

The Acas logo is displayed in a light blue, lowercase, sans-serif font in the top right corner of the cover. The background is a solid blue color with several thin white lines crisscrossing diagonally across it.

acas

**Advisory, Conciliation and
Arbitration Service (Acas)**

**Annual Report and
Accounts 2013/14**

HC 433

Advisory, Conciliation and Arbitration Service (Acas) Annual Report and Accounts 2013/14

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

Ordered by the House of Commons to be printed on 15 July 2014.



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This publication is available at www.gov.uk/government/publications

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

Print ISBN 9781474109154

Web ISBN 9781474109161

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 07071402 07/14

Printed on paper containing 75% recycled fibre content minimum

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HC 433

“Visited @acasorguk. Hidden powerhouse of economy, improving workplace relations, helping SMEs employ staff. Launching early conciliation Mon”

Tweet by Martin Donnelly, Permanent Secretary, Department for Business, Innovation and Skills, following a visit to Acas on 4 April 2014

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Joint statement



Our purpose is to improve working life and organisational success. We do this through a wide range of services to organisations, people at work and their representatives.

Every £1 spent on Acas conciliation in disputes between groups of workers and their employers benefits the economy by £76

This report covers our work in 2013/14, a year which saw important endorsement of Acas with the conclusion of the Government's triennial review that we should continue to provide our key functions and remain an independent arm's length body.

During the year we continued to deliver high volumes of services through our millions of contacts with employers,

employees and their representatives. And we worked across the organisation to prepare for smooth introduction of the new Early Conciliation service in April 2014.

It is always pleasing to hear from individual customers about the impact of our work. Our systematic evaluation of our services also finds a high level of satisfaction and positive evidence of their value.

We know that good practice in the workplace and good employment relations make a difference to productivity. This is more important than ever, as the economy emerges from recession and organisations seek to stabilise and prosper. Our reach is significant and analysis based on independent

evaluations demonstrates that we make a difference to the economy as a whole, with at least £12 benefit from every £1 we spend.

We continuously improve our effectiveness, efficiency and customer service to be the best that we can be. In 2013/14 we increased our use of digital technology to reach new audiences and deliver services cost-effectively, for example reaching 149,000 subscribers to our e-newsletter for employers and answering around a million questions through our new online helpline.

Our customers depend on the skills, knowledge and commitment of people across Acas. One of our priorities is to continue to develop as a flexible and resilient organisation. We thank colleagues across the organisation for their contribution to this work, their readiness to innovate and their openness to change.

Acas Council set the direction for the future in our new Strategic Plan, published in February. This builds on our strengths as trusted and impartial experts and sets a challenging agenda for us to achieve. We have used our strategic objectives as the framework for this report.

Like other achievements this year, the Strategic Plan owes much to the chairmanship of Ed Sweeney, and we are extremely grateful for all that he contributed to Acas from October 2007 to his departure in January 2014.

Who we are

“ We know that good workplace relations are critical to helping businesses succeed and grow. This is why last year’s Triennial Review endorsed Acas’ full range of services. I believe Acas has an important role to play in ensuring our labour market continues to be flexible, effective and fair.
Dr Vince Cable, Secretary of State, BIS

“ As we start down the road to economic recovery, the TUC believes that unions, employers and government need to work together to put high quality, secure and rewarding employment at the heart of a sustainable and rebalanced economy. I firmly believe Acas has an important contribution to make towards this essential goal.
Frances O’Grady, General Secretary, TUC

“ Acas plays a crucial role in promoting and maintaining good employment relations in the UK. It is greatly valued by business as an independent and authoritative source of advice and guidance. The introduction of Early Conciliation will further strengthen the role Acas plays in facilitating positive resolutions to workplace disputes.
John Cridland, Director-General, CBI

Acas is an independent Crown Executive Non Departmental Public Body (NDPB), created by the Employment Protection Act 1975.

We provide a range of services which improve organisations and working lives for the benefit of individuals, businesses and the economy as a whole.

Acas is funded by the Department for Business, Innovation and Skills (BIS) and charges to recover the costs of some of its services.

Our governance is assured through a Council which sets our strategic direction, policies and priorities. It also ensures that statutory duties and other work are carried out effectively.

The Council Chair and members are leading figures from the world of business, trade unions, academia and the legal profession. Appointments to the Council are made by the Secretary of State for Business, Innovation and Skills.

Acas’ effectiveness depends on its perceived and actual impartiality in addressing disputes and providing advice. This is recognised in the Act, which states that Acas is not subject to Ministerial direction.

A full list of Council members during 2013/14 is at Annex 1 and an Acas organisational chart at Annex 2.

Our aims

Acas' strategic aims are:

- To improve organisational performance and the quality of working life by providing practical advice and expert support.
- To resolve disputes at work at the earliest stage and help avoid conflict in the future.
- To lead debates on employment issues using insight from its own experience and wider research.
- To continue to develop as a flexible and resilient organisation that uses the skills of its people to provide value for money and excellence in everything it does.

These aims are underpinned by duties and functions set out in law.

- 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 on good employment practice.
- To provide conciliation in complaints made by individuals under legislation on employment rights.
- To provide a conciliation service to resolve collective employment disputes.
- To arrange independent arbitration and mediation.
- To maintain a panel of independent experts for equal pay claims in employment tribunals.
- To administer the Acas Arbitration Scheme, including the appointment of arbitrators, administrative assistance during the hearing and the scrutiny of awards.
- To provide a secretariat for the Police Arbitration Tribunal.

“ Acas is a unique 21st century institution, offering impartial and trusted advice and, through Early Conciliation, delivering significant and sustainable benefits to businesses, their workforces, and the economy. Acas' role in helping resolve the big organisational challenges of the coming decade – restoring productivity growth while ensuring a fair distribution of rewards through good practice and progressive organisational change – cannot be under-estimated.

Ian Brinkley, Chief Economist, The Work Foundation

Why our work matters

Poor working relationships, and the absence of robust policies and procedures reduce people's commitment to the organisations they work in. Conflict at work, if not handled well, has an impact on those directly involved, on colleagues and on customers.

Low awareness of legal rights, legal responsibilities and good practice undermine confidence in handling problems. Employment Tribunals cases can be costly in time and money, creating uncertainty and anxiety for all those involved. All of these factors can harm productivity and growth.

Acas exists to prevent these problems by improving workplace relationships and practice; and, when things have gone wrong, helping people reach a solution before matters come to a head in industrial action or an Employment Tribunal hearing.

We know our work makes a difference through regular independent evaluation of our services and through the feedback we receive from customers.

Our wider economic impact is borne out in analysis based on an approach developed by the National Institute of Economic and Social Research and published in 2013/14*. This shows high benefit to cost ratios for all our services, with at least £12 benefit for every £1 of our costs.

“ We know that positive employee relations matter to the bottom line. If we are to build strong, sustainable and profitable organisations in a growing economy, we need to ensure that employees are engaged.

Acas have done fantastic work over many years to promote good workplace relations. Their work is always evidence-based, incisive and effective. They are a great asset to British employers and I could not recommend them more highly.

Nita Clarke, OBE, Director, IPA

| Acas Activity | Benefits to Costs ratio £ benefit: £1 cost** | |
|---------------------------|---|-----------------|
| | Highest scenario | Lowest Scenario |
| Individual conciliation | 6:1 | 5:1 |
| Collective conciliation | 76:1 | 76:1 |
| Acas helpline | 65:1 | 25:1 |
| Workplace projects | 8:1 | 4:1 |
| Open access training | 59:1 | 30:1 |
| Guidance and publications | 27:1 | 13:1 |
| Total | 22:1 | 12:1 |

*Acas Research and Evaluation Section (2014), "Measuring the Value and Impacts of Acas", www.acas.org.uk/researchpapers

** Based on levels of Acas activity in 2010/11

The year in figures

Acas Helpline

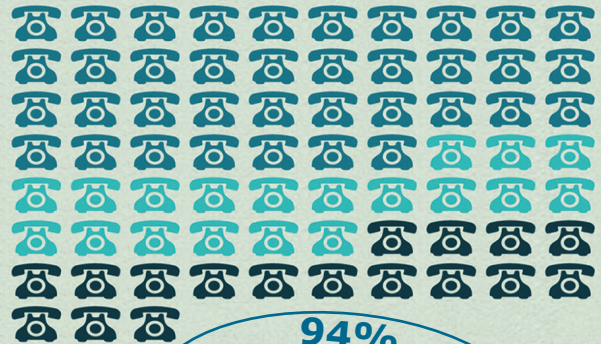


Every **£1** invested in Acas generates at least **£12** for the economy



Top three topics:

- 37% – Discipline, dismissal & grievance
- 19% – Contracts
- 17% – Redundancies, lay-offs & business transfers



94% Customers satisfied with Acas Helpline



95% Acas workplace training customers would recommend it to others



29,960 total delegates trained



99% of customers satisfied with Acas training



83% satisfied with Acas conciliation



94% success rate resolving collective disputes

18.9K LinkedIn members



8.7K Twitter followers



129K subscribers to e-newsletter



30 Acas staff received qualifications



256K downloads of Acas free online tools



68% Employee Engagement index

Improving organisational performance and the quality of working life by providing practical advice and expert support

Why this matters

Fair and effective workplaces depend on organisations and individuals having the skills and knowledge they need to raise levels of performance and wellbeing. Access to clear, impartial and authoritative information builds confidence in employing people; improves the handling of people issues; and provides a basis for sustainable growth.

In 2013/14 we did this by

- ▶ Setting standards on how to deal with workplace issues.
- ▶ Providing employers, employees and representatives with practical and accessible advice and training on employment policies and procedures.
- ▶ Providing in-depth support on the law and key workplace issues.
- ▶ Giving managers the skills and confidence to lead and manage.
- ▶ Building the skills and capacity of employers and employee representatives to solve problems together.

In more detail

Codes of Practice

Acas is responsible for producing Codes of Practice which set standards and are taken into account by Employment Tribunals when considering individual cases. Each of these Codes carries the authority of the Acas Council, and of approval by the Secretary of State and Parliament.

In July 2013 we published a new Code covering changes to the legal position when an employer and employee discuss ending an employment relationship through a Settlement Agreement.

To help employers and employees plan ahead, we also published a draft Code of Practice on the planned extension in June 2014 of the right to request flexible working.

Like other Codes, both of these were accompanied by practical guidance for employers and employees.

In 2013/14, we consulted on changes to our Code of Practice on disciplinary and grievance procedures to take account of an Employment Appeal Tribunal decision on an employee's right to be accompanied at meetings. A draft of the revised Code was sent to the Secretary of State for approval.

In-depth guidance

The Acas website provides detailed practical guidance on good practice in the workplace.

In 2013/14, as well as the guidance related to Codes of Practice, we launched new publications on:

- the Transfer of Undertakings (Protection of Employment) Regulations (TUPE)
- asking questions where there may be an issue of discrimination, following the repeal of Section 138 of the Equality Act 2010
- meeting the needs of breastfeeding employees.

Our Codes and in-depth guides were downloaded over 750,000 times.

Quick reference guidance

Not all customers need in-depth guidance. Many simply want to know the key points which will help them handle workplace issues. To meet this need our website includes short A-Z articles on subjects from absence management to zero hours contracts. During 2013/14, customers accessed these articles over 4.3 million times.

Acas Helpline

Acas Helpline advisers provide expert, impartial answers to questions on employment-related issues over the phone. We train them internally on both call handling and employment issues: the advice they give is not scripted, but responds to the caller's needs. A wide range of customers call us – employees, trade unions, legal representatives, line managers, small business owners, and large organisations.

During 2013/14, the Helpline handled nearly 900,000 calls.

Identifying and meeting customer needs

An increasing number of calls to our Helpline on TUPE alerted us to the need for guidance about changes to the law.

We spoke to organisations and trade unions with experience of TUPE and decided to prepare a range of guidance documents – the first on changes to the legal framework was published in 2013/14. It received 89,000 page views and 22,000 downloads within two months of launch, confirming that this was a key workplace issue where customers needed the support we provided.

We will publish further good practice guidance on TUPE for employers and employees later in 2014.

Help for small businesses

At Acas we know that small businesses often face multiple pressures and need help to get people issues right first time as they work to establish themselves and grow.

256,000
copies
downloaded 

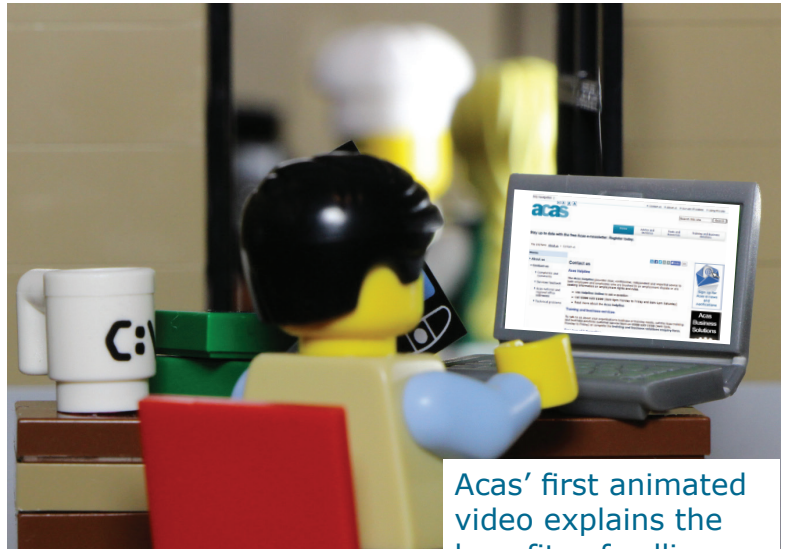
To help this key audience we produced seven step-by-step guides covering the employment relationship from recruitment to handling small-scale redundancies. These were used almost 125,000 times in the year. We also expanded our range of free draft letters, forms and checklists and over 256,000 copies of these were downloaded.

Helpline Online

In June 2013 we launched a new digital service – 'Acas Helpline Online'. This is an interactive system available via our website, which offers guidance in response to questions from users. As a result, we are now able to answer customer questions round-the-clock, without them needing to turn to our telephone advice line unless a further level of support is needed.

“ Acas is an increasingly valuable resource for small businesses when it comes to employment relations. Its new online guides, which have been designed specifically with small businesses in mind, are particularly useful and will help small employers get the best out of their workforce and respond effectively to problems should they arise.

**John Allan, National Chairman,
Federation of Small Businesses**



Acas' first animated video explains the benefits of calling our Helpline (see p11).

By the end of March 2014, Helpline Online had answered almost one million questions from 250,000 customers, with more than 1,500 people using the service every day. Feedback from customers and tracking of frequently answered questions enables continuous improvement of the service.

Training

Acas runs training courses around the country – anyone can sign up to attend – and they cover workplace issues from the fundamentals of employing people for the first time, through to handling formal HR procedures and having difficult conversations. During 2013/14 we trained around 11,000 people at these events. Employment law remained the most popular training topic, reaching 4,600 delegates across more than 300 events.

We also offer a bespoke in-company training service, where Acas advisers work with organisations to address particular needs, for example improving absence handling or performance management. During the year we trained almost 19,000 people in more than 750 different organisations. The most requested topic for in-company training was discipline and grievance, an area where many employers are worried about making a mistake.

What our customers say (feedback from customers from a survey of the Acas helpline):

“It’s probably the best telephone Helpline I’ve ever used”

Employer

“Your advisers were extremely knowledgeable and very good at helping me to get to the core of my issues whilst being empathetic and pragmatic ...The advice I got from Acas was a lifeline”

Employee

When delivering bespoke training we encourage employers to involve managers, supervisors and employee representatives. In our experience this approach is highly effective in developing relationships as well as addressing particular training requirements and skills.

We charge a fee to cover the costs of running our face-to-face training events. However, in April 2013 we launched a range of free online training modules, which provide ready access to training on the basics of areas where people most often seek our advice. By the end of March 2014, over 6,000 customers had used these: the most popular modules were those covering equality and diversity, and bullying and harassment.

What our customers say (evaluation of Acas workplace training):

"I will definitely be recommending Acas training to HR colleagues in other venues!"

"I wish you well for the future and fingers crossed that now our staff are fully briefed in what to do or not do, there will be no need for Acas intervention!"

"I just wanted to send my thanks to you for a great training session..... Attendees have little or no management background and I know that the part of their role that they least enjoy is having those difficult conversations with their team, but after speaking with them today after your session, they felt more empowered to take that step forward and address situations they are facing."

Tailored support for organisations

Acas tailored support to individual organisations is not limited to training. In 2013/14 we completed 225 joint problem solving projects in a wide range of organisations, from small private sector firms to large public sector organisations, offering support on topics such as job evaluation and improving working relationships.

We carry out this work with the close involvement of employees and managers, aiming to develop underlying capability as well address immediate issues.

What our customers say

"I was really impressed with the actual preparation that Acas undertook before embarking on the project. They actually took time to get to know the organisation. It was a more bespoke offer than we would have got from anywhere else."

Employer

Reaching new audiences

We know our existing customers value our services, but we also know that we could help more people and organisations if we raised awareness of our services.

We use our website and media coverage, particularly in the specialist press, to alert people to changes in the law and consultations on which they might want to comment. During the year we took a systematic approach to raising awareness about the introduction of Early Conciliation in 2014, including through the use of the web, blogs, newsletters, podcasts, the specialist legal, HR and

trade press and in-house magazines. Email continues to be our most effective and low cost way to reach potential customers and keep them informed. By the end of the year we had 149,000 subscribers to our e-newsletter for employers and 1,400 subscribers to the newsletter for trade union officers.


Social media is increasingly important in enabling us to engage directly with our audiences, let them know about the services we offer, and share our content with their own networks. During the year our LinkedIn group grew from 11,000 to 19,000 members and our

Twitter followers from 3,700 to 8,700. We successfully piloted live interactive sessions on social media, answering questions directly on Twitter using the hashtag #AskAcas.

We had positive feedback about our first animated Helpline video, produced in house (see page 9). Featured on the Acas website, this covers entitlement to public

holidays, which can be a cause of confusion. The video also reinforces messages about the Helpline as a source of support.

92% of media coverage was favourable



Key stats

How we know if we're getting it right

During 2013/14 use of guidance on the website increased significantly (47%) reflecting the appetite amongst customers for online channels, as well as the availability and quality of new material.

“ Engaged staff and good employment relations underpin every successful business or organisation. That is why Acas plays such an important and practical role – giving advice and guidance on rights and responsibilities at work; providing training for managers and union representatives; helping to prevent and resolve disputes when they arise; and providing an authoritative voice on the workplace issues of the day.

Frances O'Grady, General Secretary, TUC

Independent customer research into the Acas Helpline showed high rates of customer satisfaction, with the telephone Helpline receiving an overall satisfaction rating of 94% and Helpline Online praised for its ease of use and clear, jargon free guidance.

The customer survey also highlighted the impact of

Acas advice, with 50% of employers saying they had updated/improved their policies or procedures as a result of their call, while 28% had implemented new ones.

But more important than raw statistics is a real understanding of whether we are meeting our customers' needs. In 2013/14:

- ▶ Evaluation of user experience of our website found that satisfaction was high among both employers (90%) and employees (80%).
- ▶ Evaluation of our Workplace Training services found that nearly all respondents (96%) reported that they were satisfied. Nearly nine in 10 respondents (87%) rated Acas Workplace Training as good or very good value for money and nearly all respondents (95%) would recommend Acas to other organisations.
- ▶ Independent evaluation of the Helpline Online service six months after launch found that people used it to complement our telephone service, finding it well suited for general enquiries and fact-checking, while the telephone service provided advice on more complex questions.
- ▶ The feedback from customers showed Helpline Advisers were viewed as understanding and professional, as well as being skilled at 'asking the right questions' and disentangling complex issues.

Key stats (cont)

- ▶ Evaluation of joint problem-solving projects published in 2013 found that nine out of 10 customers would recommend Acas involvement to others. They cited impartiality and independence as our key strengths in taking forward the work. Nearly two-thirds of managers surveyed (64%) said that policies, procedures or practices had been introduced, reviewed or revised as a result of an Acas project.

Based on industry survey tools, we know that 92% of our media coverage throughout the year was favourable. The average quarterly reach was 69% of UK adults and 71% for small and medium-sized enterprises. More than 65% of the coverage we received was from regional media.

Feedback from those who attend our training courses shows that our low-cost approach to reaching customers is working – 45% of delegates heard about the training course they attended from Acas emails and 22% from the Acas website.

Resolving disputes at work at the earliest stage and avoiding conflict in the future

Why this matters

Unresolved conflict is damaging for the people involved, can have a negative impact on workplace morale, and can lead to costs for organisations, lost productivity and damage to reputation.

Resolving conflict early brings significant benefits in workplace relations and economic terms. It avoids the lost productivity associated with breakdowns in relationships and the negative impact on the economy, organisations and employees associated with industrial action. It can also help avoid the time and stress involved in Employment Tribunal claims.

In 2013/14 we did this by

- ▶ Providing expert, impartial conciliation, mediation and arbitration service to employers, groups of employees and trade unions to help resolve collective disputes.
- ▶ Offering expert, impartial conciliation to help resolve disputes about individual rights at the earliest opportunity.
- ▶ Helping employers and employees to consider the root causes of conflict, to identify solutions and develop the skills to reduce the risk of further conflict.
- ▶ Promoting the benefits of early and alternative dispute resolution, such as mediation.
- ▶ Promoting a culture in workplaces in which managers and employee representatives have the skills and strategies for responding effectively to conflict.

In more detail

Conciliation in disputes between groups of workers and their employer

Acas is best known to many people for its conciliation work between employers and groups of employees, usually represented by trade unions (collective conciliation).

This area of work brings a very significant benefit to the economy, assessed as £76 for every £1 spent. This is because of the potentially substantial impact when disputes are not resolved.

For example in February, we helped secure suspension of a second 48-hour walkout on the London Underground, avoiding an increase in the costs associated with the first walkout, which the Federation of Small Businesses had estimated at £600 million.

During 2013/14, we were involved in more than 850 national and regional disputes in a wide range of employment sectors, including the motor manufacturing industry, air transport, postal service and education.

Fifty-two per cent of the disputes were about pay; 14% were about trade union recognition; and 12% about changes to working practices.

Acas has a duty to offer a collective conciliation service, but use of this service is voluntary. For conciliation to be effective those involved must be ready to focus on the future, on problem-solving and on possible common ground.

In a small minority of situations, insuperable difficulties prevent a settlement. With the agreement of parties, some of these may be referred on for determination by an arbitrator. However in the majority of cases the involvement of Acas conciliators helps resolve even the most difficult of situations.

In some cases our involvement continues beyond the immediate settlement through joint problem solving projects to avoid further dispute or make a success of an agreed settlement.

Royal Mail and the Communications Workers Union (CWU)

2013/14 saw a successful outcome to our work with the Royal Mail and the Communications Workers Union (CWU) after Acas was written into the 2010 agreement to provide continuing help with implementing the transformation of the business.

With Acas support, the CWU and Royal Mail reached an innovative three-year agreement, key elements of which are the use of mediation instead of industrial action.

Acas very much welcome that approach and hope it will enable the company and the union to continue to successfully go forward together.

Conciliation in disputes between individuals and their employer

Our pre-claim conciliation service (PCC) helps individuals and their employers resolve cases which are heading towards becoming an Employment Tribunal case, in a way that reduces costs, the time taken to find a solution and stress for everyone involved. In 2013/14 Acas received over 20,000 referrals for PCC.

At the beginning of 2014/15 PCC was replaced by Early Conciliation. This new service builds on the success of PCC: everyone who wishes to make an Employment Tribunal claim now has to notify Acas, and we give everybody the opportunity to find a solution through conciliation.

“Acas is a source of support and a route to resolution, objectively and calmly bringing its expertise and experience into the workplace. Key to this is trust and the unquestioned independence of the organisation. Acas sets a benchmark for employers, giving them confidence to deal fairly with workplace issues which are not always straightforward.
Tim Thomas, Head of Employment Policy, EEF, the manufacturers' organisation.

PCC figures do not include potential equal pay claims. These can take a number of years to resolve and frequently those involved reach an agreed settlement with Acas support, rather than making a Tribunal claim.

2013/14 saw us help settle 7,000 potential claims against local authorities. Employment Tribunals sometimes ask Acas to appoint an independent expert in cases where a report may be required on the extent to which the work covered by an equal pay claim is of equal value to that of other groups. Acas maintains a panel of experts for this purpose.

In addition to offering conciliation before tribunal cases are lodged, where this is unsuccessful and a claim is made, Acas has a duty to promote settlement in order to help avoid the need for hearing. In 2013/14, we received around 41,000 ET1 cases with most people involved in a case choosing to make use of our services. We helped resolve the majority of cases without the need for a tribunal hearing, saving time, costs and uncertainty for those involved, as well as reducing tribunal costs.

Individual mediation

Early intervention is important in managing workplace conflict and avoiding legal disputes and there is increasing awareness of the part that mediation can play: the most popular video on our website in 2013/14 was 'Mediation in Action', viewed over 14,000 times.

Acas offers a workplace mediation service, for which we charge a fee to recover costs. The conflicts at the heart of these mediations can have a significant impact, affecting the work environment, wellbeing and efficiency of an individual or team. It is not unusual for them to lead to time off work, anxiety, de-motivation and reduced effectiveness. Sometimes

those involved have already followed formal procedures with limited success.

As well as mediating in individual cases, we train others to do so. This includes running a five-day training course leading to accreditation in internal workplace mediation. In 2013/14 we trained over 300 people on these courses, twelve of which we ran in-house for employers wishing to significantly increase their mediation capability.

What our customers say:

"I recently attended Acas Mediation training and it was both informative and helpful. A lot of material and advice was provided, which was both practical and professional. I have no hesitation in recommending the course to others who need to understand what mediation is and how to go about providing it within their organisations, particularly with the view to proactively managing conflict and avoiding escalation to disciplinary or grievance procedures."

Director of Education, South East England

Key stats

How we know if we're getting it right

Interpreting the data on our individual conciliation and PCC services in 2013/14 is more complex than in previous years because of the introduction of fees by HM Courts and

Tribunals Service at the end of July 2013. The number of Employment Tribunal claims we received each month from August onwards was lower than the first part of the year.

The aim of our pre-claim conciliation service is to resolve issues without the need

94% of collective cases helped resolve the matter or move it towards a resolution



for a tribunal claim to be made. In 2012/13 we made a positive impact in 77% of cases, with only 23% going on to become a Tribunal claim. In 2013/14 the proportion going on to become a claim was even lower (17%) but it seems likely that this reduced claim rate reflects the generally lower likelihood of ET claims following the introduction of fees from August.

The aim of conciliation once a Tribunal claim has been lodged is to avoid the need for a full hearing. However it is more beneficial to resolve cases that would result in longer hearings so we divide the caseload into three 'tracks' and prioritise the resolution of open track cases (two-day hearings on average) over standard ones (one-day) and fast track (quarter-day) ones.

Key stats (cont)

We calculate the number of potential hearing days saved by our work:

- 49% – the proportion of potential tribunal hearing days saved as a result of our intervention in fast-track cases (largely about monetary or entitlements to time off work)
- 69% – the corresponding proportion for standard-track cases (mainly potential unfair dismissals)
- 80% – for open-track cases (mostly discrimination claims).

The outturn on Potential Hearing Days Saved (PHDS) was below target and lower than the previous year. However this results from the effect that the drop off in case receipts has on the calculation. Following the introduction of fees the number of cases proceeding to hearing remained steady (because it takes



Acas plays a hugely valuable role (in employment relations) – challenging both sides assumptions about their position and the position of the other – to achieve resolution. I've had the pleasure over the years of working with Acas staff at all levels of the organisation and have been struck by the knowledge, the desire to make a difference and the professionalism of all involved.

**Martin Warren, Practice Group Head,
Human Resources Group & Head of
Labour Relations at Eversheds**

some months for cases to reach this stage) whereas the number of new cases available to settle reduced immediately. The overall effect of this compositional change is to reduce the outcome measure, even where conciliator performance remains the same.

The most recent evaluation of our individual mediation

service in 2012/13 found that 62% of those involved felt that the Acas mediation had either completely or partly resolved the issue (compared to 59% in 2011/12) and of these 72% were satisfied with the outcome reached. Almost eight in 10 (77%) participants were satisfied overall with the process.

Our Collective Conciliation remained highly effective, resolving matters or helping those involved move towards a resolution in 94% of cases.

Independent evaluations published in 2013 found that:

- ▶ PCC users rated the conciliators positively in terms of explaining the conciliation process, outlining employment law, relaying proposals to and from each side, helping users to understand the strengths and weaknesses of the claim and helping users consider the pros and cons of resolving the dispute without recourse at an Employment Tribunal.
- ▶ Of parties to cases that had already entered the Employment Tribunal process, 83% were 'extremely', 'very' or 'fairly satisfied' with the Acas conciliation service. The results matched or slightly improved upon the 2010 survey results, with parties praising the calibre of conciliators for their personal skills, and their ability to understand the case and how the parties feel about it.

Leading debates on employment issues

Why this matters

Social and public policy can have a direct and indirect impact on working life. But finding the right fit between policy and the complexity of modern workplaces is not always straightforward. Acas has millions of contacts with employers and employees every year and is in a unique position to help inform policy-making by providing information and evidence based on real workplace experiences.

We use the knowledge and evidence gathered from our work to prevent and resolve conflict, as well as our commissioned research to examine the employment relations implications of public policy, and to identify aspects of good workplace practice.

In 2013/14 we did this by

- ▶ Listening to the views of Acas customers and expert stakeholders about the problems at work.
- ▶ Using insight from Acas front-line staff to highlight emerging trends and the issues and concerns raised by employers and employees.
- ▶ Continuing to monitor employment relations developments, and publishing material that contributes to informed debate.
- ▶ Working collaboratively with policy-makers and stakeholders to produce relevant and timely commentaries, guidance and new products.

In more detail

Working with others

We have a strong tradition of working collaboratively with other bodies. This model of joint-working mirrors the governance arrangement of Acas with its Council comprising representatives from business, trade unions, academia and the legal profession. It also reflects the strong commitment to impartiality as demonstrated in all our services.

Involving stakeholders is an important element of developing Codes and guidance in Acas. During 2013/14 we consulted publicly on changes to our Code of Practice on disciplinary and grievance procedures, on the new Code on Settlement Agreements and on associated guidance.

We involved stakeholders in developing our in-depth guidance material including BIS and other government departments; employer associations such as the CBI, EEF and FSB; trade unions and the TUC; HR professionals; the legal profession, including the Employment Lawyers' Association; and via a small business panel.

In February 2014, we introduced our first stakeholder newsletter, covering key developments in the world of work. This was sent to around 550 partners, including other government departments, trade unions and business bodies.



Acas CEO, Anne Sharp, addresses stakeholders at a launch event for Acas' Strategic Plan 2014-2016 in February 2014.



Using the insight from our day-to-day contact with employers and employees

Every year Acas has millions of contacts with employers and employees around the country, either face-to-face, over the telephone or through our digital channels. This provides a unique insight on the issues which affect people's working lives. We use this to identify areas where there is a need for guidance or training. In 2013/14, this included:

- analysing calls to the Acas Helpline to inform work on zero hours contracts, including Acas Council's response to the Government's consultation on the subject
- identifying and meeting a need for guidance on changes to TUPE
- identifying issues relating to direct payments for personal care, which led to a policy paper addressing in particular the experience of elderly and disabled people faced with the challenges of being an employer. The paper was used as the basis for a discussion with Unison and a steering group established by Skills for Care to understand better direct payments in practice.

Collaborative work to support young workers

Like others with an interest in the workplace, Acas is concerned about the experience of young workers today. We know that line managers play a crucial role in supporting successful transition to working life.

We invited the Chartered Institute of Personnel and Development (CIPD) and Unionlearn to share their views in this issue at an Acas/TUC fringe event at the TUC Annual Congress in September 2013 and then undertook a collaborative project to develop a practical guide for employers. This was launched in February 2014.

The guide was strengthened by the use of data from a small-scale study we commissioned on the perspectives of young people entering work alongside case study evidence drawn from interviews with employers.

Research and commentary

Acas adds depth and rigour to its insights from the front line by commissioning research to generate a deeper understanding of key aspects of the world of work and Acas' role and services.

The longest running policy research project jointly sponsored by Acas is the Workplace Employment Relations Study (WERS), which dates back to 1980. In 2013 we published the analysis of the 2011 study, which is the sixth survey in the series. The timing of the 2011 study meant that it provided a useful vehicle for examining the impact of the economic recession on workplace relations.

Key Findings from the 2011 Workplace Employment Relations Study (with comparisons from the 2004 WERS*)

- 90% of managers reported some adverse effect of the recession on their workplace. 76% had responded by making changes including freezes or cuts in wages (42%), not filling vacancies (28%) or changes to the organisation of work (24%).
- Overall, managers and employees report a good or very good employment relations climate at their workplace (64% of managers; 54% of employees)
- The climate of employment relations was associated with how well workplaces fared in the recession: businesses that had not reported their climate of relations was 'very good' in 2004 were more likely to have been negatively impacted by the recession.
- Trade union recognition declined in small private sector workplaces but overall the proportion of workplaces (21%) that recognise a union to negotiate pay and conditions was stable. 6% of private sector and 56% of public sector workplaces (compared with 70% in 2004) set pay by collective bargaining.
- The overall proportion of workplaces with a Joint Consultative Committee (JCC) was stable between 2004 and 2011 (9% and 8% respectively) but had increased in organisations with 100-150 employees (9% to 20%).
- Compared with 2004, more workplaces held meetings and team briefings (from 75% to 80% and 60% to 66%, respectively). There was a substantial growth in the use of emails as a means of communicating with employees (35% to 49%).
- The number of workplaces that experienced a strike rose from 1% to 4% in 2011, driven by the rise in strikes in the public sector.
- The number of workplaces using grievance and disciplinary procedures that reflect the principles of Acas' statutory Code of Practice has risen since 2004. Only 7% of workplaces had used mediation.
- The most common sources of external advice for managers were Acas and external lawyers (with use of Acas increasing from 21% to 28%). Around 200,000 workplaces with five or more employees sought advice from Acas in the 12 months prior to the survey.

*The 2011 Workplace Employment Relations Study is representative of all workplaces in Britain, with five or more employees, excluding agriculture and mining. Download First Findings from <https://www.gov.uk/government/publications/the-2011-workplace-employment-relations-study-wers>. See also Van Wanrooy, Bewley, Bryson, Forth, Freeth, Stokes, and Wood. (2013) *Employment Relations in the Recession: Findings from the 2011 Workplace Employment Relations Study*. Basingstoke: Palgrave Macmillan

Other WERS sponsors are BIS, the Economic and Social Research Council (ESRC), the National Institute for Economic and Social Research (funded by the Nuffield Foundation) and the UK Commission for Employment and Skills. Underlying data is available on the Gov.uk website and through the ESRC archive for future academic analysis.

Acas has commissioned further analysis of the WERS data on issues such as worker representation, employee engagement, young workers and consultation arrangements.

“ The success of Acas as both conciliator and educator is reflected in the remarkably low level of disputes in Britain today.

By keeping the evidence base of its advice constantly up-to-date, Acas has helped British employers to pre-empt problems through appropriate procedures and shrewd judgement.

Wherever I travel I am impressed by Acas' high international reputation for professionalism and guidance.

Professor William Brown, Montague Burton Professor of Industrial Relations, Faculty of Economics, University of Cambridge

Highlights from our other policy research publications were:

- A qualitative study on the effects of the Agency Workers Regulations on employer and agency practice, in relation to compliance and the effect of the regulations.
- A study on the risks and opportunities of using social media in recruitment. This found that employers are increasingly using social media when recruiting, but that there are privacy issues. Acas will explore this in the coming year in new guidance on this topic.
- New research on the management of remote workers based on our experience as an employer, supplemented by a series of case studies from other UK organisations recognised for their flexible working practices. This will inform new guidance on the subject.

We also sponsored and participated in a seminar series on conflict management. The series, funded by the Economic and Social Research Council, brought together international academics, policy makers and practitioners to debate conflict handling strategies.

A subsequent Acas policy discussion paper considered broad trends, challenges and current thinking on effective approaches. The work will have a practical impact on our thinking as we consider issues such as updating our Code of Practice and guidance on discipline and grievance.

In February 2014 Acas launched its policy blog to give fresh commentary on topical employment issues. The blogs covered a wide range of subjects and were written from both a frontline and strategic perspective dealing with topical issues such as conflict handling, mental health and skills. We will look to develop the Acas Blog as a means of promoting debate with others interested in workplace topics.

International work

Acas has a strong reputation internationally and is frequently asked to share its experience with counterparts overseas. We also seek to learn from others, for example at an annual meeting of international dispute resolution bodies.

In 2013 we hosted delegations and individual visits from a wide range of countries. We contributed to an EU-funded and government endorsed project in Poland, designed to extend the use of Alternative Dispute Resolution in

workplace disputes. Future activity on this project will include training Polish mediators and conciliators.

Acas' expertise is recognised internationally and we hosted delegations and individuals from all over the world



Key facts

How we know if we're getting it right

Our approach to influencing and leading debates is to draw on evidence, to be impartial in our commentary, and to engage closely with stakeholders. We are informed by the experience and knowledge of Acas operational staff, and our team of professional researchers commissions independent research and analysis.

The readership of our research and policy papers has increased by 27% over the past 12 months (up to 1,400 subscribers) and during the year there were 3,100 downloads of policy papers and research reports from the website.

We have worked closely with a range of policy-makers across government departments and other bodies to provide insight on key policy areas, for instance, assessing the evidence on public consultations, and the practical implications of proposed and actual policy changes. We have spoken at a wide range of national and regional conferences, academic and practitioner seminars and been represented on policy forums contributing to debates on the future of workplace matters.

We use our evidence to inform wider public debate through publications, social media and speaking engagements. The media regularly looks to us for our expertise on a range of workplace issues as they see us as valued experts.

Our insight has helped to ensure that workplace issues remain firmly on the policy agenda, and that in particular the employment relations implications of policy change are taken into account. Some of the key areas in which we have advanced thinking in the last year include:

- ▶ Helping organisations make stronger connections between good workplace practices, employee wellbeing and productivity.
- ▶ Arguing the case for greater awareness of the importance of managers being open and responsive to the disclosure of mental health problems.
- ▶ Promoting a deeper and more strategic approach to conflict management which extends the concept of dispute resolution to a much richer notion of managers, employees and their representatives engaging in early and creative ways to handle conflict at work.
- ▶ Contributing to the widespread debate about zero hours contracts, particularly around the concept of 'exclusivity' – an area which has been considered in the government's consultation exercise. Our analysis has also reshaped Acas' guidance on zero-hours contracts and atypical contracts generally.

As we move forward in our ambition to lead debates on employment relations, we will continue to monitor traditional and social media to assess our impact, seek feedback on our publications, and capture evidence on our interactions with policy-makers and other commentators.

Continuing to develop as a flexible and resilient organisation

Why this matters

We know that our work makes a difference for the better to our customers and the wider economy. We are committed to continuing to meet customer needs, offering value for money and improving in all aspects of our work.

To succeed we need to manage finances effectively, playing our part at a time of pressure on public funding and delivering a sound return on investment. Our people are our core strength – to perform at our best we need to develop their skills, listen to what they tell us and empower them to think creatively about how we can continue to improve.

In 2013/14 we did this by

- ▶ Developing our staff to maximise their skills to ensure that the organisation operates at its best, provides excellent services and customer care.
- ▶ Growing digital capability to design and deliver digital products and services.
- ▶ Managing finances effectively by continuing to embed and enhance resource management systems and seek opportunities for reducing costs and developing commercial awareness.
- ▶ Responding to the Civil Service Reform agenda and embedding systems that build on its principles.
- ▶ Working collaboratively with the Department for Business, Innovation and Skills to ensure that the impact of decisions on resources is fully understood by all parties.

In more detail

Managing service implementation and improving delivery

Continuing preparation for the successful introduction of Early Conciliation (EC) in April 2014 was an important focus throughout the year. At the centre were the conciliators and their managers, but the work involved people across Acas, including on recruitment, IT changes, communications, research and training.

We took a systematic approach, involving our people and trade unions, seeking their views on the practical issues early in the process. Peer review and Internal Audit provided assurance on risk management. Our research team evaluated new

approaches where those could be piloted, for example with the introduction of a new role of EC support officers to improve efficiency in gathering basic details about cases.

This approach meant that we were ready to introduce EC on time and substantially below the original budget.

During the year we worked on improving customer service through efficiency of the Helpline, for example through changes to rostering arrangements. At the end of this financial year, we launched a new telephone number for the Helpline – 0300 123 1100 with the aim of reducing the cost for many callers from mobile phones.

“ The TUC greatly values the important work carried out by Acas staff up and down the country. In workplaces large and small, they provide support which is trusted and respected by managers and union reps alike.

**Frances O’Grady,
General Secretary, TUC**

We receive far more positive feedback from our customers than complaints. However, like any service delivery organisation handling high volumes of work, we receive some complaints. We want to understand what gives rise to them, address them fairly and efficiently and learn from them.

In early 2013, we updated and revised our complaints procedures to ensure that we were handling and responding to complaints as efficiently as possible.

From the beginning of June when we made the changes to the end of the operational year, we received 80 complaints. We responded to over 90% within 10 working days. We upheld just over a quarter either fully or partially. Two cases were referred to the Parliamentary Ombudsman: neither was upheld. Our new procedures ensure we have greater clarity on the level and nature of complaints and have allowed us to ensure remedial action is taken where necessary to prevent repetition.

Developing our organisational capability

During 2013/14, the senior team, trade unions and colleagues across Acas continued to work on a range of activities to improve organisational capability. Outputs fed into the Strategic Plan, the 2014/15 business plan, revised policies and a systematic approach to developing our leadership and management.

Management development was driven through a Management Development Programme, with follow up work in individual teams. Our successful ‘Future Leaders’ talent programme was evaluated and a second cohort launched, offering targeted development to enable people with potential to compete for future leadership posts.

We provide in-house training for all operational roles as well as wider skills development. Much of this provides portable skills and qualifications. In 2013/14 30 people achieved qualifications including post-graduate certificates, CIPD qualifications and NVQs.

Acas is covered by the Civil Service Reform Programme. This includes a range of initiatives designed to improve effectiveness and efficiency. Our work on Civil Service reform in 2013/14 included:

- developing a revised approach to performance appraisal for introduction in 2014/15
- the introduction of the Civil Service competency framework
- changes to some elements of terms and conditions for new starters.



Acas Helpline Advisers receive their post graduate certificates

Improving IT efficiency

IT is at the heart of service delivery. The year saw two major projects: overhauling and upgrading our case management system to provide greater resilience and responsiveness, which, in turn, was used to deliver the platform for Early Conciliation.

We completed our move to a shared data centre, saving public money and recycling excess heat to help the environment.

A significant programme of work was put in hand to meet our goal of 'secure information at any time and from anywhere'. The replacement of legacy and unsupported products is underway, and new technology is being deployed to help our mobile workforce deliver a better service to our customers.

In line with Civil Service policy, we made use of cloud-based services where appropriate, such as our new Acas Helpline Online service, reducing the cost and maintenance of internal systems.

We have continued to build our online presence launching new services in 2013/14, including Helpline Online and e-learning modules. Our 'digital by default' approach includes access to our new Early Conciliation service via a web form, and online publishing of all guidance products. We know that our customers value our online services and that they reflect a cost-effective way to grow our reach.

Use has been made of cloud-based services to help reduce costs and in line with Civil Service policy



Managing our finances

We continue to look for, and implement, opportunities to make the most effective use of our funding and have remained within the spending limits set by BIS at the beginning of the year. Efficiencies made in-year also meant that we were able to return some of our funding to BIS in order that they could meet pressures elsewhere in the Departmental budget. The impact of the in-year budget reductions and ongoing central Government spending restrictions did not negatively impact on the delivery of Acas' services and we were able to plan and prepare successfully for the launch of a new service – Early Conciliation – which launched on 6 April 2014.

Our income target for Good Practice Services, the work that we do for which we charge our customers, was exceeded and we successfully recovered the full costs of its delivery.

Acas is fully engaged with the various central initiatives to reduce and control costs across the public sector and to increase transparency in this area. We are actively involved in the shared services agenda, having already transferred much of our procurement and estates management activity to UKSBS, the BIS shared service provider.

A full set of accounts for 2013/14, 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 47 to 98).

| | £'000 |
|----------------------------|---------|
| Gross cost of Acas | 49,888 |
| Less income earned | (3,945) |
| Net expenditure | 45,943 |
| Grant in Aid | 45,800 |
| Capital expenditure | 1,567 |

Key facts

How we know if we're getting it right

Evaluating Acas' services is crucial for service accountability and improvement and the development of our staff and services. As well as research and commentary on employment relations, we conduct and commission robust process and impact evaluations of Acas services. We have published seven evaluation reports and several evaluation case studies in 2013/14, all of which are available on our website.

Performance across the organisation during the year confirms that we continued to develop our flexibility, resilience and capability at a time of significant pressure on the Public Sector. Our approach to finding savings at a time of tight funding and spending controls enabled us to prepare for delivery of Early Conciliation within budget. Our resources remained focused on front line service delivery, with resourcing of corporate service functions, such as finance, meeting or close to external best practice benchmarks.

Silver Service.
This year Acas gained Investors in People accreditation at Silver level



In December 2013 Acas achieved Investors in People (IiP) accreditation at Silver level, placing us in the top 5% of all IiP-recognised organisations. Our Employee Engagement Index increased to 68%, 6% above the average for high performing organisations in the Civil Service. We will continue to work to do even better.

Communication plays an important part in preparing staff and supporting them through change. In the 2014 People Survey, almost three quarters of our people said Acas kept them informed about matters that affected them. In addition, every quarter we ask 150 people, drawn randomly, for their views on how we publicise specific changes. We use the results to inform and improve future communications.

Acas performance against key performance indicators

Key performance indicators for Service Level Agreement¹

| | 2013/14 | | 2012/13 | |
|--|---------------|-------------|---------------|---------|
| | Target | Outturn | Target | Outturn |
| Conciliation in collective disputes: | | | | |
| a) The promotion of a settlement in disputes in which Acas is involved | 80% | 94% | 80% | 93% |
| b) Acas involvement in large-scale disputes | 100% | 100% | 100% | 100% |
| Conciliation in Employment Tribunal cases: | | | | |
| Percentage of tribunal hearing days saved as a consequence of conciliation ² | | | | |
| Fast track cases | 55% | 49% | 55% | 56% |
| Standard track cases | 70% | 69% | 70% | 74% |
| Open track cases | 85% | 80% | 85% | 84% |
| Pre-claim conciliation: | | | | |
| Percentage of appropriate PCC referrals for which no subsequent ET claim can be identified as having arisen within three months of closure | 72% | 83% | 72% | 77% |
| Workplace projects: | | | | |
| Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention | 70% | n/a | 70% | 72% |
| Acas training services: | | | | |
| Percentage of delegates reporting that training provided by Acas resulting in a review or change in policy or practice ³ | 80% | 78% | 80% | n/a |
| Helpline: | | | | |
| a) Percentage of calls answered in no more than 30 seconds | 90% | 69% | 90% | 64% |
| b) Average call quality ⁴ | 2.5 | 3.1 | 2.5 | 3.0 |
| c) Average adviser availability ⁵ | 23 hrs p/week | n/a | 23 hrs p/week | n/a |
| Non-statutory alternative dispute resolution: | | | | |
| a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas | 80% | 83% | 80% | n/a |
| b) Mediation services: percentage of mediations that are successful | 90% | 94% | 90% | 91% |

| | 2013/14 | | 2012/13 | |
|---|---------|---------|---------|---------|
| | Target | Outturn | Target | Outturn |
| Written information and guidance on good practice at work (including guidance on the Acas website and hard copy and online guidance): | | | | |
| a) The percentage of users for whom the guidance helped to solve a problem at work or reassured them that they had taken the right course of action | 65% | n/a | 65% | 71% |
| b) the percentage of users for whom the guidance helped to amend or introduce a policy | 15% | n/a | 15% | 27% |

Performance against customer satisfaction targets

| | 2013/14 | | 2012/13 | |
|---|---------|------------|---------|---------|
| | Target | Outturn | Target | Outturn |
| Helpline⁶: | | | | |
| a) customers satisfied with the service | 95% | 94% | 95% | n/a |
| b) the percentage of callers who were able to take clear action following their call to the Acas Helpline | 70% | 86% | 70% | n/a |
| Training services: | | | | |
| Customers satisfied with charged events | 95% | 99% | 95% | 98% |

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

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

3. An impact survey of open access training delegates did not take place in 2013/14 and so this measure is based solely on evaluation data from a 2013/14 impact survey of customers accessing Acas' workplace training service.

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

5. The number of hours per week of adviser availability is collected in a way which is no longer comparable with the 23 hour p/week target. In 2013/14 adviser availability time as a percentage of total paid time was 56.5%.

6. In 2014 Acas will evaluate its Helpline by surveying callers in four separate quarterly waves. The performance data cited derives solely from the first of the four quarterly surveys which is based on a random sample of calls received between 13 January 2014 and 25 January 2014.

Other performance targets

| | 2013/14 | | 2012/13 | |
|--|---------|-------------|---------|---------|
| | Target | Outturn | Target | Outturn |
| Percentage of arbitration awards provided to parties within three weeks of hearing | 100% | 100% | 100% | 94% |

Volume indicators

| | 2013/14 | 2012/13 |
|--|----------------|---------|
| Number of re-employments | 158 | 245 |
| Number of collective conciliation requests received | 858 | 875 |
| Number of workplace projects started | 225 | 246 |
| Number of requests for trade dispute arbitration | 15 | 17 |
| Number of calls answered by National Helpline | 895,748 | 928,995 |
| Number of calls answered by Equality Direct | 1,363 | 1,976 |
| Number of Helpline Online user sessions ⁷ | 310,983 | n/a |
| Number of advisory visits and in-depth phone calls | 4,721 | 3,687 |
| Number of training sessions delivered | 2,129 | 1,892 |

Cost of key services

| | 2013/14 | 2012/13 |
|---|---------------|---------|
| Cost of completed collective conciliation case where a settlement was achieved or significant progress made | £1,670 | £1,688 |
| Cost of an arbitration hearing | £5,057 | £4,723 |
| Cost of an individual conciliation/PCC case settled or withdrawn | £219 | £195 |
| Cost of a helpline enquiry answered | £5.90 | £6.50 |

7. Since its introduction in June 2013, Helpline Online has responded to a total of 926,723 questions from 310,983 user sessions.

Acas services in numbers⁸

Individual disputes⁹

Net ET1 conciliation cases received¹⁰

| | 2013/14 | | 2012/13 | | 2011/12 | |
|----------------|---------------------------------|-------|---------------|-------|---------------|-------|
| | NB ET Fees Introduced July 2013 | | | | | |
| | Volume | % | Volume | % | Volume | % |
| Fast track | 9,141 | 22.3% | 17,966 | 26.5% | 19,330 | 26.8% |
| Standard track | 18,689 | 45.7% | 31,070 | 45.8% | 32,047 | 44.5% |
| Open track | 13,108 | 32.0% | 18,789 | 27.7% | 20,698 | 28.7% |
| Total | 40,938 | | 67,825 | | 72,075 | |

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

| Jurisdictions | | ET1 | | | | | |
|--------------------------------------|-----------------------------------|---------------------------------|--------------------------|----------------|------------|----------------|------------|
| | | 2013/14 | | 2012/13 | | 2011/12 | |
| | | NB ET Fees Introduced July 2013 | | | | | |
| | | Volume | % of cases ¹¹ | Volume | % of cases | Volume | % of cases |
| Major jurisdictions by volume | Unfair dismissal | 24,306 | 59.4% | 37,598 | 55.4% | 40,580 | 56.3% |
| | Breach of contract | 14,144 | 34.5% | 23,849 | 35.2% | 25,475 | 35.3% |
| | Wages Act | 13,741 | 33.6% | 24,269 | 35.8% | 24,854 | 34.5% |
| | Working Time (Annual Leave) | 11,632 | 28.4% | 19,807 | 29.2% | 19,998 | 27.7% |
| | Disability discrimination | 5,098 | 12.5% | 6,976 | 10.3% | 7,302 | 10.1% |
| | Redundancy pay | 4,958 | 12.1% | 9,193 | 13.6% | 10,388 | 14.4% |
| | Sex discrimination | 3,636 | 8.9% | 5,213 | 7.7% | 5,801 | 8.0% |
| | Race discrimination | 2,846 | 7.0% | 4,288 | 6.3% | 4,579 | 6.4% |
| | Public interest disclosure | 2,032 | 5.0% | 2,338 | 3.4% | 2,193 | 3.0% |
| | Failure to provide T&Cs | 1,820 | 4.4% | 2,917 | 4.3% | 1,049 | 1.5% |
| | Age discrimination | 1,473 | 3.6% | 2,235 | 3.3% | 2,796 | 3.9% |
| Maternity detriment | 1,207 | 2.9% | 1,494 | 2.2% | 1,688 | 2.3% | |
| Other Jurisds. | Sexual orientation discrimination | 347 | 0.8% | 591 | 0.9% | 588 | 0.8% |
| | Religion or belief discrimination | 541 | 1.3% | 846 | 1.2% | 858 | 1.2% |
| Remain. jurisdictions. | Other | 6,226 | | 10,401 | | 9,467 | |
| | Total jurisdictions | 94,007 | | 152,015 | | 157,616 | |
| | Total cases | 40,938 | | 67,825 | | 72,075 | |

Net ET1 conciliation case outcomes

| | | 2013/14 | | 2012/13 | | 2011/12 | |
|----------------|--|---------------------------------|--------------|---------------|--------------|---------------|--------------|
| | | NB ET Fees Introduced July 2013 | | | | | |
| | | Volume | % | Volume | % | Volume | % |
| Fast track | Struck out | 857 | 6.2% | 905 | 5.4% | 978 | 5.2% |
| | Settled | 3,281 | 23.8% | 4,901 | 29.0% | 5,393 | 28.7% |
| | Withdrawn | 3,109 | 22.6% | 4,009 | 23.7% | 4,622 | 24.6% |
| | Default judgment | 1,697 | 12.3% | 2,857 | 16.9% | 2,959 | 15.7% |
| | Heard | 4,842 | 35.1% | 4,236 | 25.1% | 4,860 | 25.8% |
| | Total | 13,786 | | 16,908 | | 18,812 | |
| | Potential Hearing Days Saved (PHDS) | | 49.4% | | 55.7% | | 56.2% |
| Standard track | Struck out | 1,832 | 7.0% | 1,905 | 6.3% | 2,456 | 7.3% |
| | Settled | 11,595 | 44.1% | 14,663 | 48.4% | 15,706 | 46.7% |
| | Withdrawn | 5,333 | 20.3% | 6,426 | 21.2% | 7,222 | 21.5% |
| | Default judgment | 676 | 2.6% | 773 | 2.5% | 869 | 2.6% |
| | Heard | 6,858 | 26.1% | 6,551 | 21.6% | 7,394 | 22.0% |
| | Total | 26,294 | | 30,318 | | 33,647 | |
| | Potential Hearing Days Saved (PHDS) | | 69.2% | | 74.2% | | 73.5% |
| Open track | Struck out | 1,384 | 7.7% | 1,444 | 7.3% | 1,449 | 6.7% |
| | Settled | 8,643 | 48.2% | 10,409 | 52.5% | 11,021 | 51.3% |
| | Withdrawn | 4,610 | 25.7% | 4,982 | 25.1% | 5,815 | 27.1% |
| | Default judgment | 72 | 0.4% | 111 | 0.6% | 93 | 0.4% |
| | Heard | 3,230 | 18.0% | 2,890 | 14.6% | 3,112 | 14.5% |
| | Total | 17,939 | | 19,836 | | 21,490 | |
| | Potential Hearing Days Saved (PHDS) | | 80.1% | | 83.7% | | 84.0% |
| Overall | Struck out | 4,073 | 7.0% | 4,254 | 6.3% | 4,883 | 6.6% |
| | Settled | 23,519 | 40.5% | 29,973 | 44.7% | 32,120 | 43.4% |
| | Withdrawn | 13,052 | 22.5% | 15,417 | 23.0% | 17,659 | 23.9% |
| | Default judgment | 2,445 | 4.2% | 3,741 | 5.6% | 3,921 | 5.3% |
| | Heard | 14,930 | 25.7% | 13,677 | 20.4% | 15,366 | 20.8% |
| | Total | 58,019 | | 67,062 | | 73,949 | |
| | Potential Hearing Days Saved (PHDS) | | 74.8% | | 78.8% | | 78.7% |
| | Resolution rate¹² | | 67.8% | | 72.3% | | 72.1% |

Net referrals for Pre-Claim Conciliation (PCC) received¹³

| | | 2013/14 | | 2012/13 | | 2011/12 | |
|-----------------------------------|---------------------------|---------------|-------|---------------|-------|---------------|-------|
| | | Volume | % | Volume | % | Volume | % |
| All PCC referrals received | Fast track | 11,182 | 53.0% | 10,021 | 46.7% | 10,260 | 44.7% |
| | Standard track | 7,659 | 36.3% | 9,391 | 43.8% | 10,070 | 43.9% |
| | Open track | 2,254 | 10.7% | 2,051 | 9.6% | 2,623 | 11.4% |
| | Total¹⁴ | 21,762 | | 22,630 | | 23,777 | |

| | | 2013/14 | | 2012/13 | | 2011/12 | |
|------------------------------|----------------|---------------|----------------------------------|---------------|----------------------------------|---------------|----------------------------------|
| | | Volume | As % of referrals in given track | Volume | As % of referrals in given track | Volume | As % of referrals in given track |
| Approp. PCC referrals | Fast track | 10,182 | 91.1% | 8,860 | 88.4% | 9,361 | 91.2% |
| | Standard track | 7,054 | 92.1% | 8,639 | 92.0% | 9,412 | 93.5% |
| | Open track | 1,992 | 88.4% | 1,787 | 87.1% | 2,418 | 92.2% |
| | Total | 19,228 | 91.1% | 20,453 | 90.4% | 22,015 | 92.6% |

Net cases received for PCC by all grounds of complaint¹⁵

| | All jurisdictions | 2013/14 | | 2012/13 | | 2011/12 | |
|---------------------------------------|-----------------------------------|---------------|------------|---------------|------------|---------------|------------|
| | | Volume | % of cases | Volume | % of cases | Volume | % of cases |
| Major jurisdictions. by volume | Wages Act | 9,347 | 43.0% | 8,645 | 38.2% | 8,335 | 35.1% |
| | Unfair dismissal | 7,858 | 36.1% | 10,034 | 44.3% | 11,215 | 47.2% |
| | Working Time (Annual Leave) | 3,421 | 15.7% | 2,681 | 11.8% | 1,917 | 8.1% |
| | Breach of contract | 2,422 | 11.1% | 2,266 | 10.0% | 2,886 | 12.1% |
| | Disability discrimination | 884 | 4.1% | 924 | 4.1% | 1,111 | 4.7% |
| | Redundancy pay | 832 | 3.8% | 723 | 3.2% | 857 | 3.6% |
| | Sex discrimination | 642 | 3.0% | 622 | 2.7% | 938 | 3.9% |
| | Race discrimination | 393 | 1.8% | 445 | 2.0% | 420 | 1.8% |
| | Maternity detriment | 260 | 1.2% | 188 | 0.8% | 233 | 1.0% |
| | Written Pay Statement | 206 | 0.9% | 208 | 0.9% | 125 | 0.5% |
| | Equal Pay | 174 | 0.8% | 63 | 0.3% | 246 | 1.0% |
| | Working Time (breaks/work limits) | 141 | 0.6% | 149 | 0.7% | 159 | 0.7% |
| Other jurisdictions. of note | Age discrimination | 133 | 0.6% | 129 | 0.6% | 272 | 1.1% |
| | Sexual orientation discrimination | 57 | 0.3% | 71 | 0.3% | 45 | 0.2% |
| | Religion or belief discrimination | 45 | 0.2% | 24 | 0.1% | 27 | 0.1% |
| Remain. jurisdictions. | Other | 692 | | 617 | | 1,310 | |
| | Total jurisdictions | 27,507 | | 27,789 | | 30,096 | |
| | Total cases | 21,762 | | 22,630 | | 23,777 | |

Net PCC outcomes¹⁶

| | | 2013/14 | | 2012/13 | | 2011/12 | |
|-----------------------|--------------|---------------|-------|---------------|-------|---------------|-------|
| | | Volume | % | Volume | % | Volume | % |
| Fast track | Unprogressed | 2,997 | 25.6% | 3,337 | 31.4% | 2,888 | 27.7% |
| | Impasse | 1,680 | 14.3% | 1,956 | 18.4% | 1,945 | 18.7% |
| | Resolved | 7,039 | 60.1% | 5,345 | 50.2% | 5,592 | 53.6% |
| | Total | 11,716 | | 10,638 | | 10,425 | |
| Standard track | Unprogressed | 2,058 | 25.0% | 2,467 | 24.1% | 2,392 | 23.9% |
| | Impasse | 1,705 | 20.7% | 2,179 | 21.3% | 2,170 | 21.6% |
| | Resolved | 4,457 | 54.2% | 5,573 | 54.5% | 5,463 | 54.5% |
| | Total | 8,220 | | 10,219 | | 10,025 | |
| Open track | Unprogressed | 614 | 26.8% | 671 | 30.5% | 579 | 21.0% |
| | Impasse | 491 | 21.4% | 489 | 22.2% | 552 | 20.0% |
| | Resolved | 1,188 | 51.8% | 1,040 | 47.3% | 1,626 | 59.0% |
| | Total | 2,293 | | 2,200 | | 2,757 | |
| Overall | Unprogressed | 5,669 | 25.5% | 6,475 | 28.1% | 5,859 | 25.2% |
| | Impasse | 3,876 | 17.4% | 4,624 | 20.1% | 4,667 | 20.1% |
| | Resolved | 12,684 | 57.1% | 11,958 | 51.9% | 12,681 | 54.6% |
| | Total | 22,229 | | 23,057 | | 23,207 | |

8. This section provides a breakdown of service volumes across a range of services. To facilitate comparisons, figures for the past three years have been provided with those prior to 2013/14 updated where possible to take account of finalised management information.

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

10. ET1 figures above exclude most NHS and LA equal pay claims where they have not been passed to Acas for conciliation (because there appears presently to be little or no prospect of success in conciliation and the parties have not requested conciliation). In addition, Acas conciliated in and resolved 1,454 net ET1 equal pay cases against local authorities in 2013-14.

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

12. Resolution rate is the unadjusted number of cases resolved as a proportion of cases cleared as opposed to PHDS rate which is adjusted to reflect different numbers of Potential Hearing Days saved by track (Fast=0.25, Standard=1.00, Open=2.5). Both rates exclude cases struck out by the Tribunal since these are generally not susceptible to conciliation.

13. In addition Acas conciliated in and resolved 3,295 net potential equal pay cases against local authorities in 2013-14.

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

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

16. Unprogressed referrals are those for which engagement of both parties was not achieved (unwilling participants, parties not contactable etc). Where all parties were engaged but a resolution was not brokered this is recorded as an impasse.

PCC – Avoidance of tribunal claims^{17 18}

| | Referral date 01/01/13 – 31/12/13 | Referral date 01/01/12 – 31/12/12 | Referral date 01/01/11 – 31/12/11 |
|---|---|---|---|
| | NB ET Fees Introduced July 2013 | | |
| Appropriate referrals | 18,873 | 18,114 | 19,195 |
| Referrals for which <u>no</u> post-PCC ET claim has been identified | 15,581 | 13,939 | 14,888 |
| ET claims avoidance rate | 82.6% | 77.0% | 77.6% |

Charged-for mediation in individual employment and workplace disputes which were not subject to actual or potential employment tribunal proceedings¹⁹

| | 2013/14 | 2012/13 | 2011/12 |
|--|---------------|------------|------------|
| New cases started in year | 256 | 229 | 242 |
| Cases closed in year by outcome | Unprogressed | 20 | 30 |
| | Unresolved | 14 | 18 |
| | Progress made | 51 | 57 |
| | Settled | 165 | 119 |
| | Total | 250 | 224 |
| Success rate | 94% | 91% | 89% |

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

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 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 | 2013/14 | | 2012/13 | | 2011/12 | |
|----------------------|------------|-------|------------|-------|------------|-------|
| | Volume | % | Volume | % | Volume | % |
| Acas National | 30 | 3.5% | 47 | 5.4% | 40 | 4.1% |
| London | 86 | 10.0% | 53 | 6.1% | 75 | 7.6% |
| South East | 48 | 5.6% | 39 | 4.5% | 43 | 4.4% |
| East of England | 33 | 3.8% | 43 | 4.9% | 62 | 6.3% |
| East Midlands | 24 | 2.8% | 30 | 3.4% | 37 | 3.8% |
| West Midlands | 69 | 8.0% | 51 | 5.8% | 84 | 8.5% |
| North East | 68 | 7.9% | 111 | 12.7% | 111 | 11.3% |
| Yorkshire and Humber | 104 | 12.1% | 94 | 10.7% | 103 | 10.5% |
| North West | 169 | 19.7% | 192 | 21.9% | 196 | 19.9% |
| Scotland | 181 | 21.1% | 164 | 18.7% | 176 | 17.9% |
| South West | 11 | 1.3% | 20 | 2.3% | 16 | 1.6% |
| Wales | 35 | 4.1% | 31 | 3.5% | 41 | 4.2% |
| Total | 858 | | 875 | | 984 | |

Collective disputes received for conciliation by dispute cause

| Dispute cause | 2013/14 | | 2012/13 | | 2011/12 | |
|--|------------|------------|------------|------------|--------------|------------|
| | Volume | % of cases | Volume | % of cases | Volume | % of cases |
| General pay claim | 153 | 17.8% | 152 | 17.4% | 169 | 17.2% |
| Other pay / conditions of employment | 304 | 35.4% | 259 | 29.6% | 285 | 29.0% |
| Recognition | 124 | 14.5% | 115 | 13.1% | 119 | 12.1% |
| Other TU matters | 84 | 9.8% | 110 | 12.6% | 113 | 11.5% |
| Changes in working practices | 100 | 11.7% | 103 | 11.8% | 99 | 10.1% |
| Dismissal/discipline | 83 | 9.7% | 89 | 10.2% | 102 | 10.4% |
| Redundancy | 87 | 10.1% | 90 | 10.3% | 109 | 11.1% |
| Other | 26 | 3.0% | 31 | 3.5% | 86 | 8.7% |
| Total dispute causes | 961 | | 949 | | 1,082 | |
| Total collective cases received | 858 | | 875 | | 984 | |

Collective disputes closed by outcome

| Dispute outcome | 2013/14 | 2012/13 | 2011/12 |
|----------------------------|------------|------------|------------|
| Successfully completed | 688 | 679 | 752 |
| Unsuccessfully completed | 47 | 53 | 76 |
| All completed cases | 735 | 732 | 828 |
| Cases withdrawn | 93 | 76 | 113 |
| Total | 828 | 808 | 941 |

Collective disputes received by source of request

| Source of request | 2013/14 | | 2012/13 | | 2011/12 | |
|-------------------|------------|-------|------------|-------|------------|-------|
| | Volume | % | Volume | % | Volume | % |
| Employer | 177 | 20.6% | 163 | 18.6% | 172 | 17.5% |
| Trade Union | 269 | 31.4% | 252 | 28.8% | 270 | 27.4% |
| Joint | 232 | 27.0% | 283 | 32.3% | 337 | 34.2% |
| Acas Initiative | 180 | 21.0% | 177 | 20.2% | 205 | 20.8% |
| Total | 858 | | 875 | | 984 | |

Cases referred to collective arbitration and dispute mediation

| Case type | 2013/14 | 2012/13 | 2011/12 |
|---|-----------|-----------|-----------|
| Single arbitration | 11 | 14 | 17 |
| Board of arbitration | 0 | 0 | 0 |
| Single mediation | 0 | 2 | 0 |
| Board of mediation | 0 | 0 | 2 |
| Two-tier single mediation / arbitration | 0 | 0 | 1 |
| Police arbitration tribunal | 1 | 1 | 1 |
| Other | 3 | 0 | 0 |
| Total | 15 | 17 | 21 |

Issues referred to collective arbitration and dispute mediation

| Issue | 2013/14 | 2012/13 | 2011/12 |
|--|-----------|-----------|-----------|
| Annual pay | 2 | 4 | 2 |
| Other pay and conditions of employment | 1 | 1 | 8 |
| Dismissal and discipline | 8 | 10 | 8 |
| Grading | 0 | 0 | 2 |
| Other | 4 | 2 | 1 |
| Total | 15 | 17 | 21 |

Joint problem-solving activities by topic (fee-waived)

| Topic | 2013/14 | 2012/13 | 2011/12 |
|--|------------|------------|------------|
| Absence and stress management | 2 | 0 | 3 |
| Bullying and harassment | 3 | 5 | 3 |
| Collective bargaining and trade union issues | 26 | 41 | 45 |
| Conflict, mediation and change management | 42 | 41 | 41 |
| Discipline and grievance | 4 | 2 | 1 |
| Employment law | 1 | 1 | 0 |
| Equality, diversity and discrimination | 12 | 3 | 0 |
| Implementing flexible working arrangements | 0 | 1 | 2 |
| Information and consultation | 8 | 13 | 6 |
| Managing people | 3 | 1 | 1 |
| Payment and grading arrangements | 11 | 6 | 5 |
| Recruitment and employing people | 1 | 1 | 1 |
| Redundancy | 2 | 3 | 1 |
| Other | 0 | 1 | 0 |
| Total | 115 | 119 | 109 |

Advisory services

Calls to Acas Helpline²⁰

| Volume of calls answered | 2013/14 | 2012/13 | 2011/12 |
|--------------------------|----------------|---------|---------|
| Total | 895,748 | 928,995 | 924,787 |

Acas Helpline call topics²¹

| Topic of enquiry | 2013/14 | 2012/13 | 2011/12 |
|---|--------------|------------|------------|
| | % of calls | % of calls | % of calls |
| Discipline, dismissal and grievance | 36.9% | 35.6% | 33.6% |
| Contracts | 18.7% | 18.1% | 18.8% |
| Redundancies, lay-offs & business transfers | 17.0% | 20.1% | 21.4% |
| Holiday and Working Time | 11.2% | 11.7% | 12.7% |
| Wages and NMW | 11.0% | 10.4% | 9.9% |
| Absences, sickness and stress | 9.5% | 9.2% | 9.3% |
| Maternity, paternity and adoption | 5.4% | 5.3% | 6.0% |
| Diversity and discrimination | 4.7% | 4.2% | 4.5% |
| Family friendly policies | 2.1% | 1.9% | 2.0% |
| Others | 7.3% | 6.8% | 7.5% |

20. These volumes include calls received by the Equality Direct Helpline (1,363 in 2013/14) and the Redundancy Payments Helpline (11,264 in 2013/14).

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

In-depth advisory meetings by topic

| Topic | 2013/14 | | 2012/13 | | 2011/12 | |
|--|--------------|-------|--------------|-------|--------------|-------|
| | Volume | % | Volume | % | Volume | % |
| Absence and stress management | 133 | 7.9% | 83 | 6.2% | 57 | 5.6% |
| Bullying and harassment | 49 | 2.9% | 28 | 2.1% | 27 | 2.7% |
| Collective bargaining and trade union issues | 102 | 6.1% | 96 | 7.1% | 66 | 6.5% |
| Conflict, mediation and change management | 308 | 18.3% | 283 | 21.0% | 243 | 24.0% |
| Discipline and grievance | 221 | 13.1% | 225 | 16.7% | 134 | 13.3% |
| Employment law | 205 | 12.2% | 130 | 9.7% | 64 | 6.3% |
| Equality, diversity and discrimination | 85 | 5.0% | 66 | 4.9% | 58 | 5.7% |
| Implementing flexible working arrangements | 10 | 0.6% | 10 | 0.7% | 16 | 1.6% |
| Information and consultation | 123 | 7.3% | 117 | 8.7% | 96 | 9.5% |
| Managing people | 128 | 7.6% | 76 | 5.6% | 45 | 4.5% |
| Payment and grading arrangements | 59 | 3.5% | 33 | 2.4% | 41 | 4.1% |
| Recruitment and employing people | 157 | 9.3% | 116 | 8.6% | 63 | 6.2% |
| Redundancy | 84 | 5.0% | 70 | 5.2% | 81 | 8.0% |
| Other | 21 | 1.2% | 14 | 1.0% | 20 | 2.0% |
| Total | 1,685 | | 1,347 | | 1,011 | |

In-depth advisory telephone calls by topic

| Topic | 2013/14 | | 2012/13 | | 2011/12 | |
|--|--------------|-------|--------------|-------|--------------|-------|
| | Volume | % | Volume | % | Volume | % |
| Absence and stress management | 219 | 7.2% | 183 | 7.8% | 163 | 6.8% |
| Bullying and harassment | 65 | 2.1% | 35 | 1.5% | 41 | 1.7% |
| Collective bargaining and trade union issues | 175 | 5.8% | 107 | 4.6% | 153 | 6.4% |
| Conflict, mediation and change management | 557 | 18.3% | 400 | 17.1% | 430 | 18.0% |
| Discipline and grievance | 500 | 16.5% | 394 | 16.8% | 321 | 13.5% |
| Employment law | 314 | 10.3% | 257 | 11.0% | 326 | 13.7% |
| Equality, diversity and discrimination | 150 | 4.9% | 116 | 5.0% | 153 | 6.4% |
| Implementing flexible working arrangements | 121 | 4.0% | 83 | 3.5% | 66 | 2.8% |
| Information and consultation | 178 | 5.9% | 127 | 5.4% | 126 | 5.3% |
| Managing people | 134 | 4.4% | 114 | 4.9% | 62 | 2.6% |
| Payment and grading arrangements | 75 | 2.5% | 59 | 2.5% | 83 | 3.5% |
| Recruitment and employing people | 301 | 9.9% | 217 | 9.3% | 164 | 6.9% |
| Redundancy | 202 | 6.7% | 204 | 8.7% | 249 | 10.4% |
| Other | 45 | 1.5% | 44 | 1.9% | 47 | 2.0% |
| Total | 3,036 | | 2,340 | | 2,384 | |

Charged workplace projects by topic (joint problem-solving activities)

| Topic | 2013/14 | 2012/13 | 2011/12 |
|--|------------|------------|------------|
| Absence and stress management | 4 | 3 | 11 |
| Bullying and harassment | 2 | 1 | 6 |
| Collective bargaining and trade union issues | 6 | 6 | 5 |
| Conflict, mediation and change management | 37 | 52 | 53 |
| Discipline and grievance | 8 | 8 | 5 |
| Employment law | 2 | 4 | 2 |
| Equality, diversity and discrimination | 5 | 4 | 1 |
| Implementing flexible working arrangements | 0 | 1 | 0 |
| Information and consultation | 18 | 32 | 21 |
| Managing people | 12 | 4 | 2 |
| Payment and grading arrangements | 12 | 6 | 6 |
| Recruitment and employing people | 3 | 3 | 5 |
| Redundancy | 1 | 2 | 2 |
| Other | 0 | 1 | 3 |
| Total | 110 | 127 | 122 |

Certificate in Internal Workplace Mediation (CIWM) training

| Type | 2013/14 | | 2012/13 | | 2011/12 | |
|-------------------------|-----------|------------|-----------|------------|-----------|------------|
| | Courses | Delegates | Courses | Delegates | Courses | Delegates |
| In-house CIWM course | 12 | 105 | 9 | 84 | 13 | 101 |
| Open-access CIWM course | 27 | 200 | 33 | 215 | 30 | 251 |
| Total | 39 | 305 | 42 | 299 | 43 | 352 |

Workplace training by topic

| Subject of training | 2013/14 | | | | 2012/13 | | | | 2011/12 | | | |
|---|--------------|-------|---------------|-------|------------|-------|---------------|-------|------------|-------|---------------|-------|
| | Events | | Delegates | | Events | | Delegates | | Events | | Delegates | |
| | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % |
| Absence and stress management | 61 | 5.8% | 1,004 | 5.3% | 48 | 5.1% | 963 | 5.3% | 51 | 5.4% | 1,490 | 7.8% |
| Bullying and harassment | 53 | 5.0% | 1,601 | 8.4% | 55 | 5.9% | 1,518 | 8.3% | 65 | 6.9% | 1,979 | 10.4% |
| Collective bargaining and trade union issues | 14 | 1.3% | 207 | 1.1% | 11 | 1.2% | 355 | 1.9% | 11 | 1.2% | 181 | 1.0% |
| Conflict, mediation and change management ²² | 82 | 7.8% | 1,253 | 6.6% | 92 | 9.8% | 2,007 | 11.0% | 116 | 12.3% | 1,893 | 9.9% |
| Discipline and grievance | 308 | 29.2% | 5,386 | 28.4% | 245 | 26.2% | 4,425 | 24.3% | 219 | 23.2% | 4,750 | 25.0% |
| Employment law | 63 | 6.0% | 1,920 | 10.1% | 40 | 4.3% | 1,042 | 5.7% | 50 | 5.3% | 916 | 4.8% |
| Equality, diversity and discrimination | 100 | 9.5% | 2,630 | 13.9% | 85 | 9.1% | 2,652 | 14.5% | 79 | 8.4% | 2,366 | 12.4% |
| Implementing flexible working arrangements | - | 0.0% | - | 0.0% | 2 | 0.2% | 132 | 0.7% | - | 0.0% | - | 0.0% |
| Information and consultation | 142 | 13.5% | 1,425 | 7.5% | 144 | 15.4% | 1,620 | 8.9% | 149 | 15.8% | 1,750 | 9.2% |
| Managing people | 170 | 16.1% | 2,653 | 14.0% | 144 | 15.4% | 2,290 | 12.6% | 127 | 13.4% | 2,355 | 12.4% |
| Payment and grading arrangements | - | 0.0% | - | 0.0% | 2 | 0.2% | 30 | 0.2% | 2 | 0.2% | 15 | 0.1% |
| Recruitment and employing people | 22 | 2.1% | 250 | 1.3% | 39 | 4.2% | 630 | 3.5% | 20 | 2.1% | 535 | 2.8% |
| Redundancy | 28 | 2.7% | 364 | 1.9% | 22 | 2.4% | 259 | 1.4% | 41 | 4.3% | 407 | 2.1% |
| Other | 10 | 0.9% | 282 | 1.5% | 6 | 0.6% | 323 | 1.8% | 16 | 1.7% | 399 | 2.1% |
| Total | 1,053 | | 18,975 | | 935 | | 18,246 | | 946 | | 19,036 | |

Open Access training by topic²³

| Subject of training | 2013/14 | | | | 2012/13 | | | | 2011/12 | | | |
|---|--------------|-------|---------------|-------|------------|-------|--------------|-------|------------|-------|--------------|-------|
| | Events | | Delegates | | Events | | Delegates | | Events | | Delegates | |
| | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % |
| Absence and stress management | 154 | 14.3% | 1,214 | 11.1% | 201 | 21.0% | 1,663 | 18.1% | 128 | 14.2% | 1,006 | 11.3% |
| Bullying & harassment | 7 | 0.7% | 36 | 0.3% | 10 | 1.0% | 78 | 0.9% | 15 | 1.7% | 85 | 1.0% |
| Collective bargaining & trade union issues | 2 | 0.2% | 5 | 0.0% | 4 | 0.4% | 17 | 0.2% | 3 | 0.3% | 15 | 0.2% |
| Conflict, mediation & change management ²⁴ | 134 | 12.5% | 1,367 | 12.4% | 70 | 7.3% | 635 | 6.9% | 60 | 6.7% | 649 | 7.3% |
| Discipline & grievance | 188 | 17.5% | 1,638 | 14.9% | 225 | 23.5% | 2,257 | 24.6% | 160 | 17.8% | 1,455 | 16.4% |
| Employment law | 313 | 29.1% | 4,594 | 41.8% | 128 | 13.4% | 1,778 | 19.4% | 116 | 12.9% | 1,807 | 20.4% |
| Equality, diversity & discrimination | 6 | 0.6% | 34 | 0.3% | 19 | 2.0% | 113 | 1.2% | 80 | 8.9% | 809 | 9.1% |
| Implementing flexible working arrangements | 19 | 1.8% | 100 | 0.9% | 11 | 1.1% | 70 | 0.8% | 5 | 0.6% | 11 | 0.1% |
| Information & consultation | 1 | 0.1% | 6 | 0.1% | 2 | 0.2% | 4 | 0.0% | 2 | 0.2% | 54 | 0.6% |
| Managing people | 102 | 9.5% | 727 | 6.6% | 108 | 11.3% | 891 | 9.7% | 81 | 9.0% | 543 | 6.1% |
| Payment & grading arrangements | 1 | 0.1% | - | 0.0% | - | 0.0% | - | 0.0% | 1 | 0.1% | 3 | 0.0% |
| Recruitment & employing people | 94 | 8.7% | 631 | 5.7% | 110 | 11.5% | 840 | 9.2% | 172 | 19.1% | 1,608 | 18.1% |
| Redundancy | 26 | 2.4% | 164 | 1.5% | 39 | 4.1% | 321 | 3.5% | 46 | 5.1% | 350 | 3.9% |
| Other | 29 | 2.7% | 469 | 4.3% | 30 | 3.1% | 505 | 5.5% | 32 | 3.6% | 481 | 5.4% |
| Total | 1,076 | | 10,985 | | 957 | | 9,172 | | 901 | | 8,876 | |

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

23. Total delegates include events delivered with partner organisations.

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

Total training by topic

| Subject of training | 2013/14 | | | | 2012/13 | | | | 2011/12 | | | |
|--|--------------|-------|---------------|-------|--------------|-------|---------------|-------|--------------|-------|---------------|-------|
| | Events | | Delegates | | Events | | Delegates | | Events | | Delegates | |
| | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % | Vol. | % |
| Absence and stress management | 215 | 10.1% | 2,218 | 7.4% | 249 | 13.2% | 2,626 | 9.6% | 179 | 9.7% | 2,496 | 8.9% |
| Bullying and harassment | 60 | 2.8% | 1,637 | 5.5% | 65 | 3.4% | 1,596 | 5.8% | 80 | 4.3% | 2,064 | 7.4% |
| Collective bargaining and trade union issues | 16 | 0.8% | 212 | 0.7% | 15 | 0.8% | 372 | 1.4% | 14 | 0.8% | 196 | 0.7% |
| Conflict, mediation and change management | 216 | 10.1% | 2,620 | 8.7% | 162 | 8.6% | 2,642 | 9.6% | 176 | 9.5% | 2,542 | 9.1% |
| Discipline and grievance | 496 | 23.3% | 7,024 | 23.4% | 470 | 24.8% | 6,682 | 24.4% | 379 | 20.5% | 6,205 | 22.2% |
| Employment law | 376 | 17.7% | 6,514 | 21.7% | 168 | 8.9% | 2,820 | 10.3% | 166 | 9.0% | 2,723 | 9.8% |
| Equality, diversity and discrimination | 106 | 5.0% | 2,664 | 8.9% | 104 | 5.5% | 2,765 | 10.1% | 159 | 8.6% | 3,175 | 11.4% |
| Implementing flexible working arrangements | 19 | 0.9% | 100 | 0.3% | 13 | 0.7% | 202 | 0.7% | 5 | 0.3% | 11 | 0.0% |
| Information and consultation | 143 | 6.7% | 1,431 | 4.8% | 146 | 7.7% | 1,624 | 5.9% | 151 | 8.2% | 1,804 | 6.5% |
| Managing people | 272 | 12.8% | 3,380 | 11.3% | 252 | 13.3% | 3,181 | 11.6% | 208 | 11.3% | 2,898 | 10.4% |
| Payment and grading arrangements | 1 | 0.0% | - | 0.0% | 2 | 0.1% | 30 | 0.1% | 3 | 0.2% | 18 | 0.1% |
| Recruitment and employing people | 116 | 5.4% | 881 | 2.9% | 149 | 7.9% | 1,470 | 5.4% | 192 | 10.4% | 2,143 | 7.7% |
| Redundancy | 54 | 2.5% | 528 | 1.8% | 61 | 3.2% | 580 | 2.1% | 87 | 4.7% | 757 | 2.7% |
| Other | 39 | 1.8% | 751 | 2.5% | 36 | 1.9% | 828 | 3.0% | 48 | 2.6% | 880 | 3.2% |
| Total | 2,129 | | 29,960 | | 1,892 | | 27,418 | | 1,847 | | 27,912 | |

Acas Council members

Chair: ♦ **Ed Sweeney CBE to January 2014**
♦ **Sir Brendan Barber from January 2014**

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

♦ **Jonathan Baume** became General Secretary of the First Division Association in 1997, representing senior managers and professionals in central government and the NHS, having joined the union as Deputy General Secretary in 1989. Jonathan retired from the FDA in 2012.

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

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

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

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

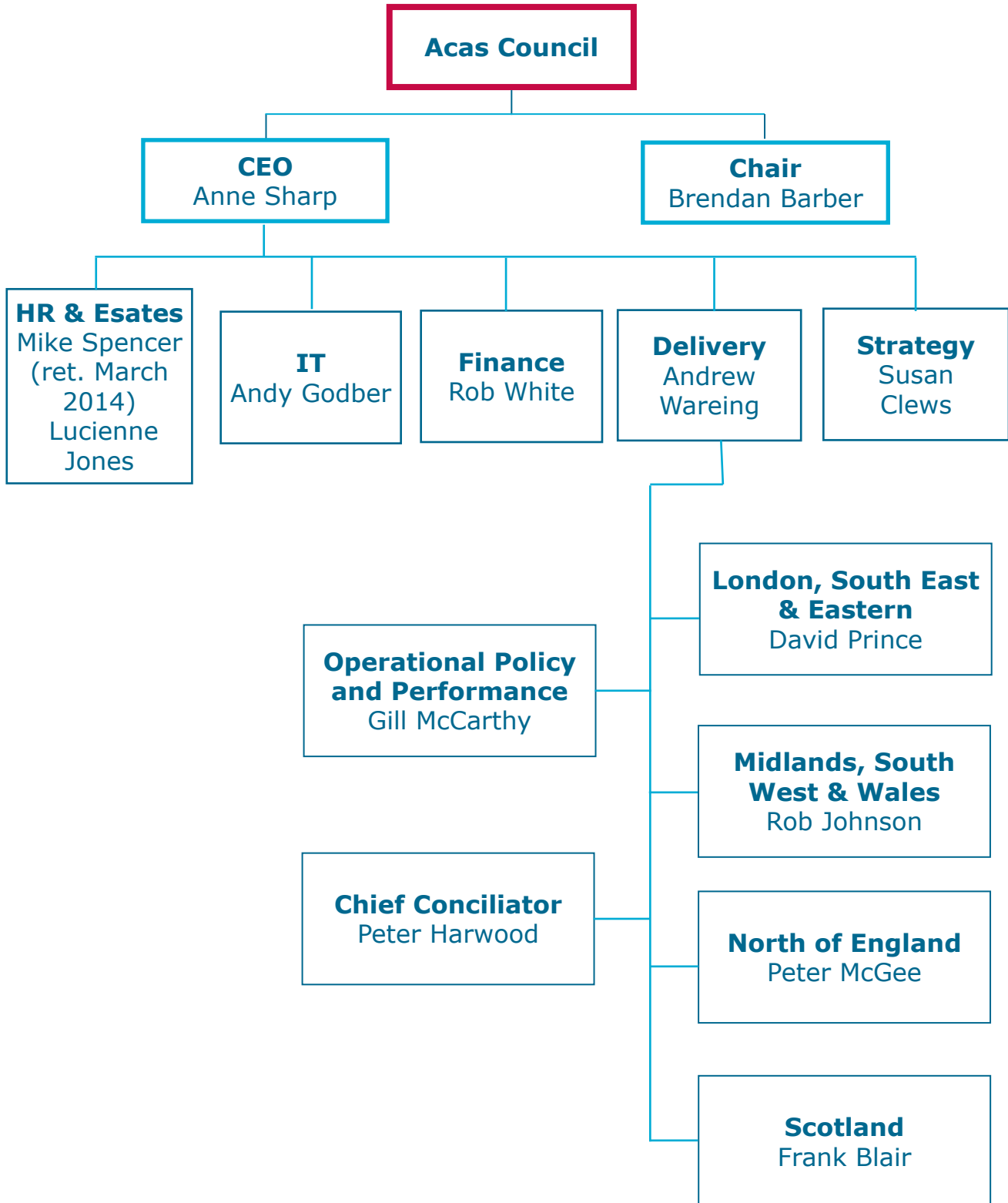
♦ **John Hannett** is General Secretary of the Union of Shop, Distributive and Allied Workers. He also sits on both the Executive Committee and the General Council of the TUC, and is a commissioner on the Low Pay Commission.

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

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

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

Acas organigramme



Annual Report to the Accounts

Directors Report

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

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

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

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

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

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

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

6. The Government has announced the merger of the CO and CAC as part of the reform of Arms Length Bodies; no date has been set for this merger.

7. The Acas mission is to improve organisations and working life through better employment relations.

8. Acas' strategic aims as published in its Strategic Plan 2014-2016 are:

- improving organisational performance and quality of working life by providing practical advice and expert support;
- resolving disputes at work at the earliest stage and help avoid conflict in the future;
- lead debates on employment issues using insight from its own experience and wider research; and
- continue to develop as a flexible and resilient organisation that uses the skills of its people to provide value for money and excellence in everything it does.

CO

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

CAC

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

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

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

Review of activities

Acas

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

- providing impartial information and advice on employment matters;
- improving the understanding of effective employment relationships;
- preventing and resolving collective employment disputes; and
- resolving actual and potential employment tribunal cases.

13. Acas also publishes and keeps upto date Codes of Practice on:

- disclosure of information to trade unions for collective bargaining purposes;
- time off for trade union duties and activities;
- handling discipline and grievance in the workplace; and
- settlement agreements.

CO

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

CAC

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

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

Risk and Control Framework

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

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

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

Management Structure

20. The Council is responsible for the strategic direction, policies and priorities of Acas, and for ensuring that its statutory duties are carried out effectively. The Council also approves the Strategic Plan.

21. The Acas Council is supported by three sub committees: Audit, Human Resources and Remuneration.

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

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

24. Due to the confidential nature of discussions full Council and Board papers are not published on the Acas website but the organisation publishes data about financial transactions and engages with stakeholders and customers in a variety of ways, using online and face to face channels.

25. The Executive Board members are as follows:

- ▶ Ms Anne Sharp (Chief Executive Officer)
- ▶ Mr Andrew Wareing (Chief Operating Officer)
- ▶ Mrs Susan Clews (Director of Strategy)
- ▶ Mr Rob White (Director of Finance)
- ▶ Mr Andrew Godber (Director of Information Technology)
- ▶ Mr Mike Spencer (Director of Human Resources and Estates – up to February 2014)
- ▶ Ms Lucienne Jones (Director Human Resources and Organisation Development – from March 2014)
- ▶ Mrs Gill McCarthy (Director, Operational Policy and Performance)
- ▶ Mr Peter Harwood (Chief Conciliator)
- ▶ Mr Dave Prince (Director, London, South East and Eastern England)
- ▶ Mr Frank Blair (Director, Scotland)
- ▶ Mr Peter McGee (Director, North of England)
- ▶ Mr Rob Johnson (Director, Wales and Southern England, East and West Midlands)

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

Acas Council

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 appointing members of the Acas Council, the Secretary of State shall consult such organisations representing employers and employees as he considers appropriate. 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.

Acas Council Members

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

| | |
|--|---|
| ▶ Mr J Michie ⁴ | 1 May 2007 (Extended until 31 March 2014) |
| ▶ Mrs S Anderson ² | 1 May 2007 (Extended until 31 March 2014) |
| ▶ Mr E Sweeney (Chair ^{2,4}) | 1 Oct 2007 (Extended until 31 January 2014) |
| ▶ Sir Brendan Barber | 1 January 2014 |
| ▶ Mrs N Templeman ³ | 1 April 2008 (Extended until 31 March 2014) |
| ▶ Her Honour Judge Eady QC | 1 April 2008 (Extended until 31 March 2014) |
| ▶ Prof L Dickens ⁴ | 1 May 2010 (Extended until 30 April 2016) |
| ▶ Dr M Bousted ¹ | 1 May 2010 (Extended until 30 April 2016) |
| ▶ Mr J Hannett ⁴ | 1 May 2010 (Extended until 30 April 2016) |
| ▶ Mr J Baume ² | 1 November 2011 |
| ▶ Mr P Butler ² | 1 November 2011 |
| ▶ Ms V Hawes ⁴ | 1 November 2011 |
| ▶ Mr P Nowak | 1 November 2011 |

¹ Chair of the Audit Committee (from November 2011)

² Also a member of the Audit Committee

³ Chair of the HR Committee

⁴ Also a member of the HR Committee

Equal Opportunities

29. We strive to promote equality and diversity across Acas. We are committed to ensuring that recruitment 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. We have refreshed our Equality and Diversity (E & D) strategy, with input from our E & D working group, and are now implemented it. We maintain impetus through our Board Diversity Champion and through regular review by the Board.

Gender

30. During 2013-14, the ratio of females to males employed by Acas was 1:0.7. At Executive Board level, this ratio was 0.5/1. Female representation on the Executive Board has increased by 50% since 2012-13.

Delivering the Equality Duty

31. The Equality Duty requires public bodies or organisations carrying out public functions to give "due regard" and consider equality in their day to day work in shaping policy, in delivering services and in relation to their own employees. Acas is covered by this Duty, and has published information to show how we are complying and has also published equality objectives showing how we intend to achieve the overall aims of the Duty.

Complying with the Equality Duty is not an end in itself. Acas will ensure that it remains an ongoing process of continuous improvement. Further information on how Acas delivers the equality duty can be found on the Acas website.

Days Lost Due to Absence

32. Acas expects and values reliable attendance. However, it recognises that from time to time absences for medical reasons may be unavoidable. Where possible Acas provides support which will enable staff to recover their health and attend work regularly. In 2012-13, the average number of working days lost was 9.5 days per annum per employee. In 2013-14 this fell to 8.4 days. Acas continues to review the reasons for absence and to maintain a focus on attendance, health and wellbeing.

Employee Involvement

33. We value the views of all of our staff. As well as providing regular opportunities for feedback through multiple communication channels, including monthly team meetings, we also provide opportunities for staff to get involved in changes that affect them. This year, for example, all staff had the opportunity to participate in workshops to identify actions to develop Acas and make it the best it can be, in delivering high quality, value for money services. The outcomes have been discussed by senior management and are being used to build plans for how Acas can continue to improve on delivering its strategic aims. Staff involvement was also critical in the development of our new early conciliation service: staff views have shaped how we introduced this organisational change.

We encourage membership of our recognised trade unions. We work closely with our trade unions, using well-established consultative machinery. Members of staff are able to raise issues that affect them individually, feeding their views through line management, and collectively through their trade unions.

Results from our 2013-14 staff engagement survey showed an increase in engagement from 65% in 2012-13 to 68% (based on the 'Say, Stay, Strive' model), at a time of continued change and uncertainty across the public sector.

Investors in People (IiP)

34. Acas has remained accredited as an Investor in People since January 1994. In the latest re-assessment, in late 2013, Acas achieved the IiP Silver standard, placing it in the top 5% of all IiP recognised organisations. Acas are now working towards achieving the Gold standard by the end of 2015/16.

Charitable Donations

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

Sustainability Report

36. Acas considers its environmental duties and has demonstrated its commitment by, for example, endeavouring to promote less travel on official business through increased use of videoconferencing and teleconferencing. Acas works towards the Government standards on sustainability and those promoted by BIS as our sponsor department. Full details of the targets that BIS works towards for itself and its partner organisation can be found on the Business, Innovation & Skills website.

During 2013-14 Acas continued on its strategic programme of estate changes through:

- Relocation of Fleet into Civic offices in Fleet town centre;
- Relocation of Birmingham into Victoria Square House;
- Relocation of ICT servers to BGS Keyworth; and
- Early lease disposals programme discussions on relocation of Manchester, Newcastle and disposal of remaining Acas Nottingham office in Anderson house.

37. These changes are reducing Acas' occupation of private leasehold space, saving money in rental cost, and helping reduce our overall carbon footprint through building management systems.

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

39. Going forward, water consumption within the estate will be subject to review, using building management information systems on the Civil Estate. For the remaining estate, discussions will need to be held with landlord in regards to shared services.

40. During 2013/14 Acas joined the Total Facilities Management programme (TFM) and the Buying Solutions framework for utilities suppliers. These changes provide further opportunities for reaching sustainable improvements across the estate.

41. In 2013-14 Acas estates also became part of the BIS/RCUK Shared Estate Team (SET). Part of this group's remit is to changes to promote sustainability and this will be supported by works undertaken by the TFM.

Energy Usage

| | | kWh Estate | CO ₂ e factor | tonnes CO ₂ e |
|---------------------------------|--|----------------|--------------------------|--------------------------|
| TOTAL FROM ESTATE | | 550,417 | | 266.17 |
| PURCHASED ENERGY 2013-14 | Mains Standard Grid Electricity (Scope 2+3)* | 550,417 | 0.4836 | 266.17 |
| | Mains Green Tariff Electricity (Scope 2+3)* | 0 | 0.5204 | 0.00 |
| | CHP Bought Electricity (GQ) (Scope 2+3)* | 0 | 0.5204 | 0.00 |
| | CHP Bought Electricity (Other) (Scope 2+3)* | 0 | 0.5204 | 0.00 |
| | Natural Gas (Scope 1) | 0 | 0.1852 | 30.67 |
| | Gas Oil (Scope 1) | 0 | 0.2778 | 0.00 |
| | LPG (Scope 1) | 0 | 0.2146 | 0.00 |
| | Solid Fossil Fuels (Scope 1) | 0 | 0.3402 | 0.00 |
| | Solid Fuels (Biomass) (Scope 1) | 0 | 0.0000 | 0.00 |
| | District Heating (Scope 2+3) | 0 | 0.2201 | 0.00 |
| | Heat from renewable sources (Scope 2) | 0 | 0.0000 | 0.00 |
| | Heat from non renewable sources (excluding WDHS) (Scope 2) | 0 | 0.0000 | 0.00 |
| | Heat from WDHS (Scope 2) | 0 | 0.2656 | 0.00 |
| | Other | 0 | 0.0000 | 0.00 |

Waste and Recycling

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

43. All Acas office work to the recycling of office paper and goods as part of the Government Procurement Service framework.

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

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

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

Equipment

| | Total of Items Collected | Remarketed | Recycled | Cost to Acas |
|--------|--------------------------|------------|----------|--------------|
| TOTALS | 1,251 | 573 | 678 | £23,927.80 |

Toners

| | Total of Items Collected | Recycled | Total Weight KG | Cost to ACAS |
|--------|--------------------------|----------|-----------------|--------------|
| TOTALS | 57 | 57 | 427.5 | £1,587.00 |

46. To reduce its carbon footprint, Acas are implementing the following actions:

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

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

Going Concern

48. The Executive Board have reviewed the financial position as at 31 March 2014 and are content that Acas is a going concern. The level of departmental grant in aid funding has been agreed for 2014-15, as a result of which, the Executive Board remains satisfied that the preparation of accounts on a going concern basis remains appropriate.

Accounts Direction

49. 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.

50. Acas is committed to meeting the government's target on prompt payment of 80% of payments being made within 5 days.

51. Overall, 95.34% of payments were made within target (2012-13, 95.88%).

Post Year End Events

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

Auditors

53. The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £44k. No non-audit services were provided.
Disclosure of Relevant Audit Information.

54. As far as I am aware, there is no relevant audit information of which Acas' 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 that Acas' auditors are aware of that information.

Annual Reports

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

Acas

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

CAC

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

CO

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



Anne Sharp
Accounting Officer Acas

Date.....3 July 2014.....

Management Commentary

Financial Results

59. Acas incurred gross costs of £49,888k in the year plus capital expenditure of £1,567k. Cash expenditure was financed by a Grant-in-Aid of £48,500k from BIS, plus other operating income of £3,945k. All other expenditure was as a result of business as usual operations.

Operational Results

Acas

60. During 2013-14 the Acas national Helpline handled 895,748 calls

61. During 2013-14 Acas customers:

- downloaded guidance publications .pdfs 757,152 times,
- downloaded useful templates for letters and forms 256,282 times,
- worked through step by step guides for small firms 124,020 times,
- accessed single page web-guidance on popular employment relations issues 4,793,830 times.
- additionally, 6,782 customers signed up to undertake courses from the Acas e-learning suite.

62. 225 workplaces were helped with practical joint working and partnership building (workplace projects), while in respect of our training programme, Acas delivered 2,129 sessions in the year on a variety of employment relations topics reaching around 30,000 delegates. Altogether, Acas Good Practice Services and publication sales brought in £3.9 million of revenue (income from the Certification Office fees is excluded from this total).

63. Acas dealt with 858 collective disputes in 2013-14 and Acas individual conciliators received (on a net count basis) 40,938 ET1 claims and 21,762 potential ET1 claims through its Pre-Claim Conciliation service. In the case of tribunal cases, 49 per cent of potential hearing days were saved in fast track cases, 69 per cent of potential hearing days were saved in standard track cases and 80 per cent of potential hearing days were saved in open track cases through Acas conciliation.

64. Acas' Key Performance Indicators (KPI) are disclosed fully in the Annual Report, and can be found on pages 26-28.

CO

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

66. The CO received a total of 569 enquiries from members raising issues or matters of concern about trade unions. This represents an increase of 75 in the number of enquiries compared with last year.

67. The CO issued 28 decisions relating to breaches of trade union rules. In addition a further eight decisions were issued relating to breach of statute complaints. Two enforcement orders were issued. The total number of decisions issued of is the same as last year.

68. The CO issued two Certificate of Independence and listed four new trade unions.

CAC

69. The CAC received 30 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2013 and 31 March 2014. During this period it did not receive any applications under Parts II to VI of the Schedule. Eleven complaints were received under the Disclosure of Information provisions and there were two applications for decisions under the Information and Consultation Regulations. In addition, the Secretariat dealt with one employee request for Information and Consultation arrangements. The CAC received one application under the European Works Council Regulations.

Relationship with Stakeholders

70. The Service's key stakeholder relationship is with the Department for Business, Innovation and Skills (BIS) and the Service is funded by BIS. Acas' relationship with BIS is documented through a Financial Memorandum and Management Statement.

71. 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

72. There were no instances of the loss of personal data during 2013-14.

Pension Liabilities

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

Charging Regime

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



Anne Sharp
Accounting Officer
Acas

Date.....3 July 2014.....

Remuneration Report

75. Subject to the provisions of the Civil Service Management Code, Acas 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.

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

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

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

77. The Certification Officer is a member of the Principal Civil Service Pension Scheme (PCSPS). No pension contributions are made in respect of the new Acas Chair and Acas Council members.

78. 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 on the next page.

Audited Information

2013-14

2012-13

| | Salary (£'000) | Bonus Payments (£'000) | Pension Benefits (£'000) | Benefits in Kind (rounded to nearest £100) | Total (£'000) | | Salary (£'000) | Bonus Payments (£'000) | Pension Benefits (£'000) | Benefits in Kind (rounded to nearest £100) | Total (£'000) |
|---|---|------------------------|--------------------------|--|---------------|--|--|------------------------|--------------------------|--|---------------|
| Mr E Sweeney (Chair, part-time, to 31 Jan 2014) | 60-65 (pro-rata) 70-75 (Full Year Equiv.) | 0 | 22 | 0 | 80-85 | | 70-75 | 0 | 29 | 0 | 100-105 |
| Sir B Barber (Chair, part-time, from 1 Jan 2014) ¹ | 15-20 (pro-rata) 75-80 (Full Year Equiv.) | 0 | 0 | 0 | 15-20 | | - | - | - | - | - |
| Mr D Cockburn (Cert. Officer, part-time) | 70-75 | 0 | 20 | 0 | 90-95 | | 70-75 | 0 | 31 | 0 | 100-105 |
| Ms Anne Sharp (Chief Executive, Acas) | 110-115 | 0 | 172 | 0 | 280-285 | | 15-20 (pro-rata) 105-110 (Full Year Equiv.) | 0 | 31 | 0 | 45-50 |
| Mr JE Taylor (Chief Executive, Acas to 28 February 2013) | - | - | - | - | - | | 125-130 (pro-rata) 130-135 (Full Year Equiv.) | 0 | 46 | 0 | 170-175 |
| Mr A Wareing (Chief Operating Officer) | 75-80 | 0 | 8 | 0 | 85-90 | | 75-80 | 0 | 7 | 0 | 80-85 |
| Mrs S Clews (Director of Strategy, part time for part of 2013-14 and all 2012-13) | 65-70 | 0 | 1 | 0 | 70-75 | | 65-70 | 0 | 3 | 0 | 65-70 |
| Mr R White (Director of Finance) | 75-80 | 0 | 5 | 0 | 80-85 | | 75-80 | 0 | 8 | 0 | 80-85 |
| Mr M Spencer (Director of HR & Estates, to 28 Feb 2014) ³ | 65-70 (pro-rata) 65-70 (Full Year Equiv.) ² | 0 | 0 | 0 | 65-70 | | 65-70 | 0 | 1 | 0 | 70-75 |

| | | | | | | | | | | |
|--|--|---|----|---|---------|-------|---|----|---|---------|
| Ms Lucienne Jones (Director of Org. Develop. and HR, from 24 Feb 2014) | 5-10 (pro-rata 60-65 (Full Year Equiv.)) | 0 | 2 | 0 | 5-10 | - | - | - | - | - |
| Mr A Godber (Director of ICTS) ⁴ | 80-85 | 0 | 33 | 0 | 115-120 | 80-85 | 0 | 34 | 0 | 115-120 |
| Mr S Gouldstone (Chief Exec. CAC) | 60-65 | 0 | 12 | 0 | 75-80 | 60-65 | 0 | 28 | 0 | 85-90 |

¹ Sir Brendan Barber is not a member of the pension scheme

² Includes holiday pay arrears of £0-5k

³ Mr M Spencer left under standard voluntary exit scheme terms in 2013-14. He was accepted under the scheme in 2012-13 and the costs were accrued in 2012-13 but has received the compensation payment in 2014-15. Mr Spencer received a compensation payment of £30-35k. Mr Spencer will not receive any additional compensation for loss of office.

⁴ In addition, basic pay in arrears of £0-5k was paid in respect of 2012-13.

79. There were no other compensation payments for loss of office to senior managers in 2013-14.

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

| | 2013-14 | 2012-13 |
|--|----------------|----------------|
| Band of Highest Paid Director's Total Remuneration (£'000) | 110-115 | 130-135 |
| Median Total | 31,770 | 31,455 |
| Ratio | 3.48 | 4.21 |

In 2013-14 0 (2012-13 0) employee(s) received remuneration in excess of the highest paid director. Remuneration ranged from £17k to £111k (2012-13 £17k to £133k).

Acas Council Members

| | |
|---------------------------------------|-----------------|
| Annual salary | £s 1,695 |
| Daily rate for attendance | 172 |
| CAC Deputy Chairmen daily rate | 473 |
| CAC Members daily rate for attendance | 268 |
| Arbitrators | 168 |

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

| | Real increase in pension and related lump sum at pension age (£k) | Accrued pension at pension age as at 31/3/14 and related lump sum (£k) | CETV at 31/03/13 (nearest £k) | CETV at 31/03/14 (nearest £k) | Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k) | Employer contribution to partnership pension account including risk benefit cover (to nearest £100) |
|---|--|---|--------------------------------------|--------------------------------------|---|--|
| Mr E Sweeney (Chair) | 0-2.5 plus 0 (lump sum) | 10-15 plus 0 (lump sum) | 145 | 174 | 16 | 0 |
| Mr D Cockburn (Cert. Officer) | 0-2.5 plus 0 (lump sum) | 15-20 plus 0 (lump sum) | 289 | 313 | 17 | 0 |
| Ms Anne Sharp Chief Executive, Acas) | 7.5-10 plus 22.5-25 (lump sum) | 50-55 plus 155-160 (lump sum) | 918 | 1,135 | 157 | 0 |
| Mr A Wareing (Chief Operating Officer) | 0-2.5 plus 0-2.5 (lump sum) | 25-30 plus 75-80 (lump sum) | 433 | 468 | 5 | 0 |
| Mrs S Clews (Director of Strategy) | 0-2.5 plus 0-2.5 (lump sum) | 20-25 plus 70-75 (lump sum) | 399 | 426 | 0 | 0 |
| Mr R White (Director of Finance) | 0-2.5 plus 0-2.5 (lump sum) | 20-25 plus 70-75 (lump sum) | 391 | 420 | 2 | 0 |
| Mr M Spencer (Director of HR & Estates) | 0-2.5 plus 0-2.5 (lump sum) | 30-35 plus 100-105 (lump sum) | 764 | 771 | (2) | 0 |
| Ms Lucienne Jones (Director of Org. Develop.) | 0-2.5 plus 0 (lump sum) | 0-5 plus 0 (lump sum) | 54 | 57 | 1 | 0 |
| Mr A Godber (Director of ICTS) | 0-2.5 plus 0 (lump sum) | 10-15 plus 0 (lump sum) | 90 | 115 | 16 | 0 |
| Mr S Gouldstone (Chief Executive, CAC) | 0-2.5 plus 0 (lump sum) | 35-40 plus 0 (lump sum) | 729 | 749 | 11 | 0 |

Unaudited Information

Service Contracts

82. The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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

84. The Chair's contract ends in December 2016.

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

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

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

Salary

88. '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

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

90. Employee contributions are salary-related and range between 1.5% and 6.25% of pensionable earnings for classic and 3.5% and 8.25% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2014. 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 Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

91. 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).

92. 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.

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

Cash Equivalent Transfer Values

94. 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.

95. 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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

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



**Anne Sharp
Accounting Officer
Acas**

Date.....3 July 2014.....

Statement of Accounting Officer's Responsibilities

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

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

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

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

Governance Statement

Scope of responsibility

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

The Purpose of the Governance Statement

2. This Governance Statement, for which I as Accounting Officer take responsibility, is designed to give a clear understanding of how the duties detailed above have been carried out during 2013-14.

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

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

Acas' Governance Structure

5. The governance structure is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Acas' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of governance has been in place in Acas for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

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

The Acas Council

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

8. The Council consists of the Chair and eleven employer, trade union and independent members, appointed by the Secretary of State for Business, Innovation and Skills. Sir Brendan Barber was appointed Chair on 1 January 2014. Specific responsibilities of the Council include:

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

9. The Council and their attendance at Council meetings for 2013-14 is as follows:

Sir Brendan Barber (2/2)
Mr Ed Sweeney (5/5)
Her Honour Judge Jennifer Eady QC (7/7)
Prof Linda Dickens (7/7)
Mr Paul Butler (6/7)
Ms Vikki Hawes (5/7)
Mr Jonathan Baume (7/7)
Mrs Susan Anderson (7/7)
Mr Paul Nowak (7/7)
Mrs Nicola Templeman (6/7)
Mr Jonathan Michie (6/7)
Dr Mary Bousted (4/7)
Mr John Hannett (5/7)

The Audit Committee

10. This is a sub-committee of the Acas Council and supports the Chief Executive of Acas in her responsibilities for issues of risk, control and governance, finance and associated assurance. The Audit Committee is an advisory body with no executive powers. The Committee's membership is constituted by members of the Council with members of the Executive, Internal and External Audit, and our sponsor team in BIS in attendance; they are supported by an independent financial expert who provides technical advice and guidance on risk and financial matters. A new independent financial expert, Mrs Nina Amin took up her post during 2013-14.

11. The specific duties of the Audit Committee are:

- to review corporate governance assurances including Acas' systems for the assessment and management of risk, the Governance Statement and monitoring arrangements for maintaining standards of business conduct and probity;

- to review the accounting policies and accounts including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors;
- to consider the planned activity and results of both internal and external audit work;
- to consider the adequacy of management's response to issues identified by audit activity, including external audit's Management Letter; and
- to consider assurances relating to the corporate governance requirements for Acas.

12. The Audit Committee met four times in 2013-14. Audit Committee members, and their attendance at the meetings held in 2013-14 are:

Dr Mary Bousted (4/4)
 Mr Ed Sweeney (2/3)
 Mr Paul Butler (4/4)
 Mr Jonathan Baume (2/4)
 Mrs Susan Anderson (4/4)
 Mrs Nina Amin (1/2)

The HR Committee

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

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

14. Only one meeting of the HR subcommittee has been held in 2013/14, pending revision of its terms of reference to ensure that, going forward, the terms provide appropriate and sufficient value.

15. The HR Committee's membership, and their attendance at the one meeting held in 2013-14, is as follows:

Mrs Nicola Templeman (1/1)
Mr Ed Sweeney (1/1)
Mr Jonathan Michie (1/1)
Prof Linda Dickens (0/1)
Ms Vikki Hawes (0/1)
Mr John Hannett (0/1)

The Remuneration Committee

16. The Chair of Acas and three members of the Council constitute the Remuneration Committee. The Committee meets when required and did not meet during 2013-14, as the remuneration of the new Chief Executive was subject to decision by her previous Department.

17. The Terms of Reference for the Committee are to:

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

The Executive Board

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

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

- protect and enhance Acas' reputation of improving organisations and working life through better employment relations;
- establish, subject to any Council direction, Acas' Corporate and Business Plans and monitor, improve and report on Acas' performance against objectives set out in these plans;

- ensure the delivery of Acas' objectives and duties and make certain that appropriate processes and reasonable controls are maintained;
- ensure that all public funds made available to Acas, including any approved income or other receipts, are used in accordance with the statutory duties, and that these, together with Acas' assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that Acas maintains effective change management systems, enabling the organisation to continuously improve the delivery of its mission and services; and
- ensure that Acas meets its statutory duties under the Equality Act 2010, in respect of external service delivery and internal policies and procedures.

20. The Executive Board considered these terms of reference and decided that they could be retained for the 2013-14 operational year.

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

Assessment of Effectiveness

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

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

24. The Acas Council received a report on the feedback evaluation at its March meeting covering the periods April 2013 to March 2014. It will be discussed in more detail at a planning and review meeting of the Council to take place in November 2014, following the appointment of new members.

25. The Audit Committee undertook an on-line self-assessment exercise during 2013-14, based upon the National Audit Office self-assessment toolkit. The outcome of the review confirmed that the Audit Committee is operating effectively in line with current requirements and good practice. The improvement action plan was presented to the Committee in February, and the Committee noted that all actions were complete or were on-going. Appropriate training and induction for new Committee members will also continue. Acas will engage with audit partners to ensure we continue to meet the requirements of good Corporate Governance. The Terms of Reference were also presented to the February Committee and the revisions will be presented at the next meeting.

26. The self-assessment exercise undertaken by the Executive Board was considered and found to be satisfactory. The Executive Board agreed, however, to carry out a more comprehensive review of whether there was scope for continuing improvement in how governance bodies meshed across Acas, taking account of good practice within the civil service. This is being undertaken in 2014/15.

27. The BMG have reviewed their Terms of Reference and this will now fit in with the wider review. Final agreement of the BMG Terms of Reference will be decided by the Executive Board.

28. The outcome of the 2013/14 assessment of the DSPB was the need for it to be repositioned to be more strategic in its operation and to deal less with individual Projects details as those are already overseen by the relevant Project Board. All members of the group received a briefing as to the role they are expected to play in the DSPB.

29. The Estates Scrutiny Panel was disbanded in September 2013 as the governance of Acas' estate transferred to the Property Asset Management Group, the shared service provider.

30. During 2013-14, the Research and Evaluation Group completed an on-line survey which sought the views of members; the results of this were uniformly positive. The Group now includes representation from Acas' Regions, which was the only suggestion made for improving the Group. The Terms of Reference were reviewed and found to be appropriate. It has been decided to carry out these reviews bi-annually as more regular reviews were felt to be disproportionate given that the Group meets twice a year, and as a result, the next review will take place in 2015-16.

The Risk and Internal Control Framework

31. The Acas Council retains overall responsibility for the management of risk in Acas. At least annually, the Council will review and challenge the whole Strategic Risk Register. At each Audit Committee meeting, a high-level risk is reviewed to monitor management's processes for assessing, reporting and owning business risk. As part of that review, a member of the Executive responsible for that particular risk is invited to attend the Committee.

32. The Chair of the Audit Committee reports back to the Council after each meeting.

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

34. 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.

All Executive Board papers include an assessment of the risk associated with proposals being presented. 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.

35. The Executive Board meets regularly to consider the plans and strategic direction of Acas and assesses and monitors key strategic risks within the business planning cycle. The Executive Board review its appetite for risk annually and the risk management policy is presented to the Executive Board for review. 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.

36. The risk management policy defines how risk is managed and is explicit on the roles and responsibilities of all staff. The risk management policy and risk awareness guidance incorporating best practice is accessible to all staff on the intranet.

37. The Fraud Risk Register has been fully reviewed during the year, and re-drafted collaboratively within the organisation. Insight on the fraud risks faced by the organisation was sought directly from across Acas' business areas. An action plan for strengthening our resilience to fraud and error has been drafted; both these documents will be presented to the Executive Board early in 2014-15.

38. Our risk based approach to management is reflected in:

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

39. The level of risk is determined by assessing the threats and probability of particular scenarios arising. As at the end of the reporting year, the Acas Risk Register identified three high level and eight medium level risks, and these cover a range of risks arising from the specific challenges facing the organisation in the employment relations field and the political and economic environment we work in, the most significant of which, and the actions to mitigate against these, are as follows:

- Back office services delivered for Acas by a shared service provider do not meet its needs, or are not in place when Acas requires them to be. Acas will continue to work with BIS and UKSBS to shape the agenda for change to meet our needs;
- External factors result in Acas' reputation for impartiality being damaged or cause Acas to enact changes that are not customer focused or not in line with our Strategic Plan. To mitigate against this, Acas will identify positive opportunities which align with our strategic aims and develop a detailed action plan, with input from BIS, which keeps Acas in control of change; and
- Acas is not able to maximise operational results due to staff not fully engaging with the change agenda. We will continue to communicate regularly with staff and Trade Union representatives on Acas' new strategic direction and what this means for them and communicate and consult on significant issues that affect Acas and its people.

40. Internal Audit were commissioned to review the high level risk management and associated risk assurance processes following changes recommended by the Audit Committee. The overall assessment was Amber/Green; this points to the risk and control environment being generally sound. The report identified Acas' strengths in managing risk and in discussing risk appetite. Three areas for improvement were identified in the report in respect of addressing risk management lower down the management chain in Acas, the formal recording of risks and challenging mitigating actions. Management will be implementing these recommendations in 2014-15.

41. Mitigating actions are in place in relation to each identified risk and the risk register is kept under review.

Review of Effectiveness

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

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

- The Acas Executive Board meeting regularly to consider the plans and strategic direction of Acas;
- At each meeting of the Executive Board, a review of the quality and timeliness of agenda items is considered;
- Full consideration of internal reports by the Acas Audit Committee, and the Chair's regular reports to Acas Council;
- The Acas Executive Board receiving updates on the progress made in implementing outstanding Internal Audit recommendations;
- Regular reports by Internal Audit, to standards defined in the Government Internal Audit Standards, which include the head of Internal Audit's opinion on the adequacy and effectiveness of Acas' system of internal control together with recommendations for improvement. Overall, Internal Audit gave a 'Satisfactory' opinion on the control and governance framework. Some control weaknesses were identified by Internal Audit during their reviews in the year. Appropriate action has been agreed and new procedures introduced to counter these weaknesses;
- The recommendations made during the review of Corporate Governance, which was undertaken by Internal Audit, measuring Acas' compliance with HM Treasury's Code of Good Practice were followed up during the year. This review provided assurance to me as Accounting Officer that the corporate governance approach and current practices are efficient, in line with current good practice and other guidance, and enable effective organisational decision-making processes. The outcome of this has been the production of a comprehensive Corporate Governance Framework for Acas which is published on our intranet where it is available to all staff;

- Reports from Acas Directors on the steps they are taking to manage Acas' key strategic risk and those within their areas of responsibility;
- My review of the annual Corporate Governance returns by each of the Directors and by the Corporate Governance Challenge Panel convened to scrutinise those returns. The submissions include a description of local governance, risk management and internal control practice. The assertions made within are challenged jointly by both me and the Chair of the Audit Committee, supported by Internal Audit, through peer review of the assessments made. The Challenge Panel identified several areas for future consideration that will strengthen the Governance regime, some of which we are working with Internal Audit to develop or are already being delivered internally;
- Maintenance of an organisation-wide Strategic Risk Register;
- The use of an organisation-wide Balanced Scorecard, which is used in conjunction with the Strategic Risk Register, to measure organisational performance. The Balanced Scorecard allows the Council and Executive Board to make detailed decisions based on key performance indicators. We share the performance indicators derived from the Balanced Scorecard with BIS; and
- Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded. There were no reported losses or breaches of data security during the year.

44. Acas was subject to a triennial review in 2012-13; the outcome of which was published via a written ministerial statement during this financial year. The purpose of the review was to provide robust challenge to the continuing need for Acas, both the functions and the form, and to review the control and governance arrangements to ensure compliance with recognised principles of good corporate governance. The first stage of the review concluded that Acas should continue to exist in its current form and with its current range of services. Stage two confirmed that our governance arrangements comply with most of the good practice guidelines. Acas is working on the recommendations contained in the review, which include actions to increase the organisation's transparency and to develop a new Framework Document to describe our governance relationship with BIS. The review highlighted Acas' strong track record on delivering employment relations services and confirms the organisation is well run.

45. During this financial year, Acas has continued to strive to achieve the optimum use of our resources in light of reducing budgets and the Government's centrally mandated spending restrictions. Significant progress has been made and the impact of the in-year budget cuts did not negatively impact on the delivery of Acas' services. Acas has been able to identify efficiency savings. The Comprehensive Spending Review settlement represented a challenging reduction in funding, particularly on administration budgets. Acas has continued to implement the service improvements and efficiency opportunities identified in the BIS commercial strategy and made all preparations for the introduction of Early Conciliation in April 2014.

46. We identified in 2012-13 that the Early Conciliation project presented a significant risk for Acas. Work was carried out throughout the year to manage the risk via the Early Conciliation project management group. Assurance on both project governance and on contingency planning was provided by Internal Audit and a detailed review of readiness was conducted prior to go live. On 6th April 2014 Early Conciliation was launched successfully.

47. Acas remains fully engaged with BIS and UK Shared Business Services Limited (UKSBS, the BIS shared service provider) to continue the move to shared service arrangements for our back-office functions where it is the right thing to do. Most day-to-day procurement processes have transferred to UKSBS and the governance for the Acas estate transferred to the UKSBS Property Assessment Management Group on 1st April 2014. Acas is working collaboratively with colleagues in BIS to ready the organisation for the transitioning of payroll and finance processing to UKSBS. Payroll processing is planned for transition in 2014-15 and finance in 2015-16. Work continues on risks and their mitigation.

48. Acas' whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise their concerns about behaviours and practices within Acas. This is supported by detailed guidance on the procedures to follow when raising these concerns and has been made available to all staff. During 2013-14, there were no issues raised under the whistle-blowing arrangements.

49. The majority of Acas' staff have completed the mandatory information security training through the Civil Service Learning portal; we will continue to work towards full completion by staff.

50. Acas complied with the Alexander Tax Review; no individuals have been employed off-payroll by Acas during 2013-14.

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

52. Acas has worked with BIS to agree a future vision and operating model for finance for the BIS family. To achieve this, Acas has actively participated in two collaborative networks in the BIS family to share best practice and learn from other Partner Organisations (VAT and Tax and Counter Fraud) and is ready to engage with the newly established Business Insight Competency Centre and the Financial Reporting Centre of Excellence. The recommendations made in the Financial Management review, focusing on longer term and scenario planning, financial training and upskilling of staff, and improving performance metrics, have been completed or are now embedded as business as usual.

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

54. I have considered the evidence provided with regards to the production of the Governance Statement. The conclusion of this review is that governance and control structures have been appropriate for Acas and have been working satisfactorily throughout 2013-14.



Anne Sharp
Accounting Officer
Acas

Date.....3 July 2014...

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

I certify that I have audited the financial statements of the Advisory, Conciliation and Arbitration Service for the year ended 31 March 2014 under the Trade Union and Labour Relations (Consolidation) Act 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- ▶ the financial statements give a true and fair view of the state of the Advisory, Conciliation and Arbitration Service's affairs as at 31 March 2014 and of the net expenditure for the year then ended; and
- ▶ the financial statements have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
8 July 2014

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the period ended 31 March 2014

| Note | 2013-14 | | 2012-13 | |
|---|---------|-----------------|----------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure | | | | |
| Staff Costs | 3 | (31,559) | (32,318) | |
| Depreciation | 4 | (2,550) | (2,886) | |
| Other Expenditure | 4 | (15,779) | (16,125) | |
| | | | (49,888) | (51,329) |
| Income | 5 | 3,945 | | 3,729 |
| Net Expenditure | | (45,943) | | (47,600) |
| Other Comprehensive Expenditure | | | | |
| Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles | 6 | (336) | | 832 |
| Total Comprehensive Net Expenditure for the year ended 31 March | | (46,279) | | (46,768) |

The notes on pages 83 to 98 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

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

| | | 31 March 2014 | | 31 March 2013 | |
|--|-------------|----------------|--------------|----------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| | <i>Note</i> | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 6.1 | 3,556 | | 3,577 | |
| Intangible Assets | 6.2 | <u>3,014</u> | | <u>4,451</u> | |
| Total non-current assets | | | 6,570 | | 8,028 |
| Current Assets | | | | | |
| Inventories | 7 | 11 | | 5 | |
| Trade and other receivables | 8 | 2,684 | | 2,907 | |
| Cash and cash equivalents | 9 | <u>1,065</u> | | <u>1,094</u> | |
| Total Current Assets | | | 3,760 | | 4,006 |
| | | | | | <u>12,034</u> |
| Total Assets | | | 10,330 | | |
| Current Liabilities | | | | | |
| Trade and other payables | 10 | (3,751) | | (4,360) | |
| Provisions | 11 | <u>(750)</u> | | <u>(852)</u> | |
| Total current liabilities | | | (4,501) | | (5,212) |
| Non-current assets less net current liabilities | | | | | |
| | | | 5,829 | | 6,822 |
| Non-current liabilities | | | | | |
| Provisions | 11 | <u>(1,361)</u> | | <u>(1,875)</u> | |
| Total non-current liabilities | | | (1,361) | | (1,875) |
| Assets less liabilities | | | <u>4,468</u> | | <u>4,947</u> |
| Reserves | | | | | |
| General Reserve | | | 3,615 | | 3,592 |
| Revaluation Reserve | | | <u>853</u> | | <u>1,355</u> |
| | | | <u>4,468</u> | | <u>4,947</u> |

The notes on pages 83 to 98 form part of these accounts.

These accounts were approved on 3 July 2014 by Anne Sharp, Accounting Officer, Acas.

STATEMENT OF CASHFLOWS

for the period ended 31 March 2014

consists of:

**Advisory, Conciliation and
Arbitration Service
Certification Officer
Central Arbitration Committee**

| | <i>Note</i> | 2013-14 | 2012-13 |
|---|-------------|------------------------|------------------------|
| | | <u>£'000</u> | <u>£'000</u> |
| Cash flows from operating activities | | | |
| Net expenditure | | (45,943) | (47,600) |
| Decrease/(Increase) in trade and other receivables | 8 | 223 | (146) |
| Decrease/(Increase) in inventories | 7 | (6) | 6 |
| (Decrease)/Increase in trade and other payables | 10 | (609) | 494 |
| Use of Provisions | 11 | (645) | (1,104) |
| Less non cash movements | 4 | 2,718 | 2,870 |
| Net cash outflow from operating activities | | <u>(44,262)</u> | <u>(45,480)</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 6.1 | (1,132) | (525) |
| Purchase of intangible assets | 6.2 | (435) | (471) |
| Proceeds of disposals of property, plant and equipment | 6.1 | 0 | 2 |
| Proceeds of disposals of intangible assets | 6.2 | 0 | 0 |
| Net cash outflow from investing activities | | <u>(1,567)</u> | <u>(994)</u> |
| Cash flows from financing arrangements | | | |
| Grants from parent Department | | 45,800 | 46,450 |
| | | <u>45,800</u> | <u>46,450</u> |
| Net financing | | | |
| Net (decrease)/increase in cash and cash equivalents in the period | | <u>(29)</u> | <u>(24)</u> |
| Cash and cash equivalents at the beginning of the period | 9 | <u>1,094</u> | <u>1,118</u> |
| Cash and cash equivalents at the end of the period | 9 | 1,065 | 1,094 |

The notes on pages 83 to 98 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ended 31 March 2014

| | General Reserve | Reval Reserve | Total Reserves |
|---|-----------------|---------------|-----------------|
| | £000 | £000 | £000 |
| Balance at 1 April 2012 | 4,387 | 878 | 5,265 |
| Changes in taxpayers' equity for 2012-13 | | | |
| Net gain/(loss) on revaluation of property, plant and equipment | 0 | 832 | 832 |
| Transfers between reserves | 355 | (355) | 0 |
| Retained surplus/(deficit) | (47,600) | 0 | (47,600) |
| Grant from Parent | 46,450 | 0 | 46,450 |
| Balance at 31 March 2013 | 3,592 | 1,355 | 4,947 |
| Changes In Taxpayers Equity for 2013-14 | | | |
| Net gain/(loss) on revaluation of property, plant and equipment | 0 | (336) | (336) |
| Transfers between reserves | 166 | (166) | 0 |
| Retained surplus/(deficit) | (45,943) | 0 | (45,943) |
| Grant from Parent | 45,800 | 0 | 45,800 |
| Balance at 31 March 2014 | 3,615 | 853 | 4,468 |

The notes on pages 83 to 98 form part of these accounts.

Notes to the accounts for the period ended 31 March 2014

1. Statement of Accounting Policies

1.1. Basis of Preparation

These financial statements have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by HM Treasury, as required by the Accounts Direction issued by the Secretary of State for Business, Innovation and Skills. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The particular accounting policies adopted by the Service are set out below. They have been applied consistently in dealing with items that are considered material in relation to the accounts. As required by the Accounts Direction, other guidance issued to NDPBs is also taken into account.

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

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

1.2. Accounting Convention

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

1.3. Activities

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

1.4 Grant-in-Aid

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

1.5. Property, Plant and Equipment

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

The thresholds for capitalisation are as follows:

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

Furniture, fixtures and fittings: £1,000

Office Machinery: £1,000

Improvements to leasehold properties: £3,000

Property, plant and equipment are revalued using relevant published indices. Upward revaluation is transferred to the Revaluation Reserve. Downward revaluations are taken to the Revaluation Reserve where available and then to SoCNE.

1.6 Intangible Assets

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

1.7 Impairment

An annual impairment review is conducted. Impairments are calculated by estimating the recoverable amount; if this recoverable amount is less than the carrying amount, the asset is reduced to its recoverable amount and the impairment loss is recognised in SoCNE.

1.8. Depreciation and Amortisation

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

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

1.9. Development Expenditure

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

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

1.10 Operating Income

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

1.11 Pensions

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

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

1.12 VAT

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

1.13 Operating Leases

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

1.14 Inventories

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

1.15 Provisions

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

Material provisions greater than one year are discounted to a value using a discount rate set by HM Treasury (currently dilapidations are discounted at a rate determined by the discounting period in the range of -1.9% to 2.2%; the early retirement provision is discounted at a rate of 1.8%).

1.16 Going Concern

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

1.17 Financial Instruments

The only exposure to financial instruments arises from normal operational activities. They comprise Trade and Other Receivables (measured at fair value) and Trade and Other Payables (measured at nominal value).

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

1.18 Segmental Analysis

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

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

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

1.19 Key Judgements/Uncertainties

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

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

1.20 New IFRSs in issue but not yet effective and FReM changes 2013-14

There are no new IFRSs that have an effective date after 31 March 2014 which have an impact on Acas's future financial statements together or major FReM changes for 2013-14.

2. Segmental Analysis

2013-14

| | Public Services | Conciliation I/c and C/c | Help Line | Good Practice Services | CO & CAC | Total |
|----------------------------|--------------------|-----------------------------|---------------|------------------------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income: | | | | | | |
| Total | (3) | 0 | 0 | (3,935) | (7) | (3,945) |
| Expenditure | | | | | | |
| Total Salaries | 2,750 | 16,779 | 8,299 | 2,692 | 1,039 | 31,559 |
| Total GAE | 1,209 | 6,049 | 2,354 | 755 | 183 | 10,550 |
| Overhead | 777 | 3,423 | 3,044 | 271 | 264 | 7,779 |
| Allocation | | | | | | |
| Total | 4,736 | 26,251 | 13,697 | 3,718 | 1,486 | 49,888 |
| Expenditure | | | | | | |
| Net Expenditure | 4,733 | 26,251 | 13,697 | (217) | 1,479 | 45,943 |

2012-13

| | Public Services | Conciliation I/c and C/c | Help Line | Good Practice Services | CO & CAC | Total |
|----------------------------|--------------------|-----------------------------|---------------|------------------------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income: | | | | | | |
| Total | (5) | 0 | 0 | (3,713) | (11) | (3,729) |
| Expenditure | | | | | | |
| Total Salaries | 2,895 | 17,321 | 8,213 | 2,614 | 1,275 | 32,318 |
| Total GAE | 1,426 | 4,698 | 2,953 | 628 | 380 | 10,085 |
| Overhead | 911 | 4,027 | 3,346 | 286 | 356 | 8,926 |
| Allocation | | | | | | |
| Total | 5,232 | 26,046 | 14,512 | 3,528 | 2,011 | 51,329 |
| Expenditure | | | | | | |
| Net Expenditure | 5,227 | 26,046 | 14,512 | (185) | 2,000 | 47,600 |

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

Good Practice Services (GPS)

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

Individual and Collective Conciliation

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

Helpline

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

Public Services

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

Certification Office and Central Arbitration Committee (CO and CAC)

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

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

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

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

3. Staff Numbers and Related Costs

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

| | 2013-14 | | | | | 2012-13 Total |
|----------------------------------|-------------------------|-----------|-----------|---------------------|------------|------------------|
| | Permanently Employed | Others | Ministers | Special Advisors | Total | |
| Acas National | 120 | 3 | 0 | 0 | 123 | 121 |
| Regional Offices | 602 | 45 | 0 | 0 | 647 | 649 |
| Certification Office | 8 | 0 | 0 | 0 | 8 | 8 |
| Central Arbitration Committee | 9 | 0 | 0 | 0 | 9 | 9 |
| Total | 739 | 48 | 0 | 0 | 787 | 787 |

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

| Acas | 2013-14 | | | 2012-13 |
|---|-----------------------------|---------------|---------------|----------------|
| | Permanently Employed | Others | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Wages and salaries | 23,447 | 1,079 | 24,526 | 24,730 |
| Social security costs | 1,832 | 80 | 1,912 | 1,905 |
| Other pensions costs | 4,225 | 182 | 4,407 | 4,306 |
| VES Scheme | 0 | 0 | 0 | 534 |
| Sub total | 29,504 | 1,341 | 30,845 | 31,475 |
| Less recoveries in respect of outward secondments | (116) | 0 | (116) | (77) |
| Total Net Costs | 29,388 | 1,341 | 30,729 | 31,398 |

| CO & CAC | 2013-14 | | | 2012-13 |
|---|-----------------------------|---------------|--------------|----------------|
| | Permanently Employed | Others | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Wages and salaries | 652 | 3 | 655 | 735 |
| Social security costs | 55 | 0 | 55 | 59 |
| Other pensions costs | 120 | 0 | 120 | 126 |
| VES Scheme | 0 | 0 | 0 | 0 |
| Sub total | 827 | 3 | 830 | 920 |
| Less recoveries in respect of outward secondments | 0 | 0 | 0 | 0 |
| Total Net Costs | 827 | 3 | 830 | 920 |

| Total Acas, CO & CAC | 2013-14 | | | 2012-13 |
|---|-----------------------------|---------------|---------------|----------------|
| | Permanently Employed | Others | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Wages and salaries | 24,099 | 1,082 | 25,181 | 25,465 |
| Social security costs | 1,887 | 80 | 1,967 | 1,964 |
| Other pensions costs | 4,345 | 182 | 4,527 | 4,432 |
| VES Scheme | 0 | 0 | 0 | 534 |
| Sub total | 30,331 | 1,344 | 31,675 | 32,395 |
| Less recoveries in respect of outward secondments | (116) | 0 | (116) | (77) |
| Total Net Costs | 30,215 | 1,344 | 31,559 | 32,318 |

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

For 2013-14, employers' contributions of £4,495k were payable to the PCSPS (2012-13: £4,403k) at one of four rates in the range of 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full Scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contribution of £29,586, were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. In addition, employer contributions of £2,243, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

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

In 2013-14, 0 persons (2012-13: 2 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £0 (2012-13: £0).

Civil Service and Other Compensation Schemes

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

No exit packages were agreed in 2013-14.

In 2012-13 9 exit packages were granted under Civil Service or Other Compensation Schemes totalling £534,000:

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

4. Other Expenditure

| | 2013-14 | | | 2012-13 | | |
|---|---------------|------------|---------------|---------------|------------|---------------|
| | ACAS | CO/ CAC | TOTAL | ACAS | CO/ CAC | TOTAL |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Accommodation costs | 4,738 | 176 | 4,914 | 5,566 | 221 | 5,787 |
| Travelling and incidental expenses | 1,643 | 4 | 1,647 | 1,560 | 6 | 1,566 |
| Fees and expenses of arbitrators, conciliators & CAC members | 7 | 5 | 12 | (7) | 5 | (2) |
| Running Costs | 6,921 | 24 | 6,945 | 6,644 | 33 | 6,677 |
| Services provided by OGDs | 65 | 0 | 65 | 99 | 0 | 99 |
| Rentals under operating leases | 219 | 1 | 220 | 244 | 1 | 245 |
| External audit fees | 44 | 0 | 44 | 48 | 0 | 48 |
| Staff training costs | 524 | 1 | 525 | 566 | 8 | 574 |
| Research and development costs | 902 | 3 | 905 | 796 | 3 | 799 |
| Conference costs | 188 | 8 | 196 | 135 | 7 | 142 |
| Legal costs | 136 | 1 | 137 | 199 | 1 | 200 |
| Bad debts | 1 | 0 | 1 | 6 | 0 | 6 |
| Non Cash Costs | | | | | | |
| Depreciation and Amortisation | 2,550 | 0 | 2,550 | 2,886 | 0 | 2,886 |
| Losses, write offs and loss on disposal of property, plant and equipment | 51 | 0 | 51 | 253 | 0 | 253 |
| Loss on Revaluation | 88 | 0 | 88 | 0 | 0 | 0 |
| Provisions for liabilities and charges – Early Retirements | 0 | 0 | 0 | (51) | 0 | (51) |
| Provisions for liabilities and charges – Dilapidations and Onerous Leases | 31 | 0 | 31 | (242) | 0 | (242) |
| Unwinding of Discount | (2) | 0 | (2) | 24 | 0 | 24 |
| | <u>18,106</u> | <u>223</u> | <u>18,329</u> | <u>18,726</u> | <u>285</u> | <u>19,011</u> |

5. Income

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

| | 2013-14 | | | 2012-13 | | |
|--------------------------|--------------|------------|--------------|--------------|------------|--------------|
| | Acas | CO/ CAC | Total | Acas | CO/ CAC | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Receipts from fees | 3,933 | 7 | 3,940 | 3,696 | 11 | 3,707 |
| Sale of publications etc | 3 | 0 | 3 | 5 | 0 | 5 |
| Other receipts | 2 | 0 | 2 | 17 | 0 | 17 |
| | 3,938 | 7 | 3,945 | 3,718 | 11 | 3,729 |

| | 2013-14 | 2012-13 |
|--|------------|------------|
| | £'000 | £'000 |
| Receipts from Fees and other Operating receipts (Acas) | 3,935 | 3,713 |
| Total Expenditure | (3,718) | (3,528) |
| Net Surplus | 217 | 185 |

6.1 Property, Plant and Equipment 2013-14

| | Leasehold Improve- ments | Computer Hardware, Telecomms & Office Mach. | Furniture Fixtures & Fittings | Total |
|--|--------------------------------|---|-------------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost or Valuation | | | | |
| At 1 April 2013 | 4,466 | 4,658 | 1,006 | 10,130 |
| Additions | 3 | 1,121 | 8 | 1,132 |
| Disposals | (41) | (468) | (145) | (654) |
| Revaluations | 17 | (209) | (43) | (235) |
| Impairment | 0 | 0 | 0 | 0 |
| At 31 March 2014 | 4,445 | 5,102 | 826 | 10,373 |
| Depreciation | | | | |
| At 1 April 2013 | 2,011 | 3,816 | 726 | 6,553 |
| Charge in year | 413 | 524 | 89 | 1,026 |
| Disposals | (25) | (465) | (113) | (603) |
| Revaluations | 5 | (137) | (27) | (159) |
| Impairment | 0 | 0 | 0 | 0 |
| At 31 March 2014 | 2,404 | 3,738 | 675 | 6,817 |
| Net Book Value at 31 March 2014 | 2,041 | 1,364 | 151 | 3,556 |
| Asset Financing Owned | 2,041 | 1,364 | 151 | 3,556 |

2012-13

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

6.2 Intangible Fixed Assets 2013-14

| | Computer Software | Total |
|--|----------------------|--------------|
| Cost or Valuation | <u>£'000</u> | <u>£'000</u> |
| At 1 April 2013 | 9,336 | 9,336 |
| Additions | 435 | 435 |
| Disposals | 0 | 0 |
| Revaluations | (667) | (667) |
| Transfer | 0 | 0 |
| At 31 March 2014 | 9,104 | 9,104 |
| Amortisation | | |
| At 1 April 2013 | 4,885 | 4,885 |
| Charge in Year | 1,524 | 1,524 |
| Disposals | 0 | 0 |
| Revaluations | (319) | (319) |
| At 31 March 2014 | 6,090 | 6,090 |
| Net Book Value at 31 March 2014 | 3,014 | 3,014 |
| Asset Financing | | |
| Owned | 3,014 | 3,014 |

Included in Intangible Assets are Phoenix (formerly Caseflow) assets with a carrying value of £2,395k (2012-13, £3,589k). Phoenix is a conciliation case management and management information system. The assets are estimated to have a useful life of five years.

| | Computer Software | Total |
|--|----------------------|--------------|
| Cost or Valuation | <u>£'000</u> | <u>£'000</u> |
| 2012-13 | | |
| At 1 April 2012 | 8,380 | 8,380 |
| Additions | 471 | 471 |
| Disposals | (473) | (473) |
| Revaluation | 958 | 958 |
| Transfer | 0 | 0 |
| At 31 March 2013 | 9,336 | 9,336 |
| Depreciation | | |
| At 1 April 2012 | 3,406 | 3,406 |
| Charge in Year | 1,648 | 1,648 |
| Disposals | (471) | (471) |
| Revaluation | 302 | 302 |
| At 31 March 2012 | 4,885 | 4,885 |
| Net Book Value at 31 March 2013 | 4,451 | 4,451 |
| Asset Financing | | |
| Owned | 4,451 | 4,451 |

7. Inventories

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

| | 2014 | 2013 |
|---------------------|--------------|--------------|
| | £'000 | £,000 |
| Closing inventories | 11 | 5 |

8. Trade Receivables and Other Current Assets

| | 2014 | 2013 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| VAT receivables | 116 | 286 |
| Deposits and advances (staff) | 109 | 76 |
| Trade Receivables | 686 | 857 |
| Prepayments | 1,757 | 1,667 |
| | 2,668 | 2,886 |
| Amounts falling due after more than one year: | | |
| Deposits and advances (staff) | 16 | 21 |
| | 2,684 | 2,907 |

9. Cash and Cash Equivalents

| | 2014 | 2013 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Balance at 1 April | 1,094 | 1,118 |
| Net cash inflow | (29) | (24) |
| Balance at 31 March | 1,065 | 1,094 |
| The following balances at 31 March are held at: | | |
| Government Banking Service | 1,065 | 1,094 |
| | 1,065 | 1,094 |

10. Trade Payables and Other Current Liabilities

| | 2014 | 2013 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade and Staff Payables | 1,309 | 1,282 |
| Accruals | 1,549 | 2,109 |
| Holiday Pay | 798 | 822 |
| Deferred Income | 95 | 147 |
| | 3,751 | 4,360 |

11. Provisions and Contingent Liabilities

11.1 Provisions for Liabilities and Charges

| | Future Pensions ¹ | VER Scheme ² | Dilapi- dations ³ | Onerous Lease ⁴ | Total |
|---|---------------------------------|----------------------------|---------------------------------|-------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Opening Provisions at 1 April 2013 | 136 | 954 | 1,549 | 88 | 2,727 |
| In period: | | | | | |
| Expenditure during year | (18) | (532) | (43) | (52) | (645) |
| Increase in provisions | 0 | 0 | 109 | 0 | 109 |
| Reversed unused in the year | 0 | 0 | (78) | 0 | (78) |
| Unwinding of discount | 0 | 15 | (17) | 0 | (2) |
| Closing Provision at 31 March 2014 | 118 | 437 | 1,520 | 36 | 2,111 |

| | Future Pensions ¹ | VER Scheme ² | Dilapi- dations ³ | Onerous Lease ⁴ | Total |
|--|---------------------------------|----------------------------|---------------------------------|-------------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Summary of Cashflow Timings | | | | | |
| Within 1 Year | 19 | 318 | 377 | 36 | 750 |
| Between 2 and 5 Years | 72 | 119 | 1,023 | 0 | 1,214 |
| Beyond 5 Years | 27 | 0 | 120 | 0 | 147 |
| Total | 118 | 437 | 1,520 | 36 | 2,111 |

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

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

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

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

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

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

11.2 Contingent Liabilities

One Personal Injury case and one Employment Tribunal case were pending at the year end. The estimated costs if Acas were to be found liable would be approximately £70,000 (2012-13, £110,000).

12. Capital Commitments

Acas is committed to further Estates moves in 2014-15 for which it is estimated £45,000 capital expenditure (2012-13, £65,000) will be incurred.

13. Commitments under Operating Leases

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

| | 2013-14 | | 2012-13 | |
|---|--------------------|------------|--------------------|------------|
| | Land and buildings | Other | Land and buildings | Other |
| | £'000 | £'000 | £'000 | £'000 |
| Obligations under Operating Leases | | | | |
| Not later than one year | 2,538 | 43 | 2,821 | 101 |
| Later than one year and not later than five years | 9,147 | 161 | 7,722 | 23 |
| Later than five years | 3,270 | 0 | 4,966 | 0 |
| | 14,955 | 204 | 15,509 | 124 |

14. Losses and Special payments

Special payments include extra-contractual, ex gratia and compensation payments. In 2013-14, there were no special payments made. (2012-13, £0).

15. Related Party Transactions

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

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

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

One member of the Acas Council, Jonathon Baume, also sits on the Board of the Health and Safety Executive (HSE): Acas has had material transactions with the HSE, paying £157k for accommodation during 2013-14.

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

16. Financial Instruments

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

17. Intra-Government Balances

| | Debtors: amounts falling due within one year | Debtors: amounts falling due after more than one year | Creditors: amounts falling due within one year |
|---|---|--|---|
| | £'000 | £'000 | £'000 |
| Balances with other central government bodies | 288 | 0 | 446 |
| Balances with local authorities | 634 | 0 | 5 |
| Balances with NHS Trusts | 80 | 0 | 13 |
| Balances with public corporations and trading funds | 45 | 0 | 0 |
| Balances with bodies external to government | 1,621 | 16 | 3,287 |
| Total as at 31 March 2014 | 2,668 | 16 | 3,751 |
| Balances with other central government bodies | 389 | 0 | 28 |
| Balances with local authorities | 200 | 0 | 25 |
| Balances with NHS Trusts | 30 | 0 | 34 |
| Balances with public corporations and trading funds | 18 | 0 | 100 |
| Balances with bodies external to government | 2,249 | 21 | 4,173 |
| Total as at 31 March 2013 | 2,886 | 21 | 4,360 |

18. Events after the Accounting Period

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

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ISBN 978-1-4741-0915-4



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