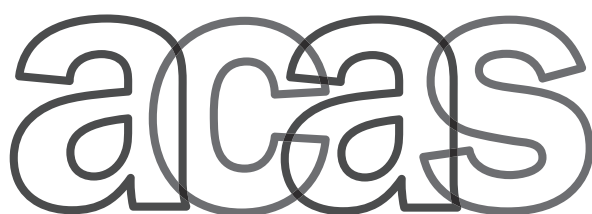


ADVISORY, CONCILIATION AND ARBITRATION SERVICE (ACAS)

Annual Report and Accounts 2010/11



Advisory, Conciliation and Arbitration Service (Acas) Annual Report and Accounts 2010/11

Report on the activities of the Advisory, Conciliation and Arbitration Service (Acas) and Accounts for the period 1 April 2010 to 31 March 2011.

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

Ordered by the House of Commons to be printed on 18 July 2011.

© Crown copyright 2011

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

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

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

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

ISBN: 9780102973396

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

ID: 2437209 07/11

Printed on paper containing 75% recycled fibre content minimum.

Contents

Chair's foreword	6
Chief Executive's statement	7
Management structure of Acas	9
The Acas Council	10
Enhancing awareness and take-up of dispute resolution and conflict management in the workplace	12
Providing information and practical advice and guidance to employers and employees	17
Reaching new audiences	23
Raising awareness and influencing policy	26
Making the most of our people and resources	30
Our work in facts and figures	34
Performance against key indicators	35
Acas Resource Accounts 2010/2011	53

Chair's foreword

The past 12 months have been a busy period for Acas. Despite the modest upswing in the economy since the height of the recession, tensions in the workplace have by no means disappeared.



The high-profile disputes at BA, the BBC, British Airports Authority, Network Rail and London Underground all testify to this and we have been working hard to resolve such disputes wherever we can. The BA dispute has been particularly testing, but I am pleased to say that, as this report was being put together, the parties involved were able to agree on a settlement.

Resolving workplace disputes remains at the core of what Acas does and I have been particularly pleased to see the steady development in our pre-claim conciliation (PCC) service over the past year. This is the service which offers conciliation in individual workplace disputes before a tribunal case has been taken out. In the last 12 months, we have seen a marked increase in both the number of PCC claims being dealt with and the number of potential employment tribunal claims avoided in the process.

Of course, Acas does much more than simply resolve disputes; for example, our Helpline continues to be a much used and valued resource. A number of technological and organisational improvements introduced during the year have made the service more responsive to users' needs. It is also acting as an essential gateway to the new PCC service.

In looking back over the past year I cannot fail to note the fact that we now have the first coalition Government for more than 50 years. Shortly after the new Government took office I was delighted to welcome Edward Davey MP, our new sponsoring minister, on a visit to our London offices. I am pleased to say that we have established a good working relationship with the new coalition

Government. A sign of the confidence it has in Acas is its proposal that we should play an important role in promoting workplace dispute resolution through an extension of our early conciliation service. This is an initiative we very much hope comes to fruition.

Public interest in Acas has also increased during the year and this culminated in a radio documentary about us in November. Given the nature of our work we are usually happy to leave the limelight to others, but this was one occasion when I was delighted that we were able to shine some light on the excellent work of our staff.

Although it is still more than 12 months away, our attention, like much of the country, has been focused on the Olympics and Paralympics. We have been working very closely with the organising authorities to ensure a problem-free games and this culminated in February with the signing of a special protocol between LOCOG, the TUC and ourselves. This is designed to ensure the speedy and effective resolution of any workplace disputes involving LOCOG staff.

I cannot finish my foreword without saying thank you to my fellow Council members for all their efforts on Acas' behalf over the past year. In particular, I would like to say a special thank you to Derek Simpson, who stepped down in December after a number of years' service.

2010/11 has been a busy time for Acas and I expect our service to remain much in demand over the coming year as we continue to do all we can to promote the improvement of employment relations for the benefit of the country, organisations and the people who work in them.

Chief Executive's statement



Although the recession is now officially over, many organisations during the course of 2010/11 have continued to find the going very tough and consequently the calls on the services Acas provides have remained high.

The demand for our conciliation in individual employment disputes exceeded 92,000, our collective conciliators dealt with more than 1,000 disputes between organisations and trade unions during the year and approaching one million calls were taken by our Helpline from employers and employees alike. We have also been very active in training and helping organisations cope with the employment aspects of the restructuring they are inevitably having to go through.

Resolving workplace disputes at an early stage is a key part of ensuring effective workplace relations and I am delighted at the progress we have made over the past year in developing our new pre-claim conciliation (PCC) service. Almost always our involvement starts with a call to a Helpline Adviser who identifies the potential for early conciliation. This gives employers and employees the chance to resolve their disputes before a claim is made to an employment tribunal. The PCC service was first introduced in 2009 but over the past year the take-up and its effectiveness have all improved markedly. The number of claims being dealt with has almost doubled and the number of potential claims we have avoided in the process has more than trebled. These significant improvements are to the credit of all the Acas staff involved.

The past year has also seen us expand the range of products and services we offer. In November we launched a new online version of our 'Model Workplace', which provides an interactive resource for organisations to review and improve their employment relations policies. Since its launch, more than 1,600 organisations have registered to use the new tool and there are plans to refine it during the coming year. We also launched a new Employee Feedback

Survey service. This service combines an employee survey tool with specific input from Acas staff, designed to give employers a realistic and credible picture of how effectively their organisations are working.

As well as helping organisations to improve their employment relations, Acas has always had an important role in helping employers and employees understand how new employment legislation translates into practice. During the year we were asked by the Department for Business, Innovation and Skills to prepare the new guidance to support the abolition of the default retirement age, which took place in April 2011. We have also developed a training course to back up this guidance. We also continue to run courses designed to help employers understand the changes brought in by 'fit notes' and by the new Equality Act. In addition to guidance on changes in employment legislation, we have also developed a range of more general guidance with some of our key stakeholders on issues such as top tips for management, produced with the Department for Health, the Department for Work and Pensions and the Chartered Institute for Personnel and Development, and a new guide on mediation for trade union representatives with the TUC.

The public sector has been facing a particularly challenging period over the past 12 months as the Government took steps to reduce the budget deficit. As well as responding to reductions in our own budget, we in Acas have also made a special effort to provide support to this sector. In addition to carrying out more than 1,000 separate pieces of in-depth

advisory and support work with public sector bodies, we have also developed a range of special pages on our website to help public bodies and their unions deal with the people aspects of change management. I am sure that this work will continue to feature prominently in our offering well into the next year.

One aspect of my job that I particularly enjoy is the opportunity to get out and meet staff. This year I have made a number of trips to all of our local offices to talk about the challenges that Acas faces and how we can improve the service we offer. I am always impressed by the commitment of our staff and I would like to take this opportunity of thanking them all for the effort they have put in over the last 12 months.

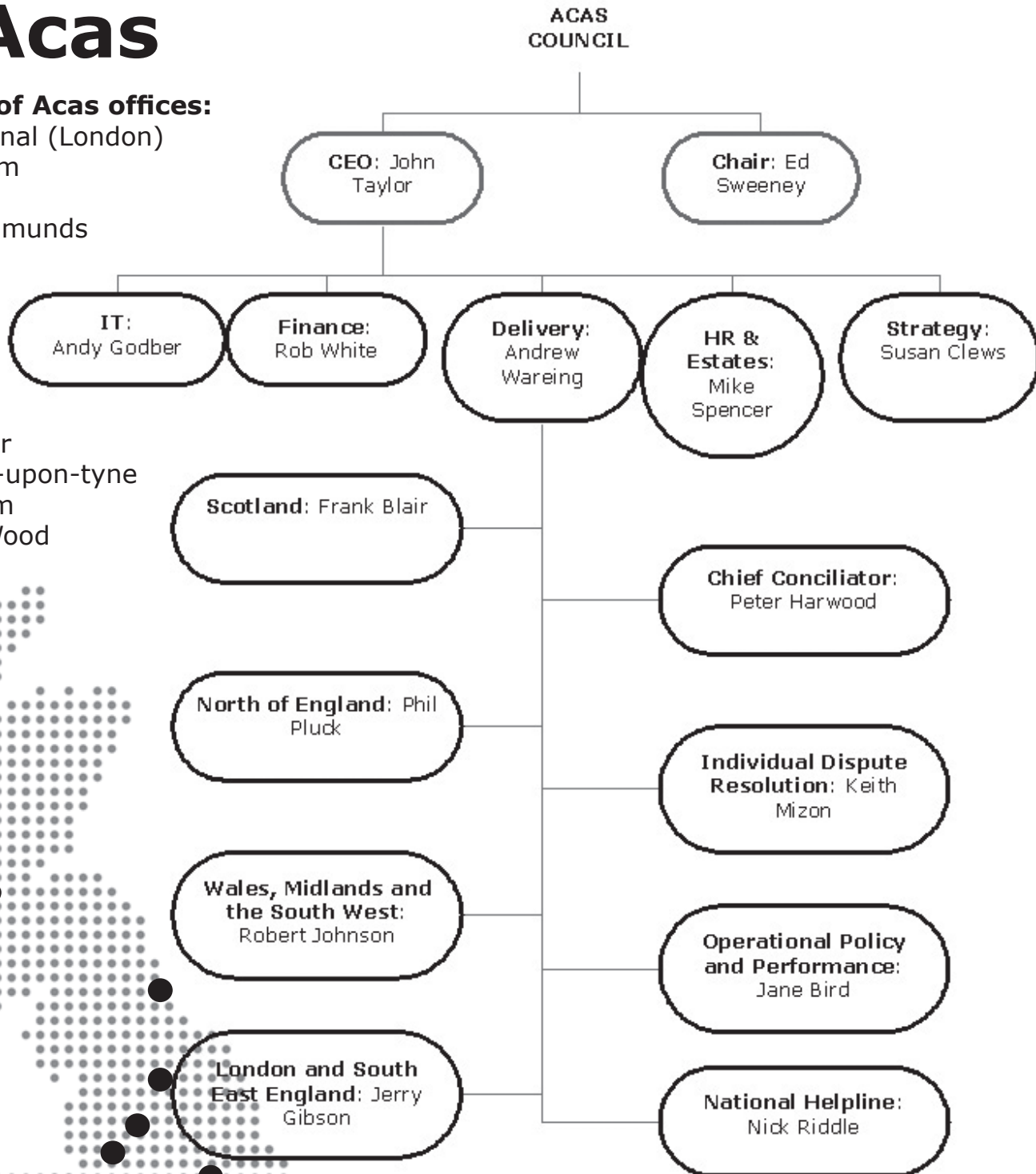
As we pull out of the recession and the measures taken to reduce the budget deficit really begin to bite, the need for good employment relations will be greater than ever and Acas will be doing all it can to help in the year ahead.

“1000 disputes between organisations and trade unions during the year and approaching one million calls were taken by our helpline from employers and employees alike.”

Management structure of Acas

Location of Acas offices:

Acas National (London)
 Birmingham
 Bristol
 Bury St Edmunds
 Cardiff
 Fleet
 Glasgow
 Leeds
 Liverpool
 London
 Manchester
 Newcastle-upon-tyne
 Nottingham
 Paddock Wood
 Wrexham



The Acas Council



Stood down on 30 April 2010



Debbie Coulter is Deputy General Secretary of the GMB Trade Union.

John McMullen is a Partner at Short, Richardson and Forth LLP and Professor of Labour Law at the University of Leeds.



Dave Prentis is the General Secretary of Unison.

Derek Simpson was Joint Secretary of the trade union Unite.

Members of the Acas Council (clockwise)

Ed Sweeney has been Acas Chair since November 2007. Prior to that 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.

Susan Anderson is CBI's Director of Public Services and Skills. She leads the CBI's campaign on public services reform and its work on education and skills issues. She is also a member of the Low Pay Commission which advises the Government on the level of the minimum wage.

Peter Bennett is Human Resources Director for Network Rail. Prior to that he held senior HR roles at Boots and BOC Gases. (Stood down in May 2011)

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

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

Jennifer Eady QC is one of the leading Employment Law Barristers in the country. She undertakes advocacy and advisory work for employers, employees, trade unions, employers' associations, central and local government, statutory commissions and NGOs.

John Hannett is General Secretary of the Union of Shop, Distributive and Allied Workers (Usdaw). John also sits on both the Executive Committee and the General Council of the TUC and represents the interests of Usdaw members on the Low Pay Commission and the NAPF Workplace Retirement Income Commission.

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.

Nicola Templeman is an Independent financial adviser who has spent nearly 30 years in the financial services industry, including 16 years as a Senior Executive at Nationwide Building Society. Nicola is now focusing on developing her own business as an independent financial adviser, and coaching women in transition in their work/home life.

Sarah Veale CBE is the Head of Equality and Employment Rights at the TUC and a member of the Government's Regulatory Policy Committee and its Employee Engagement Task Force.

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

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

Acas provides a variety of conflict management services. Some are aimed at groups (collective); others are offered to individuals.

Resolving disputes between groups

Acas has statutory powers to offer conciliation when talks to resolve disputes break down, and to offer arbitration when conciliation and mediation prove ineffective. These services are free to the parties. While reaching a settlement is important, so is improving employment relations in the long term to help parties establish a dialogue.

Typically, our involvement occurs when parties cannot reach agreement and request assistance. Sometimes we take the initiative and seek to persuade the parties that it could be beneficial to use our services. Once involved, we try to get discussions back on track and help to rebuild the employment relationship.

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

Collective conciliation

During 2010/11 we received 1,054 requests for assistance in collective conciliation and were able to resolve matters or help the parties move towards a resolution in 91% of cases. The issues were headed by pay-related issues (49%),

followed by redundancy and recognition, which accounted for 12% of cases and 11% respectively.

Against a background of continued economic uncertainty, a number of major national and regional disputes required Acas intervention in 2010/11. We were involved in disputes at Network Rail and London Underground. Acas conciliation was successful in delivering settlements in disputes at airport company BAA and American Airlines. We also continued to assist in the British Airways dispute. Finally, staff at Royal Mail accepted a modernisation agreement in talks brokered by Acas.

The dispute at BAA contained two separate disputes: one concerning fire service officers; and the second the company's other 8,000 unionised staff. The three unions – Unite, PCS and Prospect – had moved to the balloting stage in July. PCS failed to win a mandate for industrial action but the other two unions got the go ahead. Amid a backdrop of possible strike action by Unite at the height of the holiday season and intense media coverage, the parties met with Acas on 16 August 2010. Discussions continued into the evening before agreement was reached. Under the deal that was struck, the company offered a 2% increase, backdated to 1 January 2010, plus lump-sum payments linked to the earnings performance of each airport, to be paid in two instalments. The unions recommended that the offer was accepted and all industrial action was called off the following day.

Negotiations to end the long-running dispute between British Airways and Unite gathered some positive momentum when both sides made a fresh start under a new set of lead negotiators. Acas hosted initial talks, the parties then went into direct negotiations and an agreement was finally reached in May 2011. Acas will play a continuing role in resolving some of the issues arising from the dispute.

Acas brokered a settlement at American Airlines in a dispute involving employees based at Heathrow and Gatwick airports. In a complex conciliation over pay and other benefits, both sides made constructive moves which led to a mutually acceptable solution.

Following the acceptance of the Business Transformation Agreement by CWU members at Royal Mail, Acas has continued to be involved on a National Deployment Group to help implement the Agreement.

Disputes concerning staff pensions became more common in 2010/11. One such dispute in which we played a role was at the BBC. Journalists, represented by the NUJ, took two days' strike action in November 2010 over a number of proposals, including an increase in employee contribution rates and the introduction of a career average scheme. Following meetings at Acas, an agreement was reached which NUJ representatives agreed to endorse, in principle, to their members.

We always try to take a long-term view, so success for a conciliator is not only measured by settling the immediate dispute. In some cases, helping parties to re-establish a direct dialogue is a successful outcome, since it can lead to the parties sorting out their difficulties themselves. Our experience suggests that this is often the best way to improve employment relations in the long run.

Collective arbitration and mediation

After an increase in the case load in 2009/10, this year saw a return to the lower level of cases seen in 2008/09. Following the trend of recent years, most cases involved dismissals arising from collective arrangements and issues around pay.

The vast majority of cases were of the conventional variety, with relatively few parties seeking pendulum arbitration.

Arbitration and mediation are important devices in Acas' dispute resolution toolkit. With arbitration, an individual appointed by Acas from our panel of arbitrators and mediators considers the parties' positions and makes a decision to try to settle the dispute. The parties agree in advance to be bound by the decision. Acas mediation provides a person from the same panel to assist parties involved in a dispute to find a settlement. Usually, the mediator will have powers to suggest ways forward and make formal non-binding recommendations, which the parties are expected to consider as a basis for resolution.

The provision of an arbitration service in employment disputes is one of our statutory functions. Some cases flow directly from the work of our collective conciliators, while others arise as a result of Acas being written into, for example, the parties' dismissal procedures.

A distinguishing feature of Acas arbitration is that it is non-legalistic in nature, binding and confidential. The fundamental aim of Acas arbitration is to bring the dispute to an end. As the parties are usually in a continuing relationship, our arbitrators apply the principles of good employment relations, rather than legal principles, to enable them to move forward once the dispute has been settled. Arbitration is a measure of last resort – its effectiveness lies in the relatively sparing use made of it by parties –and it remains a potent dispute resolution mechanism.

During 2010/11 we received 31 cases, with just over a third relating to dismissal and discipline, and a quarter to pay.

Resolving disputes between individuals

Acas has a legal duty to promote the settlement of employment tribunal claims. From 1 April 2009, we have also had the discretionary power (previously this was also a duty) to promote the settlement of potential claims in respect of almost every statutory employment right. The great majority of parties make use of our services in trying to help resolve such claims and in three out of four of cases the matter does not require a full tribunal hearing.

We aim to help organisations prevent and manage conflict effectively and, where possible, in a way that maintains or even improves working relationships.

Conciliation in employment tribunal claims

Acas has a legal duty to promote the settlement of claims to the employment tribunal. The number of adjusted cases received for conciliation, excluding equal pay cases in local authorities and the NHS, was 74,620 compared to 87,421 in 2009/10.

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

The proportion of potential tribunal hearing days saved as a result of Acas intervention in fast-track cases (largely about monetary or time-off entitlements) was 54.0%. The corresponding proportion for standard-track cases (mainly potential unfair dismissals) was 73.7%; for open-track cases (mostly discrimination claims), it was 83.3%. This compares with targets of 52%, 70%, and 85% respectively.

These differing targets reflect the priorities ascribed to the different tracks – the potential savings to parties and the taxpayer from resolving cases in the standard and particularly open tracks are much higher, and therefore conciliation resources are focused on these areas. Of the potential hearing days arising from all cases received for individual conciliation across all tracks, 78% were saved.

The number of adjusted cases received for conciliation in 2010/11, excluding equal pay cases in local authorities and the NHS, was 14.6% fewer than in 2009/10. However, disputes over equal pay in certain areas of the public sector continued at a high level. Some of the large multiple claims placed significant demands on our conciliation resources – requests for conciliation in respect of 23,875 potential claims in local authorities were serviced, compared to 25,503 in 2009/10. Most of the thousands of NHS equal pay claims currently lodged with the employment tribunal were stayed pending test cases, although 2010/11 saw conciliation activity in a few of these cases.

In 2009/10 conciliators had to cope with up to 25% more cases than our resources provided for. However, the substantial programme of recruitment and training of new conciliators that we undertook in 2009 enabled us to deploy sufficient conciliators to handle the volume of new cases in 2010/11. As a result, the level of available conciliation resources was largely in balance with the volume of new cases arriving throughout the year.

Nevertheless, the backlog of work that built up with the rapid growth of cases in 2008 and 2009 has been slow to fall, so conciliators have remained under pressure for much of 2010/11. It was only at the end of the year that it became possible to restore our normal conciliation service standards.

Pre-claim conciliation

The purpose of pre-claim conciliation (PCC) is to serve as a last-resort alternative to litigation. Its success is reflected in employment tribunal claims being avoided.

Acas had always been under a statutory duty to promote the settlement of potential claims, if requested, before they were lodged at an employment tribunal; but no systematic arrangements existed before 2009 for identifying such claims and promoting this facility.

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

Having developed and piloted the PCC service between late 2007 and early 2009, it was launched on 6 April 2009. Since then, the volume of referrals, the take-up of the service and its effectiveness have improved significantly. This can be attributed to a combination of resources being matched better to demand, greater promotion of the service, thorough training and the growing experience of Acas' PCC conciliators.

The volume of potential claims referred for PCC increased by more than 80% in 2010/11, while the proportion of appropriate referrals settled or otherwise resolved has risen from below 40% in 2009/10 to 51% in 2010/11. The proportion of completed cases in which no subsequent claim was made to an employment tribunal rose from 70% in 2009/10 to 74% in 2010/11. Finally, an independently-conducted user survey revealed an overall satisfaction rate of 83% for Acas' PCC service.

The Government issued a consultation document 'Resolving Workplace Disputes' on 27 January 2011 in which it proposed a number of changes to the way workplace disputes are handled. The aim is to encourage parties to resolve disputes earlier, give employers greater confidence in recruiting more people and to ease the burden on employment tribunals.

Acas welcomed the emphasis that the consultation places on the earlier resolution of employment and workplace disputes, and began work with the Acas Council on preparing its response.

Individual mediation

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

Our mediators took on 223 new assignments in 2010/11 and completed 230 cases (some of these were started in 2009/10). In 90% of cases, the issue was progressed or resolved.

Acas has trained mediators in each of its offices across the country who respond to requests for Acas help to resolve disputes. Although the issues that come to mediation are unlikely to be referred to the employment tribunal, they are costly in terms of time and disruption to business. They often involve damaged relationships, which can have a severe impact on organisational effectiveness.

Independent Experts

The Equal Pay Act 1970 amendment regulations 2004 provide for employment tribunals to commission a report on jobs in 'work of equal value' claims. The regulations require this work to be conducted by a designated 'independent expert' from the Acas panel. Since the equal value regulations were introduced, Acas has appointed independent experts in 714 new cases, including 28 in 2010/11.

Local authority equal pay cases have put considerable demands on the independent experts on the panel. The cases are often complex and feature large numbers of claimants and comparators.

Over the past few years our challenge has been to ensure that there are sufficient numbers of experts available to meet the needs of the Tribunals Service.

We have worked closely with the Service and experts to develop a more flexible and effective system to help deal with the administration and the redistribution, when necessary, of large numbers of multiple cases. We have introduced a successful mentoring scheme for newer experts to help them meet the demands made of them.

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

Providing information, practical advice and guidance to employers and employees

Advice and guidance through the Acas helpline

The Acas helpline provides guidance for employers and employees on resolving employment disputes, and understanding employment rights and rules. As part of the Government's Dispute Resolution Review, the Acas helpline has been enhanced to provide a wider reach and facilitate the earlier resolution of disputes.

Acas helpline

In 2010/11, the helpline answered more than 950,000 calls. In the last half of the year we saw a marked decline in the number of calls categorised as providing more general information to callers, and witnessed a significant rise in the number of calls on queries that had reached the stages of either informal or formal action.

The average speed to answer a call was 1 minute 43 seconds, a significant improvement on the previous year (2 minutes 46 seconds). We have made improvements to the way that we schedule resources, which has improved service access.

We have boosted our system for capturing call data. The new system links land-line callers' geographical location to their call record. Over time this will enable us to refine our appreciation of regional employment relations issues and allow us to provide better feedback to policy-makers. It will also generate useful data that can help to raise Acas' profile in the media.

The helpline referred almost 2% of calls to pre-claim conciliators (PCC). The increased number of PCC referrals has helped Acas to meet its obligations under the Dispute Resolution Review agreements.

Acas training and business support

Acas offers affordable training and guidance on employment relations and people management. Whether advice to small businesses, courses for HR managers or bespoke support for large organisations, the aim is to encourage good practice in the employment field.

Good practice services

During 2010/11 Acas Good Practice Services (GPS) delivered more training with fewer staff. It also generated income of £3.72 million.



Listening in: Edward Davey MP, Employment Relations Minister, listens as Acas Helpline Adviser Madeleine Tuxworth speaks to a caller

Employee Feedback Survey

We piloted our Employee Feedback Survey this year. It is designed to help employers evaluate how their employees regard their jobs and place of work. It is based on a comprehensive questionnaire, compiled and tested by Acas, specifically to enable employers to obtain a realistic and credible picture of how well their organisations are working.

The questions were sourced from respected national and international surveys, including:

- the Labour Force Survey
- the Workplace Employment Relations Survey
- the European Social Survey
- the European Working Conditions Survey
- the British Household Panel Survey
- the British Social Attitudes Survey.

They focus on the key components of an effective workplace, including: the employee's job; the employer-employee relationship; the employee's emotional reaction; and demographic characteristics.

The survey is more than an engagement survey. An Acas adviser assists the organisation at each step of the survey process, including the interpretation of the results. The adviser can also provide assistance with any subsequent action prompted by the survey results.

The potential business benefits of the survey for those organisations that act upon the results include:

- developing a reputation as a 'good company' to work for
- saving managers' time
- reducing the numbers of grievances
- cutting absence
- lowering employee turnover
- lessening conflict and tension in the workplace
- issuing fewer disciplinary warnings
- having fewer claims go to employment tribunals
- improving productivity.

Open access courses

Our open access training programme covers a wide range of employment relations topics. The focus continues to be on understanding the law and best practice, and engaging with and encouraging delegates to think about the practical implications of what they have learned, how this has an impact on them and how they can use it in their own organisations.

During 2010/11 our open access programme trained more than 13,000 delegates – up 40% on the previous year. The greatest level of demand was for courses regarding absence and stress (primarily 'fit note' courses) and equality, diversity and discrimination (such as training to support the introduction of the Equality Act) which accounted for 35% and 26% of delegates respectively. Across all open access courses, 98% of delegates said they were 'very satisfied' or 'fairly satisfied' with the course they attended.

Fit note training

This new course played a significant part in informing employers, in particular, about the very different approach being adopted to deal with sickness absence. We attracted more than 3,500 delegates – an unparalleled demand for events offered as either a two-hour briefing or a three-and-a-half-hour training course.

Our top open access topics were:

Absence and stress management	7,197
Equality, diversity and discrimination	7,065
Discipline and grievance	5,337
Managing people	3,943
Bullying and harassment	2,282
Employment law	2,210
Conflict, mediation and change management	1,894
Information and consultation	1,314
Redundancy	1,247
Recruitment and employing people	852

Equality Act training

To support the introduction of the Equality Act, Acas designed a new open access course. Content included coverage on the introduction of 'protected characteristics', the advancement of equality through positive action, changes to current discrimination definitions and the strengthening of the law protecting people with disabilities.

We promoted the benefits of early and informal resolution to problems, and the importance of applying policies fairly and consistently in the workplace. The training also examined the background to the new legislation, the benefits of engaging positively with equality and diversity and what delegates need to do next.

Redundancy and restructuring

This course has now been running for two years and we trained almost 400 delegates in 2010/11. Consultation prior to restructuring is very much at the heart of the Acas message. The course takes delegates through every aspect of a downturn in business and emphasises to the employer that, providing they consult and act early, there are often options available that fall short of redundancy. If redundancies are unavoidable, the way those being made redundant are treated affects not only them, but also the morale and levels of engagement of the 'survivors' who are crucial to the continuing effectiveness of the organisation.

Removal of the default retirement age (DRA)

We have developed a course to take employers through the implications of the removal of the DRA for their business. Acas will be rolling this course out over the next year, following the implementation of the new regulations.

Certificate in Internal Workplace Mediation (CIWM)

Demand for in-company CIWM courses has always come predominantly from the public sector as only larger organisations tend to set up internal mediation schemes and train a team of mediators. Because of cutbacks in the public sector we delivered only six workplace in-company CIWM courses this year.

We ran 24 open access CIWM courses against a profile of 19.

Business support services

Business support

In 2010/11, we provided in-depth support to organisations of varying sizes and from a wide range of sectors, diagnosing employment relations issues and providing tailored solutions to the challenges they face.

At a glance:

- 132 business support exercises (workplace projects)
- 88 non-charged workplace projects
- 1,185 visits to organisations, advising on employment-related matters
- 2,325 phone calls to provide advice on employment-related matters
- 1,051 bespoke workplace training courses
- the evaluation of advisory visits and phone calls revealed that 93% of customers were satisfied with the service as a whole. As a result of the Acas advice, more than two thirds (69%) had either actually introduced, reviewed or changed policies, procedures or areas of practice, or had plans to do so.

Reflecting current economic challenges, Acas advisers contributed to the improvement of working relationships, assisted organisations to address change management issues and offered specific help such as devising new grading structures through job evaluation. Our visits to customer organisations focused on the diagnosis of employment relations issues and helping them to tailor solutions to the tough challenges they faced. In some situations, the training of managers and employee representatives has been part of the Acas solution.

Senior advisers used a range of techniques, including:

- workshop facilitation
- employee surveys
- focus groups
- facilitation of working groups.

In some situations, training managers and employee representatives have been part of the Acas solution. A key feature of our business support is the involvement throughout of trade union or workplace representatives. Encouraging and facilitating organisations to address workplace problems with employee representatives can help them to identify the best solutions, leading to fewer misunderstandings between management and the workforce, better working relationships, and improved productivity.

Non-charged business support

Acas completed 88 non-charged business support projects. Fees can be waived, for example, where there is an urgent need to improve workplace relationships in the wake of an industrial dispute, perhaps related to trade union recognition issues.

Advice by phone and customer visits

Straightforward enquiries can be handled through a telephone conversation while more in-depth issues may need a visit. The advice sought by organisations covered a wide range of topics, including: conflict resolution and workplace relationship issues; discipline and grievance matters; redundancy and restructuring; equality and diversity; attendance management; and employee communication and consultation.

Workplace training

We delivered 1,051 bespoke training events, tailored to address particular workplace challenges faced by organisations; 236 of these were events designed to help organisations adjust to legislative changes to discipline and grievance handling.

Other frequently requested events have focused on topics such as attendance management (including training on the new 'fit note'), conflict management and mediation, bullying and harassment, equality and diversity, and helping improve workplace communications and consultation through new or more effective employee forums.

Acas support for public sector organisations undergoing change

It was important that the new Government was quickly made aware of the employment relations issues the public sector would face and how Acas could support the organisations going through significant change. Acas wrote to Edward Davey MP, the Minister with responsibility for employment relations, setting out the employment-related challenges facing the public sector and highlighting the range of support that we could provide. This included our expertise and experience in helping organisations deal with issues such as change management, handling redundancy and TUPE. The Minister visited Acas, talking to Helpline Advisers and Conciliators to get a feel for their work.

We designed web pages for the public sector, which provided advice and sources of support for managers, their employees and trade unions. Opportunities were taken to provide good practice advice with, for example, Acas delivering short training sessions for employee relations and employee engagement managers from central government departments.

We hope that this type of work will:

- help public sector organisations deal with the fall-out from budget cuts, enabling them to deal effectively and sensitively with job losses
- help to maintain or improve working relationships
- improve communication and consultation in the workplace
- maintain or improve employee engagement
- reduce workplace misunderstandings and tension
- reduce disciplinary and grievance problems
- improve productivity and staff retention
- reduce employment tribunal costs.

Since July 2010 Acas has carried out more than 1,000 pieces of advisory and support work with public sector organisations such as workplace-based projects, in-house training, individual mediations, in-depth advisory visits and phone calls, and equality and diversity policy checks. In the same period, Acas conciliated in approximately 230 collective disputes with public sector organisations.

Our publications and website

Increasing our range of electronic products

The Acas Model Workplace

The Model Workplace is a diagnostic tool for employers and consists of 10 modules covering different areas of employment relations such as performance management, equality, and managing change. It is free to use and aims to help employers assess the effectiveness of people management in their organisation. From its official press launch in November 2010, more than 1,600 organisations have registered to use the tool and more than 10,000 individual modules have been completed.

The Model has been used across a wide range of business sectors, proving most popular with organisations with between 10-49 employees. We are currently talking to our customers about their experience of using it and we will use this feedback to further improve its effectiveness in the coming year.

E-learning

Acas has also looked to enhance its customer experience through using electronic products and channels. We have begun a project, which will redesign our existing e-learning products into a suite of modules that can be accessed via the website. These modules will be aligned to current Acas guidance and support and offer users the opportunity to complete our training in a more flexible way. The modules will be developed over the next 12 months and will complement existing Acas training, offering a mix of learning to users.

New guidance

During 2010/11, Acas updated more than half of its 50 plus guidance publications. These revisions helped to give employers and employees clear, practical advice on legislative changes, such as the Equality Act and new rights for fathers. We also produced a new guide, 'Representation at work', to help support and complement the interactive Acas Model Workplace.

We conducted a programme of continuous improvement to ensure the ongoing relevance of the website's advisory A-Z. New content was added to support new legislation on the removal of the default retirement age, which included podcasts of sample workplace discussions.

Through the Acas website we have also provided regular employment relations advice to support wider news announcements; for example, support on the awarding of the extra bank holiday for the royal wedding, a maternity rights update on mother's day, and attendance management advice during the worst of the winter weather and while the first volcanic ash cloud was disrupting air travel.

We have continued to work with Business Link and Directgov to enhance the employment advice available on their websites and to help make relevant information easier to access for the public.

In 2010/11, we reviewed and updated our existing training materials, developing new training to support the Equality Act, the removal of the default retirement age, monitoring and impact assessment developments, and changes to maternity and paternity leave entitlement.

We responded to customer feedback by modernising all training materials through the introduction of a new corporate style and increasing interactivity by including embedded video clips.

New products were developed on health, work and wellbeing, employee engagement, and managing change for our advisers to use with our customers.

Joint guidance developed

We produced other online resources as a result of working with organisations such as the Department of Health, the TUC, the Chartered Institute of Personnel Development and the Department for Work and Pensions – see pages 26-27 for more details about Acas' work with these and other organisations.

New material on the Acas website developed in this way included:

- 'Top tips for better management'
- 'Mediation: a guide for trade union representatives'.

DRA and Equality Act guidance

We were asked by the Government Equalities Office (GEO) to prepare guidance on the Equality Act; and by BIS to prepare guidance covering the removal of the default retirement age (DRA). This reflects on our reputation for being a trusted source to draft impartial and practical guidance on the introduction of new employment legislation.

Reaching new audiences

Our focus has been to expand our communications to reach new audiences so that we can get our message about good employment relations practice to the widest and most relevant audiences.

During 2010/11, to achieve best value for money, we continued to build our e-marketing capability and brought our PR in-house.

A lot of work went into improving our e-marketing capability; for example, establishing a new customer relationship management system to improve the efficiency, relevance and measurability of contact with our customers. We also added 60,500 new subscribers to our customer database – an increase of 150% – allowing us to send them Acas news and updates.

Our main PR campaigns this year focused on raising awareness of new legislation around the introduction of 'fit notes', the Equality Act and the removal of the default retirement age. We continued to raise awareness of pre-claim conciliation (PCC).

The public sector began to face increasingly significant employment relations challenges last year, so it was important that we made clear how we can offer help; for example, by targeting NHS employers with links to our guidance and support.

Website and social media at a glance

- More than 4 million visits to the Acas website – 400,000 more than 2009/10.
- Our most viewed guidance page was that covering the Equality Act (270,000 page views).
- We achieved a 268% increase in visits to our online booking service from January to March 2011, compared to the same period in the previous year.
- We focused on beginning to build our followers on Twitter and LinkedIn to 600 and 1,000, respectively so far, from less than 20 and zero at the start of the year.
- We are developing the website to ensure it meets accessibility standards.
- We created new multimedia content for the website, including six new videos and podcasts. We also used clips of BBC comedy series, 'The Office', to promote the Acas Model Workplace.
- As part of the 'transformational government' programme, we completed the process of migrating content to the Business Link site.
- We overhauled our intranet to make it fast and easy for staff to access the information they need for their jobs.

"I think the Acas website should be seen as the authority on HR issues. When coaching HR directors I always suggest that anyone dealing with a grievance or disciplinary procedure who does not incorporate Acas guidelines into their policies and procedures is missing some obvious support."

**Alan Wingrove,
Executive Business Coach**

We responded quickly and creatively to the Government's freeze on marketing spend by making even more use of our own communication channels, primarily our website and the e-newsletters we send to customers.

Acas communications continued to spread awareness of our valuable guidance and services, which promote best practice in employment relations. Marketing activity helped to ensure the Good Practice Services arm of the organisation reached its target income of £3.7 million.

We also increased 'pro-actively generated' coverage for Acas in the media by 10%, meeting the target we had set at the start of the year.

As the Government has made a commitment to the digital delivery of services, our online channels have become increasingly important. In the wake of large reductions in communications and other budgets, digital channels can provide low and no-cost options for reaching our existing and new audiences. We looked at what social media our audiences were using when choosing where to start our own channels and researched how other similar organisations were using them. We ran pilot schemes to test what worked best.

Our use of social media has increased in response to the growing importance of these channels and their increasing use among our audiences. For example, most of the

members of the Acas LinkedIn Group are HR professionals. We also hope to reach new audiences, for example, by our tweets getting picked up by people who have not necessarily heard of Acas.

We have a legal and moral obligation, as well as a commercial interest, in ensuring that everyone can access our online content regardless of ability. Rich, multimedia content makes our website more engaging and can be linked to e-marketing communications, as well as aiding search engine optimisation when placed on video-sharing sites such as YouTube.

We are currently developing the website to ensure it meets accessibility standards ready to be tested by the Royal National Institute for the Blind (RNIB) AA standard. New podcasts and videos were created using in-house resources and expertise, and then placed on the website. Staff also worked closely with Business Link and Directgov to identify and prepare suitable content for use on each site.

These measures contributed to:

- saving Acas money by using lower cost channels
- reaching new audiences by using new channels
- reaching more people with our employment relations information and advice
- helping to meet equality and diversity commitments by ensuring the website is accessible and usable.

Acas Customer Services Team – improving the customer experience

During 2010/11, the Acas Customer Services Team (CST) built on its successful first full year by developing its role as a useful source of intelligence about Acas' customers.

The CST has developed excellent training for its team members, effective internal lines of communication and a problem-solving ethos. Initial efficiency gains realised during the team's set-up year were enhanced by its role in promoting continuous improvement in working practices and systems, especially the electronic data capture system.

Management reporting from the CST expanded throughout the year. It now provides monthly data on the routes to Acas used by our customers, and a break down by geography, subject matter and source. Collaboration between the CST, national delivery colleagues and helpline management saw a new, simpler process for helpline referrals launched in December.

The CST management reports increase Acas' efficiency and help area teams improve the deployment of good practice resources and national staff to plan new product development and marketing.

An improved helpline referrals process reduces time and costs, bringing customer and Good Practice Services teams together more quickly and effectively.

Raising awareness and influencing policy

The Acas Corporate Plan for 2011/15 was drafted during the winter and was published in May 2011. It is designed to steer Acas through uncertain economic times. The new plan covers four years, rather than the usual three, bringing it in to line with the Government's current spending round, which lasts until 2015.

The strategic aims in the new plan have been developed to emphasise the contribution Acas can make to economic growth and also the support it provides to small and medium-sized enterprises, as well as the development of fair and effective workplaces.

Following discussions with senior Acas directors, the plan was drafted in the first instance by the Strategy Unit. The plan was then agreed by the Board and Acas Council.

The new plan provides strategic direction for Acas over the next four years and will form the basis of the annual business plan and annual report. It will also serve as a promotional document, detailing Acas' aims and aspirations for key stakeholders and the wider general public.

Working with stakeholders to raise awareness of employment relations issues

TUC fringe and joint Acas-TUC mediation guide

This year's Acas fringe was held in Manchester in September 2010. It raised awareness of the benefits of mediation and showed how it might be used by trade unions. We also launched our new joint Acas/TUC guide, 'Mediation: A guide for trade union representatives'.

This new guide was researched and written by the Acas Strategy Unit in consultation with Keith Mizon from Acas and the TUC's Sarah Veale. It drew on earlier research carried out by Acas and the Chartered Institute of Personnel and Development (CIPD) on mediation, as well as the joint Acas-CIPD publication, 'Mediation: an employer's guide'. Additional information was drawn from Acas operational staff, interviews with trade union representatives experienced in mediation and recently published research by employment relations academic, Dr Richard Saundry.

2012 Olympic and Paralympic Games

We continued to work closely with the Olympic Delivery Authority (ODA), the London Organising Committee of the Olympic and Paralympic Games (LOCOG) and the Government Olympic Executive to ensure that the full range of Acas services is available to those planning and organising the 2012 Olympics.

Working in partnership with LOCOG and the TUC, we helped to draft the 'LOCOG Games-time Grievance Resolution Protocol', covering LOCOG staff and volunteers. It was signed by LOCOG Chair Sebastian Coe, TUC Chief Brendan Barber and Acas Chair Ed Sweeney in February 2011 and is designed to ensure speedy and effective resolution of any individual or collective issues that arise during the games. Organisations contracting with LOCOG must adopt the Protocol's fundamental principles and have in place robust procedures for resolving disputes.

Senior Acas staff have also been working with employers and trade unions in the transport sector to encourage early discussion of problems resulting from the increased demand on public transport during the Olympics.



TUC General Secretary, Brendan Barber, Sebastian Coe and Acas Chair, Ed Sweeney signing the Protocol on 16 February 2011

Further detailed planning with partner organisations will take place in 2011 to ensure that our services can contribute to a successful 2012 Olympic and Paralympic Games.

Publications, papers and online resources

The Acas Strategy Unit produced several papers and short topical articles on employment relations issues during the year, including:

- 'The Future of Workplace Relations. An Acas View', which looked at potential directions for employment relations over the next 10 years.
- 'Transforming conflict management in the public sector'
- 'Representation: finding its voice'
- 'Managing workplace discipline – who holds the key?'
- 'When two worlds collide: Initial reactions to the introduction of fit notes'.

The Strategy Unit are commissioning a series of follow-up papers, to the 'Future of Workplace Relations', on a range of issues, which will be written by respected academics in the relevant field. We hope to cover a range of topics including

social media, public sector reform, age, outsourcing, mutuals and social enterprises, migrant labour, and health, work and wellbeing.

During the year, we also produced other online resources in collaboration with organisations such as the Department of Health, the TUC, the CIPD and the Department for Work and Pensions (DWP). New material on the Acas website developed jointly included 'Top tips for better management'.

This initiative originally came out of recommendations from the Government's response to Dame Carol Black's review, Working for a Healthier Tomorrow, which flagged up the importance of the role of the line manager. Acas hosted a meeting of organisations with an interest in the area including Local Government Employers, the Health, Work and Wellbeing Delivery Unit, the Forum of Private Business, the Federation of Small Businesses, the UK Commission for Employment and Skills, the Work Foundation, the Health and Safety Executive, the CIPD and the Chartered Management Institute who agreed to promote a joint campaign to promote the key benefits of effective line management.

Acas co-ordinated a small drafting group to work on the material, which the group decided should be web-based. The outcome was a series of web pages entitled, 'Top tips for better management' offering practical tools for all levels of management.

Research and evaluation

Acas has an ongoing programme of research and evaluation. The evaluation helps to assess the impact of our services, monitor the views of our users and ensure efficient delivery. We also conduct research on wider employment relations subjects.

In the past year we continued to monitor the effectiveness of Acas services introduced in the wake of Michael Gibbons' review of employment dispute resolution, 'Better Dispute Resolution', as well as developing a wider evidence base on conflict management and resolution in the workplace.

We commissioned a qualitative evaluation of the Acas 'Code of Practice on disciplinary and grievance procedures', and a poll of the business use of the Code and mediation. Some of this material was used in the evidence for the Acas response to the consultation paper, 'Resolving Workplace Disputes'. Findings from a wider body of Acas research on conflict management were presented at a successful seminar at the British Library in March 2011.

Major reports:

We have published 12 new research reports this year. These include:

- an evaluation of the 'Innovative workplaces' initiative. This programme, funded by the East Midlands Development Agency, offered in-depth support to 10 employers seeking to improve organisational performance. The report offers evidence to support the argument that improvements in communication and employee engagement lead to improved performance;
- evaluations of our individual and pre-claim conciliation (PCC) services, both of which demonstrate continuing high levels of satisfaction. The PCC report describes the findings from the first evaluation of the service since it was rolled out nationally in April 2009 and demonstrates that the service provides a speedy means of resolving workplace disputes, saving time and costs for employers and employees alike;
- a study of trade union officers' use of Acas collective conciliation. This report describes the findings of an exploratory research project investigating trade union officials' experience of dealing with collective employment disputes, the extent of their use of Acas collective conciliation as a strategy for resolving disputes and their reasons for not using it.

International work

Acas has an unrivalled international reputation in the field of employment relations. The objective of our international activity is to share our experience, knowledge and information to help inform the development of effective employment relationships and structures in other countries.

In 2010/11, we hosted 20 official visits from overseas delegations and made presentations to more than 150 delegates. Visitors were keen to learn about all aspects of our work but especially those involving dispute resolution. Overseas visitors came from countries including South Korea, China, Finland, Hungary and South Africa. The cost of activities is primarily met either by the foreign country itself or through international aid programmes.

We hosted a delegation from the Hungarian Labour Mediation and Arbitration Service, which was particularly interested in collective conciliation and arbitration procedures.

A large Chinese Government delegation from Shanghai expressed interest in the Acas Model Workplace, as well as performance management systems and the Acas management development programme (MDP).

Acas made several presentations to overseas delegations – including two from Africa with representatives from Ethiopia, Ghana, Nigeria, Tanzania, Malawi and the Solomon Islands and one from South Korea.

A number of overseas observers have participated in formal Acas training, including the course leading to the Certificate in Internal Workplace Mediation. We also provided assessors to a recruitment panel for the Commerce and Employment Department in Guernsey.

Our international work takes into account the Government priorities identified by the Foreign and Commonwealth Office. We provide assistance to governments in countries closely allied to the UK such as the Channel Islands, the Isle of Man and Jersey, and support state-building in countries new to or looking to become members of the European Union. Developing countries are keen to explore UK systems and practices with a view to developing effective employment relations infrastructures of their own.

Acas can also gain from the experience of other countries: during the year an exchange took place between two mediation staff, one from Acas and one from our sister organisation in New Zealand.

Making the most of our people and resources

Making the most of our people

Engaging our staff

Acas Human Resources Unit identified engaging and motivating our staff as far back as 2007 as the key to improving organisational performance. The decision by the Cabinet Office to run a department-wide 'people survey' yearly from 2009 was timely: not only can we discover what we need to do to increase staff engagement, we can also benchmark our own improvement year-on-year and ourselves against other departments and organisations.

As a result of listening to and addressing the concerns of staff, we have improved many of our responses to the employee engagement survey. Our overall index has increased from 63% to 64%, which is encouraging at a time of general unrest in the Civil Service.

During 2010/11, we redeveloped our intranet to improve staff efficiency and engagement. Communications, Technical, HR and other staff from across the organisation worked hard to respond to previous user research and consultation, review and update all intranet content and develop a new, more usable structure. Some devolved publishers were trained to look after their own content. Feedback on the improvements has been positive.

HR has updated many of its policies including, as part of the re-launched intranet, an A-Z index to enable staff to navigate the site more easily. It has also developed 'microsites', putting all the information about a particular subject in one place.

Performance management

We have continued to focus on performance management as a key driver of engagement and the employee engagement survey points to some strong positive results, particularly strengthening the relationship between line managers and the people they manage.

Performance management is aligned with organisational strategic aims and business planning. It is also integrated with other important strategic people priorities such as: Investors in People, management development and succession planning.

A detailed review of the first year of our engagement-based performance management system shows a high level of consistency across different characteristics and aligns it closely with our approach to equality and diversity.

Management development programme

We built on previous staff training initiatives and rolled out the first phase of our management development programme. The first three modules for managers and deputies cover:

- powerful performance conversations
- HR policies and how to apply them
- managing difficult conversations.

Evidence from the employee engagement survey indicates that the learning from these courses is being put into practice, with questions about line managers producing positive scores.

Phase two of the programme has been developed and is ready for delivery in 2011/12. This will prepare managers for developing their staff, managing in times of uncertainty and improving their planning and strategic abilities.

Accredited training

We continue to provide a training qualification for all staff who deliver training to formally recognise their professionalism. We have worked with colleagues from the Helpline and the Open University to develop a post-graduate certificate qualification for our Helpline Advisers. This course gives accreditation to the application of the knowledge they have gained from their basic training. It then builds on this foundation to improve their knowledge of employment legislation and its application on the helpline. The first cohort of this year-long programme is due to graduate in November 2011.

Acas continues to sponsor staff studying for a Post-Graduate Certificate in Individual Employment Dispute Resolution (PGCIEDR) at the University of Greenwich in London. A further 11 people have qualified this year.

We have added to the portfolio of national vocational qualifications (NVQs) for staff. This now includes Customer Service and the MDP – we believe that improved line management leads to higher levels of staff engagement, leading to increased organisational effectiveness.

Accreditation helps ensure our staff have the relevant skills and wider experience to deliver a high quality service to our customers.

Accredited training at a glance:

- 27 people are on the OU course
- 89% of managers have completed the first phase of the MDP (excluding the senior management team and their deputies)
- 6 staff completed ITOL, (13 are still working their way through)
- 11 new people completed PGCIEDR, bringing the total to 80.

Succession planning

We have been considering proposals on how Acas can help its staff to develop into future leaders. A new scheme has been launched to provide those staff assessed to have high potential with the time and support to develop their skills, including management

and leadership. The first tranche of people is due to start on the programme in September 2011.

Equality and diversity

We introduced an interactive training tool for managers to improve our equality impact assessments. Managers are now more aware of the need to consider equality issues when introducing new policies and procedures.

A revised 'Bullying and harassment' policy has been launched in the wake of the Equality Act. We also revised our equality and diversity policy to reflect legislative changes and to ensure that the content, language and layout is accessible. We now produce an annual action plan, which enables us to remain focused on those key equality issues affecting the services we deliver and how we manage our own internal processes.

Disability Involvement Forum

Acas' Disability Involvement Forum, which consists of six external disabled volunteers, has continued to work alongside our own disability champions to provide advice and guidance on disability. This year the forum provided feedback on our performance management process and contributed towards an internal communications exercise.

Following the impact assessment of our Helpline service in 2009 we now have a more user-friendly site, giving clear guidance to potential callers on what to expect when they contact the Helpline. We are grateful for the forum's contribution to this review.

Acas looks at good practice both externally and internally, and then considers what is suitable for its business. The trade union side, senior managers and staff work closely to try and find mutually beneficial ways of moving forward.

All in all, this will ensure that we maintain a respectful and professional approach in the delivery of services and fulfil our equality duties.

Health, work and wellbeing

Much work has been done on helping managers who are responsible for supporting staff in their work. A health, work and wellbeing strategy is being developed, which is linked to business objectives. HR has worked with Equality and Communications colleagues to develop a site to promote good mental health. Microsites on men's and women's health are shortly to go online.

Information sharing and channels of communications

During 2010/11 Acas has worked to ensure that it manages, protects and uses information appropriately.

We followed Cabinet Office guidance in drafting and implementing appropriate information management policies in areas such as data loss and the protective marking of documents and records. We arranged for all staff to complete the annual National School of Government awareness training on information management and we completed the quarterly and annual information assurance returns to the Department for Business, Innovation and Skills (BIS) and the Cabinet Office.

Information and communications technologies

Business projects have seen a successful pilot of our major case management system, Phoenix, and received approval to roll it out nationally. A redesigned internet and intranet, new customer relationship management system, enhancement to our Events and Advisory Recording System and the Acas Model Workplace have improved our services to customers.

On internal systems, the main focus for this year has been on people and processes. By implementing and enhancing processes, and working with the team to get these processes fully embedded within the ICT department, we have improved our

performance and reduced the frequency of major incidents. When these have occurred, we have resolved them more efficiently.

Our new change control process is running smoothly, which has helped us to make better decisions, based on criteria such as business benefit, risk, timing, and impact to the business and our ICT infrastructure.

In terms of service delivery, we released, refreshed and updated service level agreements and, in parallel, updated our service desk tools and configured it to enable us to report on performance against service level agreements and key performance indicators.

From an infrastructure point of view, the key successes include upgrading the finance system and continuing our implementation of a server virtualisation strategy which has led to savings on running costs, coupled with a more flexible, responsive and reliable infrastructure, and leading to less business downtime.

In summary, by melding the people, process and technology into a more cohesive unit, we have produced a more reliable, better managed infrastructure. A conservative estimate for cost savings in terms of General Administrative Expenditure (GAE) for 2010/11 is 14%.

Managing our finances

A full set of accounts for 2010/11, 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 53 to 97).

During this financial year, Acas has striven to achieve the optimum use of its resources in light of reducing budgets and the coalition Government's new, centrally imposed, spending controls. Significant progress has been made and the impact of the in-year budget cuts did not harm the delivery of Acas' services.

Through the Public Value Programme (PVP) review, which was completed at the end of the 2009/10 financial year, Acas identified efficiency savings achievable in future years. These will form the basis of managing the business within the SR10 settlement. This settlement represents a challenge, particularly with large reductions in administration budgets. However, Acas continues to implement service improvements and efficiency opportunities and is playing an active role with its sponsor department, BIS, to prepare for a potential move to share back office functions as a way of making further savings.

The effects of the economic downturn on businesses and individuals have not had as marked an impact on demand for Acas services as anticipated, and so Acas was able to deliver close to the revised income forecast for 2010/11.

Key Financial Headlines:

	£'000
Gross cost of Acas	(52,665)
Less income earned	3,751
Net Expenditure	(48,914)
Grant in Aid	47,200
Capital expenditure	944

Our work in facts and figures

Contents

Performance measures	35
Key Performance Indicators for the Service Level Agreement	35
Performance against customer satisfaction targets	37
Volume indicators	37
Costs of key services	37
Individual disputes	38
Collective disputes	43
Advisory services	46
Acas Resource Accounts 2010/11	53

Performance against key indicators

Key performance indicators for Service Level Agreement

	2010/11		2009/10	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes: a) The promotion of a settlement in disputes in which Acas is involved b) Acas involvement in large-scale disputes	80%	91%	80%	94%
Conciliation in employment tribunal cases: Percentage of tribunal hearing days saved as a consequence of conciliation ¹ Fast track cases Standard track cases Open track cases	100%	100%	100%	100%
Pre-claim conciliation: % of appropriate PCC referrals for which no subsequent ET claim can be identified as having arisen within three months of closure	52%	54%	54%	52%
	70%	74%	70%	74%
	85%	83%	85%	84%
Workplace projects: % of managers and employee representatives reporting improvement in employment relations following Acas intervention	70%	74%	N/A (new target for 2010/11)	N/A
	70%	N/A	70%	N/A

¹ In accordance with the case listing conventions applied by the Tribunals Service, all actual and potential conciliation cases are categorised into three 'tracks': fast, standard and open. Fast track cases mainly centre on claims that an employer has failed to pay a statutory or contractual entitlement, or failed to grant statutory rights to time off work in certain circumstances. Standard track cases are most commonly claims of unfair dismissal, while open track cases comprise all those involving allegations of workplace discrimination or detriment associated with public interest disclosures. Broadly speaking, 'track' serves as a proxy for the differing levels of complexity typically found in cases of each category (fast track being on average the least complex; open track the most), and is also indicative of differences between the average duration (and therefore cost) of tribunal hearings for cases in the categories concerned which are not resolved in conciliation.

Key performance indicators for Service Level Agreement (continued)	2010/11		2009/10	
	Target	Outturn	Target	Outturn
Acas training services: % of delegates reporting that training provided by Acas resulted in a review or change in policy or practice	80%	74%	80%	N/A
Acas Helpline²				
a) % of calls answered in no more than 30 seconds	90%	51%	90%	30%
b) Average call quality ³	2.5	2.5	2.5	2.5
c) Average Helpline adviser availability ⁴	23 hrs p/wk	26.6 hrs p/wk	23 hrs p/wk	24.15 p/wk
Non-statutory alternative dispute resolution:				
a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	N/A	80%	N/A
b) Mediation services: % of mediations that are successful	90%	90%	80%	97%
Equality services: The percentage of workplaces reporting a change in equality policies, practices and supporting activities such as training and monitoring	75%	N/A	75%	N/A
Publications on good practice at work:				
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%	N/A	65%	N/A
b) The percentage of users reporting that the guidance helped to amend or introduce a policy	15%	N/A	15%	N/A

² These targets were reviewed and revised in the last quarter of the financial year in light of demands on the service. Reporting for the 2011/12 financial year will be against the new targets.

³ A score of '2' represents an 'acceptable' call quality score.

⁴ This figure is an adjusted amount, taking into account periods when advisers were unavailable for call taking duties (eg during periods of absence).

Performance against customer satisfaction targets	2010/11		2009/10	
	Target	Outturn	Target	Outturn
Provision of information and advice:				
Acas helpline:				
a) customers satisfied with the service	95%	N/A	95%	95%
b) the percentage of callers who were able to take clear action following their call to Acas helpline	70%	N/A	70%	88%
Training services				
Customers satisfied with charged events	95%	98%	95%	98%
Other performance targets				
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	100%	100%	91%
Volume indicators			2010/11	2009/10
Number of re-employments			618	655
Number of collective conciliation requests received			1,054	915
Number of workplace projects started			220	225
Number of requests for trade dispute arbitration			31	44
Number of calls answered by the national helpline			953,999	1,020,670
Number of calls answered by Equality Direct			2,445	2,368
Number of advisory visits and in-depth phone calls			3,510	2,403
Number of training sessions delivered			2,102	1,798
Number of equality contracts delivered			805	303
Costs of key services				
Cost of completed collective conciliation case where a settlement was achieved or significant progress made			£2,810	£2,440
Cost of an arbitration hearing			£3,032	£2,379
Costs of individual conciliation case settled or withdrawn (gross cases)			£238	£262
Cost of a helpline enquiry answered			£11.87	£13.04

Our work in facts and figures

The following section gives a breakdown of service volumes across a range of services. To facilitate comparisons, figures for the past three years have been provided wherever possible with those prior to 2010/11 updated to take account of finalised management information.

Individual disputes⁵

Net ET1 conciliation cases received⁶

	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
Fast track	20,498	27.5%	22,267	25.5%	19,110	24.7%
Standard track	33,545	45.0%	41,121	47.0%	37,751	48.7%
Open track	20,577	27.6%	24,033	27.5%	20,617	26.6%
Total	74,620		87,421		77,478	

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

	Jurisdictions	ET1			
		2010/11		2009/10	
		Volume	% of cases ⁷	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	42,161	56.5%	51,112	58.5%
	Breach of contract	27,692	37.1%	31,178	35.7%
	Wages Act	27,260	36.5%	29,019	33.2%
	Working Time (Annual Leave)	19,644	26.3%	20,199	23.1%
	Redundancy pay	11,617	15.6%	12,368	14.1%
	Disability discrimination	7,184	9.6%	7,344	8.4%
	Sex discrimination	6,272	8.4%	7,648	8.7%
	Race discrimination	4,704	6.3%	5,446	6.2%
	Equal pay	2,967	4.0%	3,478	4.0%
	Age discrimination	2,686	3.6%	3,650	4.2%
	Protective Award	2,659	3.6%	2,945	3.4%
	Public Interest Disclosure	1,892	2.5%	1,834	2.1%
	Maternity detriment	1,525	2.0%	1,875	2.1%
Other Jurisdictions of note	Religion or belief discrimination	835	1.1%	929	1.1%
	Sexual orientation discrimination	625	0.8%	661	0.8%
Remaining jurisdictions	Other ⁸	7,069	9.5%	8,535	9.8%
	Total jurisdictions	166,792		188,221	
	Total cases	74,620		87,421	

⁵ (a) In accordance with the case listing conventions applied by the Tribunals Service, all actual and potential employment tribunal claims are categorised into three 'tracks': fast, standard and open. Fast track cases mainly centre on claims that an employer has failed to pay a statutory or contractual entitlement, or failed to grant statutory rights to time off work in certain circumstances. Standard track cases are most commonly claims of unfair dismissal, while open track cases comprise all those involving allegations of workplace discrimination or detriment associated with public interest disclosures. Broadly speaking, 'track' serves as a proxy for the differing levels of complexity typically found in cases of each category (fast track being on average the least complex; open track the most), and is also indicative of differences between the average duration (and therefore cost) of tribunal hearings for cases in the categories concerned.

⁶ ET1 figures above include very few NHS and Local Authority equal pay claims either because they have not been passed to Acas for conciliation (because there appears presently to be little or no prospect of success in conciliation) or because the parties have not requested conciliation. In addition, Acas conciliated in and resolved 23,875 potential equal pay cases against local authorities.

⁷ Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

⁸ In 2010/11 the largest constituent of the 'other' category related to claims under the Working Time Regulations regarding a failure to limit weekly or night working time, or to ensure rest breaks; this jurisdiction was present in nearly 1,200 net claims. Only two claims were received which included the new 'Time to train' jurisdiction.

Net ET1 conciliation case outcomes

		2010/11		2009/10		2008/09	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out / disposed at PHR	1,455	7.1%	1,088	5.4%	947	5.5%
	Settled	5,471	26.7%	5,560	27.6%	5,427	31.5%
	Withdrawn	4,823	23.5%	4,316	21.4%	3,737	21.7%
	Default judgment	3,393	16.5%	3,614	17.9%	2,239	13.0%
	Heard	5,383	26.2%	5,566	27.6%	4,886	28.3%
	Total	20,525		20,144		17,236	
	Potential Hearing Days Saved (PHDS)		54.0%		51.8%		56.3%
Standard track	Struck out / disposed at PHR	3,555	9.5%	3,189	8.4%	2,604	8.4%
	Settled	17,232	46.0%	18,000	47.2%	14,259	46.1%
	Withdrawn	7,759	20.7%	7,911	20.8%	7,062	22.8%
	Default judgment	974	2.6%	1,221	3.2%	535	1.7%
	Heard	7,943	21.2%	7,775	20.4%	6,472	20.9%
	Total	37,463		38,096		30,932	
	Potential Hearing Days Saved (PHDS)		73.7%		74.2%		75.3%
Open track	Struck out / disposed at PHR	2,067	9.4%	1,612	7.9%	1,387	8.0%
	Settled	10,741	48.7%	10,005	49.0%	8,757	50.4%
	Withdrawn	5,887	26.7%	5,719	28.0%	4,685	27.0%
	Default judgment	141	0.6%	97	0.5%	46	0.3%
	Heard	3,201	14.5%	3,003	14.7%	2,488	14.3%
	Total	22,037		20,436		17,363	
	Potential Hearing Days Saved (PHDS)		83.3%		83.5%		84.1%
Overall	Struck out / disposed at PHR	7,077	8.8%	5,889	7.5%	4,938	7.5%
	Settled	33,444	41.8%	33,565	42.7%	28,443	43.4%
	Withdrawn	18,469	23.1%	17,946	22.8%	15,484	23.6%
	Default judgment	4,508	5.6%	4,932	6.3%	2,820	4.3%
	Heard	16,527	20.7%	16,346	20.8%	13,846	21.1%
	Total	80,025		78,678		65,531	
	Potential Hearing Days Saved (PHDS)		78.0%		78.0%		79.1%
	Resolution rate⁹		71.2%		70.8%		72.5%

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

Net referrals for Pre-Claim Conciliation (PCC) received¹⁰

		2010/11		2009/10	
		Volume	%	Volume	%
All PCC referrals received	Fast track	7,666	45.0%	2,197	24.0%
	Standard track	7,328	43.0%	5,797	63.3%
	Open track	2,036	12.0%	1,160	12.7%
	Overall	17,781		9,758	

		Volume	% of appropriate referrals in given track	Volume	% of appropriate referrals in given track
Appropriate PCC referrals	Fast track	7,096	92.6%	1,910	86.9%
	Standard track	6,855	93.5%	5,209	89.9%
	Open track	1,919	94.3%	1,014	87.4%
	Overall	16,621	93.5%	8,712	89.3%

¹⁰ Information on the jurisdiction (which determines track) is not available in 751 cases for 2010/11 and 604 cases for 2009/10 so the sum of the numbers recorded against each track is less than the number in the 'overall' line and this has a similar effect on the appropriate PCC referrals table.

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

	All jurisdictions	2010/11		2009/10	
		Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	8,567	48.2%	6,940	71.1%
	Wages Act	6,177	34.7%	1,874	19.2%
	Breach of contract	1,969	11.1%	935	9.6%
	Working Time (Annual Leave)	1,241	7.0%	327	3.4%
	Disability discrimination	856	4.8%	539	5.5%
	Sex discrimination	707	4.0%	616	6.3%
	Redundancy pay	693	3.9%	413	4.2%
	Equal Pay	415	2.3%	71	0.7%
	Race discrimination	369	2.1%	237	2.4%
	Age discrimination	200	1.1%	149	1.5%
	Maternity Detriment	158	0.9%	77	0.8%
	Working Time	130	0.7%	71	0.7%
Other jurisdictions of note	Sexual orientation discrimination	53	0.3%	30	0.3%
	Religion or belief discrimination	28	0.2%	11	0.1%
Remaining jurisdictions	Other	639	3.6%	335	3.4%
	Total jurisdictions	22,202		12,625	
	Total cases	17,781		9,758	

Net PCC outcomes

		2010/11		2009/10	
		Volume	%	Volume	%
Fast track	Unprogressed	2,266	30.3%	857	43.5%
	Impasse	1,596	21.4%	382	19.4%
	Resolved	3,609	48.3%	730	37.1%
	Total	7,471		1,969	
Standard track	Unprogressed	1,950	26.9%	2,442	45.5%
	Impasse	1,995	27.5%	1,135	21.1%
	Resolved	3,305	45.6%	1,795	33.4%
	Total	7,250		5,372	
Open track	Unprogressed	483	24.2%	520	48.9%
	Impasse	458	23.0%	197	18.5%
	Resolved	1,051	52.8%	346	32.5%
	Total	1,992		1,063	
Overall	Unprogressed	4,699	28.1%	3,873	45.8%
	Impasse	4,049	24.2%	1,715	20.3%
	Resolved	7,965	47.7%	2,873	34.0%
	Total	16,713		8,461	

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

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

PCC – Avoidance of tribunal claims^{13 14}

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

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

		2010/11	2009/10	2008/09
New cases started in year		223	238	228
Closed cases in year by outcomes	Unprogressed	33	25	33
	Unresolved	20	6	17
	Progress made	50	45	49
	Settled	127	137	134
	Total	230	213	233
	Success rate	90%	97%	92%

¹³ Any performance measure concerning the avoidance of ET claims is necessarily a lagging indicator. Data related to the most recent PCC inevitably understates the eventual incidence of post-PCC ET claims because some Tribunal claims are only lodged and copied to Acas several weeks after PCC was completed. We can be confident that the data for the calendar year 2010 is final, as any post-PCC ET claims from that period will have been lodged and forwarded to Acas by the end of March. The data in this table is therefore restricted to PCC referrals/cases which reached an outcome on or before the end of December 2010 and December 2009 respectively.

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

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

Collective disputes

Collective disputes received for conciliation by region

Region	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
Acas National	28	2.7%	33	3.6%	22	2.3%
London	75	7.1%	68	7.4%	73	7.6%
South East	44	4.2%	23	2.5%	36	3.7%
East of England	48	4.6%	63	6.9%	59	6.1%
East Midlands	55	5.2%	33	3.6%	55	5.7%
West Midlands	77	7.3%	62	6.8%	68	7.0%
North East	110	10.4%	86	9.4%	100	10.4%
Yorkshire and Humber	100	9.5%	97	10.6%	97	10.0%
North West	228	21.6%	215	23.5%	233	24.1%
Scotland	220	20.9%	180	19.7%	161	16.7%
South West	26	2.5%	24	2.6%	24	2.5%
Wales	43	4.1%	31	3.4%	38	3.9%
Total	1,054		915		966	

Collective disputes received for conciliation by dispute cause¹⁶

Dispute cause	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
General pay claim	184	17.5%	161	17.6%	188	19.5%
Other pay / conditions of employment ¹⁷	342	32.4%	258	28.2%	252	26.1%
Redundancy	130	12.3%	110	12.0%	96	9.9%
Recognition	112	10.6%	126	13.8%	161	16.7%
Other TU matters	101	9.6%	94	10.3%	69	7.1%
Dismissal / discipline	97	9.2%	84	9.2%	74	7.7%
Changes in working practices	79	7.5%	86	9.4%	94	9.7%
Other	89	8.4%	80	8.7%	92	9.5%
Total dispute causes	1,134		999		1,026	
Total collective cases received	1,054		915		966	

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

¹⁷ Typical examples of this category include issues such as pay bonuses, job evaluation, grading arrangements, pension allowances and leave entitlements.

Collective disputes closed by outcome

Dispute outcome	2010/11	2009/10	2008/09
Successfully completed	747	717	737
Unsuccessfully completed	78	47	69
All completed cases	825	764	806
Cases withdrawn	112	115	86
Total	937	879	892

Collective disputes received by source of request

Source of request	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
Employer	166	15.7%	180	19.7%	195	20.2%
Trade Union	283	26.9%	250	27.3%	248	25.7%
Joint	383	36.3%	361	39.5%	325	33.6%
Acas Initiative	222	21.1%	110	12.0%	90	9.3%
Unknown	0	0.0%	14	1.5%	108	11.2%
Total	1,054		915		966	

Cases referred to collective arbitration and dispute mediation

Case type	2010/11	2009/10	2008/09
Single arbitration	27	38	20
Board of arbitration	1	0	2
Single mediation	1	2	3
Board of mediation	0	1	0
Two-tier single mediation / arbitration	1	1	3
Police arbitration tribunal	0	1	1
Other	1	1	1
Total	31	44	30

Issues referred to collective arbitration and dispute mediation

Issue	2010/11	2009/10	2008/09
Annual pay	8	13	10
Other pay and conditions of employment	2	6	3
Dismissal and discipline	11	24	6
Grading	2	0	0
Other	8	1	11
Total	31	44	30

Joint problem-solving activities by topic

Topic	2010/11	2009/10	2008/09
Absence and stress management	1	0	1
Bullying and harassment	3	3	1
Collective bargaining and trade union issues	36	29	40
Conflict, mediation and change management	31	16	8
Discipline and grievance	1	3	2
Equality, diversity and discrimination	1	3	0
Employment law	0	0	1
Implementing flexible working arrangements	1	1	0
Information and consultation	4	10	4
Managing people	0	3	0
Payment and grading arrangements	2	8	3
Recruitment and employing people	1	3	0
Redundancy	4	18	0
Other	3	0	3
Total	88	97	63

Advisory services

Calls to Acas Helpline¹⁸

Volume of calls handled	2010/11	2009/10	2008/09
Total	953,999	1,020,670	726,306

Acas Helpline call topics¹⁹

Topic of enquiry	2010/11	2009/10	2008/09
Discipline, dismissal and grievance	31.7%	30.4%	26.6%
Redundancies, lay offs and business transfers	20.9%	24.5%	27.9%
Contracts	18.2%	17.9%	16.4%
Holiday and working time	13.4%	13.5%	12.2%
Absence, sickness and stress	9.4%	9.1%	8.5%
Wages and National Minimum Wage (NMW)	9.3%	8.5%	7.9%
Maternity, paternity and adoption	6.3%	6.9%	7.7%
Diversity and discrimination	4.4%	4.0%	3.4%
Family friendly policies	2.0%	2.0%	1.8%
Other	8.3%	7.0%	5.6%

¹⁸ These volumes include the calls received by the Equality Direct Helpline.

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

In-depth advisory meetings by topic

Topic	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
Absence and stress management	75	6.3%	29	3.4%	45	5.1%
Bullying and harassment	22	1.9%	30	3.5%	32	3.6%
Collective bargaining and trade union issues	96	8.1%	59	7.0%	134	15.1%
Conflict, mediation and change management	296	25.0%	180	21.3%	127	14.3%
Discipline and grievance	94	7.9%	108	12.8%	79	8.9%
Equality, diversity and discrimination	69	5.8%	28	3.3%	72	8.1%
Employment law	100	8.4%	75	8.9%	24	2.7%
Implementing flexible working arrangements	9	0.8%	13	1.5%	8	0.9%
Information and consultation	95	8.0%	78	9.2%	43	4.8%
Managing people	66	5.6%	42	5.0%	22	2.5%
Payment and grading arrangements	56	4.7%	50	5.9%	42	4.7%
Recruitment and employing people	60	5.1%	35	4.1%	83	9.3%
Redundancy	108	9.1%	100	11.8%	135	15.2%
Other	39	3.3%	20	2.4%	43	4.8%
Total	1,185		847		889	

In-depth advisory telephone calls by topic

Topic	2010/11		2009/10		2008/09	
	Volume	%	Volume	%	Volume	%
Absence and stress management	196	8.4%	93	6.0%	78	4.7%
Bullying and harassment	42	1.8%	69	4.4%	37	2.2%
Collective bargaining and trade union issues	119	5.1%	92	5.9%	152	9.2%
Conflict, mediation and change management	420	18.1%	240	15.4%	255	15.5%
Discipline and grievance	280	12.0%	268	17.2%	255	15.5%
Equality, diversity and discrimination	230	9.9%	78	5.0%	146	8.8%
Employment law	263	11.3%	144	9.3%	87	5.3%
Implementing flexible working arrangements	58	2.5%	44	2.8%	55	3.3%
Information and consultation	121	5.2%	72	4.6%	27	1.6%
Managing people	44	1.9%	39	2.5%	14	0.8%
Payment and grading arrangements	75	3.2%	46	3.0%	32	1.9%
Recruitment and employing people	112	4.8%	96	6.2%	211	12.8%
Redundancy	280	12.0%	249	16.0%	252	15.3%
Other	85	3.7%	26	1.7%	49	3.0%
Total	2,325		1,556		1,650	

Charged workplace projects by topic

Topic	2010/11	2009/10	2008/09
Absence and stress management	4	9	20
Bullying and harassment	4	10	9
Collective bargaining and trade union issues	10	10	18
Conflict, mediation and change management	58	32	28
Discipline and grievance	2	7	6
Equality, diversity and discrimination	4	2	0
Employment law	0	0	2
Implementing flexible working arrangements	1	0	2
Information and consultation	14	32	18
Managing people	8	1	10
Payment and grading arrangements	16	15	11
Recruitment and employing people	3	1	9
Redundancy	2	3	2
Other	6	6	10
Total	132	128	145

Workplace training by topic

Subject of training	2010/11				2009/10				2008/09			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%
Absence and stress management	98	9.3%	2,683	12.3%	50	4.7%	898	4.3%	62	5.2%	1,373	6.5%
Bullying and harassment	76	7.2%	2,157	9.9%	86	8.1%	2,161	10.4%	99	8.2%	1,696	8.0%
Collective bargaining and trade union issues	17	1.6%	343	1.6%	21	2.0%	246	1.2%	104	8.7%	1,224	5.8%
Conflict, mediation and change management	94	8.9%	1,351	6.2%	109	10.2%	1,519	7.3%	113	9.4%	1,495	7.1%
Discipline and grievance	236	22.5%	4,409	20.3%	317	29.8%	6,304	30.3%	308	25.6%	6,654	31.5%
Equality, diversity and discrimination	118	11.2%	3,657	16.8%	54	5.1%	1,722	8.3%	114	9.5%	2,564	12.1%
Employment law	53	5.0%	879	4.0%	73	6.9%	1,098	5.3%	55	4.6%	765	3.6%
Implementing flexible working arrangements	0	0.0%	0	0.0%	1	0.1%	10	0.0%	2	0.2%	25	0.1%
Information and consultation	120	11.4%	1,294	6.0%	142	13.3%	1,657	8.0%	87	7.2%	999	4.7%
Managing people	147	14.0%	3,555	16.4%	119	11.2%	2,499	12.0%	137	11.4%	2,244	10.6%
Payment and grading arrangements	4	0.4%	44	0.2%	6	0.6%	38	0.2%	2	0.2%	33	0.2%
Recruitment and employing people	16	1.5%	253	1.2%	22	2.1%	415	2.0%	44	3.7%	821	3.9%
Redundancy	52	4.9%	850	3.9%	54	5.1%	1,662	8.0%	42	3.5%	626	3.0%
Other	20	1.9%	257	1.2%	10	0.9%	574	2.8%	33	2.7%	591	2.8%
Total	1,051		21,732		1,064		20,803		1,202		21,110	

Open Access training by topic²⁰

Subject of training	2010/11				2009/10				2008/09			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%
Absence and stress management	297	28.3%	4,514	34.7%	90	12.3%	860	9.5%	93	12.7%	848	8.8%
Bullying and harassment	20	1.9%	125	1.0%	14	1.9%	100	1.1%	9	1.2%	82	0.9%
Collective bargaining and trade union issues	9	0.9%	261	2.0%	1	0.1%	6	0.1%	1	0.1%	12	0.1%
Conflict, mediation and change management	51	4.9%	543	4.2%	53	7.2%	701	7.7%	29	4.0%	295	3.1%
Discipline and grievance	121	11.5%	928	7.1%	244	33.2%	3,434	37.8%	328	44.8%	5,459	56.8%
Equality, diversity and discrimination	242	23.0%	3,408	26.2%	43	5.9%	556	6.1%	14	1.9%	98	1.0%
Employment law	102	9.7%	1,331	10.2%	96	13.1%	1,599	17.6%	66	9.0%	1,021	10.6%
Implementing flexible working arrangements	4	0.4%	24	0.2%	4	0.5%	31	0.3%	13	1.8%	138	1.4%
Information and consultation	1	0.1%	20	0.2%	1	0.1%	6	0.1%	5	0.7%	49	0.5%
Managing people	58	5.5%	388	3.0%	37	5.0%	289	3.2%	48	6.6%	410	4.3%
Payment and grading arrangements	2	0.2%	8	0.1%	3	0.4%	14	0.2%	3	0.4%	24	0.2%
Recruitment and employing people	71	6.8%	599	4.6%	98	13.4%	903	9.9%	93	12.7%	903	9.4%
Redundancy	40	3.8%	397	3.1%	46	6.3%	539	5.9%	13	1.8%	120	1.2%
Other	33	3.1%	468	3.6%	4	0.5%	47	0.5%	17	2.3%	148	1.5%
Total	1,051		13,014		734		9,085		732		9,607	

²⁰Total delegates include events delivered with partner organisations.

Total training by topic

Subject of training	2010/11				2009/10				2008/09			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%	Volume	%
Absence and stress management	395	18.8%	7,197	20.7%	140	7.8%	1,758	5.9%	155	8.0%	2,221	7.2%
Bullying and harassment	96	4.6%	2,282	6.6%	100	5.6%	2,261	7.6%	108	5.6%	1,778	5.8%
Collective bargaining and trade union issues	26	1.2%	604	1.7%	22	1.2%	252	0.8%	105	5.4%	1,236	4.0%
Conflict, mediation and change management	145	6.9%	1,894	5.5%	162	9.0%	2,220	7.4%	142	7.3%	1,790	5.8%
Discipline and grievance	357	17.0%	5,337	15.4%	561	31.2%	9,738	32.6%	636	32.9%	12,113	39.4%
Equality, diversity and discrimination	360	17.1%	7,065	20.3%	97	5.4%	2,278	7.6%	128	6.6%	2,662	8.7%
Employment law	155	7.4%	2,210	6.4%	169	9.4%	2,697	9.0%	121	6.3%	1,786	5.8%
Implementing flexible working arrangements	4	0.2%	24	0.1%	5	0.3%	41	0.1%	15	0.8%	163	0.5%
Information and consultation	121	5.8%	1,314	3.8%	143	8.0%	1,663	5.6%	92	4.8%	1,048	3.4%
Managing people	205	9.8%	3,943	11.3%	156	8.7%	2,788	9.3%	185	9.6%	2,654	8.6%
Payment and grading arrangements	6	0.3%	52	0.1%	9	0.5%	52	0.2%	5	0.3%	57	0.2%
Recruitment and employing people	87	4.1%	852	2.5%	120	6.7%	1,318	4.4%	137	7.1%	1,724	5.6%
Redundancy	92	4.4%	1,247	3.6%	100	5.6%	2,201	7.4%	55	2.8%	746	2.4%
Other	53	2.5%	725	2.1%	14	0.8%	621	2.1%	50	2.6%	739	2.4%
Total	2,102		34,746		1,798		29,888		1,934		30,717	

Equality and diversity work

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

Equality and diversity work²¹

	2010/11	2009/10	2008/09
Diagnostic sessions	97	82	205
Policies and procedures	41	12	114
Board briefings	3	1	5
In-depth advisory meetings	69	28	72
In-depth advisory calls	230	78	146
Workplace projects	5	5	0
Workplace training courses	118	54	114
Open access training events	242	43	14
Total	805	303	670

Equality Direct Helpline

Volume of calls handled	2010/11	2009/10	2008/09
Total	2,445	2,368	5,944

²¹ The volumes in this table include general equality and diversity activities as well as those relating to a particular aspect of discrimination.

Acas Resources Accounts 1 April 2010 to 31 March 2011

Annual Report to the Accounts	54
Directors Report	54
Management Commentary	63
Remuneration Report	65
Statement of the Service's and Accounting Officer's Responsibilities	70
Statement on Internal Control	71
The Certificate of the Comptroller and Auditor General to the House of Commons	75
Statement of Comprehensive Net Expenditure	77
Statement of Financial Position	78
Statement of Cashflows	79
Statement of Taxpayers Equity	80
Notes to the accounts for the period ended 31 March 2011	81

ANNUAL REPORT TO THE ACCOUNTS

Directors Report

1. Acas was set up as a statutory body on 1 January 1976. It has two linked but independent institutions, the Certification Office (CO) and Central Arbitration Committee (CAC) that were established on 1 February 1976. The establishment of these institutions is provided by the Employment Protection Act 1975, now the Trade Union and Labour Relations (Consolidation) Act 1992. Acas' main statutory functions and duties are:
 - having a general duty to promote the improvement of employment relations in Great Britain;
 - to advise employers, workers, unions and businesses on employment relations and employment policy matters;
 - to prepare Codes of Practice relating to good employment practice;
 - to provide conciliation in complaints made by individuals under legislation on employment rights;
 - to provide a conciliation service to resolve collective employment disputes;
 - to arrange independent arbitration and mediation;
 - to maintain a panel of Independent Experts to be made available to the Employment Tribunal Service in Equal Pay claims (under Equal Pay Amendment Regulations 1983 (S.I. 1983 No 1794));
 - 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; and
 - to provide a Secretariat for the Police Arbitration Tribunal.

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

2. Under the Trade Union and Labour Relations (Consolidation) Act 1992 sections 254-265, Acas is required to provide both the Certification Officer (CO) and the CAC with staff (employed under Acas terms and conditions), appropriate accommodation and other facilities. Acas is also responsible for paying the CO and members of the CAC such remuneration, travelling and other allowances as may be determined by the Secretary of State for Business Innovation and Skills.
3. Acas also has a role to play in the appointment of the CO and members of the CAC. Acas must be consulted before the Secretary of State appoints the Chairman, any deputy Chairmen and members of the CAC. The Secretary of State is required to consult with Acas before s/he appoints the Certification Officer.
4. The Service is funded through the Department for Business, Innovation and Skills (BIS) Request for Resources 1 (RfR1), on a programme basis.

5. The term "the Service" is used when referring to issues that commonly relate to Acas, CO and CAC.
6. The Government has announced the merger of the CO and CAC as part of the reform of Arms Length Bodies; no date has been set for this merger.

Acas Mission and Strategic Aims

Acas

7. The Acas mission is to improve organisations and working life through better employment relations.
8. Acas' strategic aims as published in its Corporate Plan 2011-2015 are to:
 - Promote better performance in organisations through improved employment relations and more effective dispute resolution
 - Assist SMEs to manage their employment relations to achieve sustainable growth
 - Support the operation of fair and effective workplaces and an engaged workforce
 - Inform public policy and debate on the economic and social value of good employment relations in the workplace
 - Enhance the capability of our staff and secure value for money in all we do.

CO

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

CAC

10. The CAC is responsible for resolving in England, Scotland and Wales, through both voluntary means and adjudication, disputes relating to the following:
 - the recognition and derecognition of trade unions for collective bargaining;
 - the disclosure of information to trade unions for collective bargaining purposes;
 - the establishment and operation of arrangements under the Information and Consultation Regulations;
 - the establishment and operation of European Works Councils; and
 - the information and consultation requirements of the European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations.

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

Review of activities

Acas

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

CO

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

CAC

15. The bulk of the CAC's workload is handling applications for recognition and de-recognition under Schedule A1 to the Trade Union and Labour Relations (Consolidation) Act 1992. It also receives annually a limited number of cases under the Disclosure of Information provisions and the Information and Consultation Regulations, and has dealt with a small number of cases under the legislation relating to European Works Councils (The Transnational Information and Consultation of Employees Regulations 1999).
16. The European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations have provided no cases to date.

Risk and Control Framework

17. Acas' planning framework includes an overarching strategic Corporate Plan, underpinned by an annual Business Plan. Activity is monitored through quarterly reporting to the Acas Executive Board and Council using a Balanced Scorecard and strategic risk register.
18. Reputational Risk is considered to be one of Acas' main priorities, given the need to maintain confidence in our impartiality. Other risks highlighted in the strategic risk register include the potential inability to implement business re-engineering to deliver efficiency savings.

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

Management Structure

20. The Council is responsible for the strategic direction, policies and priorities of Acas, and for ensuring that its statutory duties are carried out effectively. The Council also approves the Corporate Plan.
21. The Acas Council is supported by two sub committees: Audit and Human Resources.
22. The Executive Board meets monthly and is charged with directing the activities of Acas and monitoring the key strategic risks faced by the Service.
23. The Executive Board feeds back to staff on operational, financial and personnel matters. The minutes from Executive Board meetings are available to all staff.
24. The Executive Board members are as follows:
 - Mr Ed Sweeney (Chair)
 - Mr John Taylor (Chief Executive, Acas)
 - Mr Rob White (Director of Finance)
 - Mr Andrew Wareing (Director of Delivery)
 - Ms Susan Clews (Director of Strategy)
 - Mr Andrew Godber (Director of Information Technology)
 - Mr Mike Spencer (Director of Human Resources and Estates)
 - Mr Keith Mizon (Director of Individual Dispute Resolution)
 - Mr Nick Riddle (Director, National Helpline)
 - Mr Peter Harwood (Chief Conciliator)
 - Ms Jane Bird (Director of Operational Policy and Performance) – retired 3 November 2010
 - Mr Jerry Gibson (London Director) To: 31 July 2010 (Director, London, South East England and Eastern Areas) From: 1 August 2010
 - Mr Frank Blair (Scotland Director)
 - Mr Phil Pluck (Northern Director) To: 30 June 2010 (Director, North of England Region) From: 1 July 2010

Mrs Gill McCarthy (Acting Director, North West) To: 30 June 2010

Mr Rob Johnson (Secondment to PVP Project Manager) To: 14 May 2010 (Director, Wales and Southern England) From: 15 May (Director, Wales and Southern England, East and West Midlands) From: 1 August 2010

Mr Paul Beard (Acting Director for Wales and Southern England) To: 14 May 2010

Mr Noel Lambert (Acting Director for Midlands and Eastern) To: 31 July 2010

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

Acas Council Members

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

Ms S Anderson CBE ²	1 May 2004 (Term ends 31 October 2011)
Ms S Veale	1 May 2004 (Term ends 31 October 2011)
Mr J McMullen ²	1 May 2004 (Stood Down – 30 April 2010)
Mr D Prentis ⁴	1 May 2004 (Stood Down – 30 April 2010)
Mr J Michie ^{4,5,6}	1 May 2007 (Extended until 31 December 2013)
Ms S Anderson ²	1 May 2007 (Extended until 31 December 2013)
Ms D Coulter ⁴	1 May 2007 (Stood Down – 30 April 2010)
Mr D Simpson ²	1 May 2007 (Stood down 31 December 2010)
Mr P Bennett ^{1,2}	1 May 2007 (Stood Down May 2011)
Mr E Sweeney (Chair) ^{2,4}	1 Oct 2007 (Extended until 30 September 2013)
Ms N Templeman ^{3,4}	1 April 2008 (Extended until 31 March 2014)
Ms J Eady QC	1 April 2008 (Extended until 31 March 2014)
Ms L Dickens	1 May 2010
Ms M Bousted	1 May 2010
Mr J Hannett	1 May 2010

¹ Chair of the Audit Committee

² Also a member of the Audit Committee

³ Chair of the HR Committee

⁴ Also a member of the HR Committee

⁵ Chair and member of the Audit Committee until July 2010

⁶ Member of the HR Committee from July 2010

Acas Council

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

Acas Audit Committee

27. The Acas Audit Committee, a sub-committee of the Acas Council, meets 3-4 times a year. Audit Committee members, and their attendance at the three meetings held in 2010-11 are:

Mr Jonathan Michie (Chair) (1/1)
Mr Peter Bennett (Chair) (2/2)
Mr Ed Sweeney (3/3)
Ms Sarah Anderson (3/3)
Ms Susan Anderson (1/3)
Ms Mary Bousted (2/3)
Mr Derek Simpson (0/2)

28. Appointments to the Acas Council may be terminated by the Secretary of State for Business, Innovation and Skills where s/he is satisfied that a member:
- has been absent from meetings of the Council for a period longer than six consecutive months without the permission of the Council; or
 - has become bankrupt or made an arrangement with his creditors (or, in Scotland, has had his estate sequestrated or has made a trust deed for his creditors or has made and had accepted a composition contract); or
 - is incapacitated by physical or mental illness; or
 - is otherwise unable or unfit to discharge the functions of a member.

Post Year End Events

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

Equal Opportunities

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

Days Lost Due to Absence

31. Acas encourages a culture where good attendance is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. Acas aims to treat those of its staff who are ill with sympathy and fairness and where possible to provide them with support which will enable them to recover their health and attend work regularly.
32. In 2010-11, the average number of working days lost was 10 days per annum per employee, a slight increase over the previous year; this is in part due to the approximately 50 members of staff who are long-term absentees. We have launched a Health, Work and Wellbeing initiative to reduce this.

Employee Involvement

33. We value the views of staff who are encouraged to discuss issues affecting both them and the work they undertake. We encourage membership of our recognised trade unions and members of staff are able to engage with business challenges both individually, feeding their views through line management and collectively through their trade unions. We have well-established consultative machinery and have an agreement on information and consultation. Three standing committees discuss issues around health and safety, learning and development, and equality and diversity. We have developed a Communications Strategy and a recent survey told us that staff found communication much improved. Results from our latest engagement survey show that we have an Engagement Index of 64% (based on the 'Say, Stay, Strive' model). This represents a positive increase of 1% on the 2009-10 survey at a time of considerable uncertainty across the public sector.

Investors in People (IiP)

34. The Service became the first nationwide, multi-site public sector body to receive IiP recognition in January 1994. Acas has remained accredited ever since. Both the CAC and the CO are accredited in their own right. Our latest re-assessment resulted in our securing the IiP Bronze standard.

Charitable Donations

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

Environmental and Social Issues

36. Acas demonstrates commitment to its environmental and social responsibilities. For example, Acas promotes the use of videoconferencing to reduce official travel and the roll out of new Multi-Functional printing devices will lead to a reduction in paper used.
37. Issues around sustainability have been discussed at Executive Board level.

Going Concern

38. The Executive Board have reviewed the financial position as at 31 March 2011 and are content that Acas is a going concern. The level of departmental grant in aid funding has been agreed for 2011-12 and an indicative grant for 2012-13 has been communicated by BIS. As a result of which, we remain satisfied that the preparation of accounts on a going concern basis remains appropriate.

Accounts Direction

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

Payment of Creditors

40. The Service is committed to the government's target on prompt payment.
41. The target of 10 days was reduced to five days effective from 1 May 2010, although the percentage of invoices required to be paid within the target was reduced to 80%. Overall, 96.41% of payments were made within target deadlines.

Auditors

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

Disclosure of Relevant Audit Information

43. 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

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

Acas

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

CO

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

CAC

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

.....
John E Taylor

Date.....13 July 2011.....

Accounting Officer
Acas

Management Commentary

Financial Results

48. The Service incurred gross administration costs of £52,665k in the year plus capital expenditure of £944k. Cash expenditure was financed by a Grant-in-Aid of £47,200k from BIS' Request for Resources 1 (RfR1), of BIS' Resource Estimate plus other operating income of £3,751k.

In the year, £2,424k of Casflow assets were written off, following the decision by the Tribunal Service to cease participation in the joint project. There has been a reduction in Other Expenditures due in part to the restrictions on spending introduced by the Government, Estates rationalisation and new procurements.

The reduction in Cash and Cash Equivalents is matched by the reduction in Trade and Other Payables and is due to the timing of payments made around year end.

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

Operational Results

Acas

49. During 2010-11 the Acas national Helpline handled 953,999 calls

50. 220 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered over 2,102 sessions in the year on a variety of employment relations topics. Altogether, Acas traded services and publication sales brought in over £3.73 million of revenue (income from the Certification Office fees is excluded from this total).

51. Acas dealt with 1,054 industrial disputes in 2010-11. In 2010-11, Acas individual conciliators handled around 159,311 new and potential employment tribunal claims and, in the case of tribunal cases, 54% of potential tribunal hearing days were saved in short-period cases, 74% in standard period cases and 83% in open period cases through cases being resolved in conciliation.

52. Acas' Key Performance Indicators (KPI) are disclosed fully in the Annual Report.

CO

53. 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.

54. The CO received a total of 599 enquiries from members raising issues or matters of concern about trade unions. This represents an increase of 138 in the number of enquiries compared with last year.

55. The CO issued 39 decisions relating to breaches of trade union rules. In addition a further eight decisions were issued relating to breach of statute complaints. One enforcement order was issued. The total number of decisions issued of 47 represents a slight decrease on the number last year of 50.

CAC

56. The CAC received 28 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2010 and 31 March 2011. During this period it also received two applications under Parts IV of the Schedule but none under Parts II, III, V and VI. Nine complaints were received under the Disclosure of Information provisions and there were five applications for decisions under the Information and Consultation Regulations. In addition, the Secretariat dealt with the two employee requests for Information and Consultation arrangements. The CAC received one application under the European Works Council Regulations.

Relationship with Stakeholders

57. The Service's key stakeholder relationship is with the Department for Business, Innovation and Skills (BIS) and the Service is funded through the Department for Business, Innovation and Skills (BIS) Request for Resources 1 (RfR1), on a programme basis. The Service's relationship with BIS is documented through a Financial Memorandum and Management Statement.
58. Material transactions between Acas and Council Members and members of the Executive Board are disclosed in the Notes to the Account.

Reporting of Personal Data Related Incidents

59. During 2010-11, there were two incidents of the loss of personal data. The first incidence resulted from the theft of a laptop and Blackberry device, both of which were encrypted and therefore posed little risk of disclosure. The second loss of personal data resulted from papers being left in a mini-cab which contained an individual's name, address and email, in addition to the names of member of staff named in a grievance claim being made that individual; all those named in this claim have been informed of the loss of the data. An assessment of the loss assures Acas that there are no systematic weaknesses in our systems to prevent loss of personal data. These incidents were not reported to the Information Commissioner as it was considered that there was immaterial risk of data loss.

Pension Liabilities

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

..... Date.....13 July 2011.....
John E Taylor
Accounting Officer
Acas

Remuneration Report

61. Subject to the provisions of the Civil Service Management Code, the Service has delegated authority from the Secretary of State for Business, Innovation and Skills to determine the pay and grading of staff in non Senior Civil Service grades.
62. The Acas Chairman, the Certification Officer, the Chairman of the Central Arbitration Committee (CAC) and the members of the Acas Council, and additionally four Acas staff and one of the CAC staff, who are members of the Senior Civil Service, have their salaries set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:
- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
 - regional/local variations in labour markets and their effects on the recruitment and retention of staff;
 - Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
 - the funds available to departments as set out in the Government's departmental expenditure limits; and
 - the Government's inflation target.

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

63. 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.
64. The Chairman of the Central Arbitration Committee (Sir Michael Burton) is employed by the Ministry of Justice which charges for time spent on CAC duties. Members of the CAC Committee (deputy Chairmen and Members) are appointed by the Secretary of State for Business, Innovation and Skills. Their rates are set by the Ministry of Justice and are set out below.

Audited Information

	2010-11			2009-10		
	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (rounded to nearest £100)	Salary (£'000)	Bonus Payments (£'000)	Benefits in Kind (rounded to nearest £100)
Mr E Sweeney (Chair)	70-75	0-5	0	70-75	0-5	0
Mr D Cockburn (Certification Officer)	70-75	0-5	0	70-75	0-5	0
Mr JE Taylor (Chief Executive, Acas)	130-135	0-5	0	130-135	5-10	0
Mr A Wareing (Director of Delivery)	75-80	0-5	0	75-80	5-10	0
Mr GS Charles (Chief Executive, CAC)	20-25	0-5	0	35-40	0-5	0
Ms S Clews (Director of Strategy)	70-75	0-5	0	60-65	5-10	0
Ms J Dixon (Director of Knowledge)				50-55	5-10	0
Mr R White (Director of Finance)	75-80	0-5	0	70-75	0	0
Mr M Spencer (Director of HR & Estates)	65-70	0-5	0	65-70	0	0
Mr A Godber (Director of ICTS)	80-85	0-5	0	75-80	0	0
Mr S Gouldstone (Chief Executive, CAC)	55-60	0-5	0	0	0	0

Mr G Charles retired on 30 September 2010 and was replaced by Mr S Gouldstone.
Ms J Dixon left on 31 January 2010.

No bonuses were awarded in 2010-11.

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

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

	Real increase in pension at age 60 (£k)	Total accrued pension at age 60 at 31/03/11 and related lump sum (£k)	CETV at 31/03/10 (nearest £k)	CETV at 31/03/11 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover (to nearest £100)
Mr E Sweeney (Chair)	0-2.5	5-10 plus 0 (lump sum)	53	77	19	0
Mr D Cockburn (Certification Officer)	0-2.5	10-15 plus 0 (lump sum)	206	228	15	0
Mr JE Taylor (Chief Executive, Acas)	0-2.5	60-65 plus 185-190 (lump sum)	1,407	1,433	0	0
Mr A Wareing (Director of Delivery)	0-2.5	20-25 plus 65-70 (lump sum)	323	356	4	0
Mr GS Charles (Chief Executive, CAC)	0-2.5	0-5 plus 0-5 (lump sum)	19	26	6	0
Ms S Clews (Director of Strategy)	0-2.5	20-25 plus 60-65 (lump sum)	292	332	14	0
Mr R White (Director of Finance)	0-2.5	20-25 plus 65-70 (lump sum)	265	309	21	0
Mr M Spencer (Director of HR & Estates)	0-2.5	30-35 plus 90-95 (lump sum)	670	724	0	0
Mr A Godber (Director of ICTS)	0-2.5	5-10 plus 0-5 (lump sum)	29	47	13	0
Mr S Gouldstone (Chief Executive, CAC)	0-2.5	30-35 plus 0 (lump sum)	586	640	7	0

Unaudited Information

Service Contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

Salary

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

Civil Service Pensions

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

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

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

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

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.

Civil Service and Other Compensation Schemes

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

..... Date.....13 July 2011.....

John E Taylor
Accounting Officer
Acas

STATEMENT OF THE SERVICE'S AND ACCOUNTING OFFICER'S RESPONSIBILITIES

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

In preparing 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.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive of Acas as the Accounting Officer for the Service. 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*.

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 Executive 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 for Business, Innovation and Skills (BIS) – both on progress against the BIS objectives to which we are aligned, on specific (Treasury agreed) key performance indicators, and more general keep in touch meetings. In addition we provide BIS 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 2011 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 Executive Board meets regularly to consider the plans and strategic direction of Acas and assesses and monitors key strategic risks within the business planning cycle. The 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 Executive Board for information.

In 2010-11, the Executive Board reviewed their appetite for risk, and during the year Internal Audit led a workshop on risk management for all senior managers. The risk management policy was presented to the Executive Board for review. Revised policy guidance, setting out the actions required of senior management and the Executive Board, was issued. The risk management policy defines how risk is managed and defines the roles and responsibilities of all staff. The risk management policy and risk awareness guidance incorporating best practice is on the intranet for all staff.

During the year, Acas was subject to the *Managing Risk of Financial Loss* review, a cross-government assessment of the risk of financial loss arising from the operation of financial systems; this reviewed the financial processes in Acas and focused on how the mitigation of risk is supported by Acas' governance structures. The overall picture presented is one of sound corporate governance embedded across the organisation. The output of this review has been shared with BIS and HM Treasury.

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.

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.

Following the Cabinet Office's review of data handling and security, Acas continues to make progress in implementing the requirements now expected of it. The IT Director and Senior Information Risk Owner are working closely with the other members of the senior management team to ensure the requirements and associated guidance issued by Cabinet Office are clearly understood by users and key stakeholders. Acas has been working closely with other members of the BIS family to further develop its response and embed the requirements that have been communicated by the Cabinet Office across the organisation. Examples of progress include encrypting removable media, securing remote connections through VPN, verification of external security through penetration testing, and revised documentation on information handling. All staff have completed mandatory information management awareness training. New policies have been developed on data loss, and protective marking which will be rolled out across the organisation.

Our risk based approach to management is embedded in:

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

The new Government's announcement of immediate in-year budget cuts increased pressure on Acas to deliver its full range of services to the same level as in previous years. The Comprehensive Spending Review for the years 2011 to 2014 will see Acas faced with reducing funding, particularly on Administration budgets. Much work has been done, and is on-going, to prepare Acas for a period of constrained finances, including the re-instatement of a sub-committee of the Acas Council, charged with ensuring that identified savings are realised.

Coupled with reduced Government funding, much of Acas' Good Practice income is derived from public sector organisations; therefore, as these bodies are also subject to funding pressures, it is likely to be a significant challenge to maintain income levels.

The organisation's available resources will be managed so that Acas can continue to achieve its mission and business plan in light of the continuing centrally mandated spending restrictions and reducing Administration budgets.

Savings identified from back-office functions require significant investment and management resource to implement, as well as employee engagement. The restrictions placed upon budgets and spending may have an adverse impact on Acas' ability to deliver these savings during this CSR period.

Opportunities to improve efficiency and to make service improvements will continue to be identified and implemented to ready Acas for any potential move to a shared service platform, as part of the BIS Commercial Strategy.

Given the budgetary pressures faced by the organisation, the Executive Board is given the opportunity at each meeting to explain significant budget variances, and to provide assurance that budgets will be fully utilised or that emerging underspends will be addressed in a timely manner.

Following the Tribunals Service (TS) (part of MoJ) decision to discontinue the development and rollout of their side of Caseflow, Acas (with permission from BIS) enhanced its side of the system. Phoenix (the replacement system) is able to serve as a wholly electronic conciliation case management and management information system, has the capability to receive cases direct rather than via the Employment Tribunals and can be adapted to deal with the system envisaged in 'Resolving Workplace Disputes'. An independent external expert has conducted a 'healthcheck' on Phoenix and the review has been most positive about the system and the rollout to full implementation.

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 Executive 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:

- The Acas Executive Board which meets regularly to consider the plans and strategic direction of Acas;
- Full consideration of internal reports by the Acas Audit Committee, and the Chair's regular reports to Acas Council concerning internal control;
- The Acas Executive Board which receives updates on the progress made in implementing outstanding Internal Audit recommendations;
- Regular reports by Internal Audit, to standards defined in the Government Internal Audit Standards, which include the head of Internal Audit's opinion on the adequacy and effectiveness of Acas' system of internal control together with recommendations for improvement. Overall, Internal Audit gave a Satisfactory opinion on the control and governance framework. Some control weaknesses were identified by Internal Audit during their reviews in the year. Appropriate action has been agreed and new procedures introduced to counter these weaknesses. Included in the 2010-11 Internal Audit programme was a review of Acas' Corporate Governance regime which provided assurance to the Accounting Officer that the corporate governance approach and current practices are efficient, in line with current good practice and other guidance, and enable effective organisational decision-making processes;
- Reports from Acas Directors on the steps they are taking to manage Acas' key strategic risk and those within their areas of responsibility;

- To provide assurance to the Audit Committee, a 'challenge panel' process similar to last year was undertaken, whereby the Chair of the Audit Committee, the Acas Chief Executive and Internal Audit meet and question individual Directors on their Corporate Governance returns. The purpose of this is to challenge a selection of Directors on their own assessment of internal control within their Directorates. Also incorporating an element of peer challenge, this process will see all Directors having to justify and explain their Corporate Governance statements over a three year period;
- Maintenance of an organisation wide risk register; and
- Data security procedures are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded. There were two incidences of potential data loss in 2010-11. The first involved the theft of an Acas laptop, Blackberry device and papers; the equipment was encrypted and therefore posed little risk of data loss, whilst the paperwork contained no sensitive information; and paperwork detailing the name, address and email of a former member of staff was lost. Neither case indicates systematic weaknesses in Acas' data handling controls. These incidents were referenced across the organisation as examples of both the value of ensuring all equipment is encrypted and the danger of theft in public places.

.....
John E Taylor
Accounting Officer
Acas

Date.....13 July 2011.....

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Advisory, Conciliation and Arbitration Service (ACAS) for the year ended 31 March 2011 under the Trade Union and Labour Relations (Consolidation) Act 1992. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Service, Accounting Officer and auditor

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

Scope of the Audit of the Financial Statements

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

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

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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of ACAS's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

14 July 2011

STATEMENT OF COMPREHENSIVE NET EXPENDITURE
for the period ended 31 March 2011

		2010-11		2009-10 (restated)	
	Note	£'000	£'000	£'000	£'000
Expenditure					
Staff Costs	4	(32,794)		(33,139)	
Depreciation	5	(1,586)		(1,603)	
Other Expenditure	5	(15,861)		(20,861)	
Exceptional Item	5,18	(2,424)		0	
			(52,665)		(55,603)
Income	6		3,751		3,914
Net Expenditure			(48,914)		(51,689)
Other Comprehensive Expenditure					
		2010-11		2009-10	
		£'000	£'000	£'000	£'000
Net gain/(loss) on revaluation of Property, Plant and Equipment		233		287	
			233		287

The notes on pages 81 to 97 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

consists of:
Advisory, Conciliation and Arbitration Service, Certification Office, Central Arbitration Committee

		31 March 2011		31 March 2010 (restated)		1 April 2009 (restated)	
		£'000	£'000	£'000	£'000	£'000	£'000
	<i>Note</i>						
Non-Current Assets							
Property, plant and equipment	7.1	10,168		13,203		9,694	
Intangible Assets	7.2	<u>831</u>		<u>814</u>		<u>648</u>	
Total non-current assets			10,999		14,017		10,342
Current Assets							
Inventories	8	12		17		8	
Trade and other receivables	9	2,252		2,029		2,764	
Cash and cash equivalents ¹	10	<u>252</u>		<u>1,249</u>		<u>0</u>	
Total Current Assets			2,516		3,295		2,772
Total Assets			13,515		17,312		13,114
Current Liabilities							
Trade and other payables	11	(3,320)		(5,153)		(4,620)	
Provisions	12	(1,183)		(1,192)		(1,724)	
Other liabilities	11	<u>0</u>		<u>0</u>		<u>(441)</u>	
Total Current Liabilities			(4,503)		(6,345)		(6,785)
Non-Current Assets less Net Current Liabilities			9,012		10,967		6,329
Non-Current Liabilities Provisions	12	<u>(4,506)</u>		<u>(4,980)</u>		<u>(4,627)</u>	
Total Non-Current Liabilities			(4,506)		(4,980)		(4,627)
Assets Less Liabilities			4,506		5,987		1,702
Reserves							
Capital Reserve			3,721		5,389		1,262
Revaluation Reserve			<u>785</u>		<u>598</u>		<u>440</u>
			<u>4,506</u>		<u>5,987</u>		<u>1,702</u>

¹The Cash balance as at 1 April 2009 is shown under Other Liabilities.
The notes on pages 81 to 97 form part of these accounts.

These accounts were approved on13 July 2011.....
John E Taylor, Accounting Officer, Acas

STATEMENT OF CASHFLOWS

for the period ended 31 March 2011
consists of:

Advisory, Conciliation and Arbitration Service
Certification Officer
Central Arbitration Committee

	Note	2010-11	2009-10 (restated)
		£'000	£'000
Cash flows from operating activities			
Net expenditure		(48,914)	(51,689)
(Increase)/Decrease in trade and other receivables	9	(223)	735
(Increase)/Decrease in inventories	8	5	(9)
Increase/(Decrease) in trade payables	11	(1,833)	533
Use of Provisions	12	(1,122)	(1,289)
Less non-cash transactions	5	<u>4,834</u>	<u>2,991</u>
Net cash outflow from operating activities		<u>(47,253)</u>	<u>(48,728)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7.1	(696)	(4,965)
Purchase of intangible assets	7.2	(248)	(304)
Proceeds of disposals of property, plant and equipment	7.1	0	0
Proceeds of disposals of intangible assets	7.2	<u>0</u>	<u>0</u>
Net cash outflow from investing activities		<u>(944)</u>	<u>(5,269)</u>
Cash flows from financing arrangements			
Grants from parent Department		<u>47,200</u>	<u>55,687</u>
		<u>47,200</u>	<u>55,687</u>
Net financing			
Net (decrease)/increase in cash and cash equivalents in the period		<u>(997)</u>	<u>1,690</u>
Cash and cash equivalents at the beginning of the period	10	<u>1,249</u>	<u>(441)</u>
Cash and cash equivalents at the end of the period	10	252	1,249

The notes on pages 81 to 97 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS
EQUITY
for the period ended 31 March 2011**

	<i>Note</i>	Capital Reserve (restated) £000	Reval Reserve £000	Total Reserves (restated) £000
Balance at 31 March 2009		2,143	440	2,583
Increase in provision	2	(881)	0	(881)
Balance at 1 April 2009		1,262	440	1,702
Changes in reserves 2009-10				
Net gain/(loss) on revaluation of property, plant and equipment		0	287	287
Transfers between reserves		129	(129)	0
Retained surplus/deficit		(51,689)	0	(51,689)
Total recognised income and expense for 2009-10		(50,298)	598	(49,700)
Grant from Parent		55,687	0	55,687
Balance at 31 March 2010		5,389	598	5,987
Changes in taxpayers' equity for 2010-11				
Net gain/(loss) on revaluation of property, plant and equipment		0	233	233
Transfers between reserves		46	(46)	0
Retained surplus/deficit		(48,914)	0	(48,914)
Total recognised income and expense for 2010-11		(43,479)	785	(42,694)
Grant from Parent		47,200	0	47,200
Balance at 31 March 2011		3,721	785	4,506

The notes on pages 81 to 97 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2011

1. Statement of Accounting Policies

1.1. Basis of Preparation

These financial statements have been prepared in accordance with the 2010-11 *Government Financial Reporting Manual (FReM)* issued by HM Treasury, as required by the Accounts Direction issued by the Secretary of State for Business, Innovation and Skills. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The particular accounting policies adopted by the Service are set out below. They have been applied consistently in dealing with items that are considered material in relation to the accounts. As required by the Accounts Direction, other guidance issued to NDPBs is also taken into account.

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

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

1.2. 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.

1.3. Accounting Convention

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

1.4. Activities

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

1.5. Property, Plant and Equipment

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

The thresholds for capitalisation are as follows:

IT and telecom equipment: all (with the exception of some minor pieces of kit)

Furniture, fixtures and fittings: £1,000

Office Machinery: £1,000

Improvements to leasehold properties: £3,000

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

1.6 Intangible Assets

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

1.7 Impairment

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

1.8. Depreciation

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

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

1.9. Development Expenditure

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

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

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

1.10. Operating Income

The Service receives income from a variety of operations and this is credited to other operating income net of VAT (see note 6). Operating income is income that relates directly to the operating activities of Acas and is recognised to the extent that it is probable that the economic benefits will flow to Acas and can be reliably measured. Income is recognised in the period it is generated.

1.11. Pensions

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

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

1.12. VAT

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

1.13. Operating Leases

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

1.14. Inventories

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

1.15. Provisions

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

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

1.16 Going Concern

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

1.17 Financial Instruments

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

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

1.18 Segmental Analysis

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

Acas has identified the basis on which future segmental analysis will be reported on, and has secured the agreement of our sponsoring Department to use an agreed format. The segments identified reflect the main activities of Acas's business, which are economically distinct from each other and which are reviewed routinely by management. As there are no differences in the risk and rewards within particular economic environments, no geographic segmental information will be provided.

The information received by management does not include assets and liabilities broken down by segment. This is the first year that the information has been prepared in this way and so comparative figures are not presented.

1.19 Removal of Cost of Capital charging in the accounts

FReM 2010-11 no longer requires the calculation of the cost of capital charge and the prior year comparatives have been restated to this effect.

1.20 New IFRSs in issue but not yet effective and FReM changes 2011-2012

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

2. Prior Period Adjustment

	£'000	£'000
Net Expenditure after Interest as per Published Account		(51,955)
Early Retirement Provision Not Required		219
Amortisation of Early Retirement Provision As per Published Account	129	
Amortisation of Early Retirement Provision (Restated)	(219)	
		(90)
Cost of Capital		137
Net Expenditure after Interest 2009-10 (Restated)		(51,689)

Reconciliation of Taxpayers' Equity at 31 March 2010

	£'000	£'000
Taxpayers' Equity as per published account 31 March 2010		6,739
Increase in provision	(881)	
Amortisation of Early retirement provision	129	
		<u>(752)</u>
Taxpayers' Equity at 1 April 2010		5,987

In 2005-06 Acas released staff under a Voluntary Early Retirement Scheme (VER) and provision was made to meet the future obligations arising from the release. During 2010-11, as part of a management review of this provision, it was ascertained that the provision was not meeting the actual cash payments made to the retirees. Given the material nature of the required increase in the provision (£881k as at 31 March 2009), a prior period adjustment was required.

3. Segmental Analysis

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

Included in Overhead Allocation are salary costs included in Note 4 to the Accounts and Other Expenditure and Non Cash Costs included in Note 5 to the Account.

This is the first year a Segmental Analysis has been disclosed.

4. Staff Numbers and Related Costs

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

	2010-11				2009-10	
	Permanently Employed	Others	Ministers	Special Advisors	Total	
Acas National	126	2	0	0	128	129
Regional Offices	714	15	0	0	729	730
Certification Office	9	0	0	0	9	9
Central Arbitration Committee	10	0	0	0	10	12
Total	859	17	0	0	876	880

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

Acas	2010-11			2009-10
	Permanently Employed	Others	Total	
	£'000	£'000	£'000	£'000
Wages and salaries	24,945	490	25,435	25,739
Social security costs	1,901	39	1,940	1,904
Other pensions costs	4,515	15	4,530	4,449
Sub total	31,361	544	31,905	32,092
Less recoveries in respect of outward secondments	(80)	0	(80)	(21)
Total Net Costs	31,281	544	31,825	32,071

CO & CAC	2010-11			2009-10
	Permanently Employed	Others	Total	
	£'000	£'000	£'000	£'000
Wages and salaries	760	1	761	849
Social security costs	58	0	58	66
Other pensions costs	150	0	150	153
Sub total	968	1	969	1,068
Less recoveries in respect of outward secondments	0	0	0	0
Total Net Costs	968	1	969	1,068

Total Acas, CO & CAC	2010-11			2009-10
	Permanently Employed	Others	Total	
	£'000	£'000	£'000	£'000
Wages and salaries	25,705	491	26,196	26,588
Social security costs	1,959	39	1,998	1,970
Other pensions costs	4,665	15	4,680	4,602
Sub total	32,329	545	32,874	33,160
Less recoveries in respect of outward secondments	(80)	0	(80)	(21)
Total Net Costs	32,249	545	32,794	33,139

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

For 2010-11, employers' contributions of £4,680k were payable to the PCS (2009-10: £4,602k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands (the rates in 2009-10 were between 16.7% and 24.3%). The Scheme Actuary reviews employer contributions usually every four years following a full Scheme valuation. From 2010-11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £21,825 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,611, 0.8% of pensionable pay, were payable to the PCS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

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

In 2010-11, one persons (2009-10: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2009-10 £0).

Civil Service and Other Compensation Schemes

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

5. Other Expenditure

	2010-11			2009-10 (restated)		
	ACAS	CO/ CAC	TOTAL	ACAS	CO/CAC	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	5,473	69	5,542	6,396	69	6,465
Travelling and incidental expenses	1,436	3	1,439	1,941	7	1,948
Fees and expenses of arbitrators, conciliators & CAC members	9	11	20	52	10	62
Running Costs	5,731	40	5,771	7,387	46	7,433
Services provided by OGD's	33	0	33	45	0	45
Rentals under operating leases	261	0	261	271	0	271
External audit fees	48	0	48	44	0	44
Staff training costs	698	2	700	946	5	951
Research and development costs	950	3	953	1,988	0	1,988
Conference costs	87	8	95	69	18	87
Legal costs	168	4	172	172	6	178
Bad debts	3	0	3	1	0	1
<i>Non-cash costs:</i>						
Depreciation	1,586	0	1,586	1,603	0	1,603
Losses, write offs and loss on disposal of property, plant and equipment	2,440	0	2,440	267	0	267
Loss on Revaluation	169	0	169	12	0	11
Provisions for liabilities and charges - Former Chairpersons Pensions	0	0	0	(15)	0	(15)
Provisions for liabilities and charges VER	(117)	0	(117)	(219)	0	(219)
Provisions for liabilities and charges – Dilapidations	638	0	638	1,125	0	1,125
Unwinding of Discount	118	0	118	219	0	219
	<u>19,731</u>	<u>140</u>	<u>19,871</u>	<u>22,303</u>	<u>161</u>	<u>22,464</u>

6. Income

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

	2010-11 Acas		Total	2009-10 Acas		Total
	CO/ CAC	CO/ CAC		CO/ CAC	CO/ CAC	
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	3,649	18	3,667	3,779	10	3,789
Sale of publications etc	17	0	17	35	0	35
Other receipts	67	0	67	90	0	90
	<u>3,733</u>	<u>18</u>	<u>3,751</u>	<u>3,904</u>	<u>10</u>	<u>3,914</u>

The CAC has no Operating Income.

7.1 Property, Plant and Equipment

2010-11	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation At 1 April 2010	7,068	6,841	4,215	1,366	19,490
Additions	422	0	267	7	696
Disposals	0	(1,465)	(170)	(70)	(1,705)
Revaluations	0	328	(224)	8	112
Impairment	(2,424)	0	0	0	(2,424)
Transfer	(106)	0	0	0	(106)
At 31 March 2011	4,960	5,704	4,088	1,311	16,063
Depreciation					
At 1 April 2010	0	3,022	2,478	787	6,287
Charge in year	0	491	705	117	1,313
Disposals	0	(1,459)	(160)	(70)	(1,689)
Revaluations	0	116	(135)	3	(16)
Impairment	0	0	0	0	0
At 31 March 2011	0	2,170	2,888	837	5,895
Net Book Value at 31 March 2011	4,960	3,534	1,200	474	10,168
Asset Financing Owned	4,960	3,534	1,200	474	10,168

1. During 2010-11 the Tribunal Service purchased assets on behalf of Acas totalling £422k. This was financed out of Acas' 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 TS/Acas Caseflow system. As a result of Acas taking forward this project on a stand-alone basis, Caseflow is now called Phoenix. As explained in Note 18 an amount of £2.4m has been written off following an impairment review.

2. Leasehold improvements with nil net book value totalling £1.46 million have been written off in the year.

2009-10	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Mach.	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2009	4,161	11,771	5,124	1,809	22,865
Additions	2,907	1,401	342	315	4,965
Disposals	0	(6,393)	(1,531)	(766)	(8,690)
Revaluations	0	62	280	8	350
Write Off	0	0	0	0	0
Transfer	0	0	0	0	0
At 31 March 2010	7,068	6,841	4,215	1,366	19,490
Depreciation					
At 1 April 2009	0	8,568	3,217	1,386	13,171
Charge in year	0	647	605	134	1,386
Disposals	0	(6,217)	(1,470)	(736)	(8,423)
Revaluations	0	24	126	3	153
Write Off	0	0	0	0	0
Transfer	0	0	0	0	0
At 31 March 2010	0	3,022	2,478	787	6,287
Net Book Value at 31 March 2010	7,068	3,819	1,737	579	13,203
Asset Financing					
Owned	7,068	3,819	1,737	579	13,203
Net Book Value at 1 April 2009	4,161	3,203	1,907	423	9,694

In 2009-10, the Tribunal Service purchased assets on behalf of Acas totalling £2,907k. This was financed out of Acas' Grant-in-Aid. These are disclosed as 'Assets Under Construction'. The assets were transferred to Acas in 2009-10 and form part of a joint ETS/Acas Caseflow system.

7.2 Intangible Fixed Assets

2010-11	Computer Software	Assets Under Construction	Total
Cost or Valuation	£'000	£'000	£'000
At 1 April 2010	2,485	131	2,616
Additions	248	0	248
Disposals	0	0	0
Revaluation	(132)	0	(132)
Transfer	237	(131)	106
At 31 March 2011	2,838	0	2,838
Depreciation			
At 1 April 2010	1,802	0	1,802
Charge in Year	273	0	273
Disposals	0	0	0
Revaluation	(68)	0	(68)
At 31 March 2011	2,007	0	2,007
Net Book Value at 31 March 2011	831	0	831
Asset Financing Owned	831	0	831

2009-10	Computer Software	Assets Under Construction	Total
Cost or Valuation	£'000	£'000	£'000
At 1 April 2009	2,228	0	2,228
Additions	173	131	304
Disposals	(36)	0	(36)
Revaluation	120	0	120
Transfer	0	0	0
At 31 March 2010	2,485	131	2,616
Depreciation			
At 1 April 2009	1,580	0	1,580
Charge in Year	217	0	217
Disposals	(36)	0	(36)
Revaluation	41	0	41
At 31 March 2010	1,802	0	1,802
Net Book Value at 31 March 2010	683	131	814
Net Book Value at 1 April 2009	648	0	648

8. Inventories

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

	2011	2010	2009
	£'000	£'000	£'000
Closing inventories	12	17	8

9. Trade Receivables and Other Current Assets

	2011	2010	2009
	£'000	£'000	£'000
Amounts falling due within one year:			
VAT receivables	214	354	238
Deposits and advances (staff)	70	63	64
Trade Receivables	563	508	663
Prepayments	1,374	1,066	1,758
	2,221	1,991	2,723
Amounts falling due after more than one year:			
Deposits and advances (staff)	31	38	41
	2,252	2,029	2,764

10. Cash and Cash Equivalents

	2011	2010
	£'000	£'000
Balance at 1 April	1,249	(441)
Net cash inflow	(997)	1,690
Balance at 31 March	252	1,249
The following balances at 31 March are held at:		
Office of Paymaster General	252	1,249
	252	1,249

Acas was not overdrawn at 1 April 2009; This negative balance represents timing differences.

11. Trade Payables and Other Current Liabilities

	2011	2010	2009
	£'000	£'000	£'000
Trade Payables	1,290	412	1,352
Accruals	1,213	3,494	2,159
Holiday Pay	490	784	669
Deferred Income	327	463	440
	3,320	5,153	4,620

12. Provisions and Contingent Liabilities

12.1 Provisions for Liabilities and Charges

	* Future Pensions	**VER Scheme	***Dilapidations	Total
	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2010	214	3,479	2,479	6,172
In period:				
Expenditure during year	(26)	(979)	(117)	(1,122)
Increase in provisions	0	0	638	638
Reversed unused in the year	0	(117)	0	(117)
Unwinding of discount	0	118	0	118
Closing Provision at 31 March 2011	188	2,501	3,000	5,689
	* Future Pensions	**VER / VES Scheme	***Dilapidations	Total
	£'000	£'000	£'000	£'000
Summary of Cashflow Timings				
Within 1 Year	26	890	267	1,183
Between 2 and 5 Years	104	1,598	1,533	3,235
Beyond 5 Years	58	13	1,200	1,271
Total	188	2,501	3,000	5,689

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

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

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

	* Future Pensions	**VER Scheme (restated)	***Dilapidations	Total
	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2009	255	4,538	1,558	6,351
In period:				
Expenditure during year	(26)	(1,059)	(204)	(1,289)
Increase in provisions	118	0	1,679	1,797
Reversed unused in the year	(133)	(219)	(554)	(906)
Unwinding of discount	0	219	0	219
Closing Provision at 31 March 2010	214	3,479	2,479	6,172

	* Future Pensions	**VER / VES Scheme	***Dilapidations	Total
	£'000	£'000	£'000	£'000
Summary of Cashflow Timings				
Within 1 Year	26	963	203	1,192
Between 2 and 5 Years	104	2,426	1,286	3,816
Beyond 5 Years	84	90	990	1,164
Total	214	3,479	2,479	6,172

12.2 Contingent Liabilities

One Personal Injury case and one Employment Tribunal case was pending at the year end. The estimated costs if Acas were to be found liable would be approximately £78,650.

13. Capital Commitments

Acas is committed to a further capital expenditure of £219,400 as at year-end; £100,000 relates to the Phoenix project (formerly known as Caseflow); £59,400 relates to IT works and a further £60,000 is in relation to Liverpool (Estates) move.

14. Commitments under Operating Leases

	2010-11		2009-10	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Obligations under Operating Leases				
Not later than one year	3,049	160	2,661	101
Later than one year and not later than five years	10,966	303	10,024	303
Later than five years	10,834	0	11,237	0
	24,849	463	23,922	404

15. Related Party Transactions

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

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

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

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

16. Financial Instruments

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

17. Intra-Government Balances

	Debtors: amounts falling due within one year	Debtors: amounts falling due after more than one year	Creditors: amounts falling due within one year
	£'000	£'000	£'000
Balances with other central government bodies	250	0	58
Balances with local authorities	158	0	35
Balances with NHS Trusts	56	0	33
Balances with public corporations and trading funds	29	0	81
Balances with bodies external to government	1,728	31	3,113
Total as at 31 March 2011	2,221	31	3,320
Balances with other central government bodies	119	0	999
Balances with local authorities	78	0	43
Balances with NHS Trusts	55	0	29
Balances with public corporations and trading funds	11	0	6
Balances with bodies external to government	1,728	38	4,076
Total as at 31 March 2010	1,991	38	5,153
Balances with other central government bodies	377	0	80
Balances with local authorities	272	0	30
Balances with NHS Trusts	148	0	20
Balances with public corporations and trading funds	97	0	5
Balances with bodies external to government	1,829	41	4,485
Total as at 1 April 2009	2,723	41	4,620

18. Losses and Special Payments

Following the Tribunal Service's decision in-year to cease participation in the joint Acas/ Tribunal Service Caseflow project, Acas has been required to write off a substantial part of the development costs of that system. Acas is continuing to develop a stand-alone system and the costs written off relate to functionality developed into the system that an Acas-only system could not utilise going forward. The impairment of the asset was the result of uncontrollable, external factors. The total written off was £2.4m.

19. Events after the Accounting Period

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



information & publishing solutions

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

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders/General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

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

TSO@Blackwell and other Accredited Agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Tel 028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-297339-6



9 780102 973396