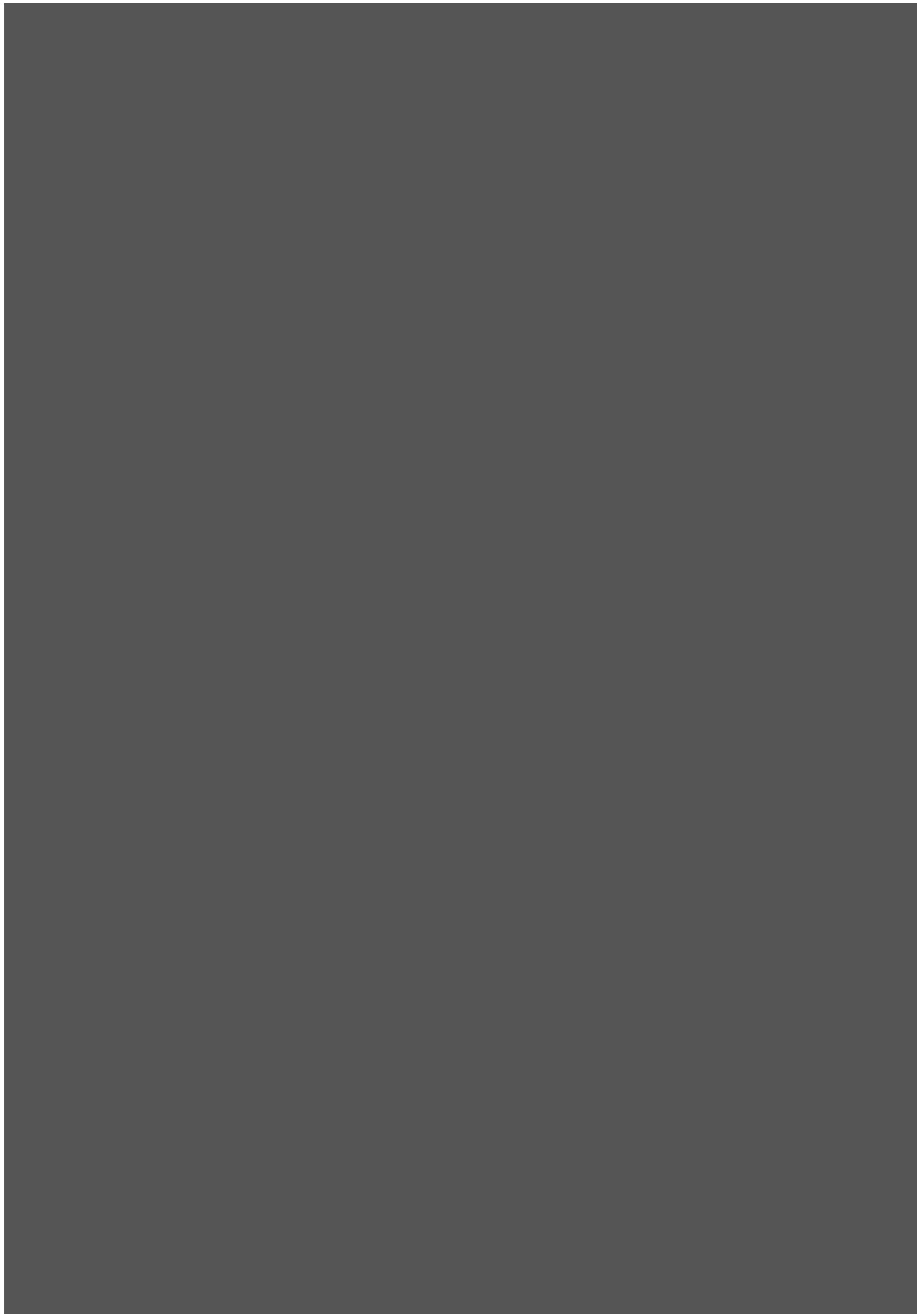


# ANNUAL REPORT AND ACCOUNTS 2009/2010

Advisory,  
Conciliation  
and Arbitration  
Service (Acas)



# **Advisory, Conciliation and Arbitration Service (Acas) Annual Report and Accounts 2009/10**

Report on the activities of the Advisory, Conciliation and Arbitration Service (Acas) and Accounts for the period 1 April 2009 to 31 March 2010.

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

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## Contents

<b>Who we are and what we do</b>	<b>06</b>
<b>Foreword from the Chair</b>	<b>07</b>
<b>Chief Executive's Statement</b>	<b>08</b>
<b>The Acas Council</b>	<b>10</b>
<b>Operational and management structure</b>	<b>11</b>
• Regional presence	11
<b>What are our priorities and how are we doing</b>	<b>12</b>
• Enhancing awareness and take-up of dispute resolution and conflict management in the workplace	14
• Providing information, practical advice and guidance to employers and employees	19
• Reaching new audiences	26
• Raising awareness and influencing policy	30
• Making the most of our people and resources	36
<b>Our work in facts and figures</b>	<b>38</b>
• Performance against key indicators	40
• Individual disputes	43
• Collective disputes	48
• Advisory services	51
<b>What we spend and how we spend it</b>	<b>59</b>
• Acas Resource Accounts 2009/10	60

# WHO WE ARE AND WHAT WE DO

## Who we are

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Acas is the independent employment relations service. We offer impartial expertise to businesses and their employees – to help them develop employee engagement and productive working environments. Our reputation for impartiality and trustworthiness is second to none.

## What we do

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We help business leaders, HR professionals, managers, employees and their representatives make the right choices when it comes to good employment practice. We do this by offering a range of services, some preventative, others restorative, to enable employers and employees to solve their problems and improve business performance.

## Foreword from the Chair



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“ The past year has been one of considerable economic uncertainty. Although the recession is now officially over, the recovery has been, and remains, fragile.

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**As the country begins to emerge from its longest and deepest recession for more than 60 years businesses have been looking for support and guidance.**

Acas has helped thousands of businesses over the past year. We have provided advice in the employment relations field, from short practical courses on issues such as improving attendance and managing change, through to in-depth tailored support.

Concern about employment issues and, in particular, redundancies has remained high. This was reflected in the number of calls to the Acas helpline, which exceeded one million for the first time.

Our helpline offers timely advice to urgent enquires, but it also has a longer-term impact. According to a recent survey, more than half of employers said that their call to our helpline had prompted them to update or improve employment policies. And 86%, who had decided against making a claim to an employment tribunal following their call, credited the helpline with helping to change their mind.

Acas launched its pre-claim conciliation scheme nationally in April 2009 following a successful pilot. The scheme, which attempts to broker early conciliation in employment tribunal claims, has proved very popular with clients. Nevertheless, the past year has seen a significant increase in tribunal cases and this has put a strain on our resources. We have managed to cope, however, and even sustained the level of potential hearing days saved.

It is not always possible to nip disputes in the bud. However, Acas can help to broker deals in even the most intractable of industrial disputes. For example, the settlement we helped achieve at Royal Mail is set to transform the company for the benefit of its management, employees and, most important of all, its customers.

We are very conscious of the current pressures on the public purse and are constantly looking to carry out our functions more economically and efficiently. During the past year we have been the subject of a rigorous Public Value Review, which found that we were delivering good results and providing value for money to the taxpayer. However, the review identified a number of efficiency savings that could be made and we will be considering how best to achieve these in the coming months.

Finally, I believe that Acas' range of dispute resolution and business support services will be more vital than ever as the country looks to pull out of the recession and meet the challenges of the modern global economy.

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*Ed Sweeney*

## Chief Executive's statement

This has been a very tough year for British business and we have seen demand for our services, especially around dealing with redundancy, increase greatly. As well as continuing to provide conciliation in individual and collective disputes, we have also looked at our other services and the value for money we provide and have identified new ways of improving the British workplace through effective employment relations.

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# 94%

of collective disputes were resolved or were helped move towards a resolution

---

**We have done this in three main ways. We have introduced new services to help resolve problems at work more quickly – such as the pre-claim conciliation service launched in April 2009. We have continued to give practical advice to help employers with legal changes, like the introduction of the 'Statement of Fitness for Work'. Finally, we have contributed significantly to wider employment initiatives and debate, for example on employee engagement.**

We also extended our helpline opening hours – 8am to 8pm from Monday to Friday, 9am to 1pm on Saturday to meet demand from employees and employers for advice. The helpline is a critical point of referral from callers to our new PCC service and all our advisers received call-handling training with a particular focus on early dispute resolution. This year we have also successfully implemented a new telephony system that offers our callers a better experience when they call our national helpline.

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# 1m

Calls to the Acas helpline – marking a real milestone for this service

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Good relationships between employers and employees are more critical than ever, as is the need to save the time and money associated with conflict and tribunal hearings. Acas' pre-claim conciliation service (PCC) is testimony to our strongly held belief that although prevention is better than cure, early prevention is best of all. PCC gives employers and employees the chance to resolve their disputes before a claim is made to an employment tribunal. It is proving a popular service: the number of cases we handled doubled in the second half of the year and tribunal claims have been avoided in more than two thirds of cases.

In the past year we have also streamlined processes for developing products and services and further developed the role of our Customer Services Team who were in their first full year of operation. We have also improved the style of course materials and enhanced our marketing effectiveness, primarily through better use of electronic channels.

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# 98%

of delegates were satisfied or very satisfied with their Acas training course

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Over 5,000 organisations were helped by our training during the year – organisations can opt to send delegates to training courses run by Acas or we can tailor courses especially for them and deliver them in their workplace.



Explaining how legislation translates into practice for employers and employees has always been a critical part of our business. During the year Acas has worked with the Department for Work and Pensions (DWP) and the Department of Health (DoH) to produce guidance and training for employers that support the introduction of the new 'fit note'. We have also contributed to a ministerial-chaired 'stakeholder group', ensuring that the importance of line managers to the success of such initiatives is recognised.

It is important that we monitor how well our services are doing and our staff can be very proud of the excellent results of a customer satisfaction survey looking at the impact our work had on employers in dispute resolution. According to a survey of helpline users, 95% said they would use it again. Eighty-eight per cent of respondents said that the information provided helped them decide what to do next and 52% of employers updated or improved policies because of the advice they received when they rang. In terms of value for money this is a significant figure given the relatively low cost of each call.

As well as working hand in hand with employers and employees to resolve very pressing problems at work we also contribute widely to thinking on broader public policy initiatives. We made a significant input into the MacLeod review *Engaging for success: enhancing performance through employee engagement*. This allowed us to demonstrate how the principles underpinning employee engagement – strong, principled leadership, the chance for employees to be heard, effective

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“ It is important that we monitor how well our services are doing and our staff can be very proud of the excellent results of a customer satisfaction survey looking at the impact our work had on employers in dispute resolution. According to one survey 95% of respondents were satisfied with the service we provide

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**87,421**  
net cases received from employment tribunals for conciliation – an increase of 13% from last year

---

line management and good policies and procedures – have been integral to our work for many years.

I have had the pleasure of visiting Acas regional offices during the year, talking with many of our staff about the changes we're facing as an organisation and listening to their concerns and ideas. It was clear that staff have also been talking and listening to our customers more than ever: attempting to anticipate their needs and respond more quickly to workplace problems.

At the close of the operational year, three of our Council members stepped down and I would like to thank Debbie Coulter, John McMullen and Dave Prentis for their contributions over the past year and welcome their replacements Professor Linda Dickens, Dr Mary Bousted and John Hannett who

I am sure will also prove to be valuable members of our Council. The coming year is going to be another challenging one – we will be expected to do more for less. We will need to carry on providing great services with continued pressures on our resources, but I know that Acas staff are up to this challenge.



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*John Taylor*

# The Acas Council



## The Acas Council – providing strategic direction

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**We have a Council 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.**

This year the Acas Council members provided invaluable feedback and input into drafting and updating the *Acas Code of Practice on time off for trade union duties and activities*.

### 1. Ed Sweeney

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

### 2. Sarah Anderson CBE

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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.

### 3. Susan Anderson

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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.

### 4. Peter Bennett

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

### 5. Debbie Coulter

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

### 6. Jennifer Eady QC

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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.

### 7. John McMullen

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

### 8. Jonathan Michie

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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.

### 9. Dave Prentis

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is the General Secretary of Unison.

### 10. Derek Simpson

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

### 11. Nicola Templeman

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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.

### 12. Sarah Veale CBE

---

is the Head of Equality and Employment Rights at the TUC.

# Operational and Management Structure



# LOCAL & NATIONAL SERVICES

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

## Our regional operations

We employ 850 staff the majority of whom work on a daily basis delivering services to customers whether it's via our helpline, through the provision of training and support for business, or in delivering conciliation, mediation and other dispute resolution services. Our offices throughout England, Scotland and Wales have knowledge of their local areas and specific understanding of the employment matters that affect them. Our head office in London deals with corporate and other national matters.



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# RR ES

## **Our priorities**

as set out in our Corporate Plan, are:

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

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- Providing information, practical advice and guidance to employers and employees

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- Reaching new audiences

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- Raising awareness and influencing policy

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- Making the most of our people and resources

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# 1 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

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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. Reaching a settlement is important, but improving employment relations in the long-term to help parties establish a dialogue is equally important.

Typically, our involvement occurs when parties cannot reach agreement and request our 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.

### Collective conciliation

Acas conciliators help to find ways of reaching agreement but they have no powers to decide upon a settlement or to 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.

During 2009/10 we received 905 requests for assistance in collective conciliation and were able to resolve matters or help the parties move towards a resolution in 94% of cases. The most common area we helped with was pay (44%), followed by trade union recognition (14%).

Against a background of continued economic uncertainty, a number of major national and regional disputes have required Acas intervention. Of these, the disputes at British Airways, Milford Haven Port Authority, Network Rail, Fujitsu and Royal Mail have been the most prominent.

The dispute involving British Airways cabin crew has been played out in the full glare of the media spotlight. The company's

between Network Rail and the RMT union over the company's proposals to change safety provisions and working conditions. Conciliation talks with Acas were continuing at the time of writing.

At Fujitsu, Acas worked with the company and Unite from late 2009 to resolve a dispute over a pay freeze, the closure of the final salary pension scheme and more

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**905**  
requests received  
for assistance in  
collective conciliation  
in 2009/2010

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**44%**  
of collective cases  
were related to issues  
around pay

proposals to address its financial difficulties brought it into conflict with BASSA, a branch of Unite, about how these difficulties should be addressed. Despite the best efforts of Acas conciliators, at the time of going to print, the dispute was unresolved.

The dispute at Milford Haven in Wales over pensions involved relatively few people, but its importance lay in the potential it had to disrupt the nation's supplies of liquid gas and oil. Detailed and intensive conciliation talks with Acas produced an agreement that was acceptable to both sides. The transport sector saw a dispute

than 1,000 redundancies. Our intervention produced a package of proposals, which the union recommended its members accept. On a high turnout, the membership voted four to one in favour.

The chief conciliator and his team, together with the independent Chair Roger Poole who was appointed by the parties, worked with Royal Mail and the Communication Workers Union for more than four months to secure a far-reaching agreement covering jobs, pay and a re-configuration of the core elements of the letters business.

**The background**

Thomas Keating Limited based in Billingham in West Sussex is an engineering company with a history linking it back to the late eighteenth century. They make precision press/mould tools and scientific instruments, and employ more than 30 people.

**The challenge**

In May 2009, Acas senior adviser/conciliator, Bernard Style, who is based in our Paddock Wood office in Kent, received a customer referral from the Acas helpline. The initial call to the helpline was from a Unite full-time officer (FTO) who was looking for help from Acas to resolve a dispute about annual pay.

Union membership in the company was quite high at almost 50% of the workforce. There had been no previous disputes about pay or any other issues. Bernard initially spoke to Malcolm Bonnett (the Unite officer) and talked through the problems by phone.

Bernard then wrote to the managing director of Thomas Keating, Dr Richard Wylde, offering Acas assistance to try to resolve the situation. Dr Wylde accepted the offer and Bernard then visited the company in early August and met with Malcolm Bonnett at his office in Crawley during the following week.

The Acas collective conciliation service was thought to provide the best way forward for the company. This service is free and entirely voluntary – so both sides must agree to participate before any discussions can be entered into. Acas’ aim is for the sides to reach an agreement they both feel will

work effectively. Our involvement may allow them to make progress so that they solve their problems together later on.

In this case, conciliation included meetings in September with union members and then non-unionised employees to obtain their views. Bernard then provided management and the union with his findings.

Discussions with and between the parties were quite complex and drawn out. The management side had set out its remuneration policy, holding to a 1% offer (with the union wanting up to 4%) but offering hope for the future in the shape of at least 2% next time round.

**The results**

This had been Thomas Keating’s first experience of working with Acas. Bernard was able to persuade the managing director and his senior colleagues that Acas could contribute to dispute resolution and later improvement of employee relations via a Consultation Forum. Bernard also had to convince the Unite FTO that, despite tense union/management relationships, the best way of improving relations for the benefit of the company and its employees was via joint working.

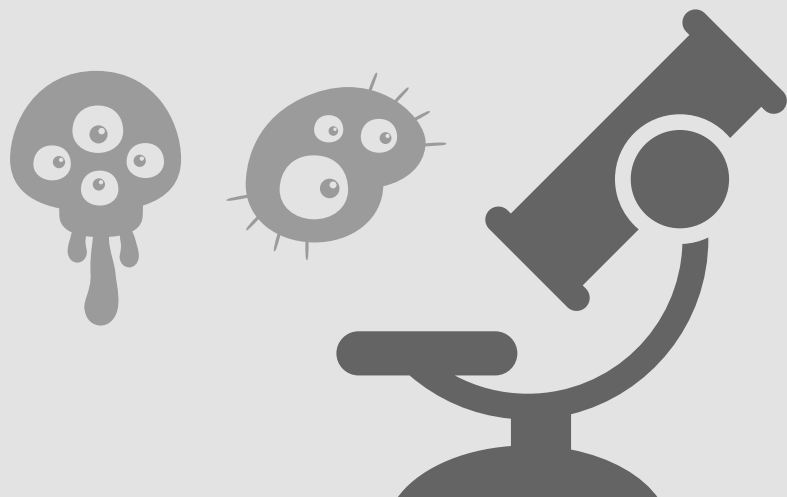
**“ I found the independence and impartiality of Acas of considerable benefit in helping us to make progress in resolving the dispute and then developing a consultation system including all employees. ”**

Dr Richard Wylde, MD

**Getting Acas involved helped us to improve our relationship with management, and then the Acas adviser very effectively facilitated the setting up of a consultation forum which should benefit Unite members.**

Malcolm Bonnett, Unite FTO

The dispute over pay was settled in November 2009. Bernard visited the company and the Union FTO again in January and then met again with all staff to fully explain consultation and its benefits. Bernard provided the company with facilitation assistance to set up a Consultation Forum (The TK Forum), including advice and guidance on the framing of a constitution and he attended the first meeting of the Forum in late February 2010.





## Collective arbitration and mediation

Providing an arbitration service in employment disputes is one of our statutory duties. Some cases flow directly from the work of our collective conciliators, while others can arise from a role for Acas being written into the parties' dismissal procedures.

The fundamental aim of Acas arbitration is to bring a dispute to an end. A distinguishing feature is its non-legalistic nature: because the parties are usually in a continuing relationship our arbitrators apply employment relations, as opposed to legal, principles, to help the parties move forward once the dispute has been settled. Arbitration is a measure of last resort; its effectiveness lies in the relatively sparing use made of it by parties. It remains a potent dispute resolution mechanism, and its decisions are both binding and confidential.

Arbitration and mediation are important devices in Acas' dispute resolution toolkit. During arbitration, an individual appointed by Acas from our panel of arbitrators and mediators, considers the parties' positions in a dispute and comes to a decision aimed at settling it. The parties agree in advance to be bound by the decision. Acas mediation provides a person from the same panel to help the parties involved in a dispute reach a settlement. Usually, the mediator will have powers to suggest ways forward and make formal

**13%**  
the increase from last year in net cases received for Acas individual conciliation

**97%**  
of individual mediation cases successfully resolved

non-binding recommendations, which the parties are expected to consider as a basis for resolution.

In 2009/10 we dealt with 44 collective arbitration and mediation cases – an increase of nearly 47% on the previous year. The majority of our cases involved discipline, dismissals and pay. Most were of the conventional variety, with relatively few parties seeking pendulum arbitration. Included in this number was another referral to the Police Arbitration Tribunal; this time over the issue of the introduction of an 'on-call' allowance.

### **Resolving disputes between individuals**

Acas has a statutory duty to promote the settlement of almost every kind of employment tribunal claim. And from 1 April 2009 we now have the discretionary power (previously 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 nearly three out of four cases the matter does not require a full tribunal hearing. These services are free at the point of use and save the taxpayer and the parties considerable sums which would otherwise have to be spent on employment tribunal hearings. 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 received 87,421 net cases for conciliation from employment tribunals in 2009/10 – excluding actual and potential equal pay cases in local government and the NHS – compared to 77,478 in 2008/09, an increase of 13%. The rate of change varied significantly during the year as economic conditions fluctuated, with a 25% increase on the previous year at the mid-year stage. The final quarter of 2009/10 saw a decline compared to 2008/09. The service level agreement (SLA) between the Department for



Business, Innovation and Skills (BIS) and Acas gauges the effectiveness of conciliation in terms of the percentage of potential tribunal hearing days saved (PHDS) as a result of Acas intervention. In 2009/10 we agreed a target of 54% of PHDS in short period cases, 70% in standard period cases and 85% in open period cases. We achieved 52%, 74% and 84% respectively. Across all cases we saved 78% of potential hearing days compared with 79% in 2008/09.

Thanks to a substantial recruitment programme in 2009 we now have more conciliators to handle the significant increase in employment tribunal claims and to deal with pre-claim conciliation (see below): in March 2009 we were only able to deploy 144 full-time equivalent (FTE) conciliators to the more complex ET1 conciliation cases and pre-claim conciliation cases; by March 2010 we were able to deploy 225 FTE conciliators.

Nevertheless, through 2009/10 our conciliators received 25% more cases than we were resourced for. In addition, the increase in new tribunal claim receipts has been accompanied by a substantial rise in work in progress – 65,987 cases at the end of March 2010 compared to 55,917 a year ago – because of lengthening lead times to tribunal hearings. To enable conciliators to cope with this workload, we had to reduce service standards. When the tribunals start to reduce this backlog of hearings, we will again find our resources stretched. However, provided the country is not hit by a double-dip recession, we should be able to deploy sufficient conciliators to deal with new conciliation cases and be able to restore our service standards in the near future.



**Practice makes perfect:** Acas conciliator Angela Evans and actor, Gill Connick, run through their lines in a rehearsal for Acas' social media event held in London on 16 March. The event focused on Acas' pre-claim conciliation service. See page 28 for more details.

### Equal pay cases

Local authority equal pay disputes continued to make substantial demands on our conciliation resources, with 25,500 potential cases settled compared to 47,000 last year. We expect a similar level of demand for our services in the coming year.

Most of the thousands of NHS equal pay cases lodged with the employment tribunal were stayed, pending test cases. To date there has been little or no conciliation activity on many of the cases lodged and there have been no approaches for Acas conciliation on potential cases.

### Conciliation in potential employment tribunal claims – a new approach to early conciliation: pre-claim conciliation

Acas launched its pre-claim conciliation scheme (PCC) nationally in April 2009 after a successful pilot in 2008. PCC is a critical component of the 'new services' for which Acas was given additional funding after the 2007 Dispute Resolution Review.

It is proving a popular service: by the end of the operational year we had received close on 10,000 referrals for PCC with the

level of business doubling in the second half of the year. Results show tribunal claims have been avoided in around 70% of cases. In 2010/11, Acas aims to deal with 20,000 potential cases.

### Caseflow

Work has continued during the year, in partnership with the Tribunals Service, on the application of Caseflow, which will facilitate the electronic transmission of Employment Tribunal case papers to Acas and enable conciliation to be started earlier. We began piloting the system in Nottingham in November 2009.

### Individual mediation

Some disputes between individual employees and their employers, or between individual colleagues or groups of colleagues, do not give rise to actual or potential claims to employment tribunals and in these situations our statutory conciliation services are not appropriate. However, Acas can and does provide dispute resolution assistance in such circumstances through charged-for individual mediation. Our mediators took on 241 new assignments in 2009/10 and completed 188. Resolution rates were high at 97%.

# INDEPENDENT & IMPARTIAL

## Independent experts

When an employment tribunal is dealing with an equal pay claim, Acas provides the tribunal with an independent expert who prepares a report on whether the jobs in question are of equal value.

The Equal Pay Act 1970 (Amendment) Regulations 2004 provide for employment tribunals to commission a study and report on jobs in 'work of equal value' claims. These regulations require this work to be conducted by a designated independent expert from the Acas panel. Acas provides extra support by circulating information about equal pay legislation, key developments in case law and any relevant employment relations implications.

Acas recruited seven more independent experts during 2009/10 as demand increased, largely from equal pay claims in local government. This rise was despite the tribunal decision in *Hartley v Northumbria Healthcare NHS Foundation* that the new health service working conditions, Agenda for Change, did not perpetuate discriminatory pay systems, which resulted in the withdrawal of many equal pay cases brought against the NHS.

Since the equal value regulations were introduced, Acas has appointed independent experts in 686 cases. In 2009/10 we appointed experts to 68 cases – half of which related to local government.

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
Ms W Bishop	Former senior personnel adviser
Mr D Burn	Human resources consultant
Mr C Campbell	Former senior lecturer in human resource management
Prof S Corby	Reader in employment relations
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
Ms K Gilbert	Lecturer in industrial relations
Mr M Hinks	Human resources consultant
Mr P Kennedy	Employee relations consultant
Ms E M Lowe	Human resources generalist, visiting lecturer
Mr J Magee	Acas arbitrator and adviser for the aviation industry
Mr K Rampling	Performance pay and reward consultant
Mr C J Roberts	Member of employment tribunal and human resources practitioner
Dr S Watson	Independent consultant, specialising in reward issues
Mr P Yeeles	Consultant in employment relations

## Recently appointed

Mr John Forrester	Human resources business partner
Prof Lynette Harris	Professor of HRM and professional practices
Mr Jonathan Holt	Human resources and pay and grading coordinator
Ms Gill Hughes	Former regional officer – UNISON
Mr Des Jones	Job evaluation consultant
Ms Janet Sutton	Human resources consultant
Mr Dennis Walsh	Human resources consultant

## 2 Providing information, practical advice and guidance to employers and employees

### Acas training and business support

#### Good practice services

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

This year, Acas successfully implemented a plan to improve the efficiency of its good practice services. A plan was put in place to ensure that the service is as efficient as possible and to demonstrate that we fully recover costs as we are required to do by Government. Efficiency has increased significantly while evaluation shows that the quality of our services has either been maintained or improved. Nearly 8,000 delegates attended our open access training courses this year.

In the past year we have also:

- streamlined processes for developing products and services to ensure we are better meeting customer needs
- provided continuing professional development for advisers and trainers so that they are up-to-date with current developments
- developed the role of our Customer Services Team
- reviewed policy in areas such as course cancellation, venue standards and quality assurance
- improved the style of course materials as a result of customer feedback
- enhanced our marketing effectiveness, primarily through better use of electronic media.



**One in a million:** Sam Danks, helpline adviser, based in Bristol took the millionth call to the Acas helpline during 2009/10. This marked an important milestone for the Acas helpline and demonstrates its popularity and how valuable a service it is to the members of public.

### Advice and guidance through the Acas helpline

The Acas helpline provides practical guidance for employers, employees and their representatives on resolving problems at work, understanding employment rights and rules and how better employment relations contributes to a high performing business. As part of the Government's Dispute Resolution Review, the Acas helpline has been expanded and enhanced to provide a wider reach to the public and facilitate earlier resolution of employment disputes.

As a result of this expansion during 2009/10 the helpline handled more than one million calls – the highest total ever – and an increase of more than 200,000 over the previous year. Callers benefit from the high levels of knowledge and the skills in call handling that our advisers possess. Helpline advisers are quickly able to get to the core of the problem and provide tailored advice on a wide range of complex subjects; helping to improve the effectiveness of working practices and prevent disputes.

These high levels of customer service combined with the impact that the helpline has on individuals and businesses were recently recognised in an independently conducted customer survey.

### Acas Helpline – how are we doing?

According to our callers:

**95%**  
of respondents were satisfied with the service

**97%**  
said they would use it again

**97%**  
said they would recommend the service to others

**88%**  
said the information helped them decide what to do next

**87%**  
said the information they received "answered their query in full"

**91%**  
of respondents reported that they got through to the helpline "immediately" or "reasonably promptly"

**86%**  
of employees who had previously been considering making a claim to an employment tribunal, but decided not to, said that the helpline had been important in helping them to make this decision

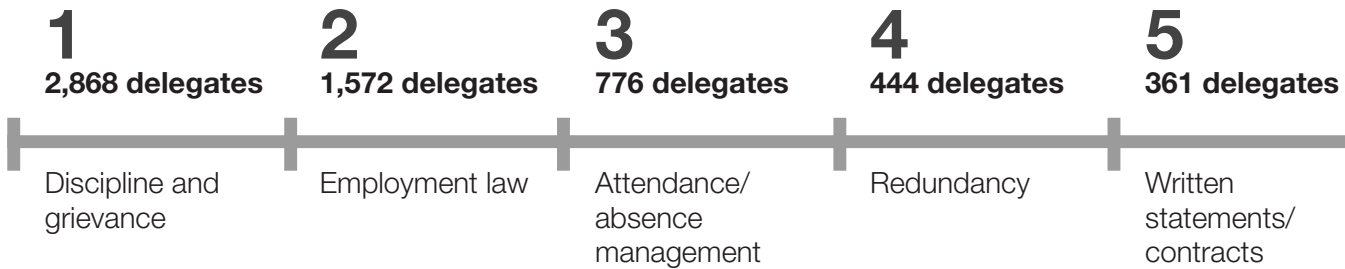
**52%**  
of employers updated or improved policies because of the call. Given the relatively low cost of the call this is a significant figure.

## Top ten training courses

In 2009 Acas launched its 'top ten' open access courses nationwide. These were our most popular courses which we made available in every Acas area on a regular basis. As a result demand is growing.

### Top ten courses 2009/10

– delegate numbers\*



#### Review of discipline and grievance procedures

On 6 April 2009 the Employment Act 2002 (Dispute Resolution) Regulations 2004 were repealed and replaced by a new framework based on the provisions of the Employment Act 2008. A revised *Acas Code of Practice on disciplinary and grievance procedures* was introduced at the same time.

The introduction of the new procedures and the Acas Code marked a significant change in the way potential and actual disputes are resolved within the workplace. Emphasis was shifted to promote early resolution of problems with a minimum of cost and formality.

Acas developed new courses to support the introduction of the Dispute Resolution Regulations and accommodate the needs of small and medium-sized enterprises and HR practitioners. In offering information, training and advice on the new procedures, our key aim was to ensure that employers, managers and employees were better informed about how to

manage conflict more effectively. We also encouraged them to tackle issues at an early stage, especially in smaller business with no access to their own in-house HR expertise.

The training included:

- helping organisations understand the background to the changes
- explaining the legislation and the Acas Code of Practice and the practical effects on workplaces
- detailing the penalties for non-compliance with the Code
- offering advice on how to resolve disputes earlier and in the workplace, including pre-claim conciliation
- advising what delegates needed to do next.

We worked with the Department for Business, Innovation and Skills (BIS), Trades Union Congress (TUC), Citizens Advice Bureaux (CAB) and other organisations to produce a leaflet explaining the new regulations and offering practical advice to employees. We provided training on the new regulations to CAB advisers and trade union representatives.

We also ran a series of BIS-funded courses for hard-to-reach audiences, with a particular focus on SMEs, and a series of seminars around the country with manufacturers' body the EEF.

In total, we trained 3,460 delegates from 2,067 organisations between 1 April 2009 to 31 March 2010. This includes delegates on free courses that we ran jointly with partner organisations.

#### Workplace training

In the past year we provided 1,076 bespoke workplace training courses, tailored to meet the needs of individual organisations. This included 322 courses on the changes to discipline and grievances.

Other popular training topics included: conflict management and mediation; bullying and harassment; improving workplace communications and consultation through employee forums; and negotiation skills training.

\* These figures refer to the volume of delegates attending the specifically named courses and, as a result, do not match those quoted in the facts and figures section on pages 56-57 which combine course titles to create broader topic categories.

# 7,962 DELEGATES



6

219 delegates

Recruiting, contracting and employing people (includes recruitment and selection)

7

207 delegates

Equality and diversity (includes disability discrimination)

8

204 delegates

Investigations

9

191 delegates

Change management

10

188 delegates

Conflict/mediation/relationship Issues

## Certificate in Internal Workplace Mediation

**Acas has developed a qualification – the Certificate in Internal Workplace Mediation (CIWM) – to give people the skills they need to successfully mediate in their workplace. Organisations with trained mediators are able to deal with workplace conflict earlier and more effectively.**

In 2009/10, Acas trained 339 people as mediators, 143 of whom have since received the Certificate in Internal Workplace Mediation. (Fewer people receive certificates than are trained because there is a significant time lag between individuals attending the course, submitting their portfolio for assessment and gaining the award. Some choose not to submit a portfolio and cannot be considered for the award.)

Acas held 39 courses during the year. Satisfaction was high: 99% of course participants reported that the course met the intended

objectives either completely (82%) or to a large extent (17%); and 100% reported that their tutors' knowledge of the subject area was either very good (95%) or good (5%).

Mediations carried out by trainees have been very successful, in nearly all cases leading to partial or full resolution. Mediation was most strongly endorsed by trainees as a tool for addressing relationship problems in the workplace. The CIWM training seems to contribute to successful mediation by giving the mediator confidence in how to handle conflict, a clear structure and framework in which to manage cases, and fosters the most appropriate interpersonal skills such as listening, questioning, remaining impartial and being objective. These interpersonal skills translate very well and have proved invaluable to many mediators outside of their mediation role, for example in management or team-building.

# 99%

of course participants reported that the course met the intended objectives

### From sick to fit note

From 6 April 2010 the sick note issued by doctors to people when they are ill or injured is due to change to become a 'fit note'. Under the sick note system, doctors could only advise their patient on whether their health condition meant that they should or should not work. To help more people get the support they need to get back to work the new fit note system will mean that doctors can advise that an employee is either unfit for work; or may be fit for some work.



**Training elected employee representatives on how to carry out an effective consultation during a redundancy situation**

**The background**

Vodafone made the UK's first call to a mobile on 1 January 1985. In the last 25 years, it has grown rapidly and is one of the best-known names in the communications industry.

By 2009, Vodafone employed around 70,000 people world-wide; 10,500 in the UK and 1,000 at its Newbury-based HQ.

**The challenge**

In March 2009, Vodafone announced that 400 employees working in Newbury would either need to be redeployed or made redundant in response to changes to its business model and its focus on customer-facing roles.

Vodafone already had an elected employee consultative council. However, it was decided that new employee representatives should be elected and appointed specifically to consult over the redundancies to ensure that employees who would be directly affected by the proposals would have a say – 42 nominations were received and 13 of these were

**42**

representatives were nominated and 13 of these were elected.

elected. To ensure the best outcomes possible, it was decided that the new representatives should be trained on the benefits of, and how to carry out, an effective consultation.

Vodafone managers believed that training employee representatives involved in redundancy situations was invaluable as it is critical to their understanding of the process, their role and the contribution they can make.

**Why Acas?**

Vodafone had previous experience of working with Acas for employee training. The company especially liked Acas' ability to fit in with timescales; Acas' pragmatic and practical approach to providing a solution; the good value for money of Acas services; and Acas' long-standing reputation as the employment relations experts.

The Acas trainer was able to make sure that everyone involved was aware of what 'consultation' meant in this context, to ensure that the law was complied with and also to facilitate direct employee involvement.

**The results**

Both sides involved in the consultation (management and the employee representatives) felt that the Acas training had a very positive effect on the outcome of the process. Increased communication between line managers and employees was specifically identified as one of the results as well as more effective working between employee representatives and managers during this process but also for the future.

**“It all seemed a very good idea and a sensible way of doing things, and it's obviously because Acas have been through this before and they have thought about the more open way, and transparent way of doing things.**

Vodafone Employee representative

**Clearly you've got to comply with the law, but what you actually really want to achieve is an employee population that you can take with you on the journey of why you're doing something; and to explore with them solutions that have a buy-in from the employer perspective (in order), to actually improve things for the people that we're working with.**

Vodafone Management representative

It is accepted that work is generally good for a person's health and that going back to work can aid recovery. Staying off work can lead to long-term absence and job loss with the risk of isolation, loss of confidence, mental health issues, de-skilling and social exclusion.

Acas has worked with the Department for Work and Pensions (DWP) and the Department of Health (DoH) to produce guidance for employers that will support the new fit note. From April 2010 onwards we will be running an extensive programme of training based on the guidance.

Early indications from the 'Statement for fitness to work' training, which focuses on the needs of SMEs, show that around 50% of customers booking these courses are new to Acas training.

#### Small business strategy

Acas has continued to provide support, guidance and training on employment legislation to small- and medium-sized enterprises (SMEs). This is particularly important for those SMEs that have little or no human resources expertise. We have also focused on reaching out to SMEs that have not been Acas users, for example by advertising in periodicals such as the Federation of Small Businesses' magazine *First Voice*.

#### Business support services

In the past year, Acas has provided in-depth assistance to 224 organisations of all sizes and in all sectors. We have visited organisations, diagnosed issues and helped tailor solutions to the challenges businesses face. This work has included:

- developing communication and consultation forums to increase the engagement of employees
- addressing change management issues
- helping devise new grading structures through job evaluation.

“ Ten of our managers/team leaders attended the two day 'Managing in difficult times' training course provided by Acas earlier this year and we have had excellent feedback from the delegates. In particular, I am very impressed with the way they have been able to put into practice with their teams, the tools and techniques they learned from participating in the difficult roleplay scenarios.

Christine Mullan, HR Manager, Horner Brothers Print Group, Rotherham. One of the companies benefiting from joint work with Yorkshire Forward. See page 35.

### Acas business solutions – how are we doing?

#### Benefit for all

Through our programme of workplace assistance we can offer business and employees:

- better communication
- improved employee engagement and working relationships
- reduced employment tribunal costs
- improved staff retention
- increased awareness of employment legislation and how to comply with it
- reduced workplace tension
- fewer disciplinary and grievance problems.

Specifically, we have identified the following benefits:

**83%**

of workplaces reported an improvement in employment relations following Acas intervention

**81%**

revised or introduced policies, procedures and practices as a result of Acas intervention

**95%**

of management and 96% of employee representatives were "satisfied" with the intervention; 69% and 61%, respectively, were "very satisfied".

**90%**

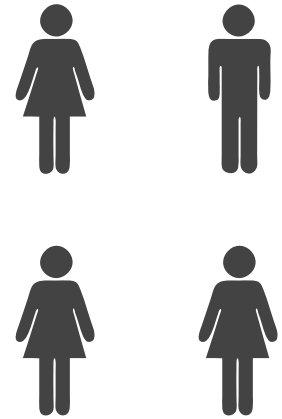
of charged projects said that the project represented good value for money.

The skills and expertise of our advisers were highly praised, in particular their understanding of the issues faced in the workplace. They were also applauded for developing good relationships with customers, and for maintaining an impartial stance and encouraging discussion.

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“ A key feature of our business support is to involve trade union or workplace representatives. Encouraging employee involvement enables organisations to address problems and build solutions more effectively.

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To help businesses and employees deal with redundancies, Acas senior advisers supported the setting up of consultative mechanisms to meet legislative requirements and improve strained workplace relationships. Depending on the particular circumstances, advisers also set up focus and working groups, and trained managers and employee representatives in techniques to help them work together more effectively.

A key feature of our business support is to involve trade union or workplace representatives. Encouraging employee involvement enables organisations to address problems and build solutions more effectively, which can lead to more engaged employees, less workplace tension, improved working relationships, improved productivity and increased profitability.

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# 849

In the past year, Acas made 849 visits to organisations

# 1553

In 2009/10, we offered advice over the phone on 1,553 occasions

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**Non-charged business support**  
We waived our charges for 94 of the 224 business support projects. Our fees can be waived in some defined circumstances, including those where there is a need to improve working relationships following an industrial dispute perhaps relating to trade union recognition issues.

**Surviving the downturn**  
In 2009/10 Acas provided a range of services to help organisations deal with the impact of the recession, including guidance and training on offering alternatives to redundancy. We worked with partner organisations to provide advice and support to businesses in the hardest hit areas. (See our Insight on this topic on page 34.)



## Advice by phone and personal visits

We offered detailed advice and guidance on challenging employment relations issues and the implementation of specific areas of employment legislation. Initial enquiries are often dealt with over the telephone while more complex questions may require a visit. Issues covered included discipline and grievance; redundancy and restructuring; workplace relationships; attendance management; and conflict resolution.

In the past year, we offered advice over the phone on 1,553 occasions and made 849 visits to organisations.

## Our publications and website

Providing information, guidance and practical advice

During 2009/10 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 –

including the introduction of the Statement of Fitness for Work or ‘fit note’ – as well as updates on new policy initiatives such as employee engagement. We also produced new guides – notably, *How to manage change* and *How to manage performance* – to complement the interactive Acas Model Workplace (see below).

We don’t just publish guidance on the Acas website – employers and employees can also find links to our guidance through Business Link and Direct.Gov.

## New Code of Practice on time off

On 1 January 2010 Acas’ new *Code of Practice on time off for trade union duties and activities* came into effect.

The new Code, which replaced an earlier Code, has been updated to reflect the changing nature of the workplace in the 21st century. In particular, the new Code provides more guidance on providing cover when employees take time off, training, and the importance of e-learning and electronic communications technology. To complement the Code, we published two new guides on time off for employee representatives. The first deals with managing time off for trade union representatives; the second with time off for non-union representatives.

## Acas Model Workplace – an interactive assessment tool

Development of the Acas Model Workplace (AMW) began in November 2009 and was completed by mid April 2010 when it went live on the Acas website.

The AMW is a diagnostic tool for employers and consists of 10 modules covering different areas of employment relations such as performance management and employee representation.

Users can complete as few or as many modules as they like. Employers will be able to access the tool for free on the Acas website and it will also be used by Acas advisers on workplace projects.

The AMW is designed to:

- help employers assess the effectiveness of people management in their organisation
- give practical guidance on setting up and maintaining good employment relations
- connect employers to useful resources.

It is aimed primarily at organisations with 100-300 employees but organisations of all sizes are likely to find some of the modules useful.

## The Anderson review

Acas worked with the Department for Business, Innovation and Skills (BIS), HM Revenue & Customs (HMRC) and the Health and Safety Executive (HSE) to take forward recommendations from the review undertaken by Sarah Anderson to improve the regulatory guidance that Government gives to business.

We produced a pamphlet and poster to be distributed by HMRC to all new employers with the new employer tax pack from 10 April 2010. The leaflet sets out what is required for new employers to comply with employment law and points them in the direction of further advice and guidance. We will also be giving a talk on compliance issues for new employers at HMRC-run ‘Business advice open days’.

## Flu pandemic guidance

Acas produced guidance on the potential effects of a flu pandemic on small businesses. This included advice on contingency planning, alternative patterns of working, absence management and duty of care.

## 3 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.

### Raising awareness of the new legislation on dispute resolution

Dispute Resolution Review (DRR) legislation came into force on 6 April 2009. During the year we ran a successful communications campaign to reach employers and specialists (accountants, lawyers and HR professionals) to increase take up of pre-claim conciliation. The campaign, based around the theme of “it doesn’t have to get ugly” ran from November to April and included marketing, PR and social media.

### Developing our channels of communication

Our focus in 2009/10 has been to develop our online communication. We’ve transformed our e-marketing capability – converting our paper-based quarterly *Acas News* to a monthly e-newsletter which enables more targeted, up-to-date customer-focused communication. We have also made significant changes to our website this year, making sure that our customers can find what they

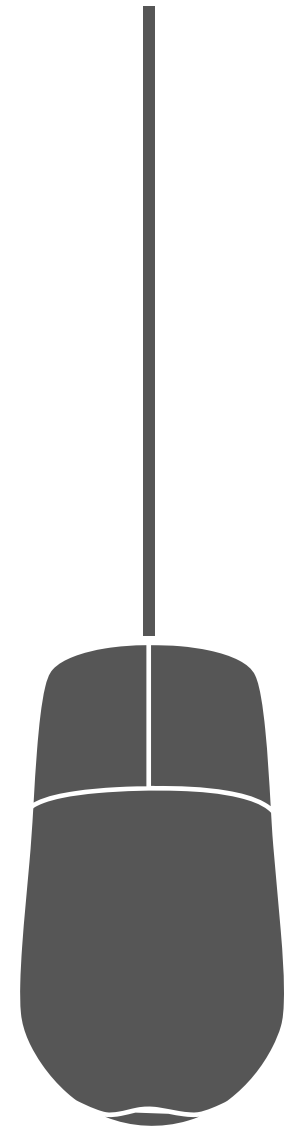
**7000**  
the number of bookings handled by Acas’ CST in the first year of operation

are looking for quickly and easily. Our re-designed home page now provides rapid access to guidance on topical issues such as the disruption to work caused by snow last winter. The site is attracting new visitors too – over 60% were new to the site in 2009/10. This is partly due to successfully alerting people to Acas through search engine advertising.

Business Link and Direct.Gov have been important partners for us in working towards the Transformational Government agenda – and we have worked hard to ensure that Acas information is available and visible on both sites. We are active members of Business Link’s Employment and Skills theme board working with other government departments including DWP, HMRC and BIS to ensure that joint information is provided in line with users’ needs.

Encouraging take up of training and business solutions to promote better employment relations practice

We ran a series of awareness raising campaigns for our good practice services this year, which contributed directly to an increase in take up. Our new core training brochure has proved an invaluable tool for organisations and individuals looking to identify their training needs. Our most successful campaign was for ‘Fit note’ training towards the end of the year which resulted in an unprecedented number of delegates for our ‘key points’ course early in 2010/11.



### Acas Customer Services Team – improving the customer experience

In its first full year, our Customer Services Team (CST) handled almost 7,000 bookings for Acas open access training courses, accounting for £1.3 million in income, as well as processing invoices and associated transactions for a further £2.5 million of Acas good practice services work. Customers now have a single telephone number to call instead of several area contacts, giving quicker access to our services.

The CST has developed excellent training for its team members, effective internal lines of communication and a problem-solving ethos. Management reporting provides monthly data on the routes to Acas used by our customers and customer referrals by geography,

# SIGNIFICANT CHANGES TO OUR WEBSITE

subject matter and source. The team also reports on customer feedback, and process and technical issues. Collaboration between CST, national delivery colleagues and helpline management saw a new, simpler process for helpline referrals launched in December.

**Having problems with an employee?**

**It doesn't have to go to tribunal**  
 Just having to reply to a tribunal claim can be stressful and time consuming. If you have a problem with an employee and you think it's heading that way, Acas provides a free, impartial early resolution service. This can give you the opportunity to resolve disputes before things go too far.

**Key advantages**

- Saves time, money and stress
- Offers the prospect of a quick, voluntary solution
- The employer and employee agree the outcomes
- Helps avoid permanent breakdown of employer and employee relationships
- Acas is completely impartial, non-judgmental and independent
- The service is completely free.



**Remember it doesn't have to get ugly**

To find out more about our free Pre-Claim Conciliation service visit [www.acas.org.uk/pcc](http://www.acas.org.uk/pcc) or call the Acas helpline on **08457 47 47 47**



**A monster of a campaign:** Acas' PCC campaign culminated in a social media event in March. Results included 30 social media conversations about Acas and PCC in the month following the event. Traffic to the Acas website's dedicated PCC page peaked following Reuters and The Guardian coverage on 29 and 30 March. For more details, see page 28.

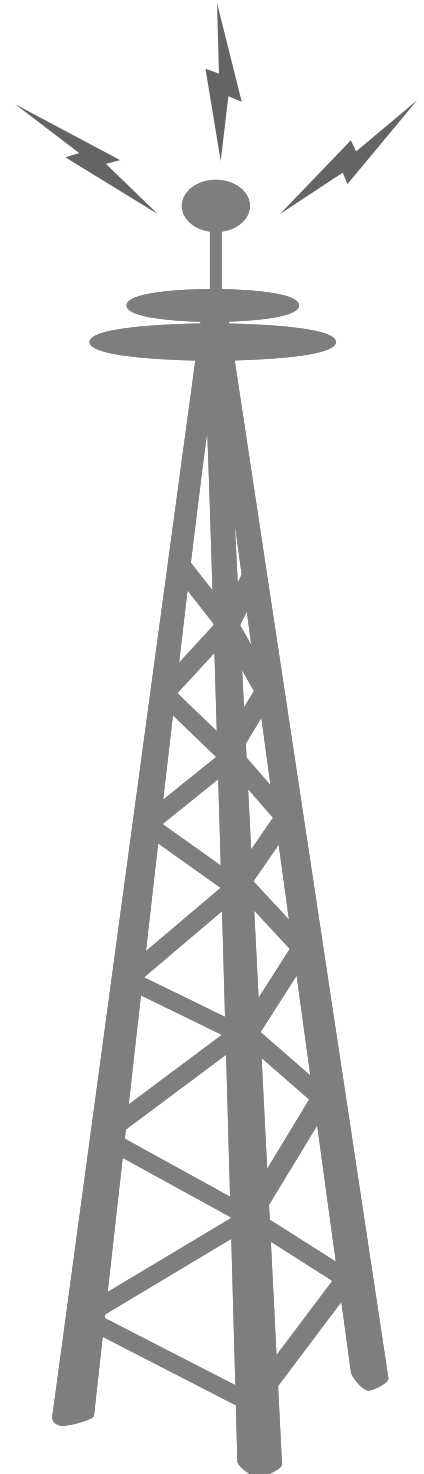
## Working with stakeholders

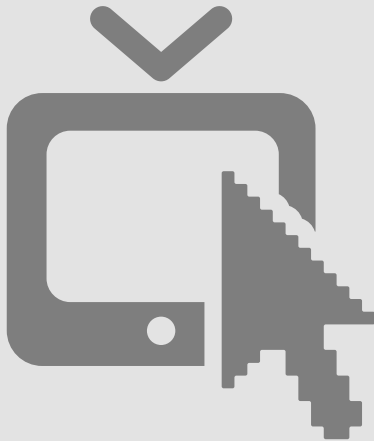
Acas has worked with the TUC to produce a joint guide for trade union representatives on the benefits of individual mediation, and the role of unions in introducing mediation into the workplace and in the process itself. We have already produced a guide on mediation for employers with the Chartered Institute of Personnel and Development. We have worked with DWP to produce jointly badged guidance for employers on the fit note.

On 11 June 2009, we held a joint conference with the CIPD in London. *Resilience through recession: The crucial role of people management and development* included sessions on:

- Management skills in difficult times
- Why is employee engagement important during a downturn?
- The key role of skills through recession
- Labour market outlook: the implications for people management
- Developing skills in the workplace.

To support the Government's health, work and wellbeing agenda, we have been working with a range of stakeholders to promote the importance of the knowledge and skills of line managers.





During this year, Acas looked at new ways of bringing our services to life, giving them a name and a face and looking at how we could use digital and social media to get our message about the benefits of good employment relations to a wider, and even a new, audience.

**15**

pieces of coverage across influential national media, including lead stories

**14**

the number of posts/social media conversations in one day after the interactive workshop

**02**

short films produced explaining the benefits of pre-claim conciliation and mediation

**Increasing our online presence**

This thinking really came to the fore as part of our wider campaign to promote the benefits of our new free pre-claim conciliation service – piloted successfully during 2008 and launched on 6 April 2009 as part of the dispute resolution review.

The first focus and online presence of this campaign was what became known as ‘the Acas monster’ – online banner ads featuring a monster and the tagline “Remember, it doesn’t have to get ugly” were writ large across targeted websites and online search engines, accompanied by some short explanatory text which informed how PCC could save employers and employees the cost, stress and time of going to an employment tribunal.

**Lights, Camera, Action**

If a picture can paint a thousand words, a short film can bring something to life in a way that hundreds of words on a website or in a leaflet, just can’t. So we dipped our toe in the water by inviting, Angela Evans, an Acas conciliator based in our Birmingham office, to appear in a short online film explaining PCC and demystifying the process by giving it a face.

**Launched into the Blogosphere**

Our online PCC activity culminated with a PCC social media event on 16 March in London, where we held an interactive workshop involving Acas staff and actors to demonstrate the benefits of PCC to key ‘digital influencers’ (bloggers/journalists) from mainstream online media (business and social websites, blogs, social networks). The participants took part in a simulated exercise led by an Acas conciliator looking at a case of unfair dismissal. Both sides of the story were shown with the Acas conciliator listening to the versions of the dismissal from the employer and employee in a small business. The journalists were then invited to give their views on the possible outcomes. (The whole process was filmed and the results can be seen on the Acas website.)

It was the first time Acas had specifically targeted bloggers and online journalists in this way. We were very pleased with the results which saw 15 pieces of coverage across influential national media, including on the front page of *The Guardian* work section, features in *The Mail on Sunday* and *Reuters*, as well as coverage in *Personnel Today*, *HR Magazine* and *HR Zone*. We increased our social media presence by 100% and effectively used an engagement technique which gave insight to a new audience about Acas and the benefits of PCC.



Stewart Gee and Madeleine Tuxworth offer live advice to readers of issues around redundancy.

### Not the end – just the beginning

At the end of the year we worked with BIS and the Employment Tribunals Service to produce two short films explaining the benefits of pre-claim conciliation and mediation to both employers and employees. These films tell two sides of the same story from the point of view of the employee and the employer. Actors took on the roles of the employee

and manager but Acas' own real-life mediators and conciliators played themselves in the films which can be viewed online on the Direct.Gov and Business Link websites.

In the next year, we will explore using more podcasts and video casts to distil what Acas does into bitesize pieces. We will also look at increasing our online presence on LinkedIn, Twitter and YouTube.

From mainstream online media (business and social websites, blogs, social networks). Participants took part in a simulated exercise led by an Acas conciliator looking at a case of unfair dismissal.

### Acas North West gets 'LinkedIn'

In Acas' Manchester Office Sue McAlpine has been exploring (digital) avenues to promote employment relations forums all around the North West. Sue first had the idea of using 'LinkedIn' as a vehicle for delegates to attend the twice-yearly forums after conversations with her son and an ex-colleague who works as an employment law solicitor. Sue has indicated that though not of the 'Facebook' generation or a natural born blogger – this has proved a useful route to get more members involved and attending the networks and it is a way to keep in touch between meetings.

### Other online activity

During the year, Acas also had a digital presence by taking part in interactive online forums giving answers to questions as and when they were asked. Stewart Gee, London Area Helpline Manager was particularly busy.

- Stewart and Madeleine Tuxworth, a Helpline Adviser in London, took part in a *HR Zone* online recession clinic. There were seven comments posted on issues from managing the redundancy process to how to limit stress.
- Stewart and Leon Walton, Helpline Adviser Fleet, also took part in *The Guardian's* careers live webchat answering questions from both employers and employees on a wide-range of workplace and employment-law issues. They were part of a panel that also included *the Guardian's* Careers legal expert and an employment law solicitor and partner at Landau Zeffert Weir. Stewart and Leon fielded a number of questions during the session on rights at work.
- Stewart and fellow London Helpline Adviser Nimalan Kumar took part in a *Guardian online* redundancy clinic. Visitors to the *Guardian's* website were able to post live questions to the group of experts who provided answers where they could.
- Colleagues from the Bristol Helpline, Andrew Cowler and Pamela Grove, also contributed to a further *Guardian online* clinic on managing mental health in the workplace.
- Steve Williams, Acas' Head of Equality, contributed to an online forum on *The Guardian's* website on bullying in the workplace.

## 4 Raising awareness and influencing policy

As part of our ongoing horizon scanning we took a forward-look at the post-recession labour market and future public policy initiatives. We published a Corporate Plan for 2009/11.

### Employee engagement

Acas contributed to the review of David MacLeod and Nita Clarke, *Engaging for success: enhancing performance through employee engagement*. This allowed us to demonstrate how we have been supporting employee engagement for a number of years through our broad range of products and services.

We helped to implement the review's recommendations; for example, through our Chief Executive's participation in the Government's high-level steering group and from our advisers talking to employers about the benefits of employee engagement.

### 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 issues.

# 63%

the overall engagement level of Acas staff. See page 36 for more details



David MacLeod (co-author of *Engaging for success*) explains the importance of effective employee engagement, especially during difficult economic times, at the joint Acas/CIPD conference held in June 2009 in London. See page 27 for more details of the conference.

In the past year we have been monitoring the effectiveness of new services introduced in the wake of the Dispute Resolution Regulations (DRR) review. We have also commissioned a report on the role of representatives in employment tribunal claims, and a review of the accessibility of Acas services from a gender and young workers' perspective. And, we have completed a European Union-funded comparative study on mechanisms for dispute resolution in collective and individual disputes in Great Britain, France, Italy, Poland and Portugal.

#### Major reports

In the past year we have published a number of reports, including two major reports on:

- Pre-claim conciliation evaluation report summary (The Institute for Employment Studies) – this evaluation revealed cost and time savings to both the employers

and employees involved in the pilot, and a net financial benefit to the taxpayer. Employers, employees and their representatives reported high levels of satisfaction with case outcomes and with the Acas pre-claim conciliation service.

- An integrated analysis of Acas workplace projects (Institute for Employment Studies) – Acas 'Workplace projects' (renamed 'Business and skills solutions' in 2008/09) are carried out in organisations throughout England, Wales and Scotland by Acas advisers. This report brought together the findings from the most recent qualitative and quantitative research on their impact. It found high levels of satisfaction with the service, and evidence of substantial benefits to organisations and their employees in the form of improved employment relations.

# SUPPORTING EMPLOYEE ENGAGEMENT

“ In the past year we have been monitoring the effectiveness of new services introduced in the wake of the Dispute Resolution Regulations (DRR) review. We have also commissioned a report on the role of representatives in employment tribunal claims, and a review of the accessibility of Acas services from a gender and young workers’ perspective.

## Public Value Programme

During the year we were informed by the Department for Business, Innovation and Skills (BIS) that Acas would be the subject of a zero-based review under HM Treasury’s Public Value Programme (PVP).

This is looking at all major areas of public spending to identify where more value for money can be achieved. It was agreed that the review would be conducted jointly by Acas and BIS and that, among other things, it would consider:

- which services Acas should deliver and which should be delivered by the market

- the impact of the current and future state of the economy on demand for Acas services (and the impact of Acas’ services on the economy and on the efficiency of the wider public sector)
- the funding model
- whether efficiency savings could be identified.

A joint Acas/BIS team was established to undertake the review and report the findings to HM Treasury by the end of March 2010. Work included interviews with key stakeholders; updating the evidence on the economic value of Acas to the country’s economy; and a study of Acas’ services and organisational

structure to assess whether Acas should contract out its services, reduce the cost of delivering them through efficiency savings or withdraw them altogether.

The final report submitted to HM Treasury concluded that:

- Acas is delivering good results and there is no case for abolition or for contracting out its main services
- trust in the impartiality and independence of the advice provided by Acas is the key to its influence. It would be difficult for a commercial organisation to develop the same level of trust among businesses, employees and their representative organisations
- savings totalling £5.8 million would have to be made by 2013/14
- there may be some potential for further limited savings to be made by sharing or contracting out Acas’ central support functions (consideration of this will be taken forward under the Government’s Operational Efficiency Programme).

An internal Acas project group has been set up to oversee implementation of the changes that will deliver the savings identified in the Review.

## Migrant labour studies

We published two new research studies on the employment of migrant labour: *Employer use of migrant labour – motivations, experiences and HR responses* (London Metropolitan University) and *The Employment of Migrant Labour in the East Midlands* (Nottingham Business School). The first study reported on six companies in the hotel, catering and construction sectors; the second on three employers in the East Midlands. They considered the procedural and employment relations challenges surrounding both the choices in recruiting migrant labour and the subsequent impact of integrating migrant workers into the workplace.

## Workplace Employment Relations Survey

2009/10 was an important first year in the development of the next, internationally recognised, Workplace Employment Relations Survey (WERS). This is a major collaborative study designed to map employment relations in Britain. Acas has once again joined with other funders – the Department of Business, Innovation and Skills, the Economic and Social Research Council, the National Institute of Economic and Social Research and the UK Commission for Employment and Skills – to begin work on the sixth survey in the WERS series. Findings will be available in 2012.

## Working with stakeholders

To support the health, work and wellbeing agenda we have been working with a range of organisations – including the Chartered Institute of Personnel and Development, Affinity Health at Work, the Department for Work and Pensions, the Work Foundation and the Health and Safety Executive – to promote the

importance of the knowledge and skills of line managers. We will be launching a campaign to promote key messages for line managers to support and promote health and wellbeing and engagement in the workplace in 2010/11.

The Government's response to Dame Carol Black's review, *'Working for a healthier tomorrow'*, flagged up the importance of the role of the line manager, stating: "Creating the right environment for health and wellbeing to thrive depends upon the knowledge and skills of line managers ... Line managers have a direct impact on the health, safety and overall wellbeing of their staff through their behaviours."

We will be producing a web page on the business benefits of promoting health and wellbeing, and suggestions on how to put effective people management into practice. This page will have links to a range of resources from stakeholders.

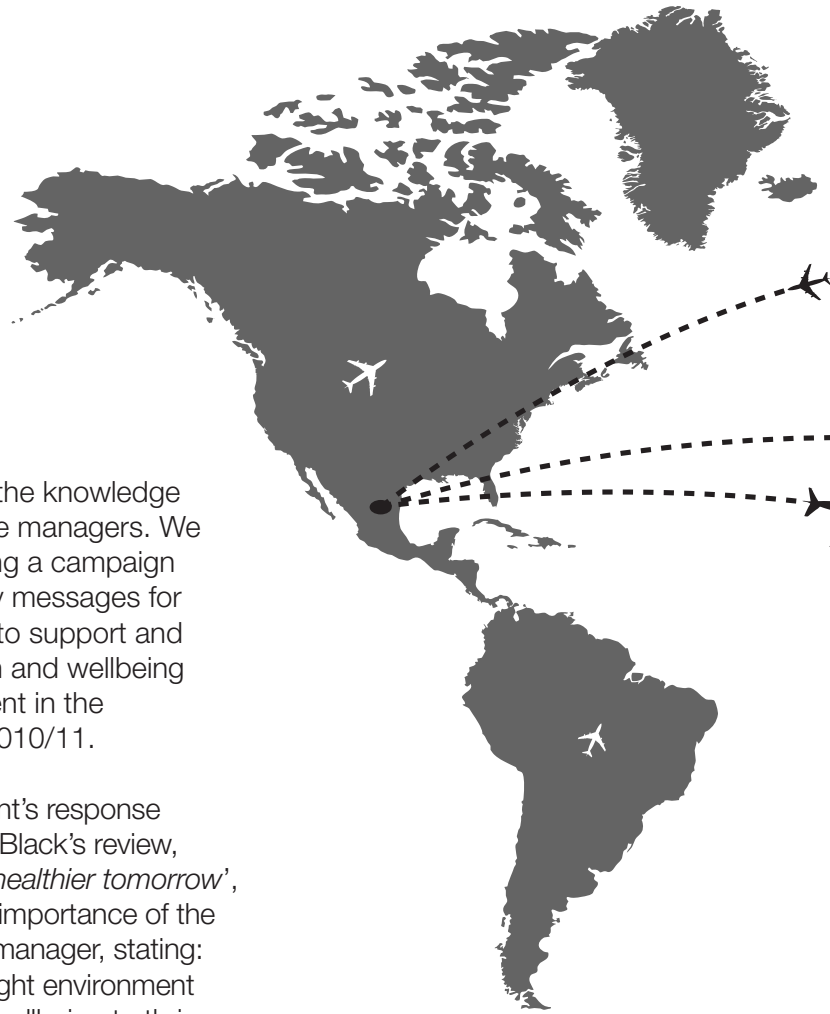
## Equality and diversity

Throughout the year we have focused on enhancing our relationships with key equality bodies, both in government and outside, to make our voice heard.

Outside government we engaged with several key intermediary bodies such as NESTA (National Endowment for Science Technology and the Arts); we're on the steering

group of the Age Unlimited Laboratory that looks at public services for people over 50; and also on the Diversity Works Board of Scope. We have also developed partnerships with private organisations, such as Eversheds the employment lawyers, and others delivering seminars to help workplaces ready themselves for the new Equality Act later in 2010.

Inside government Acas worked closely with the Equality and Human Rights Commission (EHRC) providing workplace and employment relations perspectives to their thinking and policy development around the Equality Bill. In particular we were involved in their non-statutory guidance for the Bill as well as specific support for their drive to raise awareness of equality impact assessments where we also







## 10 official visits from overseas delegations

“ We also facilitated discussions for the EHRC to bring together the social partners to develop voluntary guidance on managing changes in pay systems to reflect recent court decisions around equal pay.

devised an Acas training programme for public sector organisations. We also facilitated discussions for the EHRC to bring together the social partners to develop voluntary guidance on managing changes in pay systems to reflect recent court decisions around equal pay.

We also delivered equality and diversity training to Guernsey's Employment Relations Service and to Employment and Discrimination Tribunal Panel members on unfair dismissal and sex discrimination complaints.

### International work

Acas has a strong international reputation in the field of workplace dispute resolution. Our aim is to share our knowledge and information in the hope that it may help other countries to develop their employment relations know-how.

Last year, Acas welcomed 10 official visits from overseas delegations. In particular, visitors were keen to learn about the role of Acas in dispute resolution. We received a delegation of MPs from

Hungary's Parliamentary Committee on Employment and Work, which wanted to know more about the work of Acas and especially the vocational training it delivers.

A delegation from the Industrial Relations Court of Malawi came to find out about our role in arbitration and collective conciliation. Other overseas visits included a delegation of judges from the Supreme People's Court of China, a delegation of Mexican Government officials from the State of Jalisco, the Ministry of Manpower, Singapore, and the All-China Trade Union Congress. We also inaugurated an exchange scheme with the New Zealand Department of Labour whereby one of their mediators has joined us for a period and one of our conciliators is currently working in New Zealand. This exchange scheme should enable us to learn from each other and drive up conciliation and mediation practice standards in both countries.

**The economic recession has cast a long shadow across Britain's workplaces. To help employers and employees survive the downturn, Acas looked at the range of services we provide to see what guidance and training, especially on offering alternatives to redundancy, we could develop.**

We also worked with partner organisations and stakeholders to provide advice and support to businesses in the hardest hit areas as well as providing briefings and discussion papers around this topic.

**Strategy and research**

We produced a series of reports on the impact of the recession on employment relations. These were passed to the Department for Business, Innovation and Skills

(BIS) economists for inclusion in a wider recession briefing for Whitehall departments.

Ministers and senior officials were keen to get an up-to-date view of the impact the recession was having on the British economy and they turned to Acas for help in the area of employment relations. The information we supplied helped ministers and senior officials to plan their response to the economic recession, and also helped to identify good and bad

**Acas helpline**

From November 2009 to February 2010, 23% of calls to the Acas helpline were about redundancies. This is a smaller proportion than earlier in the year, but it remains high, with evidence to suggest that other queries handled by advisers also relate to the recession, including those about changes in contracts wages, and discipline and grievance.

In January and February, redundancy-related queries from employers were the most common subject, and the second most common for employees, after discipline and grievance.

We know that in an economic downturn redundancies can be inevitable but the advice our helpline

gives provides real value to our callers in helping them navigate a complex and stressful landscape whilst avoiding the many pitfalls – whether they be legal or best practice related – saving hard pressed businesses time and money in avoiding tribunal claims.

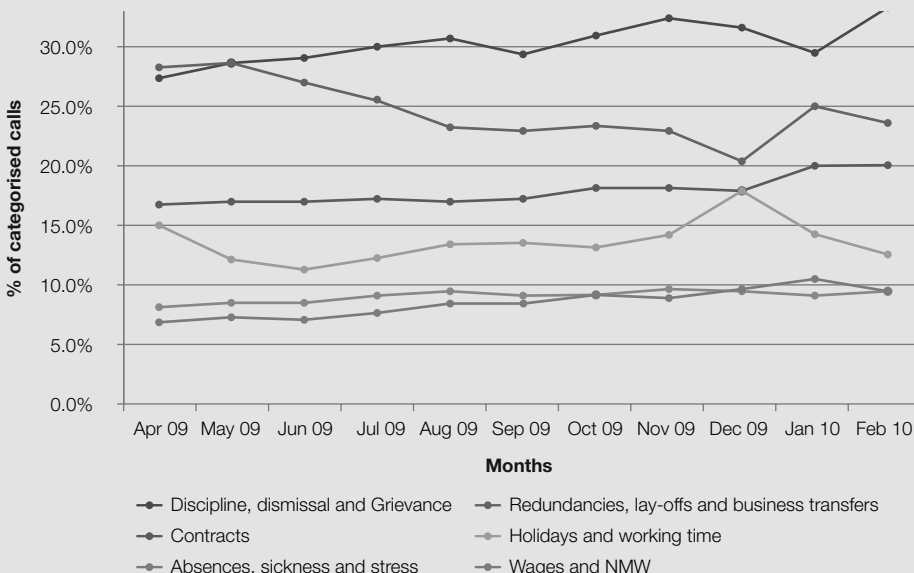
Increasingly, the calls we receive are about how to keep a company afloat; for example, how a short-time working scheme might operate – and, if this happens, what the effect on an employee's annual holiday entitlement is. Acas advice in these circumstances focuses on key legal issues but also, and fundamentally, about the importance of maintaining good communications and ensuring all parties understand their positions before any change is made.

**What people were calling about:**

An employer called the helpline because he was planning to make redundancies. He was concerned to ensure that his procedures were correct from both a legal and best practice perspective and that staff would see that everything was done that could be to improve morale at a difficult time.

Advice was given on the procedure for handling redundancy where fewer than 20 employees are concerned, and there was a discussion of options for explaining the process to staff as well as discussing alternative options to redundancy; for example, temporary variations to hours and the option of career breaks.

In this case, the employer's primary concern was the morale of those staff who were not made redundant. The helpline adviser provided focused advice on this area, as well as on how morale is critical to business success. The Acas adviser and employer also discussed ways of trying to make sure that the staff leaving could find other work swiftly with the employer arranging for them to use company facilities to write CVs and search employment websites. The employer also arranged for local companies, including competitors, to receive copies of the CVs and encouraged them to consider redundant staff for future vacancies.



## Training

Acas has developed and delivered training to assist organisations dealing with the effects of recession. Our training emphasises the value of consulting with employees and their representatives early in the process and encourages organisations to consider a variety of options other than redundancy.

We also ran a series of events, 'Alternatives to redundancy', in collaboration with Eversheds solicitors.

# 248

in-depth advisory calls on redundancy

# 100

advisory meetings

# 103

open access training courses

# 2,131

total delegates trained

practice. This was subsequently included in Acas guidance offering tips for managing in a recession. The information also helped shape the Acas strategic plan for 2009/11.

We also published a series of policy papers on the impact of the recession on employment relations, exploring areas such as mental health, conflict resolution, collective consultation on redundancies, building employee engagement and the challenges facing employers and trade unions as we emerge from recession.

## Spreading the word

We updated our advisory publications and made sure that information relating to redundancy including frequently asked questions featured prominently on our website.

We also responded to media enquiries and produced flyers for use regionally to inform businesses about the support we could provide.

## Support to smaller businesses

Acas has provided support to small and medium-sized enterprises (SMEs) during the recession, especially on lay-offs and short-time working. We entered into a partnership with JobCentre Plus and developed

marketing materials for SMEs, providing them, in several regions, with business support funded by regional development agencies.

## Around the country

### East of England

Work was undertaken in partnership with Resurgam – an organisation that offers one-to-one counselling to people affected by redundancy – and training body TCHC. The project was initiated through contact with the Norfolk JobCentre Plus rapid response team. Training was developed in collaboration with the two organisations. We were also involved in another initiative, with Sertuc, the Southern and Eastern Regional TUC. Fifty delegates from eight trade unions attended seminars covering 'roles and responsibilities' during redundancy consultation for local shop stewards and full-time officials.

### East Midlands

Following a request from JobCentre Plus, Acas, the Learning and Skills Council, Business Link agreed to information-sharing to provide a coordinated response to employers either at risk of, or experiencing, redundancy situations. Acas also attended two ministerial visits as a direct result of involvement in this initiative.

The Acas East Midlands Employment Relations Forum ran a well-attended 'Managing in a recession' event on 19 May 2009. Speakers included the Chief Economist for the Engineering Employers Federation, a Resourcing Adviser for the CIPD and a local solicitor.

### North West

Acas has worked with its partners – the Northwest Regional Development Agency and Taskforce – on a variety of projects. Our area Employee Relations Forum programme also arranged confidential one-on-one surgeries for Chambers of Commerce members. In broad terms our work was split into four areas: telephone and advice visits; speaking engagements with network groups and partners; training for consultation groups dealing with redundancies; and working on short projects with groups facing redundancies to mitigate the consequences.

### Yorkshire and Humber

In last year's Annual Report, we described how Acas Yorkshire and Humber worked with Yorkshire Forward to set up a Taskforce to save jobs in the region. During 2009/10, the Taskforce continued to support hard-hit businesses by offering advice on how to avoid redundancies, where possible, but if they were inevitable ensuring that the companies followed the correct procedures. The emphasis for the last nine months of the year has been on providing training to companies, mainly involving developing a training programme for elected representatives in redundancy handling. We trained over 100 Business Link Advisers, enabling them to advise their customers on the basics of redundancy handling with the option to refer more complex questions back to Acas. Other training that has been offered is a two-day 'Managing in difficult times' programme.

# 5 Making the most of our people and resources

## Economical use of space and flexible working

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We completed our programme of office refurbishment in readiness for the influx of new staff following the introduction of the Dispute Resolution Regulations. We also relocated our Cardiff office to new premises in the city centre.

These moves have had a positive environmental impact and improved our organisational effectiveness: we are spending less per head in those premises where we have recruited more staff. No extra office space was taken to increase staff numbers.

## Training and developing our staff

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In the past year we have developed revised policies on attendance, dignity and respect at work, and discipline and grievance, which follows the revised Acas Code of Practice. We have also developed a new flexible working policy to make the best use of our office space and launched a management development programme.

The revised attendance policy is a response to the Government's agenda on health, work and wellbeing. It provides support to managers and individuals when ill health affects attendance or ability to perform work.

We participated in the first Civil Service-wide engagement survey and have produced an action plan setting out how we will take forward the results. Using the "Say, stay, strive" model, we have an overall engagement level of 63%, which marks us as a high-performing organisation. The survey

data will also be useful in helping us to focus on areas that still need improvement. Our dignity and respect at work policy is one of our responses to the engagement survey.

We have worked hard on the training and development of our staff this year. Below, we list the major initiatives:

### Management development programme

– three modules developed for managers at all levels in Acas to improve staff engagement and increase our ability to manage staff performance.

### Accredited training

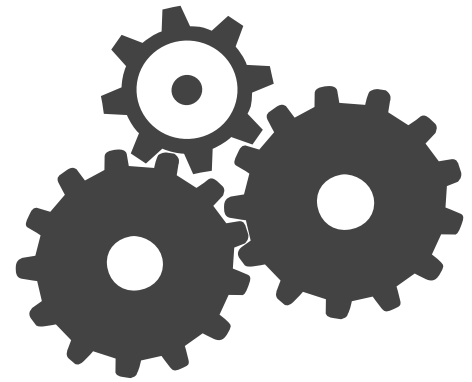
– we have run accredited training for our trainers and pilot courses to identify a foundation trainer qualification.

### Training for helpline advisers

– was provided in call handling and customer skills to ensure helpline advisers are able to identify and refer customers effectively to other services within and outside the organisation. Work has also continued with the helpline management team to embed the coaching culture launched in 2008/09.

### Training for conciliation

– we have also overhauled initial and advanced level training for individual conciliators to coincide with the major recruitment we have done over the year. We have continued to sponsor staff to obtain a Post-Graduate Certificate in Individual Employment Dispute Resolution (PGCIEDR) through the University of Greenwich. We now have nearly 70 conciliators with a post-graduate mediation qualification.



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# 70

We now have nearly 70 conciliators with a post-graduate mediation qualification

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# 84+

More than 84% of staff participated in a diversity awareness programme

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### Performance management

Work continued to embed a revised performance management process, based on the idea of engagement, to deliver benefits both to Acas and to individual employees. The system was supported by training for all managers, meetings with staff and comprehensive written guidance.

### Internal communications

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To ensure staff have fast, easy access to the information they need, we have begun overhauling our intranet. We have also kept staff informed about key issues such as the Public Value Programme through extended Chief Executive Bulletins and

launched a new online, interactive staff magazine which has been well-received.

### Encouraging diversity

We have continued to focus on diversity and now have equality data on more than 80% of the workforce. Some analysis of the findings has taken place and we will publish the results internally. Work continues to achieve a more accurate picture of the composition of staff.

### Equality and diversity training

More than 84% of staff participated in a diversity awareness programme. Those new to the organisation are encouraged to work through the programme as part of their induction.

We have used our intranet and staff magazine to raise awareness of cultural and religious events, and to outline the support available from our own Diversity Champions and Fair Treatment Contacts.

#### Disability Involvement Forum

The forum, which consists of six external disabled volunteers, has worked alongside our Disability Champions to assist in the review of three of our internal policies: attendance management; bullying and harassment; and equality and diversity. Members of the forum have also carried out a review of our helpline, which has led to significant changes being proposed.

### Managing our finances

A full set of accounts for 2009/10, 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 59 to 91).



Acas conciliators and their families were joined by Acas Chair, Ed Sweeney, CEO John Taylor and Director of Individual Dispute Resolution, Keith Mizon for their official Graduation ceremony held at the Old Royal Naval College Chapel at the University at Greenwich in August 2009.

During this financial year, we have focused on implementing changes and achieving cost efficiencies to ensure Acas is ready to face any consequences of reduced public sector funding.

A Public Value Programme (PVP) review has looked at several aspects of our organisation, challenging us to consider a range of options for delivering our services. Savings have been identified and work is now being undertaken to realise them.

Acas' 'back-office' functions are subject to the cross-Whitehall Operational Efficiency Programme and Smarter Government initiatives. The aim of both projects is to improve value for money to the taxpayer. Efficiency savings identified will help inform the next Comprehensive Spending Review and help Acas meet further budgetary pressures in future years.

The effects of the economic downturn on businesses and individuals did not have a marked impact on demand for Acas services and we exceeded our forecast income for 2009/10.

### Key financial headlines

	£'000
Gross cost of Acas	55,732
Less income earned	3,914
<b>Net operating cost</b>	<b>51,955</b>
Grant in Aid	55,687
Capital expenditure	5,269
Audit Committee members and their attendance at the three meetings held during the year (26/06/09, 27/01/10, 30/03/10)	Mr Jonathan Michie (Chair) (3/3) Ms Sarah Anderson CBE (3/3) Mr Ed Sweeney (3/3) Mr John McMullen (0/3) Ms Susan Anderson (3/3) Mr Derek Simpson (1/3)

**OUR**

**WORK**

**IN**

**FACTS**

**AND**

## Our work in facts and figures

- Key performance indicators

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- Individual disputes

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- Collective disputes

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- Advisory services

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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 2009/10 updated to take account of finalised management information. In addition, broader topic categories have been introduced to classify joint problem-solving activities and all advisory services (with the exception of the Acas helpline). In respect to these tables, service volumes prior to 2009/10 have been reclassified into these new categories and, as a result, will differ from those stated previously.

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# Performance against key indicators

Key performance indicators for Service Level Agreement (SLA)/  
DRR New Services Memorandum of Understanding (MOU)

	2009/10		2008/09		
	Target	Outturn	Target	Outturn	
<b>Conciliation in collective disputes</b>					
a) The promotion of a settlement in disputes in which Acas is involved	80%	94%	80%	91%	
b) Acas involvement in large-scale disputes	100%	100%	100%	100%	
<b>Conciliation in employment tribunal cases</b>					
Percentage of tribunal hearing days saved as a consequence of conciliation <sup>1</sup>	<b>Fast track cases</b>	54%	52%	50%	51%
	<b>Standard track cases</b>	70%	74%	60%	69%
	<b>Open track cases</b>	85%	84%	85%	84%
<b>Pre-claim conciliation</b>					
% of cases where both parties agree to enter into conciliation, and where no employment tribunal claim in respect of the issue, difference or dispute which was the cause of the PCC offer is received within three months	75%	80%	N/A (target new to 09/10)	N/A	
<b>Workplace projects</b>					
% of managers and employee representatives reporting improvement in employment relations following Acas intervention	70%	N/A	70%	83%	
<b>Acas training services</b>					
% of delegates reporting that training provided by Acas resulted in a review or change in policy or practice	80%	N/A	N/A (target new to 09/10)	N/A	

1. See footnotes on page 42.



	2009/10		2008/09	
	Target	Outturn	Target	Outturn
<b>Acas Helpline</b>				
a) % of calls are answered in no more than 30 seconds	90% <sup>2</sup>	30%	N/A (targets new to 09/10)	N/A
b) Average call quality	2.5 (where '2' represents an 'acceptable' call quality score)	2.5 <sup>3</sup>		
c) Average Helpline adviser availability	23 hours per week	24.15 hours per week <sup>4</sup>		
<b>Non-statutory alternative dispute resolution</b>				
a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	N/A	80%	94%
b) Mediation services: % of mediations that are successful	80%	97%	80%	92%
<b>Equality services</b>				
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
<b>Publications on good practice at work</b>				
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

## Performance against customer satisfaction targets

	2009/10		2008/09	
	Target	Outturn	Target	Outturn
<b>Provision of information and advice: Acas Helpline</b>				
a) Customers satisfied with the service	95%	95%	95%	93%
b) The percentage of callers who were able to take clear action following their call to Acas helpline	70%	88%	70%	84%
<b>Training Services</b>				
Customers satisfied with charged events	95%	98%	95%	96%

2. See footnotes on page 42.

3. See footnotes on page 42.

4. See footnotes on page 42.

## Other performance targets

	2009/10		2008/09	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	91%	100%	90%

## Volume indicators

	2009/10	2008/09
Number of re-employments	655	540
Number of collective conciliation requests received	905	966
Number of workplace projects started	224	208
Number of requests for trade dispute arbitration	44	30
Number of calls answered by the national helpline	1,020,670	726,306
Number of calls answered by Equality Direct	2,368	5,944
Number of advisory visits and in-depth phone calls	2,402	2,539
Number of training sessions delivered	1,816	1,917
Number of equality contracts delivered	306	670

## Costs of Key Services

	2009/10	2008/09
Costs of completed collective conciliation case where a settlement was achieved or significant progress made	£2,440	£2,174
Cost of an arbitration hearing	£2,379	£2,698
Cost of individual conciliation case settled or withdrawn	£264	£242
Cost of a helpline enquiry answered	£13.04	£12.12

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. Targets and measures were adjusted in 2009/10 to take account of the ending of fixed period conciliation and are not directly comparable with figures for 2008/09. The table on page 44 provides PHDS figures for the two years on a comparable basis.
2. This target is subject to review in light of demands on the service.
3. Data for this metric is only available for the final quarter of year.
4. This figure is an adjusted amount, taking into account periods when advisers were unavailable for call taking duties (eg during periods of absence).

## Individual disputes<sup>5</sup>

Net ET1 conciliation cases received<sup>6</sup>

	2009/10		2008/09		2007/08	
	Volume	%	Volume	%	Volume	%
<b>Fast track</b>	<b>22267</b>	<b>25.5%</b>	19110	24.7%	16920	25.7%
<b>Standard track</b>	<b>41121</b>	<b>47.0%</b>	37751	48.7%	30440	46.3%
<b>Open track</b>	<b>24033</b>	<b>27.5%</b>	20617	26.6%	18399	28.0%
<b>Total</b>	<b>87421</b>		77478		65759	

Gross cases received for conciliation from the Employment Tribunal Service by all grounds of complaint<sup>7</sup>

ET1						
All jurisdictions	2009/10		2008/09		2007/08	
	Volume	% of cases <sup>8</sup>	Volume	% of cases	Volume	% of cases
Unfair dismissal	<b>64878</b>	<b>45.8%</b>	55000	39.7%	43231	28.6%
Wages Act	<b>42103</b>	<b>29.7%</b>	30634	22.1%	25141	16.6%
Breach of contract	<b>35171</b>	<b>24.8%</b>	31637	22.8%	23010	15.2%
Redundancy pay	<b>14450</b>	<b>10.2%</b>	10284	7.4%	6495	4.3%
Sex discrimination	<b>12518</b>	<b>8.8%</b>	10751	7.8%	9407	6.2%
Race discrimination	<b>5653</b>	<b>4.0%</b>	4878	3.5%	4060	2.7%
Disability discrimination	<b>7519</b>	<b>5.3%</b>	6442	4.7%	5800	3.8%
Working time	<b>25831</b>	<b>18.2%</b>	17844	12.9%	28767	19.0%
Equal pay	<b>32713</b>	<b>23.1%</b>	48560	35.1%	58513	38.7%
National minimum wage (NMW)	<b>412</b>	<b>0.3%</b>	517	0.4%	367	0.2%
Flexible working	<b>324</b>	<b>0.2%</b>	246	0.2%	245	0.2%
Age discrimination	<b>4961</b>	<b>3.5%</b>	3395	2.5%	2652	1.8%
Other <sup>9</sup>	<b>14753</b>	<b>10.4%</b>	15928	11.5%	20094	13.3%
Total jurisdictions	<b>261286</b>		236116		227782	
<b>Total cases</b>	<b>141663</b>		<b>138535</b>		<b>151249</b>	

5. See footnotes on page 47.

6. See footnotes on page 47.

7. See footnotes on page 47.

8. See footnotes on page 47.

9. See footnotes on page 47.

Net ET1 conciliation case outcomes<sup>10 & 11</sup>

		ET1					
		2009/10		2008/09		2007/08	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out / disposed at PHR	648	3.3%	611	3.6%	499	3.3%
	Settled	5559	28.2%	5427	32.1%	4693	31.2%
	Withdrawn	4311	21.9%	3737	22.1%	4041	26.9%
	Default judgment	3621	18.4%	2239	13.2%	1679	11.2%
	Heard	5578	28.3%	4886	28.9%	4129	27.5%
	<b>Total</b>		<b>19717</b>		<b>16900</b>		<b>15041</b>
	<b>Potential Hearing Days Saved (PHDS)</b>		<b>51.8%</b>		<b>56.3%</b>		<b>60.1%</b>
Standard track	Struck out / disposed at PHR	2015	5.5%	1680	5.6%	1555	5.4%
	Settled	17993	48.8%	14259	47.5%	11427	40.0%
	Withdrawn	7921	21.5%	7062	23.5%	9056	31.7%
	Default judgment	1227	3.3%	535	1.8%	433	1.5%
	Heard	7735	21.0%	6472	21.6%	6097	21.3%
	<b>Total</b>		<b>36891</b>		<b>30008</b>		<b>28568</b>
	<b>Potential Hearing Days Saved (PHDS)</b>		<b>74.3%</b>		<b>75.3%</b>		<b>75.8%</b>
Open track	Struck out / disposed at PHR	1019	5.1%	895	5.3%	651	4.1%
	Settled	9999	50.4%	8757	51.9%	8049	50.9%
	Withdrawn	5729	28.9%	4685	27.8%	4810	30.4%
	Default judgment	99	0.5%	46	0.3%	43	0.3%
	Heard	2987	15.1%	2488	14.7%	2258	14.3%
	<b>Total</b>		<b>19833</b>		<b>16871</b>		<b>15811</b>
	<b>Potential Hearing Days Saved (PHDS)</b>		<b>83.6%</b>		<b>84.1%</b>		<b>84.8%</b>
Overall	Struck out / disposed at PHR	3682	4.8%	3186	5.0%	2705	4.6%
	Settled	33521	43.9%	28443	44.6%	24169	40.7%
	Withdrawn	17961	23.5%	15484	24.3%	17907	30.1%
	Default judgment	4947	6.5%	2820	4.4%	2155	3.6%
	Heard	16300	21.3%	13846	21.7%	12484	21.0%
	<b>Total</b>		<b>76411</b>		<b>63779</b>		<b>59420</b>
	<b>Potential Hearing Days Saved (PHDS)</b>		<b>78.1%</b>		<b>79.1%</b>		<b>80.0%</b>
	<b>Resolution rate<sup>12</sup></b>		<b>70.8%</b>		<b>72.5%</b>		<b>74.2%</b>

10. See footnotes on page 47.

11. See footnotes on page 47.

12. See footnotes on page 47.

## Net referrals for pre-claim conciliation (PCC) received<sup>13</sup>

		2009/10	
		Volume	%
PCC referrals received	Fast track	2197	24.0%
	Standard track	5797	63.3%
	Open track	1160	12.7%
	<b>Overall</b>	<b>9758</b>	
Referrals not appropriate for PCC	Fast track	287	13.1%
	Standard track	588	10.1%
	Open track	146	12.6%
	<b>Overall</b>	<b>1046</b>	<b>10.7%</b>
Appropriate PCC referrals	Fast track	1910	86.9%
	Standard track	5209	89.9%
	Open track	1014	87.4%
	<b>Overall</b>	<b>8712</b>	<b>89.3%</b>

## Gross cases received for PCC by all grounds of complaint<sup>14</sup>

All jurisdictions	2009/10	
	Volume <sup>15</sup>	% of cases
Unfair dismissal	6293	68.7%
Wages Act	2159	23.6%
Breach of contract	1127	12.3%
Redundancy pay	399	4.4%
Sex discrimination	430	4.7%
Race discrimination	187	2.0%
Disability discrimination	373	4.1%
Working time	756	8.3%
Equal pay	58	0.6%
National minimum wage (NMW)	11	0.1%
Flexible working	13	0.1%
Age discrimination	109	1.2%
Other	329	3.6%
<b>Total jurisdictions</b>	<b>12244</b>	
<b>Total cases</b>	<b>9154</b>	
<b>Average jurisdiction per referral / case</b>	<b>1.34</b>	

13. See footnotes on page 47.

14. See footnotes on page 47.

15. See footnotes on page 47.

## Net PCC outcomes

2009/10								
	Overall		Fast track		Standard track		Open track	
	Volume	%	Volume	%	Volume	%	Volume	%
Unprogressed – claimant unwilling	535	6.3%	88	4.5%	366	6.8%	76	7.1%
Unprogressed – respondent unwilling	1437	17.0%	284	14.4%	971	18.1%	174	16.4%
Unprogressed – inappropriate	1046	12.4%	293	14.9%	581	10.8%	147	13.8%
Unprogressed – other	855	10.1%	192	9.8%	524	9.8%	123	11.6%
Resolved in initial discussion with conciliator	296	3.5%	114	5.8%	142	2.6%	40	3.8%
Resolved COT3 (Acas settled)	1998	23.6%	311	15.8%	1438	26.8%	247	23.2%
Resolved otherwise	579	6.8%	305	15.5%	215	4.0%	59	5.6%
Impasse – no resolution in conciliation	1111	13.1%	252	12.8%	750	14.0%	108	10.2%
Impasse – ran out of time	604	7.1%	130	6.6%	385	7.2%	89	8.4%
<b>Total</b>	<b>8461</b>		<b>1969</b>		<b>5372</b>		<b>1063</b>	

## PCC – Avoidance of tribunal claims<sup>16</sup>

	Overall <sup>17</sup>	Fast track	Standard track	Open track
Appropriate referrals with outcome date 06/04/09 – 31/12/09 <sup>18</sup>	4231	497	3123	594
Referrals for which no post-PCC ET claim has been identified	2946	362	2166	406
<b>ET claims avoidance rate</b>	<b>69.6%</b>	<b>72.8%</b>	<b>69.4%</b>	<b>68.4%</b>

16. See footnotes on page 47.

17. See footnotes on page 47.

18. See footnotes on page 47.

## Charged-for mediation in individual employment and workplace disputes which were not subject to actual or potential employment tribunal proceedings<sup>19</sup>

	2009/10	2008/09	2007/08
<b>New cases started in year</b>	<b>241</b>	<b>226</b>	<b>179</b>
Closed cases in year			
Unprogressed by outcomes	25	33	11
Unresolved	6	17	19
Progress made	45	49	39
Settled	137	134	100
<b>Total</b>	<b>213</b>	<b>233</b>	<b>169</b>
<b>Success rate</b>	<b>97%</b>	<b>92%</b>	<b>88%</b>

5. (a) 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.  
(b) All individual dispute volumes can be produced on either a gross or net basis. Net figures are obtained by adjusting the gross number of cases to take account of multiple claims (for example, if 1,000 claims all arise from the same circumstances, against the same respondent and all the claimants have the same representative, then Acas counts that as one net case). Net figures are a better measure of conciliation workload and success than gross figures, which may reflect and be skewed by a small number of very large multiple claims.
6. The figures on page 43 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. Similarly a significant number of cases lodged at the Employment Tribunals concerning 'working time' and unauthorised deductions from wages are not included in these figures because they were not susceptible to conciliation and were struck out. In addition, Acas conciliated in and resolved 25,503 potential equal pay cases against local authorities.
7. See footnote 2.
8. Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.
9. In 2009/10 the largest constituent of the 'other' category relates to the application of a protective award as a result of an employer's failure to consult over a redundancy situation; this jurisdiction was present in over 5,000 gross claims. In addition, the 'other' category also includes approximately 1,000 gross claims relating to religious belief discrimination and 700 on account of sexual orientation discrimination.
10. Net figures are obtained by adjusting the gross number of cases cleared to take account of multiple claims. (For example, if 1,000 ET1 claims are settled and all arise from the same circumstances, against the same respondent and all the claimants have the same representative, then Acas counts this as one net settled case.) Net figures are a better measure of conciliation workload and success than gross figures, which may reflect a small number of very large multiple claims. See also footnote 2.
11. A significant number of struck out cases lodged at the Employment Tribunals concerning 'working time' and unauthorised deductions from wages are not included because they are routinely struck out and not passed to Acas for conciliation.
12. Resolution rates are calculated excluding cases struck out by the Tribunal since these are generally not susceptible to conciliation.
13. Information on the jurisdiction (which determines track) is not available in a small minority of cases. As a consequence, the sum of the numbers recorded against each track is less than the number in the 'overall' line. The percentages in each 'track' line are percentages of all cases for which jurisdiction data is held.
14. Since an individual dispute can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.
15. In the case of PCC, this table represents the total number of referrals (whether completed or still in progress) for which jurisdictions had been ascribed at 31 March 2010. As previously footnoted, jurisdiction data is not available in a small minority of cases.
16. 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 first three quarters of 2009/10 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 the table above is therefore restricted to PCC referrals/cases which reached an outcome on or before the end of December 2009.
17. Since the database contains some completed referrals/cases for which no jurisdictions were recorded, the numbers in the 'Overall' column are slightly greater than the sum of the columns for individual tracks on each line.
18. 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.
19. Unprogressed cases are those cases 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	2009/10		2008/09		2007/08	
	Volume	%	Volume	%	Volume	%
Acas National <sup>20</sup>	33	3.6%	22	2.3%	–	–
London	68	7.5%	73	7.6%	103	11.2%
South East	20	2.2%	36	3.7%	39	4.2%
East of England	62	6.9%	59	6.1%	72	7.8%
East Midlands	34	3.8%	55	5.7%	47	5.1%
West Midlands	59	6.5%	68	7.0%	68	7.4%
North East	85	9.4%	100	10.4%	106	11.5%
Yorkshire and Humber	96	10.6%	97	10.0%	97	10.6%
North West	214	23.6%	233	24.1%	194	21.1%
Scotland	180	19.9%	161	16.7%	129	14.0%
South West	23	2.5%	24	2.5%	34	3.7%
Wales	31	3.4%	38	3.9%	30	3.3%
<b>Total</b>	<b>905</b>		<b>966</b>		<b>919</b>	

## Collective disputes received for conciliation by cause

Dispute causes	2009/10		2008/09		2007/08	
	Volume	% of cases <sup>21</sup>	Volume	% of cases	Volume	% of cases
General pay	160	17.7%	189	19.6%	230	25.0%
Other pay/ conditions of employment <sup>22</sup>	251	27.7%	251	26.0%	218	23.7%
Recognition	126	13.9%	161	16.7%	165	18.0%
Changes in working practices	87	9.6%	94	9.7%	86	9.4%
Other trade union issues	93	10.3%	67	6.9%	67	7.3%
Redundancy	104	11.5%	96	9.9%	54	5.9%
Discipline and dismissal	81	9.0%	74	7.7%	56	6.1%
Other	74	8.2%	93	9.6%	80	8.7%
<b>Total dispute causes</b>	<b>976</b>		<b>1025</b>		<b>956</b>	
<b>Total collective cases received</b>	<b>905</b>		<b>966</b>		<b>919</b>	

20. See footnotes on page 50.

21. See footnotes on page 50.

22. See footnotes on page 50.



## Collective disputes closed by outcome<sup>23</sup>

	2009/10	2008/09	2007/08
Successfully completed	718	738	776
Unsuccessfully completed	47	69	51
<b>All completed cases</b>	<b>765</b>	<b>807</b>	<b>827</b>
Cases withdrawn	116	86	68
<b>Total</b>	<b>881</b>	<b>893</b>	<b>895</b>

## Collective disputes received by source of request

Source of request	2009/10		2008/09		2007/08	
	Volume	%	Volume	%	Volume	%
Employer	177	19.6%	195	20.2%	194	21.1%
Trade union	247	27.3%	247	25.6%	244	26.6%
Joint	354	39.1%	321	33.2%	331	36.0%
Acas	108	11.9%	90	9.3%	70	7.6%
Unknown	19	2.1%	113	11.7%	80	8.7%
<b>Total</b>	<b>905</b>		<b>966</b>		<b>919</b>	

## Cases referred to collective arbitration and dispute mediation

	2009/10	2008/09	2007/08
Single arbitration	38	20	39
Board of arbitration	0	2	0
Single mediation	2	3	2
Board of mediation	1	0	0
Two-tier single mediation / arbitration	1	3	0
Police arbitration tribunal	1	1	4
Other	1	1	2
<b>Total</b>	<b>44</b>	<b>30</b>	<b>47</b>

23. See footnotes on page 50.

## Issues referred to collective arbitration and dispute mediation

	2009/10	2008/09	2007/08
Annual pay	13	10	8
Other pay and conditions of employment	6	3	12
Dismissal and discipline	24	6	14
Grading	0	0	1
Other	1	11	12
<b>Total</b>	<b>44</b>	<b>30</b>	<b>47</b>

## Joint problem-solving activities

Topic categories	2009/10	2008/09	2007/08
Absence and stress management	0	1	5
Bullying and harassment	3	1	1
Collective bargaining and trade union issues	29	40	21
Conflict, mediation and change management	17	8	12
Discipline and grievance	3	2	3
Equality, diversity and discrimination	3	0	3
Employment law	0	1	0
Implementing flexible working arrangements	1	0	3
Information and consultation	10	4	3
Managing people	3	0	1
Payment and grading arrangements	8	3	11
Recruitment and employing people	3	0	0
Redundancy	14	0	1
Other	0	3	1
<b>Total</b>	<b>94</b>	<b>63</b>	<b>65</b>

20. Conciliations performed by Acas National were recorded under London region in 2007/08

21. Since a collective dispute can be recorded in the management information as relating to several causes, the sum of the percentages in this table exceeds 100%.

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

23. This relates to cases closed during the period.

## Advisory services

Total volume of calls received by the Acas Helpline<sup>24</sup>

	2009/10	2008/09	2007/08
<b>Total</b>	<b>1,020,670</b>	726,306	885,353

Acas Helpline call topics<sup>25</sup>

Topic categories	2009/10	2008/09
	%	%
Discipline, dismissal and grievance	<b>30.4%</b>	26.6%
Redundancies, lay-offs and business transfers	<b>24.5%</b>	27.9%
Contracts	<b>17.9%</b>	16.4%
Holiday and working time	<b>13.5%</b>	12.2%
Absence, sickness and stress	<b>9.1%</b>	8.5%
Wages and National Minimum Wage (NMW)	<b>8.5%</b>	7.9%
Maternity, paternity and adoption	<b>6.9%</b>	7.7%
Diversity and discrimination	<b>4.0%</b>	3.4%
Family friendly policies	<b>2.0%</b>	1.8%
Other	<b>7.0%</b>	5.6%

24. See footnotes on page 58.

25. See footnotes on page 58.

## In-depth advisory meetings

Topic categories	2009/10		2008/09		2007/08	
	Volume	%	Volume	%	Volume	%
Absence and stress management	29	3.4%	45	5.1%	62	7.6%
Bullying and harassment	30	3.5%	32	3.6%	48	5.9%
Collective bargaining and trade union issues	59	6.9%	134	15.1%	128	15.6%
Conflict, mediation and change management	180	21.2%	127	14.3%	133	16.3%
Discipline and grievance	108	12.7%	79	8.9%	78	9.5%
Equality, diversity and discrimination	28	3.3%	72	8.1%	34	4.2%
Employment law	73	8.6%	24	2.7%	18	2.2%
Implementing flexible working arrangements	13	1.5%	8	0.9%	20	2.4%
Information and consultation	78	9.2%	43	4.8%	69	8.4%
Managing people	46	5.4%	22	2.5%	24	2.9%
Payment and grading arrangements	50	5.9%	42	4.7%	57	7.0%
Recruitment and employing people	35	4.1%	83	9.3%	68	8.3%
Redundancy	100	11.8%	135	15.2%	39	4.8%
Other	20	2.4%	43	4.8%	40	4.9%
<b>Total</b>	<b>849</b>		<b>889</b>		<b>818</b>	

## In-depth advisory calls

Topic categories	2009/10		2008/09		2007/08	
	Volume	%	Volume	%	Volume	%
Absence and stress management	92	5.9%	78	4.7%	47	4.0%
Bullying and harassment	69	4.4%	37	2.2%	36	3.1%
Collective bargaining and trade union issues	92	5.9%	152	9.2%	139	11.9%
Conflict, mediation and change management	239	15.4%	255	15.5%	247	21.2%
Discipline and grievance	268	17.3%	255	15.5%	177	15.2%
Equality, diversity and discrimination	78	5.0%	146	8.8%	109	9.4%
Employment law	144	9.3%	87	5.3%	48	4.1%
Implementing flexible working arrangements	44	2.8%	55	3.3%	55	4.7%
Information and consultation	72	4.6%	27	1.6%	31	2.7%
Managing people	39	2.5%	14	0.8%	18	1.5%
Payment and grading arrangements	46	3.0%	32	1.9%	32	2.7%
Recruitment and employing people	96	6.2%	211	12.8%	124	10.6%
Redundancy	248	16.0%	252	15.3%	73	6.3%
Other	26	1.7%	49	3.0%	29	2.5%
<b>Total</b>	<b>1553</b>		<b>1650</b>		<b>1165</b>	

## Workplace projects (charged)

<b>Topic categories</b>	<b>2009/10</b>	2008/09	2007/08
Absence and stress management	9	20	24
Bullying and harassment	10	9	4
Collective bargaining and trade union issues	11	18	34
Conflict, mediation and change management	33	28	32
Discipline and grievance	8	6	5
Equality, diversity and discrimination	1	0	7
Employment law	0	2	1
Implementing flexible working arrangements	0	2	0
Information and consultation	32	18	17
Managing people	1	10	2
Payment and grading arrangements	15	11	18
Recruitment and employing people	1	9	9
Redundancy	3	2	3
Other	6	10	11
<b>Total</b>	<b>130</b>	<b>145</b>	<b>167</b>

## Workplace training

Subject of training	2009/10				2008/09				2007/08			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	55	5.1%	952	4.6%	62	5.2%	1373	6.6%	91	6.3%	1363	5.4%
Bullying and harassment	87	8.1%	2151	10.3%	99	8.4%	1696	8.1%	165	11.4%	2849	11.2%
Collective bargaining and trade union issues	21	2.0%	246	1.2%	104	8.8%	1224	5.9%	123	8.5%	1507	5.9%
Conflict, mediation and change management	99	9.2%	1368	6.6%	95	8.0%	1348	6.5%	54	3.7%	1144	4.5%
Discipline and grievance	322	29.9%	6278	30.1%	309	26.1%	6554	31.5%	353	24.4%	5560	21.9%
Equality, diversity and discrimination	58	5.4%	1784	8.6%	114	9.6%	2564	12.3%	226	15.6%	5526	21.7%
Employment law	72	6.7%	1083	5.2%	55	4.6%	740	3.6%	89	6.2%	1839	7.2%
Implementing flexible working arrangements	1	0.1%	10	0.0%	2	0.2%	25	0.1%	7	0.5%	106	0.4%
Information and consultation	145	13.5%	1683	8.1%	87	7.3%	999	4.8%	79	5.5%	853	3.4%
Managing people	124	11.5%	2590	12.4%	137	11.6%	2243	10.8%	109	7.5%	2295	9.0%
Payment and grading arrangements	3	0.3%	38	0.2%	2	0.2%	33	0.2%	6	0.4%	61	0.2%
Recruitment and employing people	22	2.0%	399	1.9%	44	3.7%	821	3.9%	70	4.8%	951	3.7%
Redundancy	57	5.3%	1687	8.1%	42	3.5%	626	3.0%	27	1.9%	554	2.2%
Other	10	0.9%	574	2.8%	33	2.8%	591	2.8%	48	3.3%	827	3.3%
<b>Total</b>	<b>1076</b>		<b>20843</b>		<b>1185</b>		<b>20837</b>		<b>1447</b>		<b>25435</b>	

## Open Access training

Subject of training	2009/10				2008/09				2007/08			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	90	12.2%	853	10.7%	93	12.7%	756	8.8%	85	13.0%	800	12.5%
Bullying and harassment	15	2.0%	94	1.2%	9	1.2%	85	1.0%	26	4.0%	200	3.1%
Collective bargaining and trade union issues	1	0.1%	6	0.1%	1	0.1%	12	0.1%	1	0.2%	0	0.0%
Conflict, mediation and change management	54	7.3%	545	6.8%	29	4.0%	298	3.5%	24	3.7%	216	3.4%
Discipline and grievance	244	33.0%	3072	38.6%	327	44.7%	4752	55.4%	111	17.0%	1104	17.3%
Equality, diversity and discrimination	43	5.8%	292	3.7%	14	1.9%	87	1.0%	23	3.5%	113	1.8%
Employment law	96	13.0%	1572	19.7%	66	9.0%	992	11.6%	93	14.3%	1667	26.1%
Implementing flexible working arrangements	4	0.5%	31	0.4%	13	1.8%	118	1.4%	21	3.2%	127	2.0%
Information and consultation	1	0.1%	6	0.1%	5	0.7%	52	0.6%	6	0.9%	45	0.7%
Managing people	39	5.3%	298	3.7%	48	6.6%	412	4.8%	61	9.4%	657	10.3%
Payment and grading arrangements	3	0.4%	14	0.2%	3	0.4%	25	0.3%	1	0.2%	4	0.1%
Recruitment and employing people	100	13.5%	688	8.6%	93	12.7%	725	8.5%	123	18.9%	842	13.2%
Redundancy	46	6.2%	444	5.6%	13	1.8%	125	1.5%	1	0.2%	4	0.1%
Other	4	0.5%	47	0.6%	18	2.5%	134	1.6%	76	11.7%	611	9.6%
<b>Total</b>	<b>740</b>		<b>7962</b>		<b>732</b>		<b>8573</b>		<b>652</b>		<b>6390</b>	



## Total training

Subject of training	2009/10				2008/09				2007/08			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	145	8.0%	1805	6.3%	155	8.1%	2129	7.2%	176	8.4%	2163	6.8%
Bullying and harassment	102	5.6%	2245	7.8%	108	5.6%	1781	6.1%	191	9.1%	3049	9.6%
Collective bargaining and trade union issues	22	1.2%	252	0.9%	105	5.5%	1236	4.2%	124	5.9%	1507	4.7%
Conflict, mediation and change management	153	8.4%	1913	6.6%	124	6.5%	1646	5.6%	78	3.7%	1360	4.3%
Discipline and grievance	566	31.2%	9350	32.5%	636	33.2%	11306	38.4%	464	22.1%	6664	20.9%
Equality, diversity and discrimination	101	5.6%	2076	7.2%	128	6.7%	2651	9.0%	249	11.9%	5639	17.7%
Employment law	168	9.3%	2655	9.2%	121	6.3%	1732	5.9%	182	8.7%	3506	11.0%
Implementing flexible working arrangements	5	0.3%	41	0.1%	15	0.8%	143	0.5%	28	1.3%	233	0.7%
Information and consultation	146	8.0%	1689	5.9%	92	4.8%	1051	3.6%	85	4.0%	898	2.8%
Managing people	163	9.0%	2888	10.0%	185	9.7%	2655	9.0%	170	8.1%	2952	9.3%
Payment and grading arrangements	6	0.3%	52	0.2%	5	0.3%	58	0.2%	7	0.3%	65	0.2%
Recruitment and employing people	122	6.7%	1087	3.8%	137	7.1%	1546	5.3%	193	9.2%	1793	5.6%
Redundancy	103	5.7%	2131	7.4%	55	2.9%	751	2.6%	28	1.3%	558	1.8%
Other	14	0.8%	621	2.2%	51	2.7%	725	2.5%	124	5.9%	1438	4.5%
<b>Total</b>	<b>1816</b>		<b>28805</b>		<b>1917</b>		<b>29410</b>		<b>2099</b>		<b>31825</b>	

## Equality and diversity work<sup>26</sup>

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

Type of equality and diversity work	2009/10	2008/09	2007/08
Diagnostic sessions	82	205	179
Policies and procedures	12	114	88
Board briefings	1	5	5
In-depth advisory meetings	28	72	30
In-depth advisory calls	78	146	44
Workplace projects	4	0	3
Workplace training courses	58	114	226
Open access training events	43	14	23
<b>Total</b>	<b>306</b>	<b>670</b>	<b>598</b>

## Total volume of calls received by the Equality Direct Helpline

	2009/10	2008/09	2007/08
<b>Total</b>	<b>2,368</b>	5,944	5,238

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

25. Since a single call can be recorded as relating to as many as five core subjects, the sum of the percentages in this table exceed 100%.

26. In order to remain consistent with the service volume figures quoted above, the volumes in this table not only include general equality and diversity events, but also specific events relating to a particular aspect of discrimination. As a result, figures for 2007/08 and 2008/09 are greater than those previously quoted.

# Annual Accounts 2009-2010

For the year ended 31 March 2010

## Contents

Annual Report to the Accounts	60
Directors' Report	60
Management Commentary	65
Remuneration Report	66
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	73
Net Expenditure Account	74
Statement of Financial Position	75
Statement of Cashflows	76
Statement of Taxpayers' Equity	77
Notes to the accounts for the period ended 31 March 2010	78

# Annual Report to the Accounts

## Directors' Report

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**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. 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 designate officers as Conciliation Officers to provide conciliation in complaints made by individuals under legislation on employment rights;
- to conciliate in individual and 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;
- to provide a Secretariat for the Police Arbitration Tribunal; and
- having a general duty to promote equality and good relations between different racial groups and to eliminate discrimination.

**2.** Under the Trade Union and Labour Relations (Consolidation) Act 1992 sections 254-265, Acas is required to provide both the Certification Officer (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.

## Acas' Mission and Strategic Aims

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**6.** Acas' mission is to improve organisations and working life through better employment relations.

**7.** Acas' strategic aims as published in its Corporate Plan 2009-2011 are to:

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

## CO

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

## CAC

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

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

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

### Review of activities

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#### Acas

**11.** Acas' main activities during the year have continued to be:

- providing impartial information and advice on employment matters;
- improving the understanding of effective employment relationships;
- preventing and resolving collective employment disputes;
- resolving disputes over individual employment rights; and
- promoting diversity in the workplace.

**12.** Acas also publishes Codes of Practice on:

- disclosure of information to trade unions;
- time for trade union duties and activities; and
- disciplinary and grievance procedures.

#### CO

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

## CAC

**14.** The bulk of the CAC's workload is handling applications for recognition and derecognition under Schedule A1 to the Trade Union and Labour Relations (Consolidation) Act 1992. It also receives annually a limited number of cases under the disclosure of information provisions and has dealt with a small number of cases under the legislation relating to European Works Councils. The CAC has now received and determined applications under the Information and Consultation Regulations.

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

### Risk and Control Framework

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

**17.** 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 resource our operational activities adequately.

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

### Management Structure

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**19.** 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.

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

**21.** The Acas Executive Board meets monthly and is charged with directing the activities of Acas and monitoring the key strategic risks faced by the Service.

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

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

**Mr Ed Sweeney** (Chair)  
**Mr John Taylor** (Chief Executive, Acas)  
**Mr Graeme Charles** (Chief Executive, CAC)  
**Mr Rob White** (Director of Finance)  
**Mr Andrew Wareing** (Director of Delivery)  
**Ms Susan Clews** (Director of Knowledge)  
**Ms Jan Dixon**  
(Director of Knowledge until 31 January 2010)  
**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 Jerry Gibson** (London Director)  
**Ms Jane Bird**  
(Director of Operational Policy and Performance)  
**Mr Frank Blair** (Scotland Director)  
**Mr Phil Pluck** (Northern Director)  
**Mr Rob Johnson** (Wales and Southern England  
Director, Secondment to PVP Project Manager  
from August 2009)  
**Mr Paul Beard** (Acting Director for Wales and  
Southern England from December 2009)  
**Ms Carol Davenport**  
(Midlands and Eastern Director to 31 December 2009)  
**Mr Noel Lambert** (Acting Midlands and Eastern  
Director from January 2010)  
**Mr Nick Riddle** (Director, National Helpline)  
**Mrs Gill McCarthy** (Acting Director, North West)  
**Mr Peter Harwood** (Chief Conciliator)

#### Acas Council Members

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

Ms S Anderson CBE<sup>2</sup> 1 May 2004  
(Reappointed for 18 months until 31 October 2011)

Ms S Veale 1 May 2004  
(Reappointed for 18 months until 31 October 2011)

**Mr J McMullen**<sup>2</sup> 1 May 2004  
(Standing Down – 30 April 2010)

**Mr D Prentis**<sup>4</sup> 1 May 2004  
(Standing Down – 30 April 2010)

**Mr J Michie**<sup>1,2</sup> 1 May 2007  
(Extended until 31 December 2010)

**Ms S Anderson**<sup>2</sup> 1 May 2007  
(Extended until 31 December 2010)

**Ms D Coulter**<sup>3,4</sup> 1 May 2007  
(Standing Down – 30 April 2010)

**Mr D Simpson**<sup>2</sup> 1 May 2007  
(Extended until 31 December 2010)

**Mr P Bennett**<sup>4</sup> 1 May 2007  
(Extended until 31 December 2010)

**Mr E Sweeney** (Chair)<sup>2,4</sup> 1 October 2007

**Ms Nicola Templeman**<sup>4</sup> 1 April 2008

**Ms Jennifer Eady QC** 1 April 2008

<sup>1</sup> Chair of the Audit Committee

<sup>2</sup> Also a member of the Audit Committee

<sup>3</sup> Chair of the HR Committee

<sup>4</sup> Also a member of the HR Committee

#### Acas Council

**25.** Since the end of the 2009-10, three new members of the Acas Council have been appointed and are shown below, with their date of appointment:

Ms Linda Dickens 1 May 2010

Ms Mary Bousted 1 May 2010

Mr John Hannett 1 May 2010

**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 workers. All Acas Council appointments are subject to open competition in line

with the Code of Practice issued by the Commissioner for Public Appointments.

**27.** 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

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

### Equal Opportunities

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

### Days Lost Due to Absence

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**30.** 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.

**31.** In 2009-10, the number of working days lost was 7.5 days per annum per employee. This compares favourably to the public sector average of 9.7 days per annum per employee.

### Employee Involvement

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**32.** We value the views of staff who are encouraged to discuss issues affecting both them and the work they undertake. We encourage membership of our recognised trade unions and members of staff are able to engage with business challenges both individually, feeding their views through line management and collectively through their trade unions. We have well-established consultative machinery and have an agreement on information and consultation. Three standing committees discuss issues around health and safety, learning and development, and equality and diversity. We have developed a Communications Strategy and a recent survey told us that staff found communication much improved. Results from our latest engagement survey show that we have an Engagement Index of 63% (based on the 'Say, Stay, Strive' model).

### Investors in People (IiP)

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**33.** 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. We have adopted the internal Assessor route to re-accreditation and have trained volunteers in what is expected of them.

### Charitable Donations

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

### Environmental and Social Issues

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**35.** Acas demonstrates commitment to its environmental and social responsibilities. For example, Acas promotes the use of video conferencing to reduce official travel and the roll out of new Multi-Functional printing devices will lead to a reduction in paper used. Our IiP status is illustrative of our commitment to opportunity for all staff.

**36.** Issues around sustainability have been discussed at Executive Board level.

## Going Concern

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**37.** The Directors have reviewed the financial position as at 31 March 2010 to ensure that Acas is a going concern. Although the level of departmental grant in aid funding has not yet been agreed, BIS have advised that a significant saving on our budget will be required during 2010-11. We expect to accommodate this reduction whilst still meeting our liabilities as they fall due. There are uncertainties that could affect funding in the future - additional cuts for the public sector as a whole were signalled by the Chancellor's emergency budget on 22 June, and we are also aware that the Department is responding to a Cabinet Office request to review, along with all Departments, its Arms Length Bodies. At the date of issue of this report however, we remain satisfied that the preparation of accounts on a going concern basis remains appropriate.

## Accounts Direction

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**38.** 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

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**39.** The Service is committed to the government's target on prompt payment.

**40.** Overall, 96.5% of payments were made with the 10 day target. The new target of 10 days has had a negative impact on Acas' overall performance, but it should be noted that Acas has taken the decision to pay all suppliers within the 10 day framework, despite it being mandatory for public sector bodies only to have to pay SME's within that timeframe.

## Auditors

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**41.** The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £39k. There was also an additional fee of £5k related to the audit of IFRS Trigger Point 4. No non-audit services were provided.

## Disclosure of Relevant Audit Information

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**42.** 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

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

### Acas

**44.** 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 a number of illustrative case studies. Copies of the Acas Annual Report can be downloaded free of charge from the Acas website [www.acas.org.uk](http://www.acas.org.uk) and are available free to callers at Acas offices. The website also holds details of the mailing house from which copies of the Annual Report can be ordered.

### CO

**45.** 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](http://www.certoffice.org).

### CAC

**46.** 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

Accounting Officer Acas

21 July 2010



# Management Commentary

## Financial Results

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**47.** The Service incurred gross administration costs, before exceptional items and interest on capital of £55,732k in the year plus capital expenditure of £5,269k. Cash expenditure was financed by a Grant-in-Aid of £55,687k from BIS's Request for Resources 1 (RfR1), of BIS's Resource Estimate plus other operating income of £3,914k.

## Operational Results

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### Acas

**48.** During 2009-10 the Acas national Helpline handled 1,020,670 calls. Results from a survey of customers calling the Helpline in October 2009 showed that 95% were highly satisfied with the service.

**49.** 224 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered over 1,800 sessions in the year on a variety of employment relations topic. Altogether, Acas traded services brought in over £3.8million of revenue.

**50.** Acas dealt with over 900 industrial disputes in 2009-10. In 2009-10, Acas individual conciliators handled around 176,320 new and potential employment tribunal claims and, in the case of tribunal cases, 52% of potential tribunal hearing days were saved in short-period cases, 74% in standard period cases and 84% in open period cases through cases being resolved in conciliation.

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

### CO

**52.** The CO has continued to carry out the statutory requirements of those parts of the Trade Union and Labour Relations (Consolidation) Act 1992 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.

**53.** The CO received a total of 461 enquiries from members raising issues or matters of concern about trade unions. This represents a decrease of 230 in the number of enquiries compared with last year.

**54.** The CO issued 28 decisions relating to breaches of trade union rules. Two enforcement orders were issued. In addition a further 22 decisions were issued relating to breach of statute complaints. Three enforcement orders

were issued. The total number of decisions issued of 50 represents an increase on the number last year of 29.

### CAC

**55.** The CAC received 42 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2009 and 31 March 2010. During this period it did not receive any applications under Parts II to VI of the Schedule. Eight complaints were received under the Disclosure of Information provisions and there were 10 applications for decisions under the Information and Consultation Regulations. In addition, the secretariat did not deal with the communication of any employee requests for Information and Consultation arrangements. The CAC did not receive any applications under the Transnational Information and Consultation of Employees Regulations 1999, the European Public Limited-Liability Company Regulations 2004, the European Cooperative Society Regulations 2006 and the Companies (Cross-Border Mergers) Regulations 2007. The CAC continues to have the power to provide voluntary arbitration in trade disputes but this has not been used for some years.

## Relationship with Stakeholders

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**56.** 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.

**57.** 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

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**58.** During 2009-10, there were no incidents of the loss of personal data.

## Pension Liabilities

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**59.** The Service's pension liabilities are disclosed in the Remuneration Report.

## John E Taylor

Accounting Officer Acas  
21 July 2010

# Remuneration Report

**60.** 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.

**61.** 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](http://www.ome.uk.com).

**62.** 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.

**63.** 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.

**64.** The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit Scheme but the Department for Business, Innovation and Skills 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](http://www.civilservice-pensions.gov.uk)).

**65.** For 2009-10, employers' contributions of £4,590k were payable to the PCSPS (2008-09: £4,312k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands (the rates in 2008-09 were between 17.1% and 25.5%). 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 2009-10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

**66.** Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £12,415 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 £950, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

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

**68.** In 2009-10, 0 persons (2008-09: 4 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2008-09 £8,908).

	2009-10 Salary, including performance pay (£k) (2008-09 Salary, in Bands of £5k)	Benefits in Kind (rounded to nearest £100)	Real increase in pension at age 60 (£k)	Total accrued pension at age 60 at 31/03/10 and related lump sum (£k)	CETV at 31/03/09* (nearest £k)	CETV at 31/03/10 (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)
<b>Mr E Sweeney</b> (Chair)	71 (70-75)	0	0-2.5	0-5 plus 0-5 (lump sum)	33	58	21	0
<b>Mr D Cockburn</b> (Certification Officer)	74 (70-75)	0	0-2.5	10-15 plus 0 (lump sum)	180	214	32	0
<b>Mr JE Taylor</b> (Chief Executive, Acas)	143 (140-145)	0	2.5-5	60-65 plus 180-185 (lump sum)	1,356	1,467	69	0
<b>Mr A Wareing</b> (Director of Delivery)	85 (80-85)	0	2.5-5	20-25 plus 60-65 (lump sum)	320	367	24	0
<b>Mr GS Charles</b> (Chief Executive, CAC)	41 (50-55)	0	0-2.5	35-40 (of which 35k is in payment) plus 100- 105 (lump sum, of which 102 has been paid)	8	20	11	0
<b>Ms J Dixon</b> (Director of Knowledge)	52 (55-60)	0	0-2.5	15-20 plus 50-55 (lump sum)	261	289	15	0
<b>Ms S Clews</b> (Director of Knowledge)	62 (35-40)	0	2.5-5	15-20 plus 55-60 (lump sum)	230	328	81	0
<b>Mr R White</b> (Director of Finance)	71 (65-70)	0	0-2.5	15-20 plus 50-55 (lump sum)	235	277	26	0
<b>Mr M Spencer</b> (Director of HR & Estates)	69 (65-70)	0	0-2.5	30-35 plus 90-95 (lump sum)	625	708	49	0
<b>Mr A Godber</b> (Director of ICTS)	79 (75-80)	0	0-2.5	0-5 plus 0-5 (lump sum)	13	28	12	0

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

## 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](http://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](http://www.civilservice-pensions.gov.uk)

### **Cash Equivalent Transfer Values**

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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**

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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**

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

### **John E Taylor**

Accounting Officer Acas  
21 July 2010

# Statement of The Service's and Accounting Officer's Responsibilities

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

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

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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

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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 2010 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

## 3. Capacity to handle risk

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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.

Senior managers and a number of key operators, within both front line and support activities, have received risk awareness and risk management training in previous years and this training has now been

embedded. The risk management policy and risk awareness guidance has been updated to incorporate best practice and is on the intranet for all staff.

## 4. The risk and control framework

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

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

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.

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 Board papers.

The new Government's announcement of immediate in-year budget cuts will increase pressure on Acas to deliver its full range of services to the same level as in previous years. In addition, HM Treasury have signalled that the Comprehensive Spending Review is likely to lead to significant cuts in Government funding across the public sector for the years 2011 to 2014. Much work is being done to prepare Acas for a period of constrained finances.

Coupled with reduced Government funding, much of Acas's 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.

Acas continues to deliver the message that it makes a positive contribution to the economy and that funding cuts may therefore have a negative impact on recovery from the recession. Acas is in a strong position to argue this case during the forthcoming Comprehensive Spending Review process because of the work done during the recent Public Value Programme (PVP) review. The PVP is a Treasury-driven initiative to look closely at areas of public spending to see where there is scope to improve value for money to the taxpayer and make efficiencies in public services. The review of Acas completed at the end of March this year concluded that Acas provides good value for money.

The continuing economic situation, along with reduced funding, will mean that it is likely that Acas will be faced with having to handle increasing conciliation caseloads with reduced resources. The PVP conclusions included further efficiencies that can be implemented to enable Acas to manage this situation, dependent upon appropriate investment.

In the event of Tribunal Service withdrawing from, or Acas' failure to secure funding to complete the Caseload project, there would be serious implications for Acas' ability to achieve the administration savings committed to and compromise the ability to deliver the additional PVP savings identified in conciliation.

Other 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 the forthcoming CSR period.

## 5. Review of effectiveness

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As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Specifically, the system of control is reviewed by:

- 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 regular 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;
- Reports from Acas Directors on the steps they are taking to manage Acas' key strategic risk and those within their areas of responsibility;
- This is the first year in which a challenge panel has been convened and was constituted by the Chief Executive, the Finance Director and Internal Audit; going forward the Chair of the Audit Committee will sit on this panel. 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;
- The use of external experts, for example recent reviews of the back office functions provided by the Finance, HR and IT Directorates;
- Maintenance of an organisation wide risk register;
- Data security procedures are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

**John E Taylor**

Accounting Officer Acas

21 July 2010



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

I certify that I have audited the financial statements of Acas for the year ended 31 March 2010 under the Trade Union and Labour Relations (Consolidation) Act 1992. These comprise the Net Expenditure Account, 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 Accounting Officer and auditor

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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 the financial statements in accordance with applicable law and 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

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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 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

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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

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### In my opinion:

- the financial statements give a true and fair view of the state of Acas's affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions issued thereunder.

Opinion on other matters

### In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Trade Union and Labour Relations (Consolidation) Act 1992; and
- the information given in the Director's 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

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

- adequate accounting records have not been kept; or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements 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

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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  
23 July 2010

# Net Expenditure Account

for the year ended 31 March 2010

	Note	2009-10		2008-09	
		£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Staff Costs	3	(33,139)		(29,418)	
Depreciation	4	(1,603)		(2,274)	
Other Expenditure	4	(20,990)		(18,142)	
			<b>(55,732)</b>		<b>(49,834)</b>
<b>Income</b>					
Income from Activities	5	3,824		3,933	
Other Income	5	90		54	
			<b>3,914</b>		<b>3,987</b>
<b>Net Expenditure</b>					
			<b>(51,818)</b>		<b>(45,847)</b>
Cost of Capital	4		(137)		(37)
<b>Net Expenditure after Cost of Capital</b>					
			<b>(51,955)</b>		<b>(45,884)</b>

The notes on pages 78 to 91 form part of these accounts.

# Statement of Financial Position

as at 31 March 2010

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

	Note	31 March 2010		31 March 2009		1 April 2008	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-Current Assets</b>							
Property, plant and equipment	6.1	13,203		9,694		5,752	
Intangible Assets	6.2	814		648		527	
<b>Total non-current assets</b>			14,017		10,342		6,279
<b>Current Assets</b>							
Inventories	7	17		8		25	
Trade and other receivables	8	2,029		2,764		3,189	
Cash and cash equivalents	9	1,249		0		1,966	
Total Current Assets			3,295		2,772		5,180
<b>Total Assets</b>			17,312		13,114		11,459
<b>Current Liabilities</b>							
Trade and other payables	10	(5,153)		(4,620)		(3,866)	
Provisions	12.1	(1,090)		(1,673)		(1,395)	
Other liabilities	9	0		(441)		0	
<b>Total current liabilities</b>			(6,243)		(6,734)		(5,261)
<b>Non-current assets less net current liabilities</b>			11,069		6,380		6,198
<b>Non-current liabilities</b>							
Provisions	12.1	(4,330)		(3,797)		(5,159)	
<b>Total non-current liabilities</b>			(4,330)		(3,797)		(5,159)
<b>Assets less liabilities</b>			<b>6,739</b>		<b>2,583</b>		<b>1,039</b>
<b>Reserves</b>							
Capital Reserve			6,141		2,143		476
Revaluation Reserve			598		440		563
			<b>6,739</b>		<b>2,583</b>		<b>1,039</b>

The notes on pages 78 to 91 form part of these accounts.  
These accounts were approved on 21 July 2010

John E Taylor  
Accounting Officer Acas

# Statement of Cashflows

for the year ended 31 March 2010

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

	Note	2009-10	2008-09
		£'000	£'000
<b>Cash flows from operating activities</b>			
Net surplus after cost of capital and interest		<b>(51,955)</b>	<b>(45,884)</b>
Adjustments for cost of capital charge	4	137	37
(Increase)/Decrease in trade and other receivables	8	735	425
(Increase)/Decrease in inventories	7	(9)	17
Increase/(Decrease) in trade payables	10	533	754
Use of Provisions	12.1	(1,290)	(1,353)
Less movements in payables relating to items not passing through the Net Expenditure Account	4	3,121	2,610
<b>Net cash outflow from operating activities</b>		<b>(48,728)</b>	<b>(43,394)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6.1	(4,965)	(5,948)
Purchase of intangible assets	6.2	(304)	(377)
Proceeds of disposals of property, plant and equipment		0	0
Proceeds of disposals of intangible assets		0	0
<b>Net cash inflow from investing activities</b>		<b>(5,269)</b>	<b>(6,325)</b>
<b>Cash flows from financing arrangements</b>			
Grants from parent Department		55,687	47,312
		<b>55,687</b>	<b>47,312</b>
<b>Net financing</b>			
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		1,690	(2,407)
<b>Cash and cash equivalents at the beginning of the period</b>	9	(441)	1,966
<b>Cash and cash equivalents at the end of the period</b>	9	1,249	(441)

The notes on pages 78 to 91 form part of these accounts.

# Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2010

	Capital Reserve	Reval Reserve	Total Reserves
	£'000	£'000	£'000
<b>Balance at 1 April 2008</b>	<b>476</b>	<b>563</b>	<b>1,039</b>
<b>Changes in reserves 2008-09</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	79	<b>79</b>
Non-cash charges – cost of capital	37	0	<b>37</b>
Transfers between reserves	202	(202)	<b>0</b>
Retained surplus/deficit	(45,884)	0	<b>(45,884)</b>
<b>Total recognised income and expense for 2008-09</b>	<b>(45,645)</b>	<b>(123)</b>	<b>(45,768)</b>
Grant from Parent	47,312	0	<b>47,312</b>
<b>Balance at 31 March 2009</b>	<b>2,143</b>	<b>440</b>	<b>2,583</b>
<b>Changes in taxpayers' equity for 2009-10</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	287	<b>287</b>
Non-cash charges – cost of capital	137	0	<b>137</b>
Transfers between reserves	129	(129)	<b>0</b>
Retained surplus/deficit	(51,955)	0	<b>(51,955)</b>
<b>Total recognised income and expense for 2009-10</b>	<b>(51,689)</b>	<b>158</b>	<b>(51,531)</b>
Grant from Parent	55,687	0	<b>55,687</b>
<b>Balance at 31 March 2010</b>	<b>6,141</b>	<b>598</b>	<b>6,739</b>

The notes on pages 78 to 91 form part of these accounts.

# Notes to the accounts for the period ended 31 march 2010

## 1. Statement of Accounting Policies

### 1.1. Basis of Preparation

These financial statements have been prepared in accordance with the 2009-10 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.

These Accounts reflect changes required on first time adoption of IFRS. Changes to Taxpayers' Equity and Net Operating Costs are shown in Note 2.

The adoption of IFRS has resulted in a number of presentational changes to the Accounts. Many of these are changes in name, e.g. receivables and payables instead of debtors and creditors and the Statement of Financial Position instead of the Balance Sheet. There is a new primary statement, the Statement of Taxpayers' Equity, which combines the previous notes, showing the movements and balances on reserves. The previous Notes to the Cash Flow Statement are incorporated into the Statement of Cashflows and the Statement of Recognised Gains and Losses is no longer required.

### 1.2. Grants and Grants-in-Aid

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

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

### 1.3. Accounting Convention

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

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, 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:

- An asset can be identified;
- It is probable that future economic benefits attributable to the asset will flow into Acas; and
- 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 4). 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. Cost of Capital Charge

A charge, reflecting the cost of capital utilised by Acas is included in the Expenditure Account. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year:

- additions at cost;
- disposals as valued in the opening statement of financial position (plus any subsequent capital expenditure prior to disposal);

- impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure); and
- depreciation of property, plant and equipment and amortisation of intangible assets.

### 1.12. 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 Chairs 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.

### 1.13. 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.

### 1.14. 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.

### 1.15. Inventories

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

### 1.16. 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 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%).

### 1.17. Financial Instruments

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

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

### 1.18. 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. Although the level of departmental grant in aid funding has not yet been agreed, BIS have advised that a significant saving on our budget will be required during 2010-11. We expect to accommodate this reduction whilst still meeting our liabilities as they fall due.

### 1.19. Segmental Analysis

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

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

However, the Segmental Disclosure for 2009-10 is not included as it is a prerequisite that the format also reflects

the lines of accountability at which decisions regarding resource allocation and business performance are made by the Chief Operating Decision Maker. This has not been the case for Acas in 2009-10.

### 1.20. New IFRSs in issue but not yet effective and FReM changes 2010-2011

New IFRSs that have an effective date after 31 March 2010 and which have an impact on Acas' future financial statements together with major FReM changes for 2010-11 are set out below giving details of the potential impact (if known) and date at which Acas plans to apply the changes. The note also details early adoption of new IFRSs that have an effective date after 31 March 2010.

*New Standards not yet effective and not applied in Acas' Financial Statements*

#### IAS 7: Statement of Cash Flows

IAS 7 has been amended to require only expenditure that results in the recognition of an asset to be classified as a cash flow from investing activities. This amendment is effective for accounting periods on or after 1 January 2010. Acas intends to apply this standard, in line with guidance contained in the FReM 2010-11, in its financial statements for 2010-11 and does not anticipate any significant impact on its application.

*New standards adopted before effective date*

#### IAS24: Related Party Disclosures (Revised)

The revised IAS24 exempts government controlled entities from disclosing transactions, balances and commitments with other government controlled entities. The effective date for application of this standard is for accounting periods on or after 1 January 2011 (earlier application permitted); Acas has applied this standard in its financial statements for the current reporting period.

#### *FReM changes 2010-2011* FReM 2010-11

– Removal of Cost of Capital charging in the accounts  
FReM 2010-11 no longer requires the calculation of the cost of capital charge; Acas will apply this from next financial year's financial statements onwards. Acas' capital charge in the 2009-10 financial statements is a credit of £133k, next year the amount will be Nil and the 2009-10 comparatives restated.

#### FReM 2010-11 – Impairments

The adaptation of IAS36 Impairment of Assets in FReM 2010-11 will allow the scoring of all impairments that are caused by a clear consumption of economic benefit to the Net Expenditure Account. This will be applied by Acas in next year's financial statements; the impact of this change is not estimable for future periods.



## 2. First-time adoption of IFRS

	<b>General fund</b>	<b>Reval reserve</b>
	<b>£'000</b>	<b>£'000</b>
<b>Taxpayers equity at 31 March 2008 under UK GAAP</b>	<b>993</b>	<b>563</b>
Adjustments for:		
Holiday Pay accrual	(627)	0
Capitalisation of EARS 2	110	0
<b>Taxpayers equity at 1 April 2008 under IFRS</b>	<b>476</b>	<b>563</b>
	<b>General fund</b>	<b>Reval reserve</b>
	<b>£'000</b>	<b>£'000</b>
<b>Taxpayers' equity at 31 March 2009 under UK GAAP</b>	<b>2,670</b>	<b>440</b>
Adjustments for:		
Holiday Pay accrual (IAS19)	(669)	0
Capitalisation of EARS 2 (IAS38)	178	0
Depreciation on EARS 2 (IAS38)	(36)	0
<b>Taxpayers' equity at 1 April 2009 under IFRS</b>	<b>2,143</b>	<b>440</b>
	<b>£000</b>	
<b>Net expenditure for 2008-09 under UK GAAP</b>	<b>45,892</b>	
Adjustments for:		
Holiday Pay accrual	42	
Capitalisation of EARS 2	(68)	
Depreciation Charge on EARS 2	36	
Cost of Capital	(18)	
<b>Net expenditure for 2008-09 under IFRS</b>	<b>45,884</b>	

Acas' financial statements for the year ended 31 March 2010 are the first financial statements that comply with IFRS as adapted and interpreted in the FReM for the public sector. Acas has applied IFRS 1 in preparing these financial statements.

Acas' IFRS transition date is 1 April 2008 and its opening IFRS balance sheet has been prepared at that date. Acas' IFRS adoption date is 1 April 2009 and the reporting date of these financial statements is 31 March 2010.

Unused employee leave entitlements were not recognised as a liability under previous UK GAAP. IAS 19 requires Acas to recognise employees' unused leave entitlements that can be carried forward at balance sheet date, to the

extent that Acas anticipates that it will be used by employees to cover future leave absence. The amount of unused employee leave liability recognised on transition to IFRS is £627k and at 31 March 2009 is £669k. For 2009-10, an additional £115k has been accrued to reflect the increase in employees.

IAS 38 allows the recognition of internally generated intangible assets where an asset can be identified, economic benefit will flow to Acas as a result of the asset and costs can be reliably measured. Acas therefore recognises the development of the 'EARS 2' database as a capital asset, as the above criteria have been met. Capitalisation costs at the date of transition were £110k and £178k at the 31 March 2009.

### 3. Staff Numbers and Related Costs

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

	2009-10					2008-09
	Permanently Employed	Others	Ministers	Special Advisors	Total	
Acas National	123	6	0	0	129	177
Regional Offices	702	28	0	0	730	582
Certification Office	9	0	0	0	9	10
Central Arbitration Committee	12	0	0	0	12	11
<b>Total</b>	<b>846</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>880</b>	<b>780</b>

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

	2009-10			2008-09
	Permanently Employed	Others	Total	
	£'000	£'000	£'000	£'000
<b>Acas</b>				
Wages and salaries	23,240	2,499	25,739	22,452
Social security costs	1,708	196	1,904	1,713
Other pensions costs	4,192	257	4,449	4,160
<b>Sub total</b>	<b>29,140</b>	<b>2,952</b>	<b>32,092</b>	<b>28,325</b>
Less recoveries in respect of outward secondments	(21)	0	(21)	0
<b>Total Net Costs</b>	<b>29,119</b>	<b>2,952</b>	<b>32,071</b>	<b>28,325</b>
<b>CO &amp; CAC</b>				
Wages and salaries	800	49	849	867
Social security costs	62	4	66	67
Other pensions costs	147	6	153	159
<b>Sub total</b>	<b>1,009</b>	<b>59</b>	<b>1,068</b>	<b>1,093</b>
Less recoveries in respect of outward secondments	0	0	0	0
<b>Total Net Costs</b>	<b>1,009</b>	<b>59</b>	<b>1,068</b>	<b>1,093</b>
<b>Total Acas, CO &amp; CAC</b>				
Wages and salaries	24,040	2,548	26,588	23,319
Social security costs	1,770	200	1,970	1,780
Other pensions costs	4,339	263	4,602	4,319
<b>Sub total</b>	<b>30,149</b>	<b>3,011</b>	<b>33,160</b>	<b>29,418</b>
Less recoveries in respect of outward secondments	(21)	0	(21)	0
<b>Total Net Costs</b>	<b>30,128</b>	<b>3,011</b>	<b>33,139</b>	<b>29,418</b>

## (c) Pensions and Early Retirement

	<b>2009-10</b>			<b>2008-09</b>
	<b>Current year</b>	<b>Future year</b>	<b>Total</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Costs met by Acas:				
In year expenditure (note 12.1)	1,086	0	1,086	1,314
Provisions for future years	0	118	118	0
	<b>1,086</b>	<b>118</b>	<b>1,204</b>	<b>1,314</b>

## 4. Other Expenditures

	2009-10			2008-09		
	ACAS	CO/CAC	TOTAL	ACAS	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	6,395	69	6,464	6,908	179	7,087
Travelling and incidental expenses	1,941	7	1,948	1,822	11	1,833
Fees and expenses of arbitrators, conciliators & CAC members	52	10	62	16	27	43
Running Costs	7,387	46	7,433	5,963	32	5,995
Services provided by OGDs	45	0	45	37	0	37
Rentals under operating leases	271	0	271	155	0	155
External audit fees	44	0	44	40	0	40
Staff training costs	946	5	951	655	4	659
Research and development costs	1,988	0	1,988	1,763	4	1,767
Conference costs	69	18	87	87	15	102
Legal costs	172	6	178	72	6	78
Bad debts	1	0	1	10	0	10
<i>Non-cash costs:</i>						
Depreciation	1,603	0	1,603	2,274	0	2,274
Losses, write offs and loss on disposal of property, plant and equipment	268	0	268	18	0	18
Loss on Revaluation	11	0	11	49	0	49
Provisions for liabilities and charges - Former Chairpersons Pensions	(15)	0	(15)	0	0	0
Provisions for liabilities and charges - Dilapidations	1,125	0	1,125	219	0	219
Unwinding of Discount	129	0	129	50	0	50
Cost of Capital Charges	137	0	137	37	0	37
	<b>22,569</b>	<b>161</b>	<b>22,730</b>	<b>20,175</b>	<b>278</b>	<b>20,453</b>

## 5. Income

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

	2009-10			2008-09		
	ACAS	CO/CAC	TOTAL	ACAS	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	3,779	10	3,789	3,884	15	3,899
Sale of publications etc	35	0	35	34	0	34
Other receipts	90	0	90	54	0	54
	<b>3,904</b>	<b>10</b>	<b>3,914</b>	<b>3,972</b>	<b>15</b>	<b>3,987</b>

The CAC has no Operating Income.

## 6.1. Property, Plant and Equipment

	<b>Assets Under Construction</b>	<b>Leasehold Improvements</b>	<b>Computer Hardware, Telecomms &amp; Office Mach.</b>	<b>Furniture Fixtures &amp; Fittings</b>	<b>Total</b>
Cost or Valuation	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1st April 2009</b>	<b>4,161</b>	<b>11,771</b>	<b>5,124</b>	<b>1,809</b>	<b>22,865</b>
Additions	2,907	1,401	342	315	4,965
Disposals	0	(6,393)	(1,531)	(766)	(8,690)
Revaluations	0	62	280	8	350
<b>At 31st March 2010</b>	<b>7,068</b>	<b>6,841</b>	<b>4,215</b>	<b>1,366</b>	<b>19,490</b>
Depreciation					
<b>At 1st April 2009</b>	<b>0</b>	<b>8,568</b>	<b>3,218</b>	<b>1,386</b>	<b>13,172</b>
Charge in year	0	648	606	134	1,388
Disposals	0	(6,218)	(1,472)	(736)	(8,426)
Revaluations	0	24	126	3	153
<b>At 31st March 2010</b>	<b>0</b>	<b>3,022</b>	<b>2,478</b>	<b>787</b>	<b>6,287</b>
<b>Net Book Value at 31st March 2010</b>	<b>7,068</b>	<b>3,819</b>	<b>1,737</b>	<b>579</b>	<b>13,203</b>

During the year the Tribunal Service purchased assets on behalf of Acas totalling £2,907k. This was financed out of Acas's Grant-in-Aid. These are disclosed as 'Assets Under Construction' as they are not yet operational. The assets were transferred to Acas during the year and form part of joint ETS / Acas Caseflow system.

	<b>Assets Under Construction</b>	<b>Leasehold Improvements</b>	<b>Computer Hardware, Telecomms &amp; Office Mach.</b>	<b>Furniture Fixtures &amp; Fittings</b>	<b>Total</b>
Cost or Valuation	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1st April 2008</b>	<b>1,540</b>	<b>9,049</b>	<b>4,374</b>	<b>1,883</b>	<b>16,846</b>
Additions	2,621	2,260	915	152	5,948
Disposals	0	(13)	(124)	(242)	(379)
Revaluations	0	475	(41)	16	450
<b>At 31st March 2009</b>	<b>4,161</b>	<b>11,771</b>	<b>5,124</b>	<b>1,809</b>	<b>22,865</b>
Depreciation					
<b>At 1st April 2008</b>	<b>0</b>	<b>6,949</b>	<b>2,654</b>	<b>1,490</b>	<b>11,093</b>
Charge in year	0	1,217	695	119	2,031
Disposals	0	(11)	(118)	(231)	(360)
Revaluations	0	413	(14)	8	407
<b>At 31st March 2009</b>	<b>0</b>	<b>8,568</b>	<b>3,218</b>	<b>1,386</b>	<b>13,172</b>
<b>Net Book Value at 31st March 2009</b>	<b>4,161</b>	<b>3,203</b>	<b>1,907</b>	<b>423</b>	<b>9,694</b>
<b>Net Book Value at 1st April 2008</b>	<b>1,540</b>	<b>2,100</b>	<b>1,720</b>	<b>392</b>	<b>5,752</b>

## 6.2 Intangible Fixed Assets

	<b>Computer Software</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost or Valuation			
<b>At 1st April 2009</b>	<b>2,228</b>	0	2,228
Additions	173	131	304
Disposals	(36)	0	(36)
Revaluation	120	0	120
Transfer	0	0	0
<b>At 31st March 2010</b>	<b>2,485</b>	<b>131</b>	<b>2,616</b>
Depreciation			
<b>At 1st April 2009</b>	<b>1,580</b>	<b>0</b>	<b>1,580</b>
Charge in Year	217	0	217
Disposals	(36)	0	(36)
Revaluation	41	0	41
<b>At 31st March 2010</b>	<b>1,802</b>	<b>0</b>	<b>1,802</b>
<b>Net Book Value at 31st March 2010</b>	<b>683</b>	<b>131</b>	<b>814</b>
	<b>Computer Software</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost or Valuation			
<b>At 1st April 2008</b>	<b>1,764</b>	<b>111</b>	<b>1,875</b>
Additions	377	0	377
Disposals	0	0	0
Revaluation	(24)	0	(24)
Transfer	111	(111)	0
<b>At 31st March 2009</b>	<b>2,228</b>	<b>0</b>	<b>2,228</b>
Depreciation			
<b>At 1st April 2008</b>	<b>1,348</b>	<b>0</b>	<b>1,348</b>
Charge in Year	243	0	243
Disposals	0	0	0
Revaluation	(11)	0	(11)
<b>At 31st March 2009</b>	<b>1,580</b>	<b>0</b>	<b>1,580</b>
<b>Net Book Value at 31st March 2009</b>	<b>648</b>	<b>0</b>	<b>648</b>
<b>Net Book Value at 1st April 2008</b>	<b>416</b>	<b>111</b>	<b>527</b>

## 7. Inventories

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

	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Closing inventories	17	8	25

## 8. Trade Receivables and Other Current Assets

	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:			
VAT receivables	354	238	278
Deposits and advances (staff)	63	64	74
Trade Receivables	508	663	624
Prepayments	1,066	1,758	2,167
	<b>1,991</b>	<b>2,723</b>	<b>3,143</b>
Amounts falling due after more than one year:			
Deposits and advances (staff)	38	41	46
	<b>2,029</b>	<b>2,764</b>	<b>3,189</b>

## 9. Cash and Cash Equivalents

	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1st April	(441)	1,966	497
Net cash inflow	1,690	(2,407)	1,469
<b>Balance at 31st March</b>	<b>1,249</b>	<b>(441)</b>	<b>1,966</b>
The following balances at 31st March are held at:			
Office of Paymaster General	1,249	(441)	1,966
	<b>1,249</b>	<b>(441)</b>	<b>1,966</b>

## 10. Trade Payables and Other Current Liabilities

	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>1 April 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade Payables	412	1,352	1,439
Accruals	3,494	2,159	1,561
Holiday Pay	784	669	627
Deferred Income	463	440	239
	<b>5,153</b>	<b>4,620</b>	<b>3,866</b>

## 11. Movements in Working Capital other than Cash

	<b>2009-10</b>	<b>2008-09</b>
	<b>£'000</b>	<b>£'000</b>
(Increase)/Decrease in inventories	(9)	17
Decrease in receivables	735	425
Increase in payables	533	754
	<b>1,259</b>	<b>1,196</b>

## 12. Provisions and Contingent Liabilities

### 12.1 Provisions for Liabilities and Charges

	<b>* Future Pensions</b>	<b>** VER Scheme</b>	<b>*** Dilapidations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Opening Provisions at 1st April 2009</b>	<b>255</b>	<b>3,658</b>	<b>1,558</b>	<b>5,471</b>
In period:				
Expenditure during year	(26)	(1,060)	(204)	(1,290)
Increase in provisions	118	0	1,679	1,797
Reversed unused in the year	(133)	0	(554)	(687)
Unwinding of discount	0	129	0	129
<b>Closing Provision at 31st March 2010</b>	<b>214</b>	<b>2,727</b>	<b>2,479</b>	<b>5,420</b>



	* Future Pensions	** VER Scheme	*** Dilapidations	Total
	£'000	£'000	£'000	£'000
<b>Summary of Cashflow Timings</b>				
Within 1 Year	26	861	203	1,090
Between 2 and 5 Years	104	1,775	1,286	3,165
Beyond 5 Years	84	91	990	1,165
<b>Total</b>	<b>214</b>	<b>2,727</b>	<b>2,479</b>	<b>5,420</b>

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

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

\*\*\* This covers dilapidations to leasehold properties where the terms of the lease impose a liability on Acas to restore the property to its original state.

	* Future Pensions	** VER Scheme	*** Dilapidations	Total
	£'000	£'000	£'000	£'000
<b>Opening Provisions at 1st April 2008</b>	<b>280</b>	<b>4,897</b>	<b>1,377</b>	<b>6,554</b>
In period:				
Expenditure during year	(25)	(1,289)	(38)	(1,352)
Increase in provisions	0	0	268	268
Reversed unused in the year	0	0	(49)	(49)
Unwinding of discount	0	50	0	50
<b>Closing Provision at 31st March 2009</b>	<b>255</b>	<b>3,658</b>	<b>1,558</b>	<b>5,471</b>

## 12.2 Contingent Liabilities

There was one personal injury case and one Employment Tribunal case against Acas pending at the year end. The estimated costs if Acas was found liable would be approximately £62,000.

## 13. Capital Commitments

Acas is committed to further capital expenditure of £782k as at 31st March; this is in relation to the Caseflow project.

## 14. Commitments under Operating Leases

	2009-10		2008-09	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
<b>Obligations under Operating Leases</b>				
Not later than one year	2,661	101	3,201	94
Later than one year and not later than five years	10,024	303	10,673	196
Later than five years	11,237	0	14,242	4
	<b>23,922</b>	<b>404</b>	<b>28,116</b>	<b>294</b>

## 15. Related Party Transactions

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

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

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

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

## 16. Financial Instruments

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

## 17. Intra-Government Balances

	Receivables: amounts falling due within one year	Receivables: amounts falling due after more than one year	Payables: amounts falling due within one year
	£'000	£'000	£'000
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
<b>Total as at 31 March 2010</b>	<b>1,991</b>	<b>38</b>	<b>5,153</b>
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
<b>Total as at 31 March 2009</b>	<b>2,723</b>	<b>41</b>	<b>4,620</b>

## 18. Losses and Special Payments

No material Losses or Special Payments were made during the year.

## 19. Post Balance Sheet Events

The financial statements were authorised for issue by the Accounting Officer (John Taylor) on 23 July 2010. Post balance sheet events have not been considered after this date.



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