



Advisory, Conciliation and Arbitration Service (Acas)

Annual report and Accounts 2015/16





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Annual Report and Accounts 2015/16

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

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Performance Report, Foreword

Acas exists to improve organisational performance and working life in Great Britain through expert and impartial advice and training and through our work to help resolve workplace disputes. Our services are highly valued by those who use them and our wider economic impact is substantial – for every £1 we spend, there is at least £12 benefit to the economy.

This report sets out what we achieved in 2015/16, a year in which, as well as delivering our high volume core services effectively, we used our expertise and insight to provide strategic input to the national debate on productivity, articulating the crucial part played by workplace practices and providing practical help for employers who want to improve their position.

While the number of people turning to us for support continues to grow every year and independent evaluation shows high levels of customer satisfaction, we are not complacent. We know that we are not yet reaching all those who could benefit from our services, and that customer needs and expectations change, while the need to make best use of public funding remains crucial.

In April 2016 we published a vision and new strategic plan for Acas covering the period to 2021. This will provide the basis for an exciting and ambitious period of change, harnessing the opportunities provided by digital technology; reaching new audiences; modernising the way we deliver our services; and making sure we continue to provide best value for money and meet customer needs.

We could not realise our ambitions for the future, nor would we have such a firm basis to build on, without the strategic direction, support and challenge provided by the Acas Council and the professionalism, expertise and commitment of our people. We look forward to continuing to work productively with them and with all who share our interest in effective workplaces, in good quality of working life and in the part which both play in strengthening the economy.

Our vision

Reflecting our core strengths and our ambitions for the future, we have developed a new Vision for 2016–2021. Acas will be widely recognised as Britain’s leading impartial authority on workplace relationships and effectiveness.

We will provide employers and employees with a unique combination of digital, practical and expert services, to help them build thriving workplaces and working lives.



Brendan Barber

Chair

A handwritten signature in black ink that reads "Brendan Barber". Below the signature is a short horizontal line.



Anne Sharp

Chief Executive

A handwritten signature in black ink that reads "Anne Sharp".

At a glance:

Acas key stats for the year

Business/employee support

943,500

calls to the **Acas Helpline**



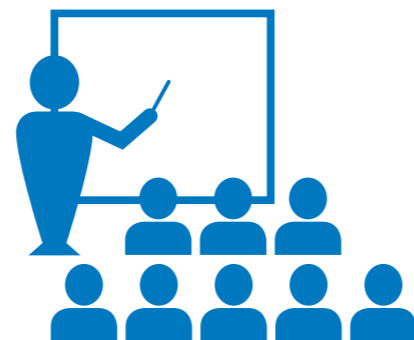
268

in-company projects across a range of organisations



34,500

delegates trained – that's **an increase of 8%** from last year

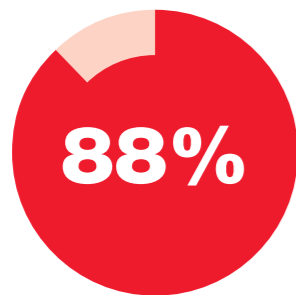


Conciliation services

970

disputes

collective conciliation



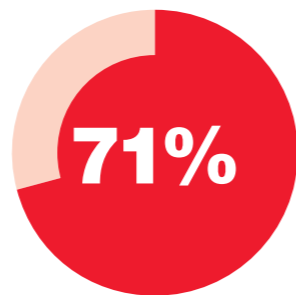
SUCCESSFUL RESOLUTION of collectives



92,000

Early Conciliation

Notifications



Acas helped 71% of EC users to avoid an Employment Tribunal hearing

Accessing guidance online

1.1m

GUIDANCE DOWNLOADS

– an increase of **100,000** on the year before



OVER half a million

509,000

Helpline Online user sessions



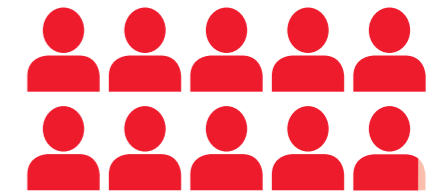
4,000

conversations on **Helpline livechat**



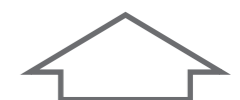
24,000

NEW PEOPLE registered for **FREE e-learning**



9.9m

VISITS



22m

PAGE VIEWS

Social media 2015/16



83,700 **Twitter** followers



33,900 **LinkedIn** members



215,000 **You tube** views

Year at a glance

April 2015

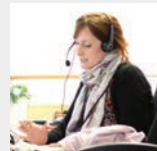
Evaluation of our helpline found that

96%

said they would be likely to recommend the Acas Helpline to a friend or colleague and

94%

of respondents agreed that their adviser was knowledgeable.



June 2015

Acas looked at the important role that workplaces can play in helping to solve the UK's productivity problem.



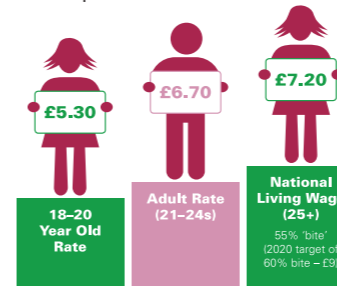
August 2015

Acas introduced new guidance to help employers get to grips with the rules around employing younger workers and the special protections that apply to them.



October 2015

Acas provided guidance and support on new minimum wage rates and the forthcoming National Living Wage which started on 1 April 2016.



December 2015

'Small Business Saturday' Acas provided support and help for small firms including free and practical step-by-step guides on workplace issues facing small employers.



February 2016

Acas' self-help questionnaire on how best to improve productivity in the workplace is introduced and used around

4,000 times in February.

May 2015

Acas provided new advice and guidance for employees and employers on how best to manage mental health in the workplace.



July 2015

Early Conciliation one year on. Independent research, found that

84%

of claimants and

87%

of employers would use Early Conciliation again if they were involved in a similar situation in the future.

September 2015

Fit for Work: Acas helped employers manage the impact sickness absence has on their business, and helped employees get the support they need to get back to work quickly and safely.



November 2015

Our policy paper 'Seeking better solutions: tackling bullying and ill-treatment' generated over

200

pieces of media coverage and our guides on bullying were downloaded

5,800 times.

January 2016

Acas identified key trends for 2016: including the National Living Wage; Trade Union Bill; workplace bullying and the UK's continuing productivity challenge that will have an impact on workplace relations.

March 2016

Grangemouth Docks, Scotland dispute. Acas facilitated discussions with Unite trade union and management at Forth Ports and reached agreement to end industrial action.



Aim 1

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

Behind every visit to our website, call to our helpline or social media interaction there is someone who needs our help with a workplace issue. Our aim is to provide employers and employees with easy access to practical, expert and impartial information. We use many different routes to reach those who seek our advice – telephone and online helplines; detailed written guidance; online and face to face training; summaries of key points on a wide range of issues; and templates to help small businesses handle people issues well.

In the last year:

- our website visits increased by around 800,000 to just short of 10 million, with a total of over 22 million web page views;
- 5.6 million people accessed our summary guidance on our A-Z web pages;
- 24,000 new people registered for free e-learning on topics ranging from starting a new job to managing staff leave;
- our website visitors downloaded 1.1 million guides on employment law and topics such as managing discipline, offering someone their first job, and preventing discrimination – an increase of 100,000 on the year before;
- our guides offering step-by-step help for small firms were used 330,000 times;

- templates for forms and letters used in hiring, managing and disciplining staff were downloaded 550,000 times, an increase of 33% on the previous year;
- our automated online helpline advice service helped our customers in over 509,000 user sessions, including over 17,000 about the new National Living Wage and our telephone helpline handled almost 944,000 queries.

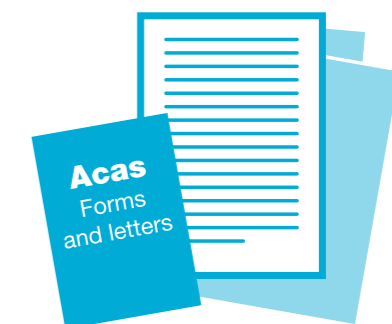
Reaching new audiences in different ways

Increasingly, people are accessing our guidance and information through digital channels and using mobile devices. We need to meet this demand, and make sure that we are reaching younger people who would benefit from what we have to offer. Last year:

- the audience for our Facebook site, launched in February 2015, rose by 50%, with site visitors increasingly seeking help and advice;
- views of our YouTube clips doubled to over 215,000 – this is a particularly welcome increase as our research tells us that those who are not regular users of our services find video a great way to access what we have to offer;

- we ran monthly Ask Acas Q&A sessions through Twitter, in a number of cases working collaboratively with organisations such as the Disability Law Service and Working Families;
- after a pilot in 2014/15 we launched Acas web chat offering regular daily timeslots and giving online advice to around 4,150 people in real time.

TEMPLATES for forms and letters used in hiring, managing and disciplining staff were **downloaded 550,000 times, an increase of 33%** on the previous year



Vanessa Smith
Acas Communications



Aim 1:
Improve organisational performance and quality of working life by providing practical advice and expert support

Aim 2:
To resolve disputes at work at the earliest stage and help avoid conflict in the future

Aim 3:
To lead debates on employment issues using insight from its own experience and wider research

Aim 4:
To continue to develop as a flexible and resilient organisation using the skills of our people to provide value for money and excellence in everything we do



Helping the nation get to grips with the National Living Wage (NLW)

Issue: On April 1, 2016, the Government introduced a new legal wage rate for employees aged 25 years and over – the National Living Wage (NLW). Customer queries and feedback told us that both employers and employees wanted advice and information on how it fitted with the National Minimum Wage (NMW) rates and the voluntary Living Wage.

Action: Acas worked closely with the Department for Business, Innovation and Skills (BIS) and HMRC, which enforces minimum wage requirements, and:

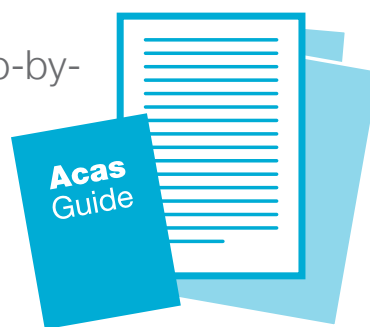
- provided information on our social media channels and website before the NLW came into effect, explaining clearly how the NLW would be the new minimum wage rate for workers aged 25 and over, with the NMW remaining the minimum for those under 25;
- developed a new training course to address key issues in organisations, such as pay and grading, staff structures, employee queries, penalties for non-compliance, communicating change and how best to manage.

Our impact: Acas played an important part in helping employers and employees understand the NLW before it came into effect:

- the Acas NMW web page was visited over 247,000 times from October 2015 to April 2016;
- we answered over 17,000 questions on Acas Helpline Online;
- our telephone helpline gave advice to a similar number of callers;
- our NMW guidance video on YouTube was viewed nearly 8,000 times.

OUR GUIDES offering step-by-step help for small firms were used

330,000
times



OUR ONLINE and **telephone helplines** handled almost
944,000
queries



Providing new information and guidance

During the year, we contributed to the national debate on the crucial economic issue of productivity, highlighting the importance of good workplace practices (Strategic Aim 3). To provide practical help to employers we developed a self-diagnostic digital questionnaire, which enables them to identify how to improve their practices. Within six weeks of its launch this had been used about 4,500 times and evaluation told us that, small and micro businesses in particular found it answered their practical questions in the work place.

Many organisations need help and, at times, in depth tailored support to improve work place relations, policies and to address issues impartially. In 2015/16, using our unique customer insight we responded to employer and employee demand by developing a range of new guidance and training on preventing and tackling discrimination, conducting investigations at work and managing pay in small firms.



Gloria Mills
National Secretary Equalities Unison

We work with Acas on pregnancy and maternity, the codes of good practice. We rely on Acas to give us the guidance that the employers, employees and the courts rely on so much.

Wow ... That is really interesting. I didn't know they offered any of this ... this is great and that is what I wanted out of this report. I have got actual "how-to" help, know where to go and have specific links to the various help pages within Acas. I think it is great and I really like it.

Senior manager
Micro-sized business

Face-to-face training and support

As well as free e-learning, Acas delivers training face to face around the country on good employment practice. During 2015/16, we saw a 7% growth in delegate numbers – that's around 13,000 people taking new knowledge and skills back to their workplaces.

Many organisations need more tailored support than is available in these general training courses and ask us for help in meeting their specific needs. In the last year, our in-company project work increased by 15% on the previous year and we provided tailored in-company training in around 1,200 organisations to over 21,000 people.



Workplace project, Wiltshire Fire and Rescue Service

Issue: Wiltshire Fire and Rescue Service (WFRS) has been going through a huge period of change. A merger with the neighbouring Dorset Service was not the only challenge: they needed to change public perception of what they did, modernise working practices, boost line manager confidence and skills, and find some time to reflect on what works best.

Action: Acas helped with a wide range of issues – from training line managers on handling discipline and grievances more effectively to setting up more open and participative communication forums where staff could constructively challenge the way things were done and put forward their suggestions.

Our impact: WFRS transformed their organisation both internally and externally while retaining the support of the public and staff. This was achieved by successfully integrating different working practices, developing the right skills to deal with behavioural issues and agreeing more streamlined policies and procedures.

“Excellent Employment Law training session. Aimed at the right level, covered the main topics, and left enough time for discussion and clarification. Thank you.

HR Operations Manager

Engineering and design consultancy
Employment law update course

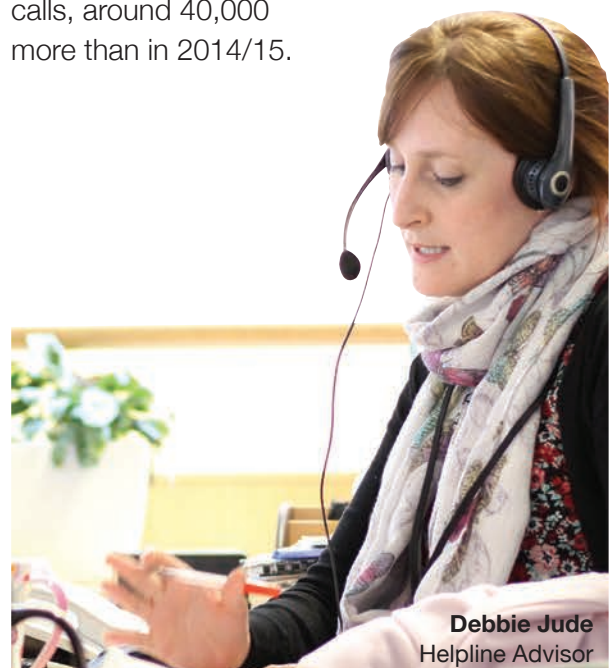
Expanding our Helpline services

In April the Acas Helpline took over responsibility for answering queries previously handled by the Pay and Work Rights helpline.

Thanks to efficiencies and savings elsewhere, we were able to absorb the additional work within our existing budget, providing improved value for money for the taxpayer.

The transition was smooth and ensured callers to Acas can now receive information on a wider range of employment rights. A survey in January 2016 showed high satisfaction with the expanded service amongst callers about pay and work rights issues.

Over the year as a whole, Acas Helpline advisers handled over 943,500 calls, around 40,000 more than in 2014/15.



Debbie Jude
Helpline Advisor

Aim 2

To resolve disputes at work at the earliest stage and help avoid conflict in the future

Conflict in the workplace can easily turn into a bigger problem if it is not dealt with early or in the right way. Issues can disrupt effective working relationships between staff, or affect the smooth running and efficiency of an organisation.

Disputes between employees and employers have the potential to end in an Employment Tribunal or in industrial action. Such disputes can be costly, and have an adverse impact on people and on productivity. Acas' independent, impartial and confidential conciliation services provide effective early support to help employees and employers to find agreed solutions, resolve disputes quickly and reduce the damage disputes can cause.

Disputes between individual employees and employers

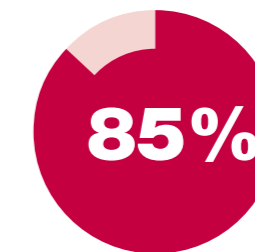
Since April 2014 potential claimants have been required to notify Acas before taking a case to an Employment Tribunal (ET). Notification enables Acas to offer impartial conciliation at an early stage in an attempt to resolve matters without the need to resort to a tribunal. In 2015/16 we received over 92,000 notifications, a rise of just over 10% from the previous year.

Most notifications came from employees (close to 88,000), with a further 4,280 from employers. Use of Acas conciliation is voluntary and we only contact employers with the agreement of the employee, but only 10% of employers and 17% of employees do not take up our offer of help at this stage.

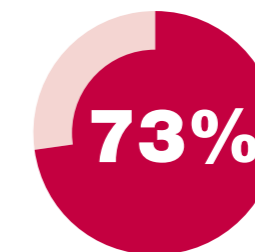
We agree formal settlements in nearly 17% of Early Conciliation (EC) cases and resolve a further 13% of cases without the need for a formal written agreement – for example, the employer agreeing to a new flexible working arrangement or paying overdue wages.

In cases where people go on to make a claim to an Employment Tribunal (ET) our conciliation remains available right up to the day of a tribunal hearing and we dealt with 19,384 ET cases during the year. 73% of ET claims closed in 2015/16 were resolved without the need for a formal judicial hearing.

We undertook research with users which found that Acas' impact extends beyond settlements alone. Taken together, 71% of EC users judged that they were helped by Acas to avoid reaching an ET hearing.



Over 85% of employees and employers would use Acas' Early Conciliation services again.



73% of ET claims closed in 2015/16 were resolved without the need for a formal judicial hearing.

Joseph Salmassian
Acas Regional Publicity Manager

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Aim 3:
To lead debates on employment issues using insight from its own experience and wider research

as a flexible and resilient organisation using to provide value for money and excellence



Our Research: Early Conciliation 2 years on

Issue: Following last year's customer survey to evaluate our Early Conciliation (EC) service, Acas wanted to gather information about cases where the employee went on to submit an Employment Tribunal claim, as conciliation remains available up to the point of a tribunal hearing and our aim is to continue to offer a seamless service.

Action: We asked users of the service about the impact of Acas' conciliation in cases which progressed to an Employment Tribunal claim. Our survey followed employers and employees through the different stages of conciliation.

Our impact: The survey found that almost 75% of employees were satisfied with Acas' conciliation after they made a tribunal claim, while more than 85% of employers said the same. Even higher levels said they would use Acas' conciliation again if in a similar situation. And more than 60% of employees and more than 45% of employers who went to tribunal said EC had helped them feel prepared for the tribunal process.

Asking users of our services for feedback through surveys is crucial in assessing whether we are meeting user needs, and how we can improve our services. As a result of the research we have revised our online guidance to give a clearer explanation of our role in conciliation, and made improvements to how potential claimants and their representatives can provide information on their cases to us. The full findings of our research on conciliation are published on our website.

As the conciliator has been there from Day one it was very comforting. He's never fobbed me off, he's always been honest.

Employee, settlement reached

He remained very calm and professional, despite me losing my temper and getting very flustered and he remained perfectly calm all the way through. He was good.

Employer, went onto Employment Tribunal

Disputes between groups of employees and their employer

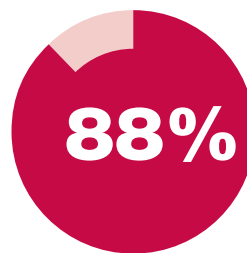
Acas has a strong and long-standing reputation for its impartial and expert work in disputes between groups of employees, usually represented by trade unions, and their employers. Work on such disputes helps to resolve conflict and reduce or avoid the damaging effect of industrial action. It also often involves Acas in addressing longer term issues in post-dispute projects.

Most disputes do not involve any industrial action and tend not to be in the public eye. Last year, we received 970 requests for help, with fewer than 20% involving a threat of industrial action. Following Acas involvement 88% of cases either settled or progress was made towards settlement.

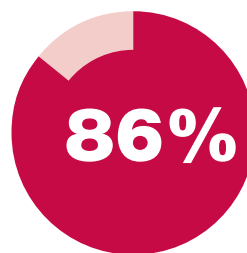
Private sector disputes accounted for two thirds of requests. Most cases were related to pay and associated issues, although disputes about recognition followed a similar pattern to previous years. Trade Union Holiday Pay cases were still prevalent, reflecting judicial decisions on entitlement. Whilst disputes often involve pay, we find the underlying issues are increasingly around modernisation, increasing productivity and efficiencies, and changing working practices.

An independent survey of employers and trade union representatives who took part in a collective conciliation with Acas found around nine in ten thought it likely they would turn to Acas for Collective Conciliation if they were in another similar situation. In those cases which did not settle, a similar proportion said the conciliator could not have done any more to try to bring about a settlement.

During 2015/16 a number of national disputes attracted headlines. Those with the most significant potential impact included pay negotiations at Network Rail; disputes over change at London Underground; a dispute at Grangemouth docks; and the junior doctors' dispute with the BMA, which was still unresolved at the end of the operational year.



88% of collective disputes were settled following Acas involvement.



An independent survey found that 86% of employers and trade union representatives would use Acas' Collective Conciliation services again.



The NHS junior doctors' dispute

Issue: In November 2015, negotiations between the BMA (British Medical Association) and the Department of Health/NHS Employers over a new contract for junior doctors which was looking to extend cover at weekends, had broken down. There were disagreements regarding weekend hours, unsocial hours, shift patterns, breaks, and payment and progression systems. Strike action was planned in January 2016 by 45,000 doctors which would have resulted in thousands of cancelled operations and the threat of further strike action in the spring across the UK.

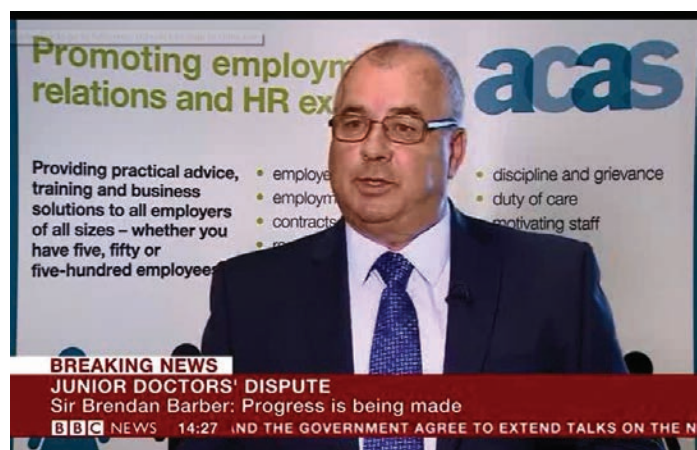
Action: Acas invited the parties to talks to explore a way to resolve the dispute. There were a large number of issues that needed resolving. Initially, Acas facilitated meetings that led to a framework to ensure a return to meaningful negotiations. Despite significant progress following this, there was not enough common ground to reach agreement and a strike went ahead in January.

Further talks then took place which led to progress in this complex dispute but unfortunately, not enough to prevent strikes in March and April.

In May, the parties accepted another Acas invitation to resume talks for a specific period of time. After ten days of intensive talks, agreement was reached subject to a vote by BMA members. The agreement included proposals around equalities issues as well as contract changes, a “guardian role” to oversee safe working practices, and time for a series of BMA roadshows to explain the agreement to its members prior to the ballot.

Our impact: Initially, we helped the sides to break the deadlock which was proving unproductive by creating a framework which helped negotiations to progress. Acas’ reputation for impartiality was essential to this. We then facilitated further sessions between the parties to support a problem solving approach that was essential to reaching an agreement.

Developments since then have illustrated that even with considerable concentrated efforts on all sides, resolution can prove elusive.





Network Rail

Issue: In the spring of 2015 Britain's railways were at risk of grinding to a halt. Around 12,000 maintenance workers and 6,000 signallers employed by Network Rail were threatening to walk out over pay. Negotiations over a new deal between the company and three trade unions – the National Union of Rail, Maritime and Transport Workers, the Transport Salaried Staffs' Association and Unite – had broken down.

Action: Acas was called on by Network Rail and the unions to help overcome the deadlock. Meanwhile, the unions were asking their members whether they wanted to be balloted on industrial action.

After three days of talks involving over 30 representatives from Network Rail and unions, Acas brokered a provisional four-year deal. However, union members turned it down because of concerns over the pay award in the first year and issues about job security. They subsequently voted for a 24-hour strike starting on the late May Bank Holiday.

Acas brought the parties back to the negotiating table, this time reaching a two-year deal including no compulsory redundancies. The planned strike was suspended to allow the unions to report back to their members. But once again the first year of the deal was problematic. The members expressed reservations and said they would strike for 24 hours on June 4 and for 48 hours starting on June 9.

Acas got the parties together for a third time, in what turned out to be the final set of talks. These started on a Friday lunchtime, carried on over the weekend and ended on the Monday. The terms of the settlement involved the setting up of a project chaired by Acas to look at longer term opportunities for improvement and efficiency at Network Rail. Just two days beforehand, the June 4 strike was suspended, with union members voting overwhelmingly to accept the terms and end the dispute.

Our impact: We helped bring the parties together and steered them through three sets of complex talks over two months. This was against a backdrop of imminent strikes across the rail network that had the potential to cause significant economic damage. Acas managed the process and brought it to a successful resolution. This was followed up by an Acas-chaired project on working together to improve efficiency.



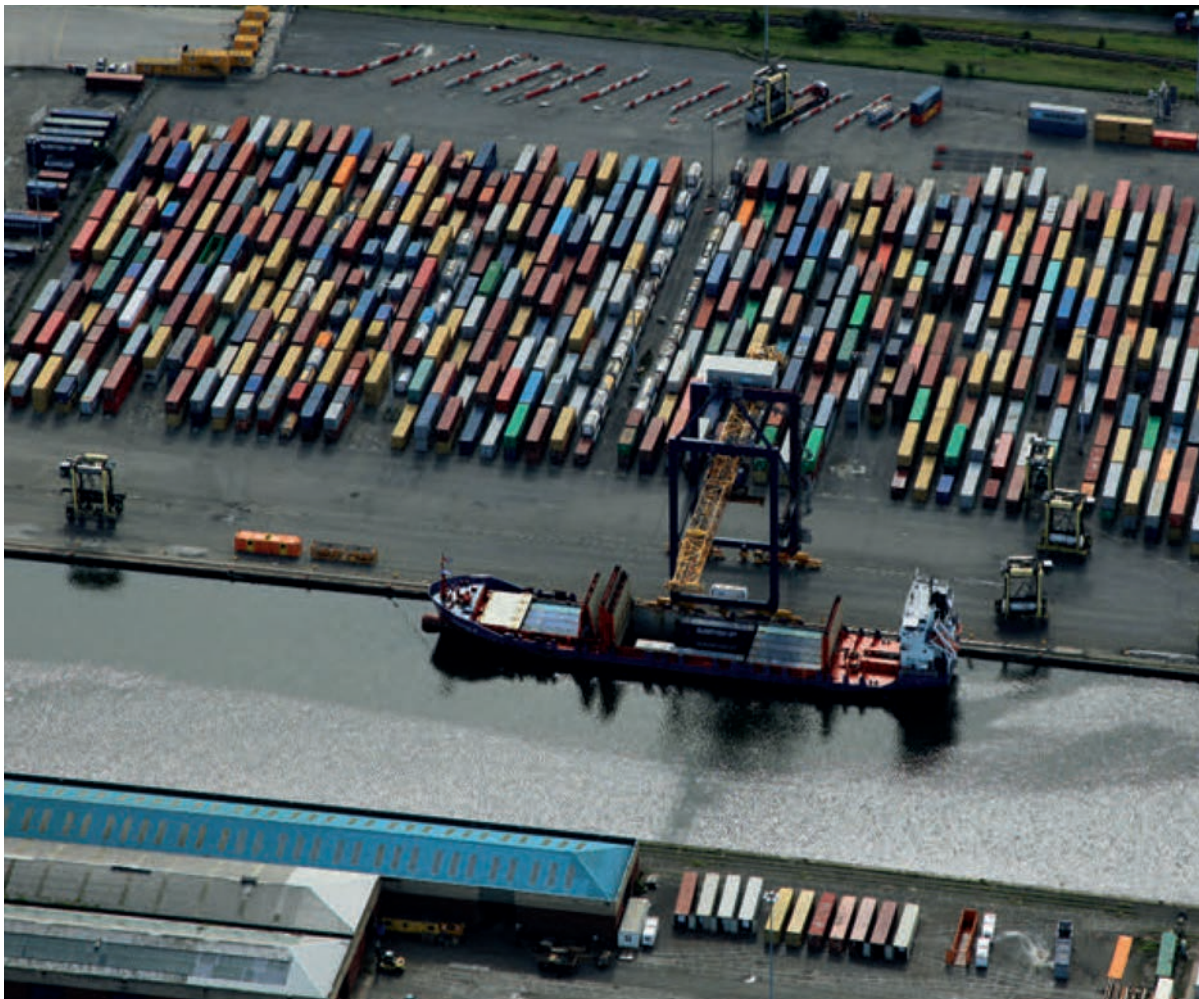


Grangemouth Docks, Forth Estuary, Scotland

Issue: Management at Forth Ports and the trade union Unite had been negotiating unsuccessfully for some time about changing shift rotas at Scotland's largest container port. The union's members had voted overwhelmingly for industrial action in response to the management's final offer. The stoppage brought the container port to a standstill and severely reduced fuel deliveries to Scotland and the north of England.

Action: Management and union agreed to attend conciliation talks at Acas, with Unite agreeing to lift the industrial action and remove the picket at the port gates pending the outcome of the talks. Acas explored both sides' positions and sought to find a solution.

Our impact: After two days of conciliation, the employer made a new offer which the union recommended to its members. The offer, radically different from the rejected proposal, met the aspirations of both parties. The union balloted members who accepted the new offer by a large majority. Both parties agreed that later in the year Acas would facilitate discussions to improve their working relationship at the docks.

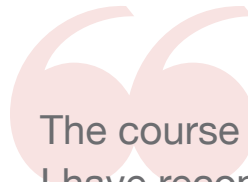


Mediation services

As well as becoming involved in formal disputes, Acas offers a workplace mediation service to help resolve conflict before it escalates. Mediation is often used in situations where working relationships have broken down, with adverse impacts on those involved and on their organisations, for example long term absence and reduced effectiveness.

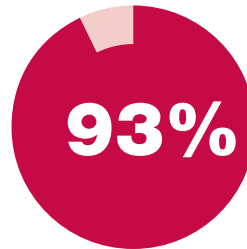
Acas mediators support those involved in taking a constructive approach to their issues and in finding jointly agreed solutions. In 2015/16 our mediators completed 230 mediations, with full or partial agreement reached in 93% of those cases.

Mediation is an important tool in managing and reducing workplace conflict, so we also provide training to enable organisations to help themselves and integrate mediation to their policies and procedures. In 2015/16 we trained 277 in-house workplace mediators through our accredited Certificate in Internal Workplace Mediation (CIWM) course.



The course was brilliant and I have recommended it to other colleagues. Also, I'm pleased to report that several potential grievances in my area have been averted and mediated instead.

HR Manager, NHS foundation trust
Certificate in Workplace Mediation course



93% of employers and employees were able to reach agreement by using Acas mediators.

Aim 3

To lead debates on employment issues using insight from its own experience and wider research

Acas has millions of conversations with employers and employees every year, providing us with unique insights on current and emerging issues in the workplace. This is backed up with evidence from our impartial and expert research on employment issues, which is used to inform products and services delivered by our people. Our engagement with customers and stakeholders is not just about dealing with the 'now', but also reflecting on experiences, gathering evidence through research, listening to our customers and being prepared for what tomorrow holds.

Acas' impartiality and expertise is embedded in our governance through the Acas Council, whose membership ensures that we benefit from employer, employee, academic and legal perspectives. As well as contributing to specific areas of work, such as Codes of Practice and guidance, the Council determines Acas' strategic direction and supports and challenges the Acas Executive in delivering strategic aims. Acas also has strong working relationships with a wide range of stakeholders, partners and customers, sharing thinking and working collaboratively to address work place issues.

All of this enables us to speak with authority and to stimulate informed discussions which prompt new thinking, inform policy making and influence workplace practice.

Leading the debate

During 2015/16, we helped shape debate in the UK on a number of critical business and employment issues.

As a thought leader on employment relations, Acas customers and stakeholders expect us to look ahead to workplace issues that will have the greatest impact on organisations and working life. For example in January we published the 'Acas Workplace Trends 2016' report, discussing in practical terms how to manage, communicate and lead in difficult times.

Coverage of the report meant that Acas evidence, research and analysis was read and discussed by a range of stakeholders and was further disseminated by Acas senior staff through speaking engagements with businesses, trade unions, academic and policy making groups.

“Acas was extremely helpful in helping us to look at new ways of managing people and understanding both the needs of business and trade unions.

David Yeandle OBE
Director, European Employers Group

Sarah Jane Maher
Acas Conciliator

Aim 1:
Improve organisational performance and quality of working life by providing practical advice and expert support

Aim 2:
To resolve disputes at work at the earliest stage and help avoid conflict in the future

Aim 3:
To lead debates on employment issues using insight from its own experience and wider research

Aim 4:
To continue to develop as a flexible and resilient organisation using the skills of our people to provide value for money and excellence in everything we do



The productivity challenge

Issue: The UK's poor productivity in terms of output per hour worked is an issue which is central to the economic well-being of the country. Solutions are generally seen in macro-economic terms, such as skills, investment and technological innovation. Acas' experience of employment issues indicates that practice in individual workplaces also makes a real difference.

Action: Acas gathered evidence from the experience of its own staff, engaged with stakeholders and listened to all sides of industry, including experts such as the Chartered Institute of Personnel and Development (CIPD), the Confederation of British Industry (CBI), the Trades Union Congress (TUC), the Federation of Small Businesses (FSB), the UK Commission for Employment and Skills (UKCES) and identified seven workplace levers which make a difference to productivity. We launched a report 'Building productivity in the UK' in June 2015 setting out our insights and including contributions from those we had worked with.

We held a breakfast seminar, hosted by BBC economist Evan Davis, which brought together representatives from across the public and private sector to explore how our insights could best be put into practice. To help organisations identify priorities and help themselves, we developed a diagnostic questionnaire on our website which enables them to identify ways of improving their practices and productivity in their own organisations (Strategic Aim 1). The self-help questionnaire tool had been used about 4,500 times within six weeks of its launch and evaluation told us that small and micro businesses in particular found it helped to provide practical solutions to work place issues. Our activities so far can be found on our website at www.acas.org.uk/productivity.

Our impact: Our messages on the part which the workplace plays in productivity have been picked up and repeated by others, received widespread media coverage and supported by Government. Our diagnostic questionnaire, case studies, and blogs have given employers practical help and insight to build productivity in their own organisations.



Acas is trying to make a difference for employees lives in the UK.

If we can help by using appreciation as a means of actually increasing productivity by making people feel valued for the work that they do then that's great.

Dawn Smedley

OC Tanner

what works in the workplace

27 October



Breakfast seminar, BBC Economist Evan Davis (above left), Acas Chair Brendan Barber (above right), Charlie Mayfield (left), Chairman of John Lewis Partnership and UK Commission for Employment and Skills



Acas helped with building trust with employees, sharing information at the earliest opportunity. We have seen improved productivity, improved capacity and improved levels of engagement.

Pooja Furniss, HR Business Partner YPO

See more of Pooja in the Productivity video on our website



Promoting positive workplace behaviours and supporting Anti-Bullying week

Issue: A culture of bullying and harassment, and even individual cases of bullying, can create an unhappy workplace with poor morale and employee relations, high absence rates, poor performance and low productivity. Evidence suggests that this is an issue that may be growing, and it is certainly an area that many find difficult to deal with effectively.

Action: In November 2016, to coincide with National Anti-Bullying week, we ran a campaign to promote our latest thinking on preventing and tackling workplace bullying. Our policy paper, 'Seeking better solutions: tackling bullying and ill-treatment in Britain's workplaces', gave recommendations for practical solutions to build and maintain positive working environments, where bullying is less likely to occur and more likely to be dealt with effectively when it does.

The insights in our paper are built on the expertise we gain from speaking to the many employers and employees who call our Helpline about this issue, and from the training and advisory work we do inside organisations across the country. The recommendations in the paper complement our existing suite of online guidance on the issue, and have been warmly welcomed by both business and trade union stakeholders.

We have also been busy sharing our practical insights in other ways – for example, one of our Area Directors made a well-received contribution to a ministerial NHS event on the issue in October 2015.

Our impact: During the campaign, which began with the launch of our policy paper, we generated over 200 pieces of media coverage through national newspapers, local radio, trade publications, regional newspapers, and national news broadcast including BBC Breakfast and ITV Good Morning Britain. There were almost 4,000 social media interactions through Twitter, LinkedIn and Facebook. As a result we saw a 50% increase in views of our A to Z web page on bullying in November and our more in-depth guides on the topic for employers and employees were downloaded over 5,800 times, enabling us to reach more employers and employees with our practical advice and guidance.

We have created a framework for organisations to take a more strategic approach to handling unwanted behaviours. We will continue to promote this through our guidance and workplace interventions, and in our work with stakeholders.

Our paper '*Seeking better solutions: tackling bullying and ill-treatment in Britain's workplaces*' provided practical solutions to build and maintain positive working environments and generated almost 4000 social media interactions through our channels.

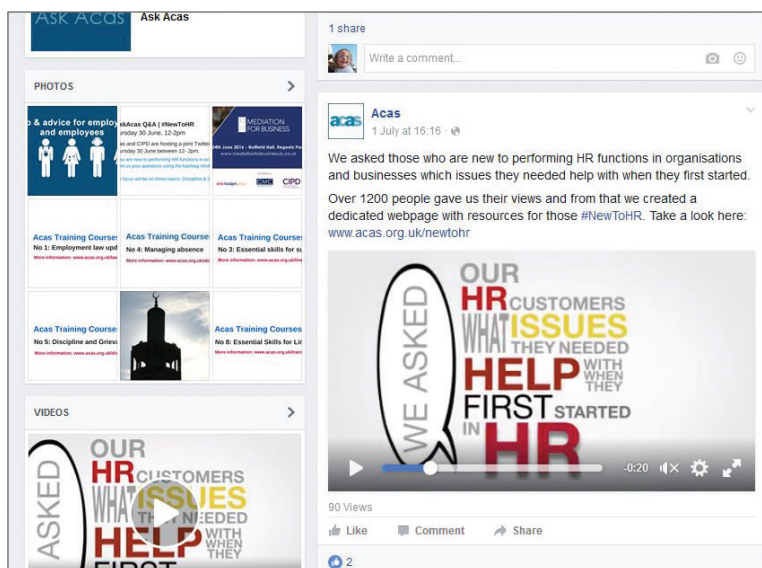
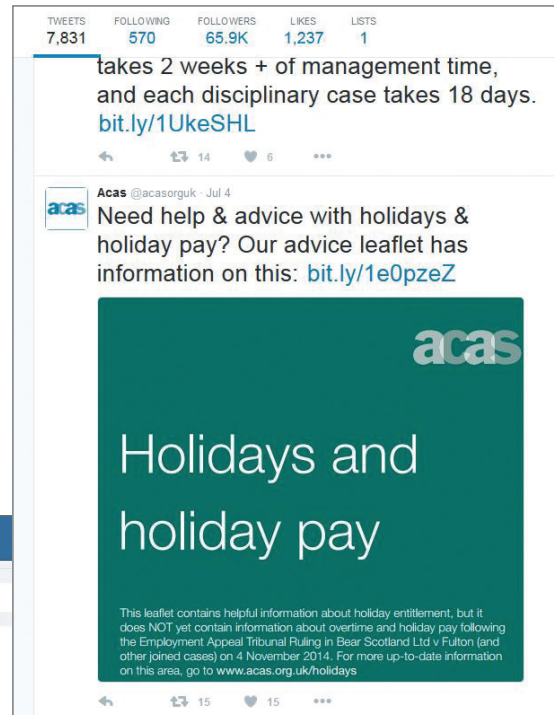
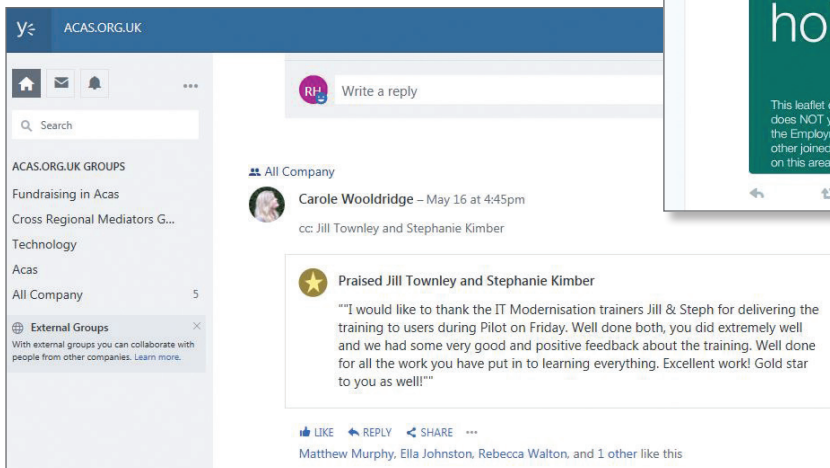
Using our insight and research

Our evidence and research informs our thinking when deciding on new guidance. It also gives us insight into developments in the workplace which aids our understanding of customer needs when accessing our services.

The use of social media in the workplace is a case in point – nothing could be more relevant and topical, yet early findings from our research suggests that employers are not making the most of internal social network platforms, like Yammer, to boost innovation and speed up communication.

Research is being carried out for us by the Involvement and Participation Association. The full report, ‘Going digital: harnessing social

media for employee voice’ will be published in 2016 and will examine the underlying issues for both employers and employees, as well as providing practical suggestions for employers to develop skills in this area.



Aim 4

To continue to develop as a flexible and resilient organisation using the skills of our people to provide value for money and excellence in everything we do

Acas' success depends on the people who work for it; on maximising value for money from our resources; and on anticipating and responding to customer needs. We evaluate our services; listen to what our customers and our people tell us; and focus on continuous improvement while developing individual and organisational capability.

Our approach to developing our capability, efficiency and effectiveness is underpinned by the Civil Service reform agenda and by our ambition to further increase our impact in building thriving workplaces and working lives. During 2015/16 we carried forward capability building in a number of areas.

Strategic direction

Input from horizon scanning, operational service delivery and contact with stakeholders informed work with the Acas Council to prepare an Acas vision and strategy for 2016–21. This will drive the direction of further development and change going forward.

One of our priorities, in line with the cross-Government agenda, is to increase our digital capability so we can more effectively and efficiently meet customer needs and run our internal operations. In 2015/16 we developed a digital strategy to provide the basis for our ambitions in this area.

The capability of our people and their ability to respond to changing demands is also of fundamental strategic importance. We created new people development and leadership strategies to support our continued individual and organisational development, with workshops across the organisation to embed the importance of development activity and with input from people at all levels in communicating the message.

Enabling our future development

Internal systems and approaches continued to receive attention as we took forward work to modernise and improve our efficiency. During the year we:

- started the roll out of a major IT modernisation programme, which will reduce our costs and support more collaborative and flexible ways of working across the organisation, wherever people are based;
- reduced costs by introducing digital pay statements, with further self-service for HR processes to follow;
- reduced our estates expenditure by continuing our programme of moves to Government hubs, vacating private sector landlord properties as leases expired. In November 2015 we relocated our Cardiff office, saving £107k per annum, while on

a smaller scale reducing the number of car parking spaces in Newcastle will also save £23k per annum;

- made savings and efficiencies through collaborative procurement with other organisations in the BIS family and across Government.

Steve Rush
Acas Digital Technology

Aim 3:
To lead debates on employment issues using insight from its own experience and wider research

Aim 4:
To continue to develop as a flexible and resilient organisation using the skills of our people to provide value for money and excellence in everything we do

Risk management

Risk management is the process of identifying, assessing and managing risk. Through this process we aim to minimise the impact of uncertainty on services and the delivery of strategic aims.

Acas' activities are monitored through quarterly reporting to our Executive Board and the Council, using the strategic risk register. At least annually, the Council reviews and challenges the whole register. At each Audit Committee meeting a high-level risk from the register is reviewed to monitor management's processes for owning, assessing, reporting and managing business risk. As part of that review, a member of the Executive board responsible for that particular risk is invited to attend the committee.

A full description of the risk control framework is set out in the Governance Statement.

We continued to manage our finances effectively; adhering to spending controls and meeting targets set for us by The Department for Business Innovation and Skills (BIS). We found efficiencies in our services and reduced our net expenditure, by modernising our working practices and absorbing extra responsibilities. And we increased financial management capability through further training, improved management information, and increased collaborative working across the business.

A full set of accounts for 2015–16, prepared under Section 253 of the Trade Union and Labour Relations (Consolidation) Act 1992, are set out later in this report (see pages 76 to 98).

Going Concern

Management consider that Acas remains a going concern for 2016–17, and that there are no events, conditions or knowledge that would cast doubt on this assertion. Acas was made a statutory body in the Employment Protection Act 1975, and with functions further set out in the Trade Union and Labour Relations (Consolidation) Act 1992. Acas has not been made aware of any reason from its parent department, BIS, or the wider Government, that its funding and function will be discontinued at any point in the following 12 months.

	£'000
Gross cost of Acas	51,122
Less income earned	(4,544)
Net expenditure	46,578
Grant in Aid	45,050
Capital expenditure	820

Our People Matter

We are committed to self improvement and take part in peer reflective reviews. By talking and listening to each other and reflecting on closed cases we learn and make improvements.

David Levene
Conciliation Team Leader



One of Acas' organisational values is that our people matter. In line with this, during the year, we:

- further developed our reward and recognition scheme, to introduce greater scope for local recognition for great work;
- continued with work to increase diversity at senior levels started in the previous year:
 - evaluation of our Insight Pairs initiative found that both senior leaders and partners from different ethnic backgrounds benefited and valued the experience;
 - ran events to follow up findings from a survey of women in Acas, aimed at areas which they had identified to help increase their confidence, networking and presentation skills.

- Completed the second of our Developing Future Leaders talent programmes, with those involved broadening their experience of the organisation, adding value through project work and developing new skills.
- Committed additional resource to our HR business partners, based on their impact and feedback from managers about the value of their support on issues such as succession planning and absence management.

Our staff survey tells us that:

- 94% of staff have a clear understanding of what Acas is all about (up 2% on last year) 10% higher than the Civil Service (CS) average and 6% higher than CS high performers);
- 73% are proud to tell others they are part of Acas (which is 16% higher than the CS average and 6% higher than CS high performers);
- we have a 66% staff engagement score (7% higher than the CS average and 3% higher than CS high performers).

We will continue to work to further improve levels of staff engagement, engaging, listening and informing as we move forward.

The Acas Council

Sir Brendan Barber – (Chair)

Sir Brendan Barber was appointed as the Chair of the Advisory, Conciliation and Arbitration Service (Acas) commencing January 2014.

He was the General Secretary of the TUC from 2003 to 2012 having first joined the TUC in 1975. He is a member of the Banking Standards Board, the Board of Transport for London and of the Council of City University London which he graduated from with a BSc in Social Sciences in 1974. He is also a member of the Board of the Mountview Academy of Theatre Arts.

During his time at the TUC he sat on the Acas Council from 1995 to 2004, the Board of Sport England from 1999 to 2003 and the Court of Directors of the Bank of England from 2003 to 2012.

He is a Visiting Fellow at the Said Business School, Oxford University, and a Visiting Fellow at Nuffield College, Oxford. In 2007 he received an Honorary Doctorate from the City University. Sir Brendan was knighted in the 2013 Birthday Honours for services to employment relations.

Paul Butler

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.

He is on the Federation of Small Business Employment Committee and also currently a National Leader of Governance for the FE sector, Prevent adviser and has also worked on a number of cross-party panels with

ministers on workforce, education and inclusion issues.

Neil Carberry

Neil Carberry is Director for Employment, Skills and Public Services at the CBI, a role he has held since February 2011. Neil has worked at the CBI for the past decade on a wide range of business issues, including employment, employee relations, pay, education, skills and public service reform. He is a member of the CBI's Management Board.

Before joining the CBI, Neil worked in consultancy on HR issues for financial services firms. He is a member of the Low Pay Commission, which makes recommendations about the level of the UK's National Minimum Wage. He has an MSc in Industrial Relations from the London School of Economics and is a Chartered Fellow of the CIPD. He is the Chair of Business Europe's Employment Working Group.

Mike Clancy

Mike has been the General Secretary and Chief Executive of Prospect since 2012. He was the Deputy General Secretary for the previous eight years. Prospect represents 113,000 professional, managerial and technical staff, employed in central government, utilities, defence, telecommunications, nuclear decommissioning, air traffic control and science. He is the chief spokesperson and is responsible for the strategic direction and financial management of the union that employs 200 staff with over 4000 representatives.

Mike has also been an Employment Tribunal (ET) and then an Employment Appeal Tribunal

(EAT) member continuously since 1994. He was appointed to the EAT in 2002

Mike Gooddie

Mike Gooddie is Vice President, Labour Relations for Asda. Mike has worked for a number of companies including Shell, British Airways, GNER and the BBC. He has held Non Executive positions for Manchester Airport Group (MAG), Community Integrated Care (CIC) and York Archaeological Trust (YAT).

He is a Graduate of Leicester University and a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD), and a Fellow of the Royal Society for the Encouragement of Arts Manufactures and Commerce (FRSA).

Vikki Hawes

Vikki Hawes is a Director of Aldridge Consulting Ltd, which provides strategic HR solutions and interim management. She previously held a number of senior posts at Royal Mail and has worked as an Interim HR Director in various organisations.

Sally Hunt

Sally Hunt is general secretary of the University and College Union (UCU) – the world's largest post-school education trade union.

Sally is the TUC's spokesperson on international issues and represents the TUC at the European Trade Union Confederation and International Trade Union Confederation.

Jane McNeill

Jane McNeill QC is a member and former Head of Old Square Chambers, a leading employment set of chambers. She has been involved in many important and test cases in the fields of employment and discrimination law, including the part-time workers' pensions (Preston) litigation, the test cases in the Supreme Court and Court of Justice of the European Union concerning the calculation

of holiday pay (Williams v BA) and the equal pay litigation.

She has recently acted for individuals, groups of individuals and NHS Trusts in cases at first instance and appellate level involving whistleblowing and the interpretation and implementation of disciplinary processes and procedures.

She has been a Queen's Counsel since 2002, a fee-paid Employment Judge since 2000 and has sat as a Recorder in the County Court since 2006. She is an accredited and practising mediator.

Paul Nowak

Paul Nowak was appointed Assistant General Secretary of the TUC in February 2013, and was subsequently confirmed as Deputy General Secretary by the TUC General Council in February 2016.

He has responsibility for a number of key policy areas including public services and transport, and for the TUC's organisation in the English regions and Wales, union organising, inter-union relations and the organisation of the TUC's annual Congress

Professor Paul Willman

Paul Willman has been Professor of Management at the London School of Economics since 2006. Previously, and for 6 years, he was the Ernest Butten Professor of Management at the Said Business School, Balliol College, Oxford. Before that he was Professor of Organisational Behaviour and Industrial Relations at the London Business School for 9 years. He is very well published and has been Editor in Chief of 'Human Relations'. He has taught on MBA and Executive MBA programmes and has worked with international companies in the areas of organisational development and change'.

Also on the council during the year were Mary Bousted, Professor Linda Dickens and John Hannett.

Performance against key indicators

Key performance indicators for Service Level Agreement¹

	2015-16		2014-15	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes:				
The promotion of a settlement in disputes in which Acas is involved	80%	88%	80%	87%
Workplace projects:				
Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention	70%	n/a	70%	n/a
Acas training services:				
Percentage of open access delegates reporting that training provided by Acas resulted in a review or change in policy or practice	80%	73%	80%	n/a
Percentage of workplaces reporting an improvement in employment relations practice following Acas workplace training	70%	n/a	70%	n/a
Helpline:				
a) Call abandon rate	No more than 10%	1.7%	No more than 10%	6.5%
b) Average call quality ²	2.5	3.1	2.5	3.2
c) Average adviser availability	60%	55%	Apr 2014 to Sep 2014: 55% Oct 2014 to Mar 2015: 60%	57%
Non-statutory alternative dispute resolution:				
a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	n/a	80%	n/a
b) Mediation services: percentage of mediations that are successful	90%	93%	90%	93%
Written information and guidance on good practice at work (including guidance on the Acas website and hard copy and online guidance):				

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

	2015-16		2014-15	
	Target	Outturn	Target	Outturn
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	55%	n/a	55%	n/a
b) the percentage of users for whom the guidance helped to amend or introduce a policy	15%	n/a	15%	n/a

Performance against customer satisfaction targets

	2015-16		2014-15	
	Target	Outturn	Target	Outturn
Helpline:				
a) customers satisfied with the service	95%	n/a	95%	93%
b) the percentage of callers who were able to take clear action following their call to the Acas Helpline	70%	n/a	70%	86%
Training services:				
Customers satisfied with charged events	95%	98%	95%	98%

Other performance targets

	2015-16		2014-15	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	95%	100%	95%

Volume indicators

	2015-16	2014-15
Number of EC notifications	92,172	82,423
Number of re-employments	97	48
Number of collective conciliation requests received	970	1,373
Number of workplace projects started	268	234
Number of requests for trade dispute arbitration	22	19
Number of calls answered by National Helpline	943,610	903,679
Number of Helpline Online user sessions	509,103	531,712
Number of advisory visits and in-depth phone calls	5,656	5,187
Number of training sessions delivered	2,595	2,361

Cost of key services

	2015-16	2014-15
Cost of a Helpline enquiry (voice or webchat) answered ³	£6.04	£6.30
Cost of processing an Individual Conciliation case ⁴	£141	£141
Cost of a completed Collective Conciliation case ⁵	£1,534	£1,182
Cost of an Arbitration hearing case	£5,492	£4,471

³ In 2015/16 there were 943,610 voice calls and 4,099 webchat sessions.

⁴ In this second year of Early Conciliation (EC) there have been 92,172 EC notifications and 538 individual conciliations without prior EC notification. These numbers are for cases processed rather than cleared and multiple cases are counted here as one unit.

⁵ From 2015/16 all completed collective conciliation cases are used to calculate volumes whereas previous years counted only successful cases.

Our work in facts and figures

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 (if available) with those prior to 2015/16 updated where possible to take account of finalised management information.

Individual disputes⁶

Early Conciliation notifications received

	Indicative Track	2015/16		2014/15	
		Volume	%	Volume	%
Employee Notifications	No track identified	3,573	4.1%	536	0.7%
	Fast track	38,847	44.2%	36,499	45.2%
	Standard track	24,296	27.6%	26,695	33.1%
	Open track	21,176	24.1%	17,004	21.1%
	Total	87,892		80,734	
Employer Notifications	No track identified	0	0.0%	24	0.9%
	Fast track	1,926	45.0%	802	29.8%
	Standard track	1,703	39.8%	1,382	51.4%
	Open track	651	15.2%	481	17.9%
	Total	4,280		2,689	
Grand Total		92,172		83,423	

⁶ Throughout the individual dispute resolution section, Early Conciliation group notifications are each counted as '1' case as are ET1 multiples (where a number of claimants sharing representation raise the same dispute). Acas has received nearly 2,400 group notifications for Early Conciliation in addition to nearly 90,000 individual notifications. Counting all individual potential claimants separately, Acas has received over 100,000 employee notifications in 2015/16 plus notifications from employers in respect of close to 4,500 employees.

ET1 Conciliation Cases Received⁷

	Track	2015/16		2014/15		2013/14	
		Volume	%	Volume	%	Volume	%
ET1s Received following EC Notification	Fast track	4,696	24.0%	3,276	22.3%	n/a	n/a
	Standard track	7,177	36.7%	5,776	39.3%	n/a	n/a
	Open track	7,663	39.2%	5,655	38.5%	n/a	n/a
	Total	19,536		14,707			
ET1s Received without prior EC notification	Fast track	312	58.0%	740	17.9%	9,141	22.3%
	Standard track	101	18.8%	1,720	41.7%	18,689	45.7%
	Open track	125	23.2%	1,663	40.3%	13,108	32.0%
	Total	538		4,123		40,938	
Grand Total		20,074		18,830		40,938	

Early Conciliation notifications received by all grounds of complaint⁸

Indicative Jurisdictions	Early Conciliation			
	2015/16		2014/15	
	Volume	% of notifications	Volume	% of notifications
Unfair dismissal	30,018	33%	30,567	37%
Wages Act	26,358	29%	22,926	27%
Working Time (Annual Leave)	12,506	14%	12,637	15%
Breach of Contract	12,377	13%	10,651	13%
Disability Discrimination	8,983	10%	6,924	8%
Sex Discrimination	5,580	6%	3,947	5%
Race Discrimination	4,471	5%	3,655	4%
Redundancy Pay	3,659	4%	3,701	4%
Public Interest Disclosure	2,870	3%	2,129	3%
Maternity Detriment	2,469	3%	1,873	2%
Other	11,777		8,846	
Total jurisdictions	121,068		107,856	
Total notifications	92,172		83,423	

⁷ The "ET1s Received without prior EC notification" section details both those cases which pre-date mandatory notification to Acas of the intention to claim and also those few cases which are exempt from notification under the Employment Tribunals (Early Conciliation: Exemptions and Rules of Procedure) Regulations 2014.

⁸ The jurisdictions reported against Early Conciliation Notifications differ from those reported in cases received for conciliation from the Employment Tribunal Service in that they are assigned by Acas officers on an indicative basis only and do not necessarily represent the jurisdictions a claimant might record when submitting an ET1. Since a case can have multiple jurisdictions, the sum of the percentages in both this table and the following table exceeds 100%.

ET1 Cases received for conciliation from the Employment Tribunal Service by all grounds of complaint⁹

Jurisdictions	ET1					
	2015/16		2014/15		2013/14	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
Unfair dismissal	10,983	55%	11,191	59%	24,306	59%
Wages Act	6,931	35%	5,980	32%	13,741	34%
Breach of contract	6,565	33%	6,464	34%	14,144	35%
Working Time (Annual Leave)	5,742	29%	5,302	28%	11,632	28%
Disability discrimination	3,386	17%	2,964	16%	5,098	12%
Sex discrimination	1,910	10%	1,786	9%	3,636	9%
Redundancy pay	1,766	9%	1,786	10%	4,958	11%
Race discrimination	1,709	9%	1,669	9%	2,846	7%
Public Interest Disclosure	1,319	7%	1,282	7%	2,032	5%
Age Discrimination	850	4%	844	4%	1,473	4%
Other	5,179		4,685		10,254	
Total jurisdictions	46,340		43,965		94,007	
Total cases	20,074		18,830		40,938	

Take-up of Employee-led Early Conciliation¹⁰

Notification Progress		2015/16		2014/15	
		Volume	%	Volume	%
Employee Notifications	Out of Scope for Conciliation	206	0.2%	237	0.3%
	Employee Cannot be Contacted	4,513	5.1%	3,627	4.5%
	Employee Declines Conciliation	15,163	17.3%	8,504	10.5%
	Employer Declines Conciliation	8,852	10.1%	9,242	11.4%
	Matter proceeds to Conciliation	59,158	67.3%	59,124	73.2%
Total		87,892		80,734	

⁹ Since a case can relate to multiple jurisdictions, the sum of the percentages in this table exceeds 100%.

¹⁰ Note that the 2015/16 figure for 'employee declines conciliation' has been boosted by notifications received from potential claimants requesting additional certificates relating to alternative employer names as well as a number of potential claimants requesting certificates to meet the deadline for submission of ET1s relating to the Bear Scotland Holiday Pay decision.

Early Conciliation Notification Outcomes¹¹

	Final Status of Early Conciliation Notifications	EC Notifications			
		Received Jan 15-Dec 15		Received April 14-Dec 14	
		Volume	%	Volume	%
No Track Identified	COT3 Settlement	0	0%	0	0%
	Did Not Progress to Tribunal Claim	2,499	88%	410	94%
	Dispute Progressed to Tribunal Claim	352	12%	28	6%
	Total	2,851		438	
Fast track	COT3 Settlement	5,433	13%	3,294	12%
	Did Not Progress to Tribunal Claim	30,565	75%	19,867	74%
	Dispute Progressed to Tribunal Claim	4,954	12%	3,624	14%
	Total	40,952		26,785	
Standard track	COT3 Settlement	5,902	22%	4,087	20%
	Did Not Progress to Tribunal Claim	14,499	54%	10,871	52%
	Dispute Progressed to Tribunal Claim	6,649	25%	5,961	29%
	Total	27,050		20,919	
Open track	COT3 Settlement	3,424	16%	1,904	15%
	Did Not Progress to Tribunal Claim	11,812	56%	6,896	54%
	Dispute Progressed to Tribunal Claim	5,753	27%	3,866	31%
	Total	20,989		12,666	
All tracks	COT3 Settlement	14,759	16%	9,285	15%
	Did Not Progress to Tribunal Claim	59,375	65%	38,044	63%
	Dispute Progressed to Tribunal Claim	17,708	19%	13,479	22%
	Total	91,842		60,808	

¹¹ In order for these statistics to accurately represent the final outcome of Early Conciliation cases it is necessary to allow a period of time after the notification is received as claimants have time (sometimes up to three months) after the end of Early Conciliation to decide whether to progress the case to tribunal. This table therefore considers notifications by calendar year up until December 2015. Indications are that the COT3 settlement rate of the whole 2015-16 operational year is 17%.

ET1 Conciliation Case Outcomes¹²

		2015/16		2014/15		2013/14	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	212	4.6%	167	5.1%	853	6.2%
	Settled	1,820	39.3%	1,289	39.4%	3,281	23.8%
	Withdrawn	1,092	23.6%	544	16.6%	3,102	22.5%
	Default judgment	475	10.3%	319	9.7%	1,696	12.3%
	Heard	1,030	22.3%	956	29.2%	4,836	35.1%
	Total	4,629		3,275		13,768	
	Resolution rate		65.9%		59.0%		49.4%
Standard track	Struck out	369	5.1%	555	6.3%	1,828	7.0%
	Settled	3,779	52.0%	4,533	51.3%	11,595	44.2%
	Withdrawn	1,176	16.2%	1,472	16.6%	5,317	20.3%
	Default judgment	124	1.7%	100	1.1%	672	2.6%
	Heard	1,816	25.0%	2,181	24.7%	6,815	26.0%
	Total	7,264		8,841		26,227	
	Resolution rate		71.9%		72.5%		69.3%
Open track	Struck out	385	5.1%	580	6.2%	1,384	7.7%
	Settled	4,213	56.2%	4,919	52.5%	8,643	48.2%
	Withdrawn	1,387	18.5%	1,940	20.7%	4,609	25.7%
	Default judgment	31	0.4%	19	0.2%	70	0.4%
	Heard	1,475	19.7%	1,918	20.5%	3,230	18.0%
	Total	7,491		9,376		17,936	
	Resolution rate		78.8%		78.0%		80.1%
Overall	Struck out	966	5.0%	1,302	6.1%	4,065	7.0%
	Settled	9,812	50.6%	10,741	50.0%	23,519	40.6%
	Withdrawn	3,655	18.9%	3,956	18.4%	13,028	22.5%
	Default judgment	630	3.3%	438	2.0%	2,438	4.2%
	Heard	4,321	22.3%	5,055	23.5%	14,881	25.7%
	Total	19,384		21,492		57,931	
	Resolution rate		73.1%		72.8%		67.8%

¹² Resolution rates are calculated excluding cases struck out by the Tribunal since these are generally not susceptible to conciliation.

Charged-for mediation in individual employment and workplace disputes which were not subject to actual or potential employment tribunal proceedings¹³

		2015/16	2014/15	2013/14
New cases started in year		226	240	258
Cases closed by outcome	Settled	132	131	167
	Progress made	50	46	58
	Unresolved	14	13	15
	Unprogressed	34	43	20
	Total	230	233	260
Success rate		93%	93%	94%

Collective disputes

Collective disputes received for conciliation by region

Region	2015/16		2014/15		2013/14	
	Volume	%	Volume	%	Volume	%
Acas National	29	3.0%	33	2.4%	30	3.5%
London	64	6.6%	108	7.9%	89	10.3%
South East	208	21.4%	62	4.5%	42	4.9%
East of England	38	3.9%	54	3.9%	33	3.8%
East Midlands	36	3.7%	46	3.4%	24	2.8%
West Midlands	74	7.6%	83	6.0%	71	8.2%
North East	44	4.5%	80	5.8%	68	7.9%
Yorkshire and Humber	103	10.6%	102	7.4%	106	12.3%
North West	156	16.1%	150	10.9%	169	19.6%
Scotland	178	18.4%	581	42.3%	181	21.0%
South West	15	1.5%	27	2.0%	12	1.4%
Wales	25	2.6%	47	3.4%	36	4.2%
Total	970		1,373		861	

¹³ 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 received for conciliation by dispute cause

Dispute cause	2015/16		2014/15		2013/14	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
General pay claim	165	17.0%	149	10.9%	154	17.9%
Other pay/conditions of employment ¹⁴	507	52.3%	846	61.6%	310	36.0%
Changes in working practices	80	8.2%	116	8.4%	103	12.0%
Recognition	112	11.5%	118	8.6%	126	14.6%
Other TU matters	63	6.5%	78	5.7%	86	10.0%
Dismissal/discipline	43	4.4%	67	4.9%	83	9.6%
Redundancy	37	3.8%	39	2.8%	88	10.2%
Other	14	1.4%	36	2.6%	28	3.3%
Total dispute causes	1,021		1,449		978	
Total collective cases received	970		1,373		861	

Collective disputes closed by outcome

Dispute outcome	2015/16	2014/15	2013/14
Successfully completed	748	868	689
Unsuccessfully completed	98	126	47
All completed cases	846	994	736
Cases withdrawn	95	118	93
Total	941	1,112	829

Collective disputes received by source of request

Source of request	2015/16		2014/15		2013/14	
	Volume	%	Volume	%	Volume	%
Employer	173	17.8%	164	11.9%	180	20.9%
Trade Union	350	36.1%	787	57.3%	270	31.4%
Joint	201	20.7%	263	19.2%	231	26.8%
Acas Initiative	246	25.4%	159	11.6%	180	20.9%
Total	970		1,373		861	

¹⁴ The 'other pay/conditions of employment' category include issues such as pay bonuses, job evaluation, grading arrangements, pension allowances and leave entitlements.

Cases referred to collective arbitration and dispute mediation

Case type	2015/16	2014/15	2013/14
Single arbitration	21	15	11
Board of arbitration	0	0	0
Single mediation	1	4	0
Board of mediation	0	0	0
Two-tier single mediation / arbitration	0	0	0
Police arbitration tribunal	0	0	1
Other	0	0	3
Total	22	19	15

Issues referred to collective arbitration and dispute mediation

Issue	2015/16	2014/15	2013/14
Annual pay	10	6	2
Other pay and conditions of employment	1	2	1
Dismissal and discipline	9	10	8
Grading	0	0	0
Other	2	1	4
Total	22	19	15

Joint problem-solving activities by topic

Topic	2015/16	2014/15	2013/14
Absence and stress management	1	1	2
Bullying and harassment	4	5	3
Collective bargaining and trade union issues	31	31	26
Conflict, mediation and change management	49	37	43
Discipline and grievance	1	2	4
Employment law	12	2	1
Equality, diversity and discrimination	4	5	12
Implementing flexible working arrangements	2	0	0
Information and consultation	13	10	8
Managing people	10	3	3
Payment and grading arrangements	6	7	11
Recruitment and employing people	6	0	1
Redundancy	2	0	2
Other	1	1	0
Total	142	104	116

Advisory services

Acas Helpline Contacts

Helpline service <i>Helpline advice is available over the telephone or online via acas.org.uk/helpline.</i>	2015/16	2014/15	2013/14
Voice Calls Answered <i>Helpline advice delivered over the telephone.</i>	943,610	903,679	895,748
Pre-Recorded Advice Sessions <i>Helpline callers can select pre-recorded advice regarding Minimum Wage, Holidays or Wage Deductions before being connected to an adviser.</i>	25,487	22,527	25,550
Helpline Online Sessions <i>Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.</i>	509,103	531,712	352,443
Webchat Sessions <i>Webchat allows real time text-based conversation with Helpline advisers.</i>	4,099	2,672	n/a
Total Contacts	1,482,299	1,460,590	1,273,741

Acas Helpline voice call topics¹⁵

Topic of enquiry	2015/16 % of calls	2014/15 % of calls	2013/14 % of calls
Discipline, Dismissal and Grievance	35.7%	37.7%	36.9%
Contracts	18.9%	19.0%	18.7%
Wages and NMW	14.1%	12.1%	11.0%
Redundancies, Lay Offs and Business Transfers	14.1%	14.6%	17.0%
Holiday and Working Time	11.5%	11.6%	11.0%
Absences, Sickness and Stress	10.3%	9.9%	9.5%
Diversity and Discrimination	6.0%	5.5%	4.7%
Maternity, Paternity and Adoption	5.4%	5.4%	5.4%
Family Friendly Policies	2.1%	2.4%	2.1%
Others	6.7%	7.5%	7.3%

¹⁵ 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	2015/16		2014/15		2013/14	
	Volume	%	Volume	%	Volume	%
Absence and stress management	147	7.7%	116	7.1%	134	7.9%
Bullying and harassment	39	2.1%	36	2.2%	49	2.9%
Collective bargaining and trade union issues	73	3.8%	48	2.9%	102	6.0%
Conflict, mediation and change management	336	17.7%	299	18.3%	312	18.4%
Discipline and grievance	216	11.4%	219	13.4%	225	13.2%
Employment law	179	9.4%	154	9.4%	206	12.1%
Equality, diversity and discrimination	76	4.0%	86	5.3%	86	5.1%
Implementing flexible working arrangements	64	3.4%	77	4.7%	10	0.6%
Information and consultation	152	8.0%	118	7.2%	123	7.2%
Managing people	218	11.5%	147	9.0%	131	7.7%
Payment and grading arrangements	49	2.6%	58	3.6%	59	3.5%
Recruitment and employing people	264	13.9%	199	12.2%	159	9.4%
Redundancy	64	3.4%	57	3.5%	84	4.9%
Other	24	1.3%	19	1.2%	20	1.2%
Total	1,901		1,633		1,700	

In-depth advisory telephone calls by topic

Topic	2015/16		2014/15		2013/14	
	Volume	%	Volume	%	Volume	%
Absence and stress management	369	9.8%	260	7.3%	221	7.3%
Bullying and harassment	44	1.2%	46	1.3%	65	2.1%
Collective bargaining and trade union issues	152	4.0%	131	3.7%	175	5.7%
Conflict, mediation and change management	527	14.0%	555	15.6%	557	18.3%
Discipline and grievance	520	13.8%	512	14.4%	503	16.5%
Employment law	368	9.8%	348	9.8%	314	10.3%
Equality, diversity and discrimination	173	4.6%	179	5.0%	150	4.9%
Implementing flexible working arrangements	261	7.0%	318	8.9%	121	4.0%
Information and consultation	205	5.5%	193	5.4%	177	5.8%
Managing people	223	5.9%	190	5.3%	135	4.4%
Payment and grading arrangements	97	2.6%	86	2.4%	75	2.5%
Recruitment and employing people	526	14.0%	442	12.4%	305	10.0%
Redundancy	213	5.7%	220	6.2%	202	6.6%
Other	77	2.1%	74	2.1%	46	1.5%
Total	3,755		3,554		3,046	

Charged workplace projects by topic

Topic	2015/16	2014/15	2013/14
Absence and stress management	3	4	4
Bullying and harassment	7	6	2
Collective bargaining and trade union issues	8	3	4
Conflict, mediation and change management	44	60	35
Discipline and grievance	2	4	8
Employment law	3	2	2
Equality, diversity and discrimination	5	2	5
Implementing flexible working arrangements	0	0	0
Information and consultation	23	25	18
Managing people	11	5	13
Payment and grading arrangements	11	12	12
Recruitment and employing people	4	4	3
Redundancy	2	2	1
Other	3	1	0
Total	126	130	107

Certificate in Internal Workplace Mediation (CIWM) training

Type	2015/16		2014/15		2013/14	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	11	92	10	81	12	105
Open access CIWM	28	185	28	197	27	200
Total	39	277	38	278	39	305

Workplace training by topic¹⁶

Subject of training	2015/16				2014/15				2013/14			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	99	8.3%	1,953	9.0%	69	6.4%	1,914	9.5%	60	5.8%	1,004	5.3%
Bullying and harassment	30	2.5%	851	3.9%	41	3.8%	964	4.8%	51	4.9%	1,528	8.1%
Collective bargaining and trade union issues	9	0.8%	113	0.5%	11	1.0%	106	0.5%	12	1.2%	187	1.0%
Conflict, mediation and change management	100	8.4%	1,546	7.1%	98	9.1%	1,822	9.1%	80	7.7%	1,241	6.6%
Discipline and grievance	264	22.2%	4,661	21.4%	268	24.9%	4,808	24.0%	307	29.5%	5,382	28.7%
Employment law	63	5.3%	1,836	8.4%	53	4.9%	924	4.6%	62	6.0%	1,929	10.3%
Equality, diversity and discrimination	82	6.9%	2,082	9.6%	93	8.6%	2,392	11.9%	101	9.7%	2,594	13.8%
Implementing flexible working arrangements	4	0.3%	29	0.1%	11	1.0%	121	0.6%	–	0.0%	–	0.0%
Information and consultation	158	13.3%	1,991	9.2%	154	14.3%	1,847	9.2%	139	13.4%	1,407	7.5%
Managing people	290	24.3%	5,186	23.9%	216	20.1%	4,264	21.3%	170	16.3%	2,615	13.9%
Payment and grading arrangements	2	0.2%	106	0.5%	1	0.1%	15	0.1%	–	0.0%	–	0.0%
Recruitment and employing people	43	3.6%	683	3.1%	34	3.2%	555	2.8%	22	2.1%	250	1.3%
Redundancy	24	2.0%	378	1.7%	18	1.7%	229	1.1%	27	2.6%	359	1.9%
Other	23	1.9%	321	1.5%	9	0.8%	84	0.4%	10	1.0%	282	1.5%
Total	1,191		21,736		1,076		20,045		1,041		18,778	

¹⁶ These figures include In-house Certificate in Internal Workplace Mediation (CIWM) courses which are recorded as part of the 'conflict, mediation and change management' line.

Open Access training by topic^{17 18}

Subject of training	2015/16				2014/15				2013/14			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	281	20.0%	2,379	18.5%	184	14.3%	1,663	13.9%	154	14.3%	1,214	11.1%
Bullying and harassment	23	1.6%	129	1.0%	7	0.5%	42	0.4%	7	0.7%	36	0.3%
Collective bargaining and trade union issues	5	0.4%	22	0.2%	2	0.2%	16	0.1%	2	0.2%	5	0.0%
Conflict, mediation and change management	133	9.5%	1,381	10.8%	124	9.6%	1,071	9.0%	134	12.5%	1,367	12.4%
Discipline and grievance	184	13.1%	1,585	12.4%	191	14.9%	1,484	12.4%	189	17.6%	1,636	14.9%
Employment law	318	22.6%	3,588	28.0%	317	24.7%	3,581	30.0%	313	29.1%	4,593	41.8%
Equality, diversity and discrimination	42	3.0%	318	2.5%	18	1.4%	183	1.5%	6	0.6%	34	0.3%
Implementing flexible working arrangements	70	5.0%	496	3.9%	179	13.9%	1,927	16.1%	19	1.8%	100	0.9%
Information and consultation	3	0.2%	30	0.2%	1	0.1%	4	0.0%	1	0.1%	6	0.1%
Managing people	175	12.5%	1,361	10.6%	131	10.2%	923	7.7%	102	9.5%	727	6.6%
Payment and grading arrangements	5	0.4%	41	0.3%	2	0.2%	11	0.1%	–	0.0%	–	0.0%
Recruitment and employing people	99	7.1%	672	5.2%	79	6.1%	526	4.4%	94	8.7%	631	5.7%
Redundancy	20	1.4%	128	1.0%	15	1.2%	95	0.8%	26	2.4%	164	1.5%
Other	46	3.3%	695	5.4%	35	2.7%	422	3.5%	29	2.7%	469	4.3%
Total	1,404		12,825		1,285		11,948		1,076		10,982	

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

18 Total delegates include events delivered with partner organisations.

Total training by topic

Subject of training	2015/16				2014/15				2013/14			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	380	14.6%	4,332	12.5%	253	10.7%	3,577	11.2%	214	10.1%	2,218	7.5%
Bullying and harassment	53	2.0%	980	2.8%	48	2.0%	1,006	3.1%	58	2.7%	1,564	5.3%
Collective bargaining and trade union issues	14	0.5%	135	0.4%	13	0.6%	122	0.4%	14	0.7%	192	0.6%
Conflict, mediation and change management	233	9.0%	2,927	8.5%	222	9.4%	2,893	9.0%	214	10.1%	2,608	8.8%
Discipline and grievance	448	17.3%	6,246	18.1%	459	19.4%	6,292	19.7%	496	23.4%	7,018	23.6%
Employment law	381	14.7%	5,424	15.7%	370	15.7%	4,505	14.1%	375	17.7%	6,522	21.9%
Equality, diversity and discrimination	124	4.8%	2,400	6.9%	111	4.7%	2,575	8.0%	107	5.1%	2,628	8.8%
Implementing flexible working arrangements	74	2.9%	525	1.5%	190	8.0%	2,048	6.4%	19	0.9%	100	0.3%
Information and consultation	161	6.2%	2,021	5.8%	155	6.6%	1,851	5.8%	140	6.6%	1,413	4.7%
Managing people	465	17.9%	6,547	18.9%	347	14.7%	5,187	16.2%	272	12.8%	3,342	11.2%
Payment and grading arrangements	7	0.3%	147	0.4%	3	0.1%	26	0.1%	–	0.0%	–	0.0%
Recruitment and employing people	142	5.5%	1,355	3.9%	113	4.8%	1,081	3.4%	116	5.5%	881	3.0%
Redundancy	44	1.7%	506	1.5%	33	1.4%	324	1.0%	53	2.5%	523	1.8%
Other	69	2.7%	1,016	2.9%	44	1.9%	506	1.6%	39	1.8%	751	2.5%
Total	2,595		34,561		2,361		31,993		2,117		29,760	

Performance Analysis

Review of the strategic plan

1. Our 2014-16 strategic plan and its four aims has provided a clear vision for Acas. This report describes the progress made in all four areas. Now that we have reached the end of this plan, we will focus on our new five year strategy for 2016-21. This supports delivery of our newly-stated vision:

Acas will be widely recognised as Britain's leading impartial authority on workplace relationships and effectiveness. We will provide employers and employees with a unique combination of digital, practical and expert services, to help them build thriving workplaces and working lives.

Business performance in 2015/16

2. See pages 34 to 50 for full details of business performance.
3. During 2015/16, we have seen a further rise in the number of customers accessing Acas' services online. Website visitors have grown to around 10 million a year and our 24-hour online helpline and new advice guides for employers and employees have proved particularly popular.

Risk management

4. Risk management is the process of identifying, assessing and managing risk. Through this process we aim to minimise the impact of uncertainty on services and the delivery of strategic aims.

5. Acas' activities are monitored through quarterly reporting to our Executive Board and the Council using the strategic risk register. At least annually, the Council reviews and challenges the whole register. At each Audit Committee meeting, a high-level risk from the register is reviewed to monitor management's processes for owning, assessing, reporting and managing business risk. As part of that review, the member of the Executive board responsible for that particular risk is invited to attend the committee.
6. A full description of the risk control framework is set out in the Governance Statement.

Sustainability

7. Acas remains committed to its environmental responsibilities and contributes to the Greener Government agenda. For example, we have reduced our office space occupation during 2015-16 by moving our Cardiff presence to co-locate in the Companies House premises. This reduced the Acas footprint in Cardiff by 124sqm (29%).
8. During 2016-17 we will further reduce Acas' occupation footprint by moving from Cross House, Newcastle to co-locate in Civic Centre, Newcastle in July 2016. This will reduce Acas office space in the city by 481.54 sqm (55%). It will also have the effect of reducing Acas space utilisation in the city from 18.7sqm per full time equivalent member of staff (FTE) to 6.5sqm which is well below the Central Government target of 8sqm.

9. Energy and water consumption is monitored on a quarterly basis. The cost of water consumption is monitored through the annual property benchmarking submission for Cabinet Office. Electricity in those buildings not on shared Civil Estates are procured through a Government Procurement Service contract providing better rates and carbon emissions data. Elsewhere Acas is part of the BIS Total Facilities Management service (TFM) and the Office of Government Commerce's Buying Solutions framework for utilities suppliers. This continues to provide further opportunities for reaching sustainable improvements across the estate.
10. In comparison to the previous year we reduced Acas' overall energy consumption by 11% which led to a corresponding reduction in our overall CO₂ emissions. Acas' overall CO₂ emissions from buildings and transport were reduced by 28% to 784 tonnes year on year.
11. The recycle rate for Acas in terms of waste stood at 62% for 2015-16. This means that 62% of all waste collected from Acas went on to be recycled directly from the recycle bins or indirectly through further sorting of general waste.
12. Our estates service provider (the property asset management – PAM – team at UKSBS) is currently working with the TFM contractor (Arcadis) to develop a package of energy efficiency projects across the BIS family estate, including Acas. The sustainability package will include efficiency options with a range of budget and payback periods, along with a benefits tracking mechanism.

Financial review

13. The majority of Acas' funding is through Grant in Aid from BIS. Acas' gross allocation for 2015-16 was £53.28m and expenditure was £46.6m. Acas charges customers in order to recover costs for some of its services. In 2015-16 this generated income of £4.54m, compared to a target of £4.37m.
14. Acas continues to make the most effective use of its funding and works to identify savings throughout the year. In 2015-16, we worked with our Internal Audit partners to review the adequacy of the processes to identify and validate efficiency savings; this has provided a clear direction on how the organisation can capture and report on savings made and this area will be developed during 2016-17.
15. For 2016-17, we aim to deliver improvements to management information resources to support increased financial management acumen and transparency.
16. To support these initiatives, towards the end of 2015-16 we upgraded the Acas finance system and centralised transactional finance processing. This will also deliver further savings in transactional processing costs.
17. Acas is engaged with the various central initiatives to reduce and control costs across the public sector and to maintain good governance. We participate fully in several BIS Networks of Excellence, which encourage collaborative working and the sharing of best practice across BIS and its partner organisations.

18. Our aim is to pay at least 80% of payments within 5 working days of receipt of an invoice. During the year we achieved this target with 94.67% of payments being made in this time.

A full set of accounts for 2015-16, 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 76 to 98).



Anne Sharp

Accounting Officer, Acas

Date: 15 July 2016

Accountability report

Corporate Governance Report

Directors' Report

Purpose of the Directors' Report

1. This report is presented in accordance with the requirements of the Companies Act 2006, as interpreted for the public sector context.

Members of the Executive Board

2. Executive Board members during 2015-16 were as follows:

Ms Anne Sharp (*Chief Executive Officer*)

Mr Andrew Wareing (*Chief Operations Officer, to July 2015*)

Mrs Susan Clews (*Director – Strategy to September 2015, – Chief Operations Officer from September 2015*)

Mr Ian Wood (*Director – Strategy from September 2015*)

Ms Lucienne Jones (*Director – Organisational Development and Human Resources*)

Mr Rob White (*Director – Finance, Estates and Procurement*)

Mr Rob Mackintosh (*Interim Director of Finance, Estates and Procurement from September 2015 and Interim Director of Information Communications & Technology Services from December 2015*)

Mr Andrew Godber (*Director – Information Communications & Technology Services to December 2015*)

3. Board members have declared that they have had no material third party interests that conflict with their duties for Acas.

Auditor's remuneration

4. The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £65k. No non-audit services were provided.

Disclosure of relevant audit information

5. As far as I am aware as Accounting Officer, 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.

Charging regime

6. Acas provides some services for which it charges fees. The level of fees complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. Full disclosure of the cost allocation and income from charged for services can be found in Note 2 to the accounts on page 85.

Regularity of Expenditure

7. Expenditure has been reviewed throughout the year to ensure that it has been consumed for the purposes it is intended and offers value for money.

Personal data related incidents

8. There were no incidents related to personal data during 2015-16.

Future developments

9. Acas' future developments are covered within the Annual Report.



Anne Sharp

Accounting Officer, Acas

Date: 15 July 2016

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.

As Accounting Officer, as far as I am aware, there is no relevant audit information of which the Service's auditors are unaware. I have taken all of the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Services's auditors are aware of that information.

The annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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.

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 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 set out above have been carried out during 2015/16.

Acas' governance structure

3. Acas is a Non-Departmental Public Body, governed by the Acas Council and established under the Employment Protection Act 1975, now the Trade Union and Labour Relations (Consolidation) Act 1992. The Council is responsible for determining strategic direction, policies and priorities and ensuring statutory duties are carried out effectively. Day-to-day operations are managed by a management board (the Executive Board).

4. Acas is sponsored by the Department for Business, Innovation and Skills (BIS), with which it has very regular contact regarding a wide range of issues. In addition Acas provides BIS with the Strategic Risk Register, the Balanced Scorecard, and regular financial management information. The respective roles of Acas and the Secretary of State for BIS are set out in a Framework Document.
5. The governance structure is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to deliver services, aims and objectives; it therefore provides reasonable and not absolute assurance. The structures and controls provide clarity and accountability in managing the delivery of Acas' objectives. They ensure Acas has the capacity to make decisions, monitor performance and assess and manage resources and risk.
6. The system of internal controls reflects good practice. It is designed to identify and prioritise the risks to achieving 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. These controls have been in place throughout the year ended 31 March 2016 and up to the date of approval of the Annual Report and Accounts, and accord with Treasury guidance.

The Acas Council

7. 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 has held the post of Chair for the duration of 2015/16.

8. The Council is responsible for determining the strategic direction, policies and priorities of Acas and for ensuring that its statutory duties are carried out effectively. Working through officials, it is also responsible for overseeing:

- compliance with requirements for the use of public funds and financial performance;
- efficiency, effectiveness and quality of Acas services;
- external changes that are likely to impact on the strategic direction of Acas or on the attainability of its targets and deciding the steps needed to deal with such changes;
- the delivery of strategic objectives and targets; and
- standards of corporate governance.

The Council aims 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.

9. The Council held a strategic planning day on 6 November 2015. This session allowed for detailed preliminary discussions on Acas' strategy for 2016-2021. Council was asked to consider the factors likely to influence Acas and the 'world of work' during the period covered

by the strategy and discuss what Acas wanted to achieve in this context. Speakers were invited to the event to provide a wider context to discussion. Council also provided a steer to officials on the specific strategic objectives and priorities. Further iterations of the strategy were then presented, discussed and endorsed at subsequent Council meetings and the final Strategy was launched on 13 April 2016.

10. Council members and their attendance at Council meetings for 2015/16 was as follows:

Sir Brendan Barber (7/7)
Dr Mary Bousted (4/7)
Prof Linda Dickens (7/7)
Mr John Hannett (3/7)
Mr Paul Butler (6/7)
Mr Paul Nowak (6/7)
Ms Vikki Hawes (6/7)
Ms Jane McNeil (7/7)
Mr Mike Gooddie (7/7)
Mr Neil Carberry (7/7)
Prof Paul Willman (7/7)
Ms Sally Hunt (4/7)

The Audit Committee

11. The Audit Committee is a sub-committee of the Acas Council and supports me as Chief Executive of Acas in my 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 the BIS sponsor team in attendance; members are supported by an independent financial expert to provide an external perspective, technical advice and guidance on risk and financial matters.

12. The duties of the Audit Committee are to:

- review corporate governance assurances including Acas' systems for the assessment and management of risk, the Governance Statement and monitoring arrangements for maintaining standards of business conduct and probity;
- review the accounting policies and accounts including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors;
- consider the planned activity and results of both internal and external audit work;
- consider the adequacy of management's response to issues identified by audit activity, including external audit's Management Letter; and
- consider assurances relating to the corporate governance requirements for Acas.

13. The Audit Committee met four times in 2015/16. Audit Committee members, and their attendance at the meetings held in 2015/16 were:

Dr Mary Bousted (4/4)

Mr Paul Butler (4/4)

Prof Linda Dickens (4/4)

Mrs Nina Amin, Financial Adviser to the committee (3/4)

The Remuneration Committee

14. This sub-committee of the Council is chaired by the Chair of Acas and comprises three members of the Acas Council. Meetings are quorate when the Chair and the one member are present. Meetings take place as determined by

the Chair. 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 to be used in determining 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 Acas Senior Civil Servants (SCS) staff 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 member in Acas; and
- monitor the operation of the system.

The HR Committee

15. Following the disbanding of the HR Sub Committee in 2014-15, the Council receives an annual update on the activities of Organisation Development and Human Resources. The second such report was presented to the Council in May 2016 and focussed on achievements to date and the proposed work plan in the coming year to enable service transformation in Acas.

The Executive Board

16. The Executive Board is responsible for the day-to-day management of Acas. All major policies and decisions that affect the delivery of Acas' business objectives are considered and made by the Executive Board. Following the previous year's review, this was the first year of the reformed Board which first met on April 15 2015 and whose members are set out at paragraph 2 of the Corporate Governance Report above.
17. An internal publication – The Chief Executive's Bulletin – is produced after each Executive Board meeting and is used to communicate matters discussed and decisions to all staff. Agendas, papers and minutes of the Executive Board are published on the staff intranet. In addition, the Chief Executive provides an informal and more personal perspective on events affecting Acas through a regular blog, available to all staff through the intranet.
18. The Terms of Reference for the Executive Board for 2015/16 sets out the following responsibilities:

Strategic Direction

- Supporting the Council in setting the direction of Acas and developing the Acas Strategy 2016 – 2021;
- Overseeing the implementation of the Acas Strategy 2016 – 2021; and
- Ensuring effective communication on the strategic direction and objectives of Acas both internally and externally.

Performance and Delivery

- Setting the annual business plan, outlining activities across all business areas and agreeing and reviewing policies to enable appropriate and efficient delivery plans;

- Ensuring that appropriate processes and controls are maintained, including through examination of management information, evaluation data and customer feedback; and
- Overseeing organisational change and development and ensuring that change management systems are effective and appropriate.

Resources and Capabilities

- Overseeing use of all public funds and assets, including any approved income or other receipts, in accordance with the rules and controls governing public spending;
- Overseeing financial and non financial performance in a timely way through fit for purpose management and accounting systems;
- Ensuring human resource management policies are fit for purpose and used effectively; and
- Maintaining high standards of corporate governance, transparency and sustainability.

Risk Management

- Overseeing the systematic identification and management of organisational risk.
19. The Executive Board was supported by sub-committees for specific areas of the business: the Customer Service Board (CSB) and the Digital Technology Strategy Board (DTSB).
 20. The board uses management information to monitor the performance of Acas including data on: the financial position; human resources; and performance indicators. There are a range of process controls in place that ensure the quality of the data is of the standard expected for reliable and informed business decisions.

Assessment of effectiveness

21. In line with best corporate governance practice, all Boards and sub-committees have carried out an annual assessment of their effectiveness. Each group has reviewed its operation and Terms of Reference during the year.

The Acas Council and its sub-committees

22. Council members took part in an online survey to review the effectiveness of its processes and operation. The results of the survey were discussed with Council which was reassured it was operating effectively and meeting its terms of reference.
23. The Audit Committee undertook an on-line self-assessment exercise during 2015/16, based upon the National Audit Office self-assessment toolkit. The outcome of the review confirmed that the Audit Committee was operating effectively in line with current requirements and good practice. Appropriate training and induction for new Committee members continued, as did regular engagement with audit partners.
24. The Remuneration Committee agreed new membership following the appointment of new Council members (paragraph 13 refers). It also reviewed and amended its Terms of Reference to extend to all Acas Senior Civil Service members, following confirmation by BIS that this proposal aligned with good practice. The new Terms of Reference came into effect from 2015/16.

The Executive Board and its sub-committees

25. A review of the operation of the Acas Executive Board, its Terms of Reference and its relationship with other executive governance bodies was undertaken during the winter. This included separate facilitated sessions, in February 2016, to

review the changes made from April 2015 with members of both the Executive Board and the Customer Service Board. The review concluded that the Executive Board operated with improved decision making and that the new arrangements provided a clear separation between strategic and operational discussions. The Terms of Reference for both Executive Board and Customer Service Board were confirmed.

26. The Digital Technology Strategy Board was established in November 2015 in succession to the Digital Strategy Programme Board. The DTSB created new terms of reference to focus its activity on strategic issues and established initial governance structures to support its work.

The Risk and Internal Control Framework

27. The Acas Council retains overall responsibility for the management of risk in Acas. At least annually, the Council reviews and challenges the Strategic Risk Register. Each Audit Committee meeting also considers the risk register and receives a detailed report on an individual high-level risk. The purpose of this is to monitor Acas' processes for assessing, reporting and mitigating business risk, and the member of the Executive responsible for the risk attends the discussion in order for the risk management to be explored in detail. The Chair of the Audit Committee reports back to the Council after each meeting.
28. The identification and assessment of risk is embedded within the Acas executive management arrangements. The Acas 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 good practice is accessible to all staff on the intranet.

29. The Executive Board regularly assesses and monitors key strategic risks and all Executive Board papers include a risk assessment of the issue under consideration. The Strategic Risk Register is underpinned by local and project risk registers, with escalation as required.
30. A revised Strategic Risk Register was introduced in 2015/16, which provides more concise information on the management of the identified strategic risks by the organisation
31. Acas participates in the Fraud and Error Network of Excellence, a body that brings together Partner Organisations from across the BIS family to share good practice in reducing and mitigating the risk of fraud and error. A new Counter Fraud Policy was launched and published on the Acas Intranet, where it is available to all staff. During 2015/16 the separate Fraud and Error Risk Register was fully reviewed and re-drafted, with insight on the fraud risks sought directly from across Acas' business areas and from the Audit Committee.
32. At the end of the reporting year, the Acas Risk Register identified four high level and three medium level risks. The high level risks were as follows:
 - The potential impact of public sector cuts on Acas services. Mitigating actions include continued focus on maximising efficiency, reducing costs, evidence gathering and communicating on overall economic benefit;

- That back office services delivered for Acas by a shared service provider do not meet our needs or are not in place when Acas requires them to be. Mitigating actions include meetings at senior management level to discuss service provision between Acas and the service provider (UKSBS), collaborative working with BIS to identify and implement improvements to the service provided and the strengthening of the relevant Acas teams;
- That reduced staff engagement means Acas is not able to achieve its strategic aims. Mitigation includes continued communication with staff, increasing resilience through the Health and Wellbeing agenda, and the use of the Recognition Scheme to reward staff; and
- That IT systems fail to provide the required levels of service needed by the business. Mitigating actions include the modernisation of IT systems and the strengthening of the governance of project management arrangements.

Review of Effectiveness

33. As Accounting Officer, I am responsible 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;
 - annual statements on corporate governance by each Director, supported by challenge panel examination of a sample of these each year;

- the in-year operation of the risks and control framework; and
- observations made by the external auditors in their management letter and other reports.

The system of control is kept under review during the year by:

- the Acas Executive Board meeting regularly to consider the plans, risks and strategic direction of Acas;
- full consideration of internal audit reports by the Acas Audit Committee, and the Committee Chair's regular reports to Acas Council;
- during the year Internal Audit provided two assurance and two advisory reports, 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;
- the Corporate Governance Framework for Acas, which is published on our intranet and available to all staff;
- reports from Acas Directors on specific risks which are their responsibility and the steps they are taking in respect of them;
- my review of the annual Corporate Governance returns by each of the Directors and the Corporate Governance Challenge Panel scrutiny of those returns;
- the use of an organisation-wide Balanced Scorecard in conjunction with the Strategic Risk Register, to measure in-year organisational performance; and

- data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

34. The 2015/16 Corporate Governance Challenge Panel consisted of me, the Chair of the Audit Committee and the interim Director of Finance. It considered in detail the statement from the Regional Director for North of England and the Directors of Operational Policy and Performance and Strategy. Contract management was discussed, in light of the management of the IT services contract disclosures below, and it was agreed that greater commercial awareness and accountability for contracts was needed. The Panel did not identify any other significant issues, recognising the improvements, for example, in leadership across the organisation and the strategic collaboration across Directorates. Key issues going forward were identified, including succession planning and 'single points of failure', including the age profile of Acas' staff and the risks associated with the management of the transformation programme.
35. Forced relocation from Euston Tower in March 2015 as a result of the urgent work needed to repair the ceiling, validated contingency planning arrangements, did not negatively impact on the delivery of our services to customers, and enabled Acas to work in a 'business as usual' capacity almost immediately. Teams returned to Euston Tower in January 2016.
36. HMRC conducted an audit of Acas' Travel and Subsistence and Regular Travellers policies. As a result of this, amendments have been made to Acas' policies to ensure full compliance with HMRC guidance.

37. 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. No issues were raised under the whistle-blowing arrangements during 2015/16.
38. In 2015/16, Acas received a large increase in Freedom of Information requests and a steady rise in requests about personal information. All were answered within deadline.
39. Internal Audit performed the Independent Assurance role for Acas to inform the 2015/16 Security Health Check (SHC) return. In addition a peer review was conducted in partnership with the Student Loans Company. No areas of concern were identified. There were no losses of personal data in 2015/16.
40. Acas complied with the Alexander Tax Review; no individuals were employed off-payroll by Acas during 2015/16.
41. In line with requirements set out by BIS, the Director of Finance reviews expenditure items for appropriateness of spend, and challenges 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.
42. Acas continued to work with BIS to agree a future vision and operating model for finance for the BIS family. Acas worked collaboratively with other Partner Organisations (through the VAT and Tax and Counter Fraud Networks) and with the Business Insight Competency Centre and worked closely with the Accounts Preparation and Advice Centre to streamline the production of the Acas Account.
43. Acas is represented on a number of other BIS groupings to consider issues across the core Department and Partner Organisations.
44. In the latter part of the year, following a change in responsibilities of staff within Acas, a significant issue was identified concerning the management of a contract for the supply of IT services. This involved a significant payment in advance of need made to a supplier, £702,000 by 31 March 2016, in clear contravention of the requirements set down by HM Treasury in Managing Public Money. This expenditure would not have been approved if management had been made aware of it. Steps were taken immediately to address the issue and are on-going:
- All responsibility for the contract was removed from the contract manager;
 - BIS, Government Internal Audit Agency and NAO were informed;
 - GIAA were commissioned to conduct an audit, addressing the possibility of fraud and considering the procurement of the contract;
 - Acas senior management met the contractor and established more rigorous high level meetings;
 - We took immediate action to reduce the payment in advance of need, which was £250,908 at 30 June 2016 as a result;

- We discussed with BIS applying for HMT retrospective approval. However, we both recognised that in addition to the fact that Acas management would not have approved the expenditure had it been aware of it, BIS would also not have supported a business case for HMT approval and therefore neither would they support a request for retrospective approval; and
 - We sought, and secured, agreement from the supplier that they will provide Acas with a credit note for the balance of payment in advance (£250,908) as at end June 2016. The credit note was received on 8 July 2016.
45. We have received a final report from GIAA, which confirmed that no evidence of fraud had been found, identified that the financial position had not been disclosed internally and found that the procurement route was satisfactory.
46. We are reviewing the management of all material contracts, using NAO's Good Practice Contract Management Framework, to ensure that value for money is being achieved and that effective controls are in place. We are committed to improving the commercial awareness of staff with financial responsibilities.
47. Overall, GIAA gave a 'Yellow' opinion on the control and governance framework. Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Appropriate action has been agreed and new procedures introduced to address observations on further scope for improvement.
48. There have been no other significant control issues during the course of this financial year. I have considered the evidence provided with regards to the production of the Governance Statement. The conclusion of this review is that governance and control structures have been appropriate for Acas and have been working satisfactorily throughout 2015/16.



Anne Sharp

Accounting Officer, Acas

Date: 15 July 2016

Remuneration and Staff Report

Remuneration Policy

1. 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.
2. 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.
3. The Certification Officer is a member of the Principal Civil Service Pension Scheme (PCSPS). No pension contributions are made in respect of the Acas Chair and Acas Council members.
4. The Ministry of Justice charges for time spent by the Chairman of the Central Arbitration Committee (Sir Michael Burton) 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.

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.

Audited Information Staff Report

	2015-16				2014-15			
	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)
Sir B Barber (Chair, part-time) ¹	75-80	0	0	75-80	75-80	0	0	75-80
Mr D Cockburn (Certification Officer, part-time)	70-75	0	28	100-105	70-75	0	28	100-105
Ms Anne Sharp (Chief Executive, Acas)	110- 115	5-10	37	155-160	110- 115	0-5	22	135-140
Mr A Wareing (Chief Operations Officer)	75-80	0	22	100-105	75-80	0-5	16	95-100
Mrs S Clews (Director)	75-80	0-5	20	100-105	70-75	0-5	20	95-100
Mr R White (Director, Finance, Estates and Procurement)	75-80	0	23	100-105	75-80	0	14	90-95
Ms Lucienne Jones (Director, Organisational Development and Human Resources)	70-75	0	29	100-105	65-70	0	18	85-90
Mr A Godber (Director of Information Communications & Technology Services)	85-90	0	28	110-115	85-90	0	33	115-120
Mr S Gouldstone (Chief Executive, CAC)	70-75	0	54	125-130	65-70	0	74	140-145
Mr I Wood (Director, Strategy) ²	65-70	0	3	70-75				

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

² Ian Wood joined on secondment from Cabinet Office, before being made permanent and becoming a member of the Executive Board in September 2015.

	Real increase in pension and related lump sum at pension age (£k)	Accrued pension at pension age as at 31/3/16 and related lump sum (£k)	CETV at 31/03/15 (nearest £k)	CETV at 31/03/16 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
Mr D Cockburn (Certification Officer)	0 – 2.5 plus 0 (lump sum)	20 – 25 plus 0 (lump sum)	339	351	23
Ms Anne Sharp Chief Executive, Acas)	0 – 2.5 plus 5 – 7.5 (lump sum)	55 - 60 plus 165 – 170 (lump sum)	1,208	1,282	36
Mr A Wareing (Chief Operations Officer)	0 – 2.5 plus 2.5 – 5 (lump sum)	25 – 30 plus 80 – 85 (lump sum)	504	567	19
Mrs S Clews (Director, Strategy)	0 – 2.5 plus 2.5 – 5 (lump sum)	25 – 30 plus 75 – 80 (lump sum)	461	518	17
Mr R White (Director, Finance, Estates and Procurement)	0 – 2.5 plus 2.5 – 5 (lump sum)	25 – 30 plus 80-85 (lump sum)	450	510	17
Ms Lucienne Jones (Director, Organisational Development and Human Resources)	0 – 2.5 plus 0 (lump sum)	0 – 5 plus 0 (lump sum)	76	106	17
Mr A Godber (Director, Information Communications & Technology Services)	0 – 2.5 plus 0 (lump sum)	0 plus 0 (lump sum)	143	167	9
Mr S Gouldstone (Chief Executive, CAC)	2.5 – 5 plus 0 (lump sum)	45 - 50 plus 0 (lump sum)	805	837	59
Mr I Wood (Director, Strategy)	0 – 2.5 plus 0 – 2.5 (lump sum)	25 - 30 plus 75 - 80 (lump sum)	473	492	3

5. There were no compensation payments for loss of office to senior managers in 2015-16.
6. Average number of full time equivalents employed during the period was as follows:

	2015-16			2014-15
	Permanently Employed	Others	Total	Total
Acas National	133	4	137	133
Regional Offices	582	48	630	636
Certification Office	8	0	8	7
Central Arbitration Committee	7	0	7	8
Total	730	52	782	784

	2015-16			2014-15
	Permanently Employed £000	Others £000	Total £000	Total £000
Total Acas, CO & CAC				
Wages and salaries	25,800	349	26,149	25,845
Social security costs	1,939	23	1,962	1,946
Other pensions costs	5,093	63	5,156	4,568
Sub total	32,832	435	33,267	32,359
Less recoveries in respect of outward secondments	(34)	0	(34)	(42)
Total Net Costs	32,798	435	33,233	32,317

Fair Pay Disclosure

7. 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.

8. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Fair Pay Disclosure	2015-16	2014-15
Band of Highest Paid Director's Total Remuneration (£'000)	115-120	115-120
Median Total	32,387	32,088
Ratio	3.67	3.66

9. In 2015-16 0 (2014-15 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £18k to £119k (2014-15 £18k to £115k).
10. During 2015-16, the ratio of females to males employed by Acas was 1:0.7 (2014-15, 1:0.7). At Executive Board level, this ratio was 0.7:1 (2014-15, 0.7:1).
11. An average of 12 days were lost to sickness absences in 2015-16 (2014-15, 9).

Council and CAC Members

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

12. 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.

The Principal Civil Service Pension Scheme (PCSPS)

13. 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.civilservicepensionscheme.org.uk).
14. For 2015-16, employers' contributions of £5,156k were payable to the PCSPS (2014-15: £4,568k) at one of four rates

in the range of 20.0% to 24.5% 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 2015-16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

15. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contribution of £28,077 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. In addition, employer contributions of £1,462, 0.5% 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.
16. Contributions due to the partnership pension providers at the balance sheet date were £0. Contributions prepaid at that date were £0.
17. In 2015-16, 1 person (2014-15: 0 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £0 (2014-15: £0).

Civil Service and other compensation schemes

18. 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.

19. There were no exit packages in 15-16 (zero in 14-15).

Unaudited Information

Service contracts

20. 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.
21. 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.
22. The Chair's contract ends in December 2016. The Chief Executive's contract ends in February 2019.
23. The Chair's performance is reviewed by the sponsor annually. As members of the SCS, the Chief Executive, the Chief Operations Officer and the Director of Strategy are subject to annual assessment in line with the prevailing rules for the SCS. The performance of the other Executive Board members are assessed annually in line with the Acas Performance Management arrangements. As Chief Executive of the Central Arbitration Committee (CAC), Simon Gouldstone's assessment is informed by the CAC Chair's comments.

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

Salary

25. '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.

Bonuses

26. Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2015-16 relate to performance in 2015-16 and the comparative bonuses reported for 2014-15 relate to the performance in 2014-15.

Civil Service Pensions

27. Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or

classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

28. 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**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) 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).
29. Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. 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. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. 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.

30. The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of 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 up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided

risk benefit cover (death in service and ill health retirement).

31. 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**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCS or alpha – as appropriate. Where the official has benefits in both the PCS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)
32. Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservicepension.scheme.org.uk>.

Cash Equivalent Transfer Values

33. 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.

34. 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

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: 15 July 2016

The Certificate 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 2016 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 Board, Accounting Officer and auditor

As explained more fully in the Statement of 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 2016 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 Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been 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
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

18 July 2016

Statement of comprehensive net expenditure

for the period ended 31 March 2016

	Note	2015-16		2014-15 (Restated)	
		£'000	£'000	£'000	£'000
Income	5		4,544		4,291
Expenditure					
Staff Costs	3	(33,233)		(32,317)	
Depreciation	4	(2,404)		(2,532)	
Other Expenditure	4	(15,485)		(16,188)	
			(51,122)		(51,037)
Net Expenditure			(46,578)		(46,746)
Other Comprehensive Expenditure					
Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles	6		(9)		30
Total Comprehensive Net Expenditure for the year ended 31st March			(46,587)		(46,716)

The notes on pages **80** to **98** form part of these accounts.

The restatement of expenditure accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement, with £406k being charged to 2014-15. Running Costs for 2015-16 include an additional charge of £148k.

These accounts were approved on: 15 July 2016



Anne Sharp

Accounting Officer, Acas

Statement of financial position

as at 31 March 2016

consists of:

Advisory, Conciliation and Arbitration Service

Certification Office, Central Arbitration Committee

	Note	31 March 2016		31 March 2015 (Restated)		1 April 2014 (Restated)	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets							
Property, plant and equipment	6.1	3,003		3,254		3,556	
Intangible Assets	6.2	408		1,764		3,014	
Total non-current assets			3,411		5,018		6,570
Current Assets							
Inventories	n/a	0		0		11	
Trade and other receivables	7	3,605		3,538		3,940	
Cash and cash equivalents	8	777		1,695		1,065	
Total Current Assets			4,382		5,233		5,016
Total Assets			7,793		10,251		11,586
Current Liabilities							
Trade and other payables	9	(4,959)		(5,370)		(3,751)	
Provisions	10	(264)		(602)		(750)	
Total current liabilities			(5,223)		(5,972)		(4,501)
Total assets less net current liabilities			2,570		4,279		7,085
Non-current liabilities							
Provisions	10	(859)		(1,031)		(1,361)	
Total non-current liabilities			(859)		(1,031)		(1,361)
Assets less liabilities			1,711		3,248		5,724
Reserves							
General Reserve			1,014		2,465		4,871
Revaluation Reserve			697		783		853
			1,711		3,248		5,724

The notes on pages **80** to **98** form part of these accounts.

The restatement of expenditure accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement. The balance of prepayments has been restated upwards by £1,256k as at the start of 2014-15, and at 31 March 2016 this has been wound down to £702k



Anne Sharp

Accounting Officer, Acas

Date: 15 July 2016

Statement of cashflows

for the period ended 31 March 2016

consists of:

Advisory, Conciliation and Arbitration Service

Certification Office

Central Arbitration Committee

	Note	2015-16 £'000	2014-15 (Restated) £'000	1 April 2014 (Restated) £'000
Cash flows from operating activities				
Net operating cost		(46,578)	(46,746)	(44,687)
Decrease/(Increase) in trade and other receivables	7	(67)	402	(1,033)
Decrease/(Increase) in inventories	n/a	0	11	(6)
(Decrease)/Increase in trade and other payables	9	(411)	1,619	(609)
Use of Provisions	10	(182)	(388)	(645)
Less non cash movements	4	2,090	2,459	2,718
Net cash outflow from operating activities		(45,148)	(42,643)	(44,262)
Cash flows from investing activities				
Purchase of property, plant and equipment	6.1	(780)	(753)	(1,132)
Purchase of intangible assets	6.2	(40)	(214)	(435)
Proceeds of disposals of property, plant and equipment	6.1	0	0	0
Proceeds of disposals of intangible assets	6.2	0	0	0
Net cash outflow from investing activities		(820)	(967)	(1,567)
Cash flows from financing arrangements				
Grants from parent Department		45,050	44,240	45,800
		45,050	44,240	45,800
Net financing				
Net (decrease)/increase in cash and cash equivalents in the period		(918)	630	(29)
Cash and cash equivalents at the beginning of the period	9	1,695	1,065	1,094
Cash and cash equivalents at the end of the period	9	777	1,695	1,065

The notes on pages 80 to 98 form part of these accounts.

The restatement of expenditure accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement. The balance of trade receivables, has been restated upwards by £1,256k as at the start of 2014-15, and at 31 March 2016 this has been wound down to £702k.

Statement of changes in taxpayers' equity

for the period ended 31 March 2016

	General Reserve	Reval Reserve	Total Reserves
	£000	£000	£000
Balance at 1 April 2014 (Restated)	4,871	853	5,724
Changes in taxpayers' equity for 2014-15			
Net gain/(loss) on revaluation of property, plant and equipment	0	30	30
Transfers between reserves	100	(100)	0
Retained surplus/(deficit)	(46,746)	0	(46,746)
Grant from Parent	44,240	0	44,240
Balance at 31 March 2015	2,465	783	3,248
Changes In Taxpayers Equity for 2015-16			
Net gain/(loss) on revaluation of property, plant and equipment	0	(9)	(9)
Transfers between reserves	77	(77)	0
Retained surplus/(deficit)	(46,578)	0	(46,578)
Grant from Parent	45,050	0	45,050
Balance at 31 March 2016	1,014	697	1,711

The notes on pages 80 to 98 form part of these accounts.

Notes to the accounts

for period ended 31 March 2016

1. Statement of Accounting Policies

1.1 Basis of preparation

These Accounts have been prepared in accordance with the 2015-16 *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. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Service (Acas) for the purpose of giving a true and fair view has been selected. 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 non-departmental public bodies (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

These Accounts have been prepared under the historical cost convention modified to include the fair valuation of property, plant and equipment and intangible assets to the extent required or permitted under IFRS as set out in the relevant accounting policies.

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 Tangible Non-Current Assets – 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 carried at historical cost or fair value 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 Statement of comprehensive net expenditure (SoCNE). Assets under construction represent assets not yet in use and are carried at purchase cost.

1.6 Intangible Non-Current Assets

Intangible non-current 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

Assets under Construction are not depreciated or amortised until the asset is brought into use. 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 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 -0.8% to -1.55%; the early retirement provision is discounted at a rate of 1.37%).

1.11 Operating income

Operating income is income that relates directly to the activities of the Service from a variety of operations and is measured at the fair value of consideration received or receivable. 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.

1.12 Pensions

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

In addition the Service has to meet the retirement benefits for two former 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, this will be revalued upon the death of a member or their spouse.

1.13 Employee benefits

In accordance with IAS 19 *Employee benefits*, a body is required to recognise short term employee benefits when an employee has rendered service in exchange for those benefits. An example of this is the employee annual leave accrual.

1.14 Taxation

The Service maintains its own registration for VAT and is partially exempt.

Value Added Tax (VAT) is accounted for in the Accounts, in that amounts are shown net of VAT except:

- Irrecoverable VAT is charged to the Consolidated Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading
- Irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within payables and receivables on the Statement of Financial Position.

1.15 Leases

Leases are recognised in accordance with IAS 17 *Leases*.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases, all leases held by the Service in 15/16 are considered as such. Rentals payable under operating leases for both buildings and other equipment are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term. Lease incentives are accounted for over the life of the lease agreement.

1.16 Inventories

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

1.17 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.

1.18 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 14 to the Accounts.

1.19 Segmental Analysis

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

Acas has identified the basis on which future segmental analysis will be reported on, and has secured the agreement of our sponsoring Department to use an agreed format. The segments identified reflect the main activities of Acas' business, which are economically distinct from each other 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.

1.20 Estimation Techniques used and key judgements

The preparation of the Services accounts requires management to make judgements, estimates and assumptions that affect assets and liabilities, income and expenditure, based on experience and expected events. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying value of the asset or liability. Where applicable these uncertainties are disclosed in the Notes to the accounts. These underlying assumptions are reviewed on an ongoing basis.

In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, 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. 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 10.

1.21 New IFRSs in issue but not yet effective and FReM changes 2016-17

There are no new IFRSs with an effective date after 31 March 2016 or major FReM changes in 2015-16 which would have a material impact on Acas's future financial statements.

2. Segmental Analysis

	2015-16					
	Public Services	Conciliation I/c and C/c	Help Line	Good Practice Services	CO & CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Total	0	0	0	(4,539)	(5)	(4,544)
Expenditure						
Total Salaries	3,118	18,307	8,026	2,799	983	33,233
Total GAE	1,352	4,599	2,820	1,021	219	10,011
Overhead Allocation	795	3,480	2,902	404	297	7,878
Total Expenditure	5,265	26,386	13,748	4,224	1,499	51,122
Net Expenditure	5,265	26,386	13,748	(315)	1,494	46,578

	2014-15 (Restated)					
	Public Services	Conciliation I/c and C/c	Help Line	Good Practice Services	CO & CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Total	(1)	0	0	(4,273)	(17)	(4,291)
Expenditure						
Total Salaries	3,036	17,944	7,542	2,666	1,129	32,317
Total GAE	1,611	5,075	2,746	1,132	284	10,848
Overhead Allocation	795	3,486	2,903	408	280	7,872
Total Expenditure	5,442	26,505	13,191	4,206	1,693	51,037
Net Expenditure	5,441	26,505	13,191	(67)	1,676	46,746

The restatement of expenditure accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement, with £406k being charged to 2014-15. Running Costs for 2015-16 include an additional charge of £148k.

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:

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.

Conciliation (Individual and Collective)

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 11 of the 13 offices in the Acas Estate.

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.

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.

For 2014-15, a revised methodology for allocating overheads was agreed and was used to report to the Executive Board. The most significant change is that Grant Aided Expenditure overheads are now allocated to all business segments, including Good Practice Services.

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

3. Staff Costs

The aggregate payroll costs were as follows:

Acas	2015-16			2014-15
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	25,049	345	25,394	25,196
Social security costs	1,878	23	1,901	1,890
Other pensions costs	4,949	63	5,012	4,448
Sub total	31,876	431	32,307	31,534
Less recoveries in respect of outward secondments	(34)	0	(34)	(42)
Total Net Costs	31,842	431	32,273	31,492

CO & CAC	2015-16			2014-15
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	751	4	755	649
Social security costs	61	0	61	56
Other pensions costs	144	0	144	120
Sub total	956	4	960	825
Less recoveries in respect of outward secondments	0	0	0	0
Total Net Costs	956	4	960	825

Total Acas, CO & CAC	2015-16			2014-15
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	25,800	349	26,149	25,845
Social security costs	1,939	23	1,962	1,946
Other pensions costs	5,093	63	5,156	4,568
Sub total	32,832	435	33,267	32,359
Less recoveries in respect of outward secondments	(34)	0	(34)	(42)
Total Net Costs	32,798	435	33,233	32,317

4. Other expenditure

	2015-16			2014-15 (Restated)		
	ACAS	CO/CAC	TOTAL	ACAS	CO/CAC	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Running Costs	6,920	11	6,931	7,164	28	7,192
Accommodation costs	5,326	146	5,472	5,210	203	5,413
Travelling and incidental expenses	1,370	4	1,374	1,435	5	1,440
Research and development costs	901	3	904	1,078	5	1,083
Staff training costs	489	2	491	566	3	569
Conference costs	254	6	260	261	6	267
Rentals under operating leases	124	1	125	130	1	131
Legal costs	96	0	96	32	3	35
Services provided by OGD's	71	0	71	78	0	78
External audit fees	65	0	65	44	0	44
Bad debts	6	0	6	5	0	5
Fees and expenses of arbitrators, conciliators & CAC members	1	3	4	0	4	4
<i>Non-cash costs:</i>						
Depreciation	2,404	0	2,404	2,532	0	2,532
Losses, write offs and loss on disposal of property, plant and equipment	13	0	13	17	0	17
Loss on Revaluation	1	0	1	0	0	0
Provisions for liabilities and charges – Early Retirement Scheme	(6)	0	(6)	(12)	0	(12)
Provisions for liabilities and charges – Dilapidations	(310)	0	(310)	(66)	0	(66)
Unwinding of Discount	(12)	0	(12)	(12)	0	(12)
	17,713	176	17,889	18,462	258	18,720

The restatement of *Note 4: Other Expenditure* accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement, with £406k being charged to 2014-15. Running Costs for 2015-16 include an additional charge of £148k.

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.

	2015-16			2014-15		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	4,539	5	4,544	4,261	17	4,278
Sale of publications etc.	0	0	0	1	0	1
Other receipts	0	0	0	12	0	12
	4,539	5	4,544	4,274	17	4,291

	2015-16	2014-15
	£'000	(Restated) £'000
Receipts from Fees and other Operating receipts (Acas)	4,539	4,273
Total Expenditure	(4,224)	(4,206)
Net Surplus	315	67

The CAC has no Operating Income.

6.1 Property, plant and equipment

2015-16

	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 2015	91	4,469	5,526	828	10,914
Additions	45	189	459	87	780
Disposals	0	0	(80)	(90)	(170)
Revaluations	0	(95)	50	2	(43)
Impairment	0	0	0	0	0
At 31 March 2016	136	4,563	5,955	827	11,481
Depreciation					
At 1 April 2015	0	2,780	4,129	751	7,660
Charge in year	0	365	596	44	1,005
Disposals	0	0	(78)	(79)	(157)
Revaluations	0	(57)	25	2	(30)
Impairment	0	0	0	0	0
At 31 March 2016	0	3,088	4,672	718	8,478
Net Book Value at 31 March 2016	136	1,475	1,283	109	3,003
Asset Financing					
Owned	136	1,475	1,283	109	3,003

2014-15

	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 2014	0	4,445	5,102	826	10,373
Additions	91	55	603	4	753
Disposals	0	(1)	(206)	(2)	(209)
Revaluations	0	(30)	27	0	(3)
Impairment	0	0	0	0	0
At 31 March 2015	91	4,469	5,526	828	10,914
Depreciation					
At 1 April 2014	0	2,404	3,738	675	6,817
Charge in year	0	394	569	78	1,041
Disposals	0	(1)	(189)	(2)	(192)
Revaluations	0	(17)	11	0	(6)
Impairment	0	0	0	0	0
At 31 March 2015	0	2,780	4,129	751	7,660
Net Book Value at 31 March 2015	91	1,689	1,397	77	3,254
Asset Financing					
Owned	91	1,689	1,397	77	3,254

6.2 Intangible fixed assets

2015-16

	Assets Under Construction	Computer Software	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2015	52	9,335	9,387
Additions	14	26	40
Disposals	0	0	0
Revaluation	0	108	108
At 31 March 2016	66	9,469	9,535
Depreciation			
At 1 April 2015	0	7,624	7,624
Charge in Year	0	1,399	1,399
Disposals	0	0	0
Revaluation	0	104	104
At 31 March 2016	0	9,127	9,127
Net Book Value at 31 March 2016	66	342	408
Asset Financing			
Owned	66	342	408

2014-15

	Assets Under Construction £'000	Computer Software £'000	Total £'000
Cost or Valuation			
At 1 April 2014	0	9,104	9,104
Additions	52	162	214
Disposals	0	(5)	(5)
Revaluation	0	75	75
Transfer	0	0	0
At 31 March 2015	52	9,336	9,388
Amortisation			
At 1 April 2014	0	6,090	6,090
Charge in Year	0	1,491	1,491
Disposals	0	(5)	(5)
Revaluation	0	48	48
At 31 March 2015	0	7,624	7,624
Net Book Value at 31 March 2015	52	1,712	1,764
Asset Financing			
Owned	52	1,712	1,764

7. Trade Receivables and Other Current Assets

	2016	2015	2014
	(£'000)	(Restated) (£'000)	(Restated) (£'000)
Amounts falling due within one year:			
VAT receivables	441	41	116
Deposits and advances (staff)	71	86	109
Trade Receivables	1,073	887	686
Prepayments	2,013	2,513	3,013
	3,598	3,527	3,924
Amounts falling due after more than one year:			
Deposits and advances (staff)	7	11	16
	3,605	3,538	3,940

The restatement of expenditure accounts for the additional costs arising from the IT contract management issue disclosed in the Governance Statement. The balance of prepayments has been restated upwards by £1,256K as at the start of the 2014-15 and 31 March 2016 this has been wound down to £702K.

8. Cash and Cash Equivalents

	2016	2015
	(£'000)	(£'000)
Balance at 1 April	1,695	1,065
Net change in cash and cash equivalent balances	(918)	630
Balance at 31 March	777	1,695
The following balances at 31 st March are held at:		
Government Banking Service	777	1,695

9. Trade Payables and Other Current Liabilities

	2016	2015
	£'000	£'000
Trade and Staff Payables	1,214	1,428
Accruals	2,915	3,065
Holiday Pay	704	733
Deferred Income	126	144
	4,959	5,370

10. Provisions

2015-16

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2015	101	119	1,413	0	1,633
In period:					
Provided in the year	0	0	16	0	16
Provisions not required written back	0	(6)	(326)	0	(332)
Provisions utilised this year	(18)	(101)	(63)	0	(182)
Unwinding of discount	0	2	(14)	0	(12)
Closing Provision at 31 March 2016	83	14	1,026	0	1,123

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Summary of Cashflow Timings					
Not later than 1 Year	18	14	232	0	264
Later than 1 year and not later than 5 years	65	0	794	0	859
Later than 5 years	0	0	0	0	0
Total	83	14	1,026	0	1,123

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

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

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

⁴ Acas has been unable to agree with Landlords about surrendering the lease of one property; as a result a provision was created for the estimated costs of occupation of this property until their lease break. This was previously disclosed under the *Dilapidations* provision. The onerous lease ended in 2014-15.

2014-15

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Opening Provisions at 1 April 2014	118	437	1,520	36	2,111
In period:					
Provided in the year	0	0	277	0	277
Provisions not required written back	0	(12)	(316)	(27)	(355)
Provided in the year	(17)	(314)	(48)	(9)	(388)
Unwinding of discount	0	8	(20)	0	(12)
Closing Provision at 31 March 2015	101	119	1,413	0	1,633

	Future Pensions ¹	VER Scheme ²	Dilapidations ³	Onerous Lease ⁴	Total
	£'000	£'000	£'000	£'000	£'000
Summary of Cashflow Timings					
Not later than 1 Year	17	105	480	0	602
Later than 1 year and not later than 5 years	68	14	933	0	1,015
Later than 5 years	16	0	0	0	16
Total	101	119	1,413	0	1,633

11. Capital Commitments

Acas is committed to further Estates moves in 2016-17 for which it is estimated £262,000 capital expenditure (2015-16, £326,000) will be incurred.

12. Commitments under Operating Leases

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

	2015-16		2014-15	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Obligations under Operating Leases				
Not later than one year	2,233	63	2,777	4
Later than one year and not later than five years	2,975	44	4,805	6
Later than five years	0	0	0	0
	5,208	107	7,582	10

There has been a fall in Commitments under Operating Leases as a result of the rationalisation of the Acas estate, with two offices vacating in 2015-16 and the move to shared buildings in the BIS estate. Other leases have increased as a new contract to lease multi-functional devices has been introduced.

13. Related party transactions

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

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

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

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

14. 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 Acas' expected purchase and usage requirements and Acas is therefore exposed to little credit, liquidity or market risk.

15. Prior Period Restatement

Restatement of Statements of Comprehensive Net Expenditure and Financial Position to correct prior year error

During 2015-16, prior year payments to a supplier in advance of need were identified. A build-up of contractor days owed to Acas had accumulated over a number of years. This impacts on net expenditure and the Statement of Financial Position for 2013-14, 2014-15 and 2015-16 as described below.

Effect on the Statement of Financial Position:

Prepayments to reflect the build up of contractor days had not been recognised. In accordance with IAS 8, the Statement of Financial Position has been restated to correct this error. Prepayments have been restated to include a prepayment of £1,256,000 as at 31 March 2014 and a prepayment of £850,000 as at 31st March 2015. An amount of £702,000 has been recorded as a prepayment as at 31 March 2016. These balances are included in Note 7 to the Accounts.

Effect on the Statement of Comprehensive Net Expenditure:

As a result of recognising the prepayments described above, the Statement of Comprehensive Net Expenditure has been restated. 2014-15 net expenditure has increased by £406,000. This is included in Other Expenditure and in Note 4 to the Account (under Running Costs).

Corresponding changes to reserves can be seen in the Statement of Changes to Taxpayers' Equity. In addition, the opening balance at 1 April 2014 has been restated reflecting the reduction in 2013-

14 net expenditure of £1,256,000. The effect on the movements of the balances of Trade Receivables have been restated in the Statement of Cashflows.

16. 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.

On 14 July 2016, following a machinery of Government change it was announced that the Advisory, Conciliation and Arbitration Service's sponsoring department, the Department for Business, Innovation and Skills, is having its responsibilities changed. The sponsor department for the Advisory, Conciliation and Arbitration Service is now the Department for Business, Energy and Industrial Strategy.

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