47</b>		<b>47</b>		<b>57</b>	

# Advice services

## Completed workplace projects by subject and region

Region	Year	Total completed	Discipline and grievance	Turnover/absence management	Bullying and harassment	Collective bargaining arrangements	Trade union recognition
London	<b>07/08</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
	06/07	17	0	0	0	4	1
	05/06	15	1	0	0	2	0
South East	<b>07/08</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
	06/07	9	1	0	0	0	0
	05/06	24	6	0	1	3	1
East of England	<b>07/08</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
	06/07	12	0	0	0	1	1
	05/06	23	0	0	0	2	0
East Midlands	<b>07/08</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	06/07	16	1	1	0	1	3
	05/06	13	0	0	0	1	1
West Midlands	<b>07/08</b>	<b>19</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
	06/07	17	1	3	0	0	1
	05/06	14	0	1	0	0	1
North East	<b>07/08</b>	<b>27</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>0</b>
	06/07	39	1	1	0	0	3
	05/06	28	0	1	0	4	1
Yorkshire and Humber	<b>07/08</b>	<b>54</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>
	06/07	33	0	1	0	2	1
	05/06	46	1	0	0	4	0
North West	<b>07/08</b>	<b>30</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>
	06/07	23	1	0	0	3	1
	05/06	45	3	1	0	5	1
Scotland	<b>07/08</b>	<b>31</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>6</b>
	06/07	23	0	1	0	0	11
	05/06	47	5	2	0	1	13
South West	<b>07/08</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	15	0	0	0	1	0
	05/06	18	0	0	0	0	0
Wales	<b>07/08</b>	<b>15</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	15	0	0	0	0	0
	05/06	46	4	1	1	5	3
Acas National	<b>07/08</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06/07	0	0	0	0	0	0
	05/06	0	0	0	0	0	0
<b>All</b>	<b>07/08</b>	<b>252</b>	<b>8</b>	<b>13</b>	<b>6</b>	<b>15</b>	<b>10</b>
	06/07	219	5	7	0	12	22
	05/06	319	20	6	2	27	21
<b>Equality and diversity charged</b>							
Healthchecks Policies & procedures <b>All</b>	<b>07/08</b>	<b>6</b>			<b>1</b>		
	07/08	5			1		
		11					

Communications and consultation	Pay and reward systems	Grading arrangements	Management of change	Changes to pattern of work	Equal opportunities/work-life balance	Managing diversity	Improving relationships/problem-solving
7	2	1	0	0	1	0	10
1	0	0	1	0	0	0	10
3	1	2	1	0	0	0	5
5	0	0	0	0	2	0	1
2	0	0	0	0	0	1	5
5	2	1	2	0	0	0	3
6	0	1	0	1	0	0	7
0	2	2	3	0	1	0	2
12	1	2	3	0	0	0	3
3	0	0	0	0	4	0	1
3	0	0	1	0	0	0	6
2	2	1	3	0	0	0	3
6	1	0	0	0	3	0	4
3	1	0	0	0	0	1	7
5	0	1	0	0	0	0	6
10	3	2	1	0	0	0	3
18	3	0	2	1	1	0	9
9	3	1	3	2	0	0	4
20	5	1	1	0	1	1	16
11	3	3	5	0	0	0	7
22	3	2	6	0	0	0	7
5	1	4	0	5	2	2	5
4	2	3	1	1	0	2	5
17	5	1	11	0	0	0	1
1	0	6	2	0	5	3	4
1	0	5	1	1	1	0	2
3	3	7	7	1	1	0	4
2	0	2	0	0	3	4	1
7	2	0	0	0	1	1	3
2	4	0	6	0	0	0	6
7	1	1	0	1	0	0	3
3	2	2	0	2	0	0	6
9	10	1	8	1	0	0	3
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
72	13	18	4	7	21	10	55
53	15	15	14	5	4	5	62
89	34	19	50	4	1	1	45

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# Advice services (continued)

## Advisory meetings and calls received by Acas helpline

Region	Advisory meetings			Calls received by helpline		
	2007/08*	2006/07	2005/06	2007/08	2006/07	2005/06
London	222	162	226	99,411	107,611	107,367
South East	249	81	227	54,286	51,486	85,414
East of England	160	70	138	59,063	41,343	34,727
East Midlands	122	57	81	89,149	76,416	81,181
West Midlands	138	170	122	83,340	65,311	93,506
North East	133	89	105	84,559	87,280	57,986
Yorkshire and Humber	201	184	309	91,966	81,673	72,384
North West	251	214	361	113,726	122,675	152,351
Scotland	225	108	163	111,243	104,156	102,480
South West	179	81	100	48,737	45,930	60,399
Wales	92	127	170	49,873	55,454	60,758
<b>Total</b>	<b>1,972</b>	<b>1,318</b>	<b>2,002</b>	<b>885,353</b>	<b>839,335</b>	<b>908,553</b>

## Equality Direct helpline\*\*

Nature of claim	2007/08		2006/07		2005/06	
	Number	%	Number	%	Number	%
Maternity, paternity and adoption	599	11	644	10.0	461	9.0
Diversity and discrimination	2,155	41	2,325	38.0	2,039	40.0
Family friendly policies	287	5	298	5.0	330	7.0
Others	2,237	43	2,914	47.0	2,231	44.0
<b>Total</b>	<b>5,238</b>		<b>6,182</b>		<b>5,061</b>	

\* For 2007/08 this includes in-depth advisory telephone calls which have replaced some visits to maximise the number of employers assisted within the available resource.

\*\* Due to a change in the way the specific subjects have been broken down for 2005/06 onwards, it is not possible to directly compare calls by subject, only total calls prior to that period.

## Training sessions

Region	Charged training sessions		Charged workplace training		Non-charged training sessions		Total training sessions	
	07/08	06/07 05/06	07/08	06/07 05/06	07/08	06/07 05/06	07/08	06/07 05/06
London	75	102 73	171	130 214	126	46 63	372	278 350
South East	78	74 96	178	151 240	15	48 84	271	273 420
East of England	64	90 80	98	102 62	0	32 41	162	224 183
East Midlands	51	72 54	97	147 103	4	13 18	152	232 175
West Midlands	47	47 47	145	96 141	7	36 29	199	179 217
North East	50	67 73	92	133 116	8	9 13	150	209 202
Yorkshire and Humber	44	72 58	136	205 197	37	42 60	217	319 315
North West	64	90 95	188	133 122	3	71 132	372	294 349
Scotland	123	193 151	110	184 255	0	1 0	233	378 406
South West	26	67 65	122	104 85	43	8 3	191	179 153
Wales	28	45 51	125	95 116	7	2 27	160	142 194
Acas National	15	0 0	6	0 0	0	0 0	21	142 194
<b>Total</b>	<b>665</b>	<b>919 843</b>	<b>1,468</b>	<b>1,480 1,651</b>	<b>250</b>	<b>308 470</b>	<b>2,500</b>	<b>2,707 2,964</b>

### Footnotes

**ET1** (actual claims to tribunals) individuals (applicants) wishing to make a complaint to an employment tribunal submit a completed form "ET1".

**Non-ET1** (potential claims to tribunals) Acas may use its power to broker settlements in cases where a tribunal application has not yet been submitted, but Acas becomes aware that an individual could do so (using form ET1).

### Charged training sessions

Acas provides practical guidance and help on developing policies and procedures and interpreting changes in employment practice and legislation. Separate training sessions are aimed at small businesses ('Key Points' sessions and 'Getting it right' sessions) as well as medium or larger organisations ('In-depth' sessions).

### Charged workplace training sessions

Acas designs and delivers practical, flexible training packages customised for a particular workplace and delivered in that workplace. Acas trains delegates to improve their employment knowledge and skills, in the context of particular issues facing their organisations.

# Employee involvement in Acas

Acas recognises the important contribution that effective communication and consultation make to:

- the achievement of the Acas Corporate and Business Plan
- greater understanding of all the factors that bear upon performance
- the enlargement of job interest and motivation.

Acas therefore accepts that staff have the right to:

- have their pay, grading, terms and conditions negotiated collectively with recognised trade unions
- be consulted directly and through their representatives so that their views can be taken into account before management makes decisions which are likely to affect the circumstances in which they carry out their duties
- be informed on matters of concern to them as employees, and to have the opportunity to respond to that information.

Practical expression is given to those rights in the following ways:

- management encourages membership of, and participation in the affairs of the appropriate trade unions and believes that they play an important part in the consultative process in Acas
- regular meetings between Acas management and trade union representatives in the Acas National Joint Council linked to the timing of Management Board meetings and separate Local Joint Committees in each region and at Acas National. Operating under agreed constitutions, these provide the main consultative and negotiating machinery within Acas. Minutes of meetings are made available to all staff. Separate joint committees which have been set up as sub-committees of the Acas National Joint Council consider training, health and safety and equal opportunity/fair treatment issues
- monthly meetings of the Acas Management Board, following which regional managers feed back to their own staff the operational, personnel and financial matters which have been raised at the Board. Minutes of the Board's meetings are also available to staff

- regular meetings within the separate branches of Acas National and comparable meetings within each region at which operational and financial objectives, performance and problems are discussed
- consultation, as required, on the structure and content of Acas publications and on possible submissions to be made by the Acas Council to outside bodies. In this way, practical experience in the field can be taken fully into account.

Proposals relating to significant organisational changes and other matters of managerial concern are discussed in joint working groups of senior management and operational staff, either nationally or regionally, before final decisions are made.

Negotiations on pay, grading and terms and conditions of employment are carried out in the Joint Negotiating Committee.

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# Annual Report to the Accounts

## Directors' Report

### Introduction

**1.** Acas was set up as a statutory body on 1 January 1976 and its two linked but independent institutions, the Certification Office (CO) and Central Arbitration Committee (CAC) were established on 1 February 1976. The establishment of these institutions is provided by the Trade Union and Labour Relations (Consolidation) Act 1972, as amended by the Trade Union Reform and Employment Rights Act 1993 and the Employment Relations Act 1999. Its main statutory functions and duties are:

- o Acas has a general duty of promoting the improvement of employment relations in Great Britain;
- o to advise employers, workers, unions and businesses on employment relations and employment policy matters;
- o to prepare Codes of Practice relating to good employment practice;
- o to designate officers as Conciliation Officers to provide conciliation in complaints made by individuals under legislation on employment rights;
- o to conciliate in individual and collective employment disputes;
- o to arrange independent arbitration and mediation;
- o to maintain a panel of Independent Experts to be made available to the Employment Tribunal Service in Equal Pay claims (under Equal Pay Amendment Regulations 1983 (S.I. 1983 No 1794));
- o to administer the Acas Arbitration Scheme [Acas Arbitration Scheme (Great Britain) 2004 (S.I. 2004 No 753) and Acas (Flexible Working) Arbitration Scheme (Great Britain) Order 2004 (S.I. 2004 No 2333)], including the appointment of arbitrators, administrative assistance during the hearing and scrutiny of awards;

- o to provide a Secretariat for the Police Arbitration Tribunal; and
  - o like other public sector organisations Acas has a general duty to promote equality, to promote good relations between different racial groups and to eliminate discrimination.
- 2.** Under the Trade Union and Labour Relations (Consolidation) Act 1992 sections 254-265 Acas is required to provide both the Certification Officer 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, Enterprise and Regulatory Reform.
- 3.** Acas also has a role to play in the appointment of the Certification Officer 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, Enterprise and Regulatory Reform (BERR) Request for Resources 1 (RfR1), on a programme basis.
- 5.** The term 'the Service' is used when referring to issues that commonly relate to Acas, CO and CAC.

### Aims and Objectives Acas

- 6.** Acas aims to improve organisations and working life through better employment relations.
- 7.** Like other public sector organisations Acas has a general duty to promote equality and to eliminate discrimination.

## CO

- 8.** 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

- 9.** 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 Co-operative Society Regulations and the Cross-Border Mergers Regulations.
- 10.** 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

- 11.** 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;
  - resolving disputes over individual employment rights; and
  - promoting diversity in the workplace.
- 12.** Acas also publishes Codes of Practice on:
- disclosure of information to trade unions;
  - time off for trade union duties (being revised in 2008); and
  - activities and disciplinary and grievance procedures (being revised in 2008).
- CO**
- 13.** 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**
- 14.** 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 has dealt with a small number of cases under the legislation relating to European Works Councils. The CAC has now received and determined applications under the Information and Consultation Regulations.
- 15.** The European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations have provided no cases to date.

# Annual Report to the Accounts

## **Risk and Control Framework**

**16.** The identification and assessment of risks faced by the Service is established in the corporate planning cycle, determined by activities set out in the annual business plan and monitored through quarterly reporting to the Acas Management Board alongside the Balanced Scorecard.

**17.** The Senior Responsible Owners of projects designed to enable Acas to continue to provide the same high standard of product delivery with reduced funding have identified the key risks in each project.

## **Management Structure**

**18.** 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.

**19.** The Acas Council is supported by two sub committees: Audit and Human Resources.

**20.** The Acas Management Board meets monthly and is charged with considering the plans and strategic direction of Acas, and monitors the key strategic risks faced by the Service.

**21.** The Board feeds back to staff on operational, financial and personnel matters. The minutes from Board meetings are available to all staff.

**22.** The Board members are as follows:

Ms Rita Donaghy CBE (Chair)  
(until October 2007)

Mr Ed Sweeney (Chair) (from November 2007)

Mr John Taylor (Chief Executive, Acas)

Mr Graeme Charles (Chief Executive, CAC)

Mr John Thompson (Director of Business Support) (until March 2008)

Mr Richard Bruce (Director of Finance) (from July 2007)

Mr Andrew Wareing (Director of Delivery)

Ms Christine Hewitt (Director of Knowledge)

Ms Jan Dixon (Director of Knowledge)

Mr Andrew Godber (Director of Information Technology) (from March 2008)

Mr Mike Spencer (Director of Human Resources)

Mr Keith Mizon (Director of National Delivery)

Mr Jerry Gibson (Director of Operational Policy and Performance)

Mr Frank Blair (Scotland Director)

Mr Phil Pluck (Northern Director)

Ms Susan Clews (North West Director)

Mr Rob Johnson (Wales and Southern England Director)

Ms Carol Davenport (Midlands and Eastern Director)

Mr Chris Martin (South and East Director) (until April 2007)

Mr Steve Hodder (London Director) (until June 2007)

Mr Ken Owen (London Director) (from June 2007)

Mr Alasdair Frew (Head of Communications) (until April 2008)

### **Post Year End Events**

**23.** There have been no events of exceptional financial significance since the end of the financial year.

### **Equal Opportunities**

**24.** We strive to be an equal opportunities employer and 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 the objectives of the Service. The appointment of a Diversity Champion has given further impetus to the development of a holistic strategy. We are about to recruit external disabled people to participate in our Disability Involvement Forum. They will be invited to comment on aspects of our service from their own perspectives.

### **Employee Involvement**

**25.** 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.

### **Investors in People (IIP)**

**26.** The Service became the first nationwide, multi-site public sector body to receive IIP recognition in January 1994. Acas has

remained accredited ever since. The CAC has recently been assessed against the new Standard in its own right, and re-accreditation for a further three years confirmed. The CO was awarded IIP accreditation in July 2003 and then were re-accredited on 10 July 2006 for a further period of three years. Acas has now been re-assessed against the new Standard and has successfully secured re-accreditation.

### **Charitable Donations**

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

### **Going Concern**

**28.** 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.

### **Accounts Direction**

**29.** 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**

**30.** The Service is committed to the CBI code on prompt payment and aims to pay all bills within the terms of the relevant contract or within 30 days of receipt of a valid invoice where terms for payment are not specified. During 2007-08 98% of all payments were made within 30 days. A copy of the CBI code can be obtained from Acas.

### **Auditors**

**31.** The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £32k. No non-audit services were provided.

# Annual Report to the Accounts

## Disclosure of Relevant Audit Information

**32.** 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

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

## Acas

**34.** Acas has a statutory duty to report to the Secretary of State for Business, Enterprise and Regulatory Reform on its activity during the year. The Annual Report contains a number of illustrative case studies. Copies of the Acas Annual Report can be downloaded free of charge from the Acas website [www.acas.org.uk](http://www.acas.org.uk) and are available free to callers at Acas offices. The website also holds details of the mailing house from which copies of the Annual Report can be obtained.

## CO

**35.** The CO is required by the Trade Union and Labour Relations (Consolidation) Act 1992 to submit to the Secretary of State for Business Enterprise and Regulatory Reform 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, Brandon House, 180 Borough High Street, London SE1 1LW (Tel: 020 7210 3734) and from the Certification Officer's website [www.certoffice.org.uk](http://www.certoffice.org.uk).

## CAC

**36.** The CAC publishes an Annual Report that is submitted to the Secretary of State for Business, Enterprise and Regulatory Reform through Acas. Copies are available free of charge from the CAC, PO Box 51547, London SE1 1ZG (Tel: 020 7904 2300).

**9 July 2008**

**John E Taylor**  
**Accounting Officer**  
**Acas**

## Management Commentary

### Financial Results

**37.** The Service incurred gross administration costs, before exceptional items and interest on capital of £47,267k in the year plus capital expenditure of £1,614k. Cash expenditure was financed by a Grant-in-Aid of £45,123k from the Department for Business, Enterprise and Regulatory Reform [Request for Resources 1 (RfR1), of BERR's Resource Estimate] plus other operating income of £3,941k.

### Operational Results

#### Acas

**38.** During 2007-08, the Acas national helpline handled over 885,000 calls. Results from a survey of customers using the Helpline taken last spring showed that well over 90% of respondents were either very satisfied or satisfied with the service.

**39.** About 250 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered approximately 2,200 sessions in the year on a variety of employment relations topics. Altogether, Acas traded services brought in over £3.5 million of revenue.

**40.** Acas dealt with about 900 industrial disputes in 2007-08. Acas individual conciliators handled around 202,000 new and potential employment tribunal claims and, in the case of tribunal cases, 75% of potential tribunal hearing days were saved by cases being settled or withdrawn within the conciliation window.

#### CO

**41.** 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.

**42.** The CO received a total of 723 enquiries from members raising issues or matters of concern about trade unions. This represents a slight increase in the number of enquiries compared with last year.

**43.** The CO issued 29 decisions relating to breaches of trade union rules. Two enforcement orders were issued. In addition a further 11 decisions were issued relating to breach of statute complaints. The total number of decisions issued of 32 represents a significant drop on the number last year of 90.

#### CAC

**44.** The CAC received 64 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2007 and 31 March 2008. During this period it received no applications under Parts II to VI. Eight complaints were received under the Disclosure of Information provisions and seven applications for decisions under the Information and Consultation Regulations. In addition, the secretariat dealt with the communication of employee requests for information and Consultation arrangements in respect of four employers. The CAC did not receive any applications under its other jurisdictions, namely the Transnational Information and Consultation of Employees Regulations 1999, the European Public Limited-Liability Company Regulations 2004, The European Cooperative Society Regulations 2006 and the Companies (Cross-Border Mergers) Regulations 2007; the last named is a new jurisdiction which came into force on 15 December 2007. The CAC continues to have the power to arrange for voluntary arbitration in trade disputes but this has not been used for some years.

# Annual Report to the Accounts

## Relationship with Stakeholders

**45.** The Service's key stakeholder relationship is with the Department for Business, Enterprise and Regulatory Reform (BERR) and the Service is funded through the Department for Business Enterprise and Regulatory Reform (BERR) Request for Resources 1 (RfR1), on a programme basis. The Service's relationship with BERR is documented through a Financial Memorandum and Management Statement.

## Reporting Of Personal Data Related Incidents

**46.** During 2007-08, there were no incidents of the loss of personal data.

## Further Developments

**47.** In July 2007, Acas published its Corporate Plan 2007-2010 setting out five strategic aims for the organisation:

- a. Enhance awareness and take up of dispute resolution and conflict management in the workplace.
- b. Provide information and practical advice and guidance to employers and employees.
- c. Reach new audiences.
- d. Raise awareness and influence policy.
- e. Make the most of our people and resources.

**48.** Following Michael Gibbons' review of the Statutory Dispute Resolution procedure, the Government proposed that Acas should provide an enhanced advice service and additional availability of Acas conciliation prior to the lodging of tribunal claims. The Acas Council endorsed this approach and Acas has been working to develop its services in time for the legislative changes likely to come in to force in April 2009.

**49.** Acas has also drafted a revision of its Code of Practice on Discipline and Grievance, planned for implementation in April 2009. A public consultation exercise was launched on 2 May 2008.

**50.** Acas published two more Policy Discussion Papers this year, *'Health work and wellbeing: rising to the public sector attendance management challenge'* and *'Employee representatives: challenges and changes in the workplace'* and two editions of *'Employment Relations Matters'* which focused on amongst other things, vulnerable workers, skills, the Acas helpline and discrimination.

**51.** In November 2007 the results of an independent study were issued which showed that overall Acas adds around £800 million to the UK economy. The study, carried out by the National Institute of Economic and Social Research found that for every pound invested in Acas, £16 was returned in positive benefits to the economy.

**52.** Acas has also been working hard to develop a strategic relationship with the new Equality and Human Rights Commission and we plan to continue this dialogue especially around areas of mutual interest such as advice and guidance and our respective websites.

## Future Priorities

**53.** Implementing the changes to the Dispute Resolution Procedure will continue to be Acas' key priority going in to the coming year.

**54.** We will draft a revised Code of Practice on Time Off for Trade Union Duties and Activities as proposed by the Government, following the consultation *'Workplace representatives: a review of their facilities and facility time'*.

**55.** An area of public policy we will be seeking to influence is the Government's focus on skills, high performing workplaces and employee engagement.

### **Acas Restructuring**

**56.** Acas continues the process of restructuring its services as a result of budgetary constraints and various governmental reviews eg the Gibbons and the Helplines Review in order to ensure that we continue to deliver services that are appropriate and fit for purpose.

**57.** During this year, Acas Birmingham moved to Apex House to share government offices with the Big Lottery Fund. In addition, a project was initiated to manage the co-location of both Acas National and Acas London into our existing London office space at Euston Tower. It is expected that the London regional office and the public facilities will be moved onto the 23rd floor during September 2008 and Acas National will move in phases onto the 22nd floor between January and April 2009.

**58.** The Acas regional structure was changed in 2007-08 to achieve additional efficiency savings; following the retirement of Chris Martin as Director of South and East, the region was split, with Eastern area merging with Acas Midlands and the Southern and South East area joining Acas Wales. There are now six Regional Offices (Acas Scotland, Acas Wales and Southern England, Acas Midlands and Eastern, Acas North West, Acas Northern and Acas London).

**9 July 2008**  
**John E Taylor**  
**Accounting Officer**  
**Acas**

# Annual Report to the Accounts

## Remuneration Report

### Acas Council Members

**59.** Council Members and their original dates of appointment are:

Mr S Auerbach	1 November 2001
Ms S Jenkins	1 November 2001
Ms S Anderson CBE <sup>1</sup>	1 May 2004
Ms S Veale	1 May 2004
Mr J McMullen <sup>1</sup>	1 May 2004
Mr D Prentis	1 May 2004
Mr J Michie <sup>1</sup>	1 May 2007
Ms S Anderson	1 May 2007
Ms D Coulter	1 May 2007
Mr D Simpson	1 May 2007
Mr P Bennett	1 May 2007
Mr E Sweeney (Chair) <sup>1</sup>	1 October 2007

<sup>1</sup> Also a member of the Audit Committee

**60.** The Chairman and members of the Acas Council are appointed by the Secretary of State for Business, Enterprise and Regulatory Reform, 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 workers. All Acas Council appointments are subject to open competition in line with the Code of Practice issued by the Commissioner for Public Appointments.

- 61.** Appointments to the Acas Council may be terminated by the Secretary of State for Business, Enterprise and Regulatory Reform 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.
- 62.** Subject to the provisions of the Civil Service Management Code, the Service has delegated authority from the Secretary of State for Business, Enterprise and Regulatory Reform to determine the pay and grading of staff in non Senior Civil Service grades.
- 63.** 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;

- o Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- o the funds available to departments as set out in the Government's departmental expenditure limits; and
- o 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](http://www.ome.uk.com).

**64.** 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.

**65.** The Chairman of the Central Arbitration Committee (Sir Michael Burton) is employed by the Department of Constitutional Affairs 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 Enterprise and Regulatory Reform. Their rates are set by the Department of Constitutional Affairs and are set out below.

**66.** The 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 resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

**67.** For 2007-08, employers' contributions of £4.09 million were payable to the PCSPS (2006-07 £3.85 million) at one of four rates in the range 17.1% to 25.5% (2005-06 16.2% to 24.6%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2008-09 the salary bands will be revised but the rates will remain the same. (The rates will be changing with effect from April 2009.) The contribution rates are set to meet the cost of the benefits accruing during 2007-08 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

**68.** Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £11,322 were paid to one or more of the panel of three appointed stakeholder pension providers. Employers' contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £677, 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.

**69.** Contributions due to the partnership pension providers at the balance sheet date were £760. Contributions prepaid at that date were £0.

# Annual Report to the Accounts

**70.** Salaries and allowances payable and pension entitlements of the most senior members of Acas management and the Chairs of Acas and the CO in 2007-08, which are subject to audit, were as follows:

	2007-08 Salary, including performance pay (£K) (2006-07 Salary, in bands of £5K)	Benefits in kind (rounded to nearest £100)	Real increase in pension at age 60 (£K)	Total accrued pension at age 60 at 31/03/08 and related lump sum (£K)	CETV at 31/03/07 (nearest £K)	CETV at 31/03/08 (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	34	0	0-2.5	0-5 plus 0-5 (lump sum)	0	10	9	0
Ms R Donaghy	40 (65-70)	0	0-2.5	5-10 plus 0-5 (lump sum)	131	138	8	0
Mr D Cockburn	70 (65-70)	0	0-2.5	5-10 plus 0-5 (lump sum)	120	160	22	0
Mr J E Taylor	138 (130-135)	0	0-2.5	50-55 plus 160-165 (lump sum)	1,120	1,321	54	0
Mr J Thompson	83 (80-85)	0	0-2.5	40-45 plus 125-130 (lump sum)	1,011	1,084	9	0
Mr A Wareing	78 (75-80)	0	0-2.5	15-20 plus 55-60 (lump sum)	255	313	15	0
Mr GS Charles	77 (75-80)	0	0-2.5	30-35 plus 100-105 (lump sum)	765	878	13	0
Ms J Dixon	51 (40-45)	0	0-2.5	15-20 plus 45-50 (lump sum)	210	263	17	0
Ms C Hewitt	51 (40-45)	0	0-2.5	15-20 plus 45-50 (lump sum)	221	269	8	0

\*The Department for Work and Pensions (DWP) have confirmed that due to certain factors being incorrect in the last year's CETV calculator there is a difference between the final period CETV for 2006-07 and the start of period CETV for 2007-08.

## Acas Council Members

	£s	£s
Annual salary	1,617	CAC Deputy Chairmen daily rate 450
Daily rate	164	CAC Members daily rate 255

## 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 good quality 'money purchase' stakeholder pension with a significant 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' 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 in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated 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 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](http://www.civilservice-pensions.gov.uk)

# Annual Report to the Accounts

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. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total actual service as a civil servant, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of 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.

## **Benefits in Kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

**9 July 2008**

**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 operating costs, recognised gains and losses and cash flows for the financial year.

The Accounting Officer for the Department for Business Enterprise and Regulatory Reform has designated the Chief Executive of Acas as the Accounting Officer for the Service. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records and safeguarding the Service's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in Managing Public Money.

In preparing accounts the Accounting Officer is required 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 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.

# Statement on Internal Control

## 1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of 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 Board and a sub-committee of the Acas Council which regularly monitors risk management activities in Acas.

We have quarterly meetings with our sponsor department – the Department of Business, Enterprise and Regulatory Reform (BERR) – both on progress against the BERR objectives to which we are aligned, on specific (Treasury agreed) key performance indicators, and more general keep in touch meetings. In addition we provide BERR with copies of my reports to the Acas Council and regular financial management information.

## 2. The purpose of the system of internal control

The system of internal control 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 departmental 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 internal control has been in place in Acas for the year ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

## 3. Capacity to handle risk

The Acas 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 Chair of the Audit Committee provides a report to the Acas Council, concerning internal control and risk management activity following each meeting and these are copied to the Board for information.

Senior managers and a number of key operators, within both front line and support activities, have received risk awareness and risk management training in previous years and this training has now been embedded. The risk management policy and risk awareness guidance is being updated to incorporate best practice before it is placed on the intranet for all staff.

During the year senior representatives from Acas have taken part in BERR's 'Agencies Risk Forum' which has promoted sharing of best practice. We are endeavouring to share best practice across management teams by sharing their contributory assurance statements via the intranet.

## 4. The risk and control framework

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.

An online intranet tool is currently being developed to further support the identification, assessment and management of risk within Acas.

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 approach to determining and documenting risk appetite in a more formal way is in progress.

Our risk based approach to management is embedded in:

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

## 5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of 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 Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Specifically, the system of control is reviewed by:

- o The Acas Board which meets regularly to consider the plans and strategic direction of Acas;
- o Full consideration of internal reports by the Acas Audit Committee, and the Chair's regular reports to Acas Council concerning internal control;
- o The Acas Board, which will from 2008-09, receive quarterly updates on the progress made in implementing outstanding Internal Audit recommendations;
- o 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;
- o Reports from Acas Directors on the steps they are taking to manage Acas' key strategic risk and those within their areas of responsibility;
- o The use of external experts, for example recent reviews of procurement, estate management, digital solutions and HR strategy;
- o Maintenance of an organisation wide risk register.

**9 July 2008**  
**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 Acas for the year ended 31 March 2008 under section 253 (4) of the Trade Union and Labour Relations (Consolidation) Act 1992. These comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses 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 Acas, Accounting Officer and Auditor**

Acas and the Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with section 253 (2) of the Trade Union and Labour Relations (Consolidation) Act 1992 and directions made thereunder by the Secretary of State, and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Acas' and the Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with section 253 (4) of the Trade Union and Labour Relations (Consolidation) Act 1992 and directions made thereunder by the Secretary of State. I report to you whether, in my opinion, the information, which comprises the Directors' Report and Management Commentary, included in the Annual Report to the Accounts is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if Acas has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by H M Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Acas' compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Acas' corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the remaining sections of the Annual Report and the unaudited part of the Remuneration Report, I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by Acas and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to Acas' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and directions made thereunder by the Secretary of State, of the state of Acas' affairs as at 31 March 2008 and of its net operating cost for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and directions made thereunder by the Secretary of State; and
- information, which comprises the Directors' Report and Management Commentary, included in the Annual Report, is consistent with the financial statements.

### **Opinion on Regularity**

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

### **Report**

I have no observations to make on these financial statements.

**TJ Burr**  
**Comptroller and Auditor General**  
**14th July 2008**  
**National Audit Office**  
**151 Buckingham Palace Road**  
**Victoria**  
**London SW1W 9SS**

# Operating Cost Statement

for the year ended 31 March 2008

	Note	2007/08	2006/07
		£'000	£'000
<b>Operating Income</b>			
Income from Operating Activities	2.1	3,941	4,086
		3,941	4,086
<b>Administration Costs</b>			
Staff costs	3.1	(28,229)	(28,140)
Other administration costs	4.1 & 4.2	(19,038)	(23,738)
		<b>(47,267)</b>	<b>(51,878)</b>
<b>Net Operating Expenditure</b>			
<b>before Interest on Capital &amp; Exceptional Items</b>		<b>(43,326)</b>	<b>(47,792)</b>
Exceptional Item	4.3	(6)	(2,908)
Cost of Capital	5	23	(13)
<b>Net Operating Cost</b>		<b>(43,309)</b>	<b>(50,713)</b>

All activities are continuing operations.

# Statement of Recognised Gains and Losses

for the year ended 31 March 2008

	2007/08	2006/07
	£'000	£'000
Surplus on revaluation of fixed assets (note 14)	190	307
<b>Recognised gains for the financial year</b>	<b>190</b>	<b>307</b>

The Notes on pages 94 to 107 form part of these accounts.



# Cash Flow Statement

for the year ended 31 March 2008

	Note	2007/08 £'000	2006/07 £'000
<b>Net Cash Outflow from Operating Activities</b>	17	<b>(42,040)</b>	<b>(46,529)</b>
<b>Capital Expenditure</b>	6	<b>(1,614)</b>	<b>(1,287)</b>
<b>Financing – Grant-in-Aid</b>	13	<b>45,123</b>	<b>48,345</b>
<b>Increase in Cash</b>	9	<b>1,469</b>	<b>529</b>

The Notes on pages 94 to 107 form part of these accounts.

# Notes to the Accounts

for the period ended 31 March 2008

## 1. Statement of Accounting Policies

### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury as required by the Accounts Direction issued by the Secretary of State for Business, Enterprise and Regulatory Reform. 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.

### 1.2 Grants and Grants-in-Aid

Grant-in-Aid and Grant 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.

Grant relating to capital expenditure used to acquire specific capital items is credited to a government grant reserve. It is released to expenditure over the expected useful life of the asset it has been used to acquire and an equal amount transferred from the government grant reserve is released to income.

### 1.3 Accounting Convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of fixed assets.

### 1.4 Group Members

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

### 1.5 Fixed Assets

Fixed assets 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.

Fixed assets are revalued using relevant published indices. Upward revaluation is transferred to the Revaluation Reserve. Downward revaluation is charged to the Operating Cost Statement.

Intangible fixed assets consist of software licences that are capitalised, revalued using relevant published indices, and depreciated throughout the life of the licence. All intangible software is purchased.

### 1.6 Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, 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

### 1.7 Development Expenditure

The only development expenditure the Service has is in relation to chargeable publications. This does not meet the SSAP 13 criteria for capitalisation and therefore is expensed in year.

### 1.8 Operating Income

The Service receives a Grant-in-Aid from BERR (Request for Resources 1) each year. This Grant is of a revenue and capital nature. The Service also receives income from a variety of operations and this is credited to other operating income net of VAT (see note 2.1).

### 1.9 Cost of Capital Charge

In accordance with Treasury guidance notional interest is charged to the Operating Cost Statement at 3.5%.

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 1.10 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 pension benefits for three former Chairs of Acas, the current Chair, and one former Chairman 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.

## 1.11 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 debtors.

## 1.12 Operating Leases

Rentals payable under operating leases for both buildings and other equipment are charged to the Operating Cost Statement on a straight line basis over the term of the lease.

## 1.13 Early Retirement Costs

BERR is required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. BERR provides in full for this cost when the early retirement programme has been announced and is binding on the Department. BERR may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Request for Resources (see note 3.2).

## 1.14 Stocks

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

## 2. Operating Income

### 2.1 Income from Operating Activities

The Service charges fees for some services carried out and sale of publications relating to its work for the public.

	2007/08		2006/07		Total	
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000		CO/CAC £'000
Receipts from fees	3,628	13	3,641	3,046	14	3,060
Sale of publications etc	55	0	55	71	0	71
Other receipts	245	0	245	954	1	955
	<b>3,928</b>	<b>13</b>	<b>3,941</b>	<b>4,071</b>	<b>15</b>	<b>4,086</b>

The CAC has no Operating Income.

## 3. Staff

### 3.1 Staff Numbers and Costs

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

	2007/08				2006/07	
	Permanently Employed	Others	Ministers	Special Advisors	Total	Total
Acas National	128	5	0	0	133	145
Regional Offices	555	40	0	0	595	623
Certification Office	10	0	0	0	10	10
Central Arbitration Committee	10	1	0	0	11	11
	<b>703</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>749</b>	<b>789</b>

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

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

	2007/08		2006/07	
	Permanently Employed £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	20,432	1,215	21,647	21,754
Social security costs	1,516	98	1,614	1,669
Other pensions costs	3,866	90	3,956	3,695
	<b>25,814</b>	<b>1,403</b>	<b>27,217</b>	<b>27,118</b>
Less recoveries in respect of outward Secondments	(66)	0	(66)	(62)
	<b>25,478</b>	<b>1,403</b>	<b>27,151</b>	<b>27,056</b>

## CO & CAC

	2007/08		2006/07	
	Permanently Employed £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	815	45	860	864
Social security costs	65	4	69	69
Other pensions costs	147	2	149	151
	<b>1,027</b>	<b>51</b>	<b>1,078</b>	<b>1,084</b>
Less recoveries in respect of outward secondments	0	0	0	0
	<b>1,027</b>	<b>51</b>	<b>1,078</b>	<b>1,084</b>

## Total Acas, CO & CAC

	2007/08		2006/07	
	Permanently Employed £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	21,247	1,260	22,507	22,618
Social security costs	1,581	102	1,683	1,738
Other pensions costs	4,013	92	4,105	3,846
	<b>26,841</b>	<b>1,454</b>	<b>28,295</b>	<b>28,202</b>
Less recoveries in respect of outward secondments	(66)	0	(66)	(62)
	<b>26,775</b>	<b>1,454</b>	<b>28,229</b>	<b>28,140</b>

### 3.2 Pensions and Early Retirement

	2007/08		2006/07			
	Current year £'000	Future years £'000	Total £'000	Current year £'000	Future years £'000	Total £'000
Cost met by BERR on behalf of the Service:						
In year	0	0	0	9	0	9
Provisions for future years	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>

#### Costs met by Acas:

In year expenditure*	1,502	0	1,502	2,280	0	2,280
Provisions for future years	0	30	30	0	1,791	1,791
	<b>1,502</b>	<b>30</b>	<b>1,532</b>	<b>2,280</b>	<b>1,791</b>	<b>4,071</b>

\* includes severance costs

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 4. Other Administration Costs

### 4.1 Administration Costs

	2007/08		2006/07		Total
	Acas £'000	CO/CAC £'000	Acas £'000	CO/CAC £'000	
Accommodation costs	7,047	166	6,611	165	6,776
Travelling and incidental expenses	1,446	10	2,060	8	2,068
Fees and expenses of arbitrators, conciliators and CAC members	65	15	49	51	100
General administration costs	5,780	36	6,103	48	6,151
Services provided by Other Government Departments	72	0	113	0	113
External audit fees	32	0	28	0	28
Staff training costs	563	3	874	2	876
Publications, publicity and research and development costs	1,976	5	2,730	5	2,735
Conference costs	57	20	79	26	105
Legal costs	84	45	62	38	100
Bad debts	2	0	4	0	4
	<b>17,124</b>	<b>300</b>	<b>18,713</b>	<b>343</b>	<b>19,056</b>

The breakdown of CO and CAC administration costs for the current year is £185k (CO), £115k (CAC). The breakdown of their net expenditure for the current year is £671k (CO), £694k (CAC).

Amounts included under accommodation costs relating to operating leases were £3,553k in 2007-08

### 4.2 Non Cash Costs

	2007/08	2006/07
	£'000	£'000
Depreciation and Amortisation	1,407	3,075
Loss on disposal of fixed assets	23	274
Loss on revaluation	53	83
Net Provisions for liabilities and charges – Former Chair Pensions	30	122
Net Provisions for liabilities and charges – Dilapidations	(16)	1,002
Unwinding of discount on provisions	117	126
	<b>1,614</b>	<b>4,682</b>

The additional depreciation (circa £1.6 million) in 2006-07 was a one-off charge, following the re-living of capitalised leasehold improvements. This resulted from the decision to vacate Brandon House (Acas National) to Euston Tower (London Regional Office) by July 2009.

#### 4.3 Exceptional Costs

	2007/08	2006/07
	£'000	£'000
In year cash expenditure - Buyout of Stage Mileage	6	1,045
In year cash expenditure - Voluntary Early Severance	0	306
Net Provisions for liabilities and charges – Voluntary Early Retirement	0	1,557
	<b>6</b>	<b>2,908</b>

#### 5. Cost of Capital Charge

A notional charge is calculated on the Treasury formula (based on a current rate of 3.5% per annum of capital employed). The charge is based on the average opening and closing balances.

	2007/08	2006/07
	£'000	£'000
<b>(Charge)/Credit for year</b>	<b>23</b>	<b>(13)</b>

#### 6. Fixed Assets

##### 6.1 Intangible Fixed Assets

Software Licences  
£'000

<b>Cost or Valuation</b>	
<b>At 1 April 2007</b>	<b>1,624</b>
Additions	170
Disposals	0
Revaluation	(30)
<b>At 31 March 2008</b>	<b>1,764</b>

##### **Depreciation**

<b>At 1 April 2007</b>	<b>1,238</b>
Charge in Year	124
Disposals	0
Revaluation	(14)
<b>At 31 March 2008</b>	<b>1,348</b>

##### **Net Book Value at 31 March 2008**

	<b>416</b>
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Net Book Value at 31 March 2007

386

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 6.2 Tangible Fixed Assets

	Assets		Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.		Furniture Fixtures & Fittings	Total
	Under Construction	£'000		£'000	£'000		
<b>Cost or Valuation</b>		£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2007</b>	<b>998</b>	<b>8,261</b>	<b>3,907</b>	<b>1,876</b>	<b>15,042</b>		
Additions	542	107	697	98	1,444		
Disposals	0	0	(204)	(115)	(319)		
Revaluations	0	681	(26)	24	679		
<b>At 31 March 2008</b>	<b>1,540</b>	<b>9,049</b>	<b>4,374</b>	<b>1,883</b>	<b>16,846</b>		

## Depreciation

<b>At 1 April 2007</b>	<b>0</b>	<b>5,621</b>	<b>2,483</b>	<b>1,476</b>	<b>9,580</b>
Charge in year	0	805	368	110	1,283
Disposals	0	0	(188)	(109)	(297)
Revaluations	0	523	(9)	13	527
<b>At 31 March 2008</b>	<b>0</b>	<b>6,949</b>	<b>2,654</b>	<b>1,490</b>	<b>11,093</b>

<b>Net Book Value at 31 March 2008</b>	<b>1,540</b>	<b>2,100</b>	<b>1,720</b>	<b>393</b>	<b>5,753</b>
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Net Book Value at 31 March 2007	998	2,640	1,424	400	5,462
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During the year the Tribunal Service purchased assets on behalf of Acas totalling £542k. This was financed out of their Grant-in Aid. These are disclosed as 'Assets Under Construction' as they are not yet operational. The assets were transferred to Acas during the year and form part of joint ETS/Acas Caseflow system.

## 7. Stock

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

	<b>2007/08</b>	<b>2006/07</b>
	£'000	£'000
<b>Closing stock</b>	<b>25</b>	<b>35</b>

## 8. Debtors

	2007/08	2006/07
	£'000	£'000
<b>Amounts falling due within one year:</b>		
VAT debtor	278	415
Deposits and advances (staff)	74	72
Other debtors	624	814
Prepayments	2,167	2,479
	<b>3,143</b>	<b>3,780</b>

## Amounts falling due after more than one year:

Deposits and advances (staff)	46	73
	<b>3,189</b>	<b>3,853</b>

## 9. Cash at Bank and in Hand

	2007/08	2006/07
	£'000	£'000
Balance at 1 April	497	(32)
Net cash inflow / (outflow)	1,469	529
<b>Balance at 31 March</b>	<b>1,966</b>	<b>497</b>

The following balances at 31 March are held at:

Office of Paymaster General	1,966	497
	<b>1,966</b>	<b>497</b>

## 10. Creditors Amounts Falling Due within One Year

	2007/08	2006/07
	£'000	£'000
Sundry creditors*	1,439	1,213
Accruals	1,561	1,188
Deferred income	239	138
	<b>3,239</b>	<b>2,539</b>

\* Included in the Sundry creditors is a balance of £963k which represents third party payroll deductions e.g. PAYE/NIC.

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 11. Movements in Working Capital other than Cash

	2007/08	2006/07
	£'000	£'000
(Increase)/Decrease in stock	10	(4)
(Increase)/Decrease in debtors	664	(344)
(Decrease)/Increase in creditors	700	468
	<b>1,374</b>	<b>120</b>

## 12. Provisions and Contingent Liabilities

### 12.1 Provisions for Liabilities and Charges

	Future Pensions* £'000	VER Scheme ** £'000	Dilapidations*** £'000	Total £'000
<b>Opening Provisions at 1 April 2007</b>	<b>274</b>	<b>6,258</b>	<b>1,587</b>	<b>8,119</b>
In period:				
Expenditure during year	(24)	(1,478)	(194)	(1,696)
Increase in provisions	30	0	0	30
Reversed unused in the year	0	0	(16)	(16)
Unwinding of discount	0	117	0	117
<b>Closing Provision at 31 March 2008</b>	<b>280</b>	<b>4,897</b>	<b>1,377</b>	<b>6,554</b>

### Summary of Cashflow Timings

	Future Pensions* £'000	VER / VES Scheme ** £'000	Dilapidations*** £'000	Total £'000
Within 1 Year	24	1,318	53	1,395
Between 2 and 5 Years	96	2,941	935	3,972
Beyond 5 Years	160	638	389	1,187
<b>Total</b>	<b>280</b>	<b>4,897</b>	<b>1,377</b>	<b>6,554</b>

\* Provision for future years' pensions for former Chair persons.

\*\* This covers the cost of the Voluntary Early Retirement schemes.

\*\*\* This covers dilapidations to Leasehold Properties where negotiations with Landlords are ongoing.

### 12.2 Contingent Liabilities

There was one personal injury case and several Employment Tribunal cases against Acas pending at the year end. The estimated costs if Acas was found liable would not exceed £30,000.

### 13. Reconciliation of Net Operating Cost to Changes in the General Fund

	2007/08	2006/07
	£'000	£'000
<b>Net Operating Cost</b>	<b>(43,309)</b>	<b>(50,713)</b>
Grant-in-Aid – received towards Operating expenditure	43,509	47,058
Grant-in-Aid – received towards Fixed Asset expenditure	1,614	1,287
Transfer to General Fund of realised element of revaluation reserve	30	148
Revaluation during year	6	0
Non Cash Charges: Cost of Capital	(23)	13
<b>Net Decrease in General Fund</b>	<b>1,827</b>	<b>(2,207)</b>
<b>General Fund at 1 April</b>	<b>(834)</b>	<b>1,373</b>
<b>General Fund at 31 March</b>	<b>993</b>	<b>(834)</b>

### 14. Revaluation Reserve

	2007/08	2006/07
	£'000	£'000
Balance at 1 April	409	250
Revaluation during year	184	307
Transferred to General Fund of realised element of revaluation reserve	(30)	(148)
<b>Balance at 31 March</b>	<b>563</b>	<b>409</b>

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

### 15. Capital Commitments

There were no material capital commitments at 31 March 2008.

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 16. Commitments under Operating Leases

	2007/08		2006/07	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
At 31 March 2008 the Service was committed to making the following payments during the next year in respect of operating leases expiring:				
Within 1 Year	7	22	0	13
Between 2 and 5 Years	224	85	420	78
Beyond 5 years	3,322	0	3,058	0
	<b>3,553</b>	<b>107</b>	<b>3,478</b>	<b>91</b>

## 17. Reconciliation of Operating Cost to Operating Cash Flows

	Note	2007/08 £'000	2006/07 £'000
<b>Net Operating Cost</b>		<b>(43,309)</b>	<b>(50,713)</b>

Adjust for Movements in Working Capital other than Cash

	11	1,374	120
Adjust for cash utilisation of provisions	12.1	(1,696)	(2,188)
Adjust for non-cash transactions	4.2, 4.3 & 5	1,591	6,252

### Net Cash Outflow from Operating Activities

**(42,040)**      **(46,529)**

## Analysis of Capital Expenditure

a) Payments to acquire intangible fixed assets	6	(170)	(153)
b) Payments to acquire tangible fixed assets	6	(1,444)	(1,134)
<b>Total Capital Expenditure</b>		<b>(1,614)</b>	<b>(1,287)</b>

## 18. Related Party Transactions

Acas is a Non Departmental Public Body sponsored by the Department for Business, Enterprise and Regulatory Reform.

During the year Acas has had various material transactions with Government Departments 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.

## 19. Derivatives and Other Financial Instruments

FRS13, *Derivatives and Other Financial Instruments*, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Due to the nature of its activities and its Grant-in-Aid financing structure, Acas is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing Acas in undertaking its activities.

Acas has taken advantage of the exemption in FRS13 not to give disclosures in respect of short-term debtors and creditors. Acas has no long-term financial liabilities for which disclosure is required under FRS13. Acas' financial assets comprise debtors due in over one year. Book value is a good approximation of fair value for these items.

The Service is financed annually by Grant-in-Aid from the Department for Business Enterprise and Regulatory Reform and there is therefore no exposure to significant liquidity risks. All cash balances on deposit were held at the Office of the Paymaster General. Acas therefore had no significant interest rate risk. Acas has no exposure with regards to exchange rate risk.

# Notes to the Accounts

for the period ended 31 March 2008 (continued)

## 20. Intra-Government Balances

	Debtors: amounts falling due within one year £'000	Debtors: amounts falling due after more than one year £'000	Creditors: amounts falling due within one year £'000
Balances with other central government bodies	445	0	1,302
Balances with local authorities	725	0	46
Balances with NHS Trusts	116	0	47
Balances with public corporations and trading funds	18	0	1
Balances with bodies external to government	1,839	46	1,843
<b>Total as at 31 March 2008</b>	<b>3,143</b>	<b>46</b>	<b>3,239</b>

Balances with other central government bodies	482	0	51
Balances with local authorities	936	0	12
Balances with NHS Trusts	38	0	1
Balances with public corporations and trading funds	1	0	1
Balances with bodies external to government	2,323	73	2,474
<b>Total as at 31 March 2007</b>	<b>3,780</b>	<b>73</b>	<b>2,539</b>

## 21. Post Balance Sheet Events

The financial statements were authorised for issue by the Accounting Officer (John Taylor) on 14 July 2008.

This report can be downloaded from the Acas website at [www.acas.org.uk](http://www.acas.org.uk)



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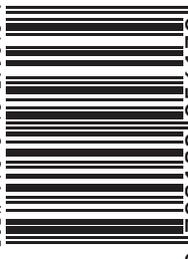
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