

# Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2016–17





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

## **Annual Report and Accounts 2016/17**

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

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# Foreword

## from the Chairman and Chief Executive

Acas is a trusted, impartial and expert organisation with a long and successful track record. This Annual Report sets out how we have delivered against our strategic plan during 2016–2017, and indicates our ambitions for the future.

The quality of employment relations is a key determinant of economic success. We know that our services are highly valued by those who use them: independent research published in October 2016 confirms that for every £1 we spend there is a £13 benefit to the economy.

We are proud of the difference we make for the better to individuals and to organisations, and of the economic benefits of our work. But in a world where expectations and technological capacity change quickly we know we must continue to work hard to meet customer needs, reach more people and provide best value for the public funding we receive.

Our ambitious strategic vision provides us with the focus to develop our capability, our services and our impact. The coming year will see continued implementation of change in an outward-facing, modern and engaged organisation which works closely with service users and stakeholders. Crucial to this is a focus on developing and improving how we engage with customers online to meet expectations in the 21st century.

We are grateful to the Acas Council, made up of representatives of employer and employee organisations and independent experts, for providing the direction, support and challenge to develop and deliver our strategic vision.

We also continue to be impressed by the professionalism, expertise and commitment of our people, particularly those who have helped develop and take forward our change programme and who have worked flexibly and positively to help make a reality of our vision.

We look forward to continuing to work productively with all who share our interest in thriving workplaces and working lives.



**Anne Sharp**  
Chief Executive

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



**Sir Brendan Barber**  
Chair

A handwritten signature in black ink that reads "Brendan Barber".

# Introduction

## Who we are

Acas is Britain's expert body on workplace relationships and effectiveness. We exist to improve organisational performance and working life. When workplace problems arise, we help employers and employees rebuild effective long lasting relationships and embed good practice.

## What we do

We provide free, expert and impartial information to individuals and organisations about workplace good practice, rights and obligations and we help employers and employees find solutions when things go wrong. We do this through face to face, online and telephone advice; through practical guidance; and through expert training. We also provide in-depth tailored support to organisations.

## Our economic impact

New independent economic analysis (published October 2016) shows that, underpinned by our strong brand of independence, impartiality and expertise, our services continue to offer considerable value to the GB economy, with an estimated economic benefit of £13 for every £1 invested in Acas. The analysis draws on the most recent evaluation data across all Acas services and results will inform future thinking on how we can continue to offer the best value for money in the work we deliver.

## Our Strategic Vision

In April 2016 we published our five year strategic 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.

This is built around three strategic aims:

- 1** To drive sustained organisational effectiveness and productivity and improve the quality of working life across the economy through practical advice and expert support.
- 2** To assist organisations and individuals to manage conflict and resolve disputes at work.
- 3** To shape and inform policy thinking and practice on employment issues which contribute to fair, effective and efficient working relationships.

This Annual Report sets out how we have performed against the above aims in 2016–17.

# At a glance:

Acas key statistics for the year

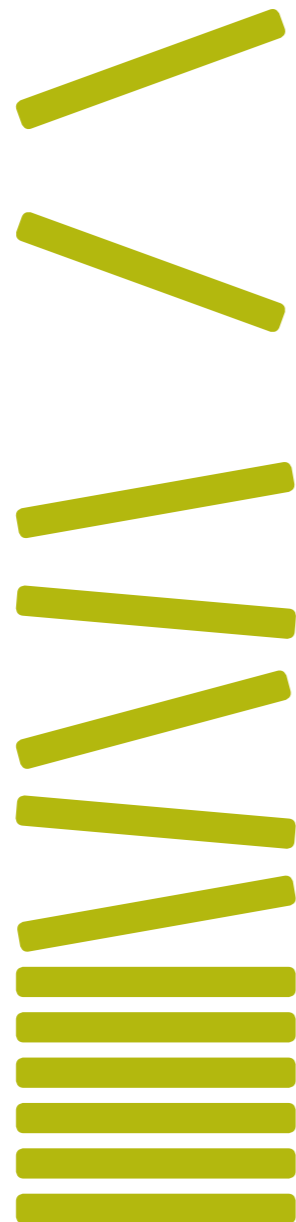
**FOR EVERY**



**WE SPEND THERE IS**



**BENEFIT TO THE ECONOMY**



## Social media



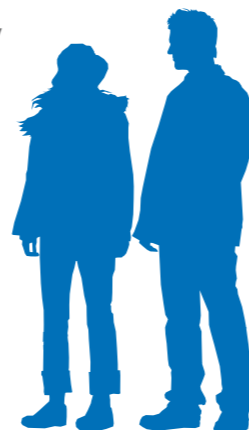
Nearly **100,000** followers on **Twitter**



Views of guidance videos on **YouTube** increased by **62%**



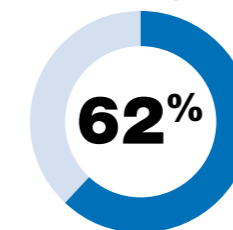
Our **Facebook** followers have increased by **150%**



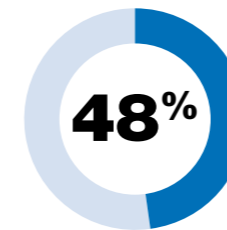
## Helpline advice



After speaking to Acas,



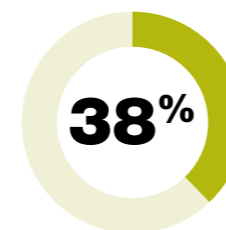
of callers **discussed their issue** within their own organisation



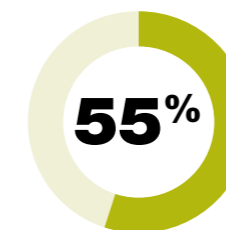
**applied or implemented changes** recommended by Acas



## Conciliation

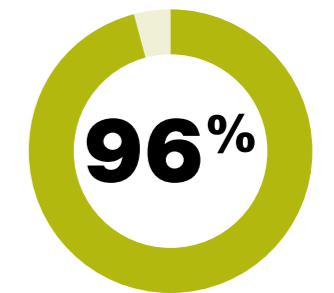


In **38% of cases** where people took part in Acas conciliation, the issue was **resolved before** lodging an employment tribunal claim; **55% of cases** which went on to become tribunal claims were settled by Acas conciliators



collective disputes were **helped to settle through Acas**

## Helping workplaces



of delegates said **Acas training** addressed the needs of their organisation

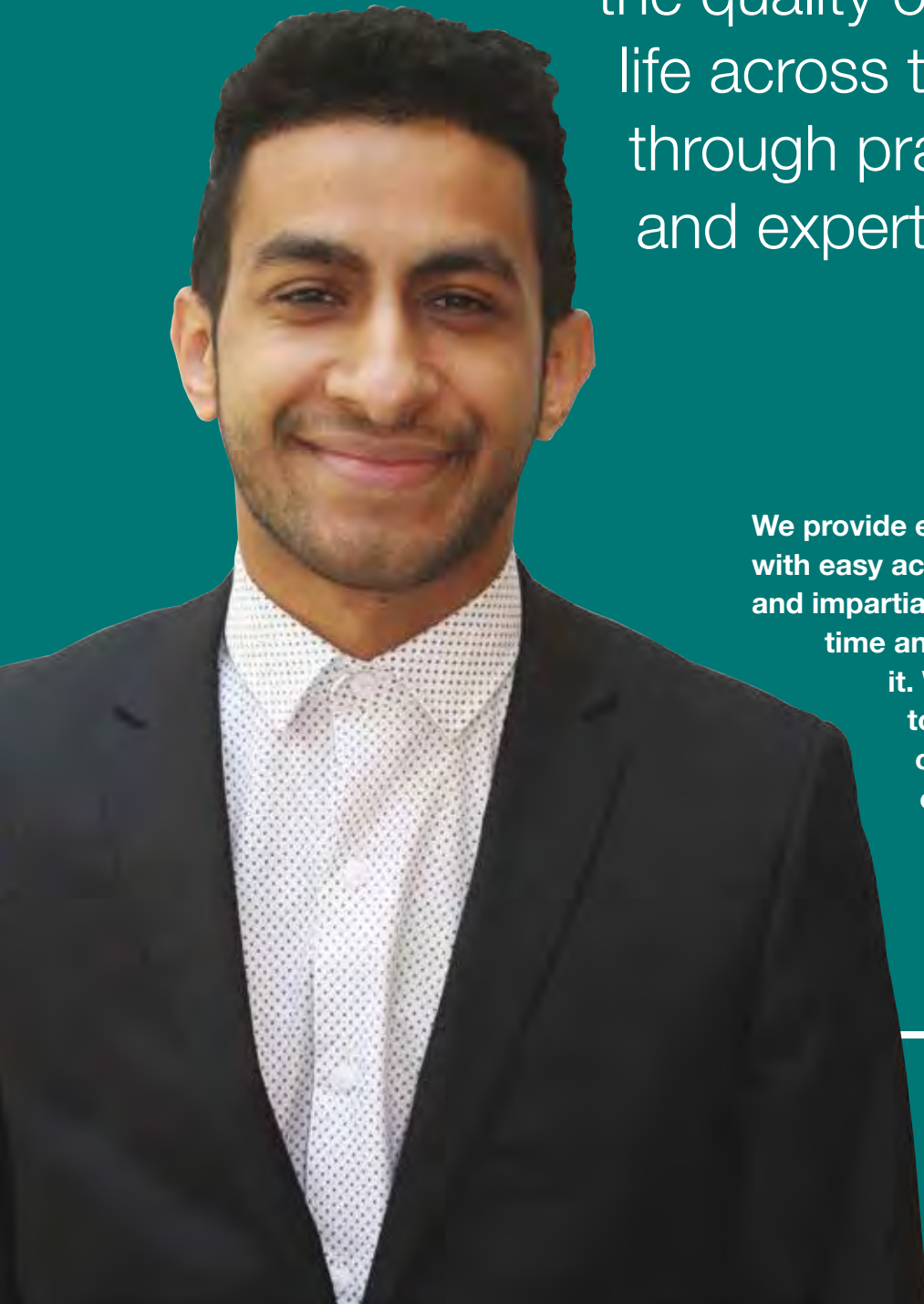


of all organisations **we helped with problem solving** reported **improvements** in workplace relationships



# 1

**Aim:** To drive sustained organisational effectiveness and productivity and improve the quality of working life across the economy through practical advice and expert support.



We provide employers and employees with easy access to practical, expert and impartial information in the form, time and place that they need it. We help organisations to perform the best they can, through supporting effective, efficient workplaces, and strong workplace relationships.

**Yacoub Ahmed**  
Training Development  
Apprentice,  
Birmingham



**Employers and employees can access our advice through telephone and online helplines; by reading high level or detailed guidance; by participating in online or face to face training; and by using diagnostic questionnaires and templates on our website.**

## Telephone helpline

Expert Acas Helpline advisers provide impartial information and guidance to employers and employees, answering their questions and providing them with the knowledge and confidence to address issues and get things right in the workplace.

We know from our research evaluations that 89% of callers to the Helpline were satisfied with the service received; and that after speaking to Acas, 62% of callers discussed their issue within their own organisation, and 48% applied or implemented changes recommended by Acas.

We are aiming to achieve a gradual shift towards a higher proportion of Helpline calls handling complex issues, while people with more straightforward requests for information can find what they need online. In 2016–17 our advisers answered 887,000 calls, a decrease of 6% on 2015–16. This reduced number of

calls may be an early indication of improved accessibility of information on our website. In the coming year we will continue to work on this and monitor call trends.



I had occasion to contact the Helpline this morning and the experience was wholly positive. The young lady that I spoke to was pleasant, understanding, knowledgeable and helpful. The advice she gave was practical and well thought out. For various reasons I have called the Helpline a couple of times over the past 4/5 years and have always received excellent service and advice. Well done indeed and thank you.



**Aim 1**  
To drive sustained organisational effectiveness and productivity and improve the quality of working life across the economy through practical advice and expert support.

**Aim 2**  
To assist organisations and individuals to manage conflict and resolve disputes at work.

**Aim 3**  
To shape and inform policy thinking and practice on employment issues which contribute to fair, effective and efficient working relationships.

## Information online

Our website provides advice and support on a wide range of employment issues in many different formats, including templates to help small businesses taking on their first employees; live advice through webchat; and statutory guidance on discipline and grievance. The past year has seen:

- Over 11.8m visits to the website – a 100% increase since 2013, and 20% more than last year.
- Acas guidance accessed through the website 8.4 million times, an increase of 20% over last year.
- Nearly 33,000 new registrations for our free e-learning, with modules also shared with 66 organisations for their internal use, providing potential for 86,000 additional users.
- Continued popularity of guidance offering step-by-step help for small businesses, with nearly 30,000 new users.
- Over 500,000 users asking 1.4 million questions on our automated online helpline advice service.

## Same expertise: new routes of access

Increasingly people access our services through their mobile devices and through a range of online channels:

- Twitter is our most active social media platform. Our combined national and regional Twitter presence has increased by 20% to nearly 100,000 followers.
- Guidance videos on our YouTube channel were viewed around 350,000 times in the past year – an increase of 62% from 2015–16. This demonstrates an increasing appetite for short video content as an alternative (or in addition to) detailed guidance.
- The LinkedIn Acas company page has over 15,000 followers and our LinkedIn closed group 39,000 members (an increase of 19%).
- Our Facebook followers have increased by 150% this year, many of these new followers seeking information and advice through private messaging.

### SNAPSHOT

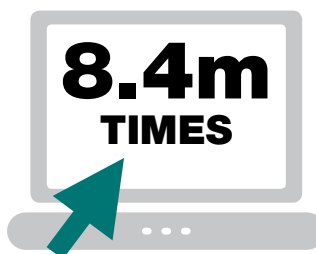
#### Online

**Over 11.8m**



visits to the website – a **100% increase** since 2013, and **20% more** than last year

Acas guidance accessed through the website



**an increase of 20%** over last year

- During the year we ran a number of interactive sessions on Twitter and Facebook and a joint Facebook Q&A session on the National Living Wage with the Department for Business, Energy and the Industrial Strategy (BEIS), reaching 70,000 people.
- We collaborated with HMRC on a webinar which allowed over 1,000 people to watch and ask questions about National Minimum Wage in real time.
- We reached around 2,500 people through our web-chat service which offers timed slots for online advice from one of our advisers.



## Expert guidance and information

Acas has a unique insight into the world of work from our millions of interactions with employers and employees each year. In 2016–17 we developed a wide range of advice and support accessible through various channels. We increased the reach and impact of our guidance by working with external organisations, incorporating their specialist expertise in developing and promoting products together, including:

- eLearning modules on religion and belief in the workplace and on pregnancy and maternity at work, in partnership with the Equality and Human Rights Commission (EHRC). As well as making these available on the Acas website, we shared them with employers for internal use. Reach of the pregnancy module was also increased by links with the EHRC 'Working Forward' initiative, in which around 130 employers, including the John Lewis Partnership, Royal Mail and Barclays, committed to supporting pregnant employees and returning mothers.
- We knew from calls to the Acas Helpline that people often need help in understanding their rights and obligations with different types of employment status. We worked with other Government departments to update web guidance to help employees and employers understand this complex area.



## Gender pay reporting legislation

When we identify the need for guidance in a new area, we develop an integrated package of material to support customers. A case in point is the new gender pay reporting requirements.

In the year before the regulations came into effect in April 2017 Acas worked closely with the Government Equalities Office (GEO), developing written guidance, a range of online tools, a [video](#) and face to face training.

The [online guidance](#) had over 13,000 views in February – March 2017 and we trained 420 delegates at 46 events around the country between July 2016 and the end of the year.

During 2017–18, we will continue to work with GEO and other partners to raise awareness of the legislation, encourage early adopters, and support organisations in their reporting responsibilities.



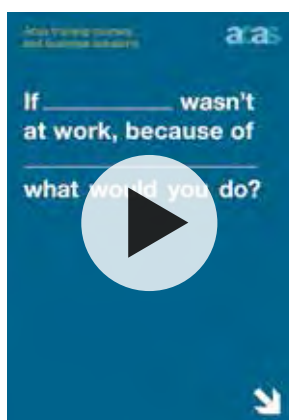
**Philippa Newis**  
Senior Adviser and Collective Conciliator



**Sarah Podro**  
Senior Adviser and Collective Conciliator

## Training and in-depth support

We offer a range of training courses around the country on workplace and employment issues. We also provide tailored in-house training to meet the needs of individual organisations. During the year over 13,000 people attended our standard training events, and we provided tailored training in around 1,200 organisations, reaching over 23,000 people (an increase of 9% on last year).





## Training courses:

Feedback shows satisfaction with Acas training is high:

- 95% of delegates were satisfied with the training (67% 'very satisfied')
- 96% of delegates felt the training addressed the needs of an organisation their size well.

### What delegates said:

*"Worth every penny."* **HR Manager**

*"Excellent course which was made even better by a knowledgeable tutor who made the course interesting and enjoyable! I would happily recommend this to anyone."* **HR Manager**

*"This was an excellent course, very interactive and developmental. I have been in HR for over 25 years and ... it turns out I didn't know as much as I thought!!"* **HR Business Partner**

*"Acas provide everything, their courses and law updates are superb, really well done and attended, the trainers know their stuff and make it easier to understand. I have sent my managers on some of the staff courses and they have come back full of praise for the Acas courses. I would highly recommend them."* **Office HR Manager**

We develop and adapt our training programme to reflect customer needs. [New courses](#) this year included:

- gender pay reporting;
- dress in the workplace, tattoos and piercings;
- managing an ageing workforce; and
- seven ways to make your organisation more productive.

Some organisations ask for more in-depth support and we work with them to diagnose and resolve issues. Resulting improvements in workplace relations and practice can lead to increased efficiency, productivity and profitability. [Research published this year](#) showed that customer satisfaction with this work was 93%, with 82% of service users

reporting that the main objective of the project had been met either 'fully' or to a 'large extent'. Perhaps more importantly, 82% of all users reported an overall improvement in workplace relationships between employees and management, ahead of Acas' target of 70%.

You can find out more about how we help organisations diagnose and resolve problems from our website: [www.acas.org.uk/solutions](http://www.acas.org.uk/solutions).



# 2

**Aim:** To assist organisations and individuals to manage conflict and resolve disputes at work.



Although our practical advice and expert support helps employers and employees with good workplace practices, conflict exists in most working environments. When conflict is not tackled early, or is not dealt with in the right way, it can turn into bigger problems, such as dismissal, a breakdown in workplace relationships, Employment Tribunal hearings, or even industrial action. All of these outcomes are costly, worrying and disruptive.

**Amy Platt**  
Regional Publicity  
Apprentice,  
Manchester

**We aim to support organisations and their employees who are in dispute to reach a satisfactory and early conclusion. Acas' independent, impartial and confidential conciliation services provide effective early support to help employees and employers to find mutually acceptable solutions, resolve disputes quickly and reduce the damage they can cause. And we can work with organisations after disputes to suggest strategic improvements.**

## Mediation services

Acas offers a mediation service to help resolve workplace conflict before it escalates. Mediation is often used in situations where working relationships have broken down, with adverse impacts on how people feel about their work, on their effectiveness, and on absence rates. Acas mediators help employers and employees to jointly find more constructive solutions to their issues.

As we have a very high level of success (of 248 mediations in 2016–17, 89% reached full or partial agreement), we also offer our expertise to train in-house mediators. In 2016–17 we trained 272 people through our accredited [Certificate in Internal Workplace Mediation \(CIWM\) course](#), providing their organisations with an important resource in managing and reducing workplace conflict.



The CIWM was one of the most challenging courses I have attended in a long time – but well worth it! The trainers (Pat and Dave) worked seamlessly together, to give us the delegates the best experience. Highly recommended.

**People and Development Lead**



### Aim 1

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## Satisfaction in CIWM course

Overall satisfaction with the course and impact on business is high:

- 100% of delegates reported being either 'very satisfied' or 'satisfied' with the course they attended, 95% awarding the highest rating of 'very satisfied'.
- At least 98% of delegates rated the Acas tutors 'very good' or 'good'.
- Nearly all delegates rated themselves post-training as 'extremely' or 'very confident' in: *understanding the causes and effects of workplace conflict (99%), identifying when internal workplace mediation is appropriate (95%) and knowing the mediation model and its key tasks (97%)*.
- In response to feedback from delegates we reduced the paperwork involved in post-course assessment. This meant more candidates completed the process and gained accreditation.

## Resolving disputes involving individuals

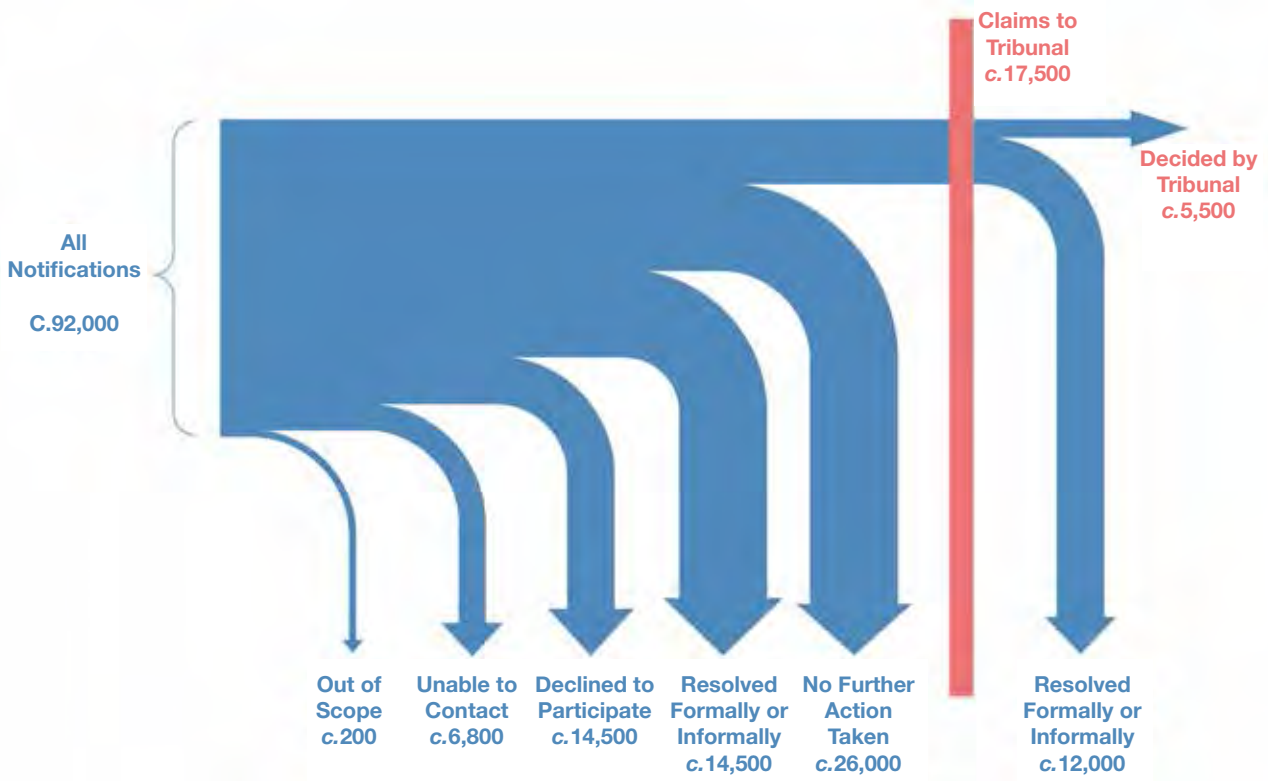
While it is best for long term workplace relationships if disputes are resolved internally, for example through mediation, many organisations do not have well developed policies or practices to promote internal resolution and in these circumstances conflict is more likely to escalate.

Anyone who wishes to take a case to an Employment Tribunal (ET) must first notify Acas, so we can offer free impartial help to resolve the dispute and avoid a tribunal hearing. Use of our service is voluntary, but early resolution of disputes reduces the anxiety and costs associated with tribunal cases and most people are willing to participate. If those involved cannot reach agreement, our services remain available after an ET claim has been lodged, right up to the day of the Tribunal hearing.

In the last year, we drew on the expertise and knowledge of our conciliators to develop and share best practice about effective approaches to our work. This helped secure a steady improvement in the proportion of cases resolved at the earliest stage.

We received over 92,000 notifications, 95% from employees and 5% from employers. In 38% of cases where people took part in conciliation, the issue was resolved; either formally settled through Acas or resolved informally between the parties, for example through payment of wages which were owing.

Acas conciliators can also act once an Employment Tribunal claim is made, and our conciliation at this stage resulted in settlement of 55% of ET claims with a further 18% being withdrawn by the claimant.



## SNAPSHOT



### Individual conciliation

*"The contribution made by Margaret [Acas conciliator] throughout this entire case was incredibly significant and hugely appreciated. I found Margaret to be incredibly professional and helpful at all times and a source of reassurance and clarity to me. She was more than happy to act as a willing go between, even in difficult moments, and she kept it moving along with a sense of fairness throughout..."*

*Margaret acted impeccably at all times, not just to myself, but quite clearly to the Respondent also and her role as an encouraging and neutral mediator undoubtedly served to bring this case to the happy and prompt conclusion, without the need to further burden the Tribunals' time, and indeed cause myself further unwarranted stress and worry.*

*In addition to Margaret's invaluable contribution, I found the other staff members of Acas that I had dealings with to also be incredibly polite and very capable and professional too."*

#### **Employee user of individual dispute resolution service**

## Resolving disputes involving groups of employees

Acas is probably best known for its role in resolving conflict between employees, usually represented by trade unions, and their employers. This work on collective disputes is vital in avoiding the adverse effects of industrial action wherever possible and in helping rebuild productive workplace relations quickly.

Following a change in interpretation of rights to holiday pay, 2014–15 saw a sharp rise in the number of disputes in which we became involved. Holiday pay cases continued in 2015–16, although at a lower level. 2016–17 saw requests for us to get involved in collective disputes return to the longer term trend, decreasing to 744.

Most disputes where Acas gets involved are resolved before ballots for industrial action

take place, and therefore tend not to be in the public eye. Less than a quarter of the cases we received in the year involved a threat of industrial action.

Seven in ten requests for our involvement were from private sector organisations, with the rest from the public and voluntary sector. The most common reason given for collective disputes was pay or pay-related matters (57%). However, we found the underlying issues were increasingly around modernisation, a focus on efficiencies, and changing working practices.

Following Acas involvement, nine out of ten cases either settled or made progress towards settlement. Acas also provides expert support to help the workplace relationship improve after the immediate dispute has been resolved.

### SNAPSHOT



## Acas International

Acas is regularly invited to share good practice of employment relations internationally. We have recently concluded an 18 month mediation and collective conciliation training project in Jordan, working with partners in the UK Foreign and Commonwealth Office (FCO), Jordan Ministry of Labour (MoL) and Adam Smith International.

Collective disputes in Jordan tend mainly to be around non-payment of wages. However, as the labour market has evolved, issues around benefits and work conditions are becoming more prevalent. Additionally, a large migrant labour force works in often difficult conditions in industries such as mining and textiles. These industries are frequently the flashpoints for unofficial disputes and walkouts. We developed bespoke training and role play activities for MoL staff and trade union reps, which received positive feedback. Staff leading the training have also built positive working relationships with colleagues in Jordan, and raised awareness internationally of the benefits of good employment relations.



## Transport sector disputes

During 2016–17, a number of national disputes across the transport sector attracted headlines:

- Acas successfully averted a national baggage-handlers dispute at UK airports in the lead-up to Christmas 2016.
- Acas facilitated discussions on pay over several months between the National Air Traffic Services, (NATS), Prospect and PCS, eventually helping the parties reach agreement.
- Acas was instrumental in settling a dispute between the Oxford Bus Company and Unite, originally over payments for Bank Holiday working. This dispute had escalated following two days of industrial action. Acas also facilitated post-dispute team building programme, including joint training to help repair the relationship.
- After sustained intense discussions with Acas, a dispute in early 2017 between RMT, TSSA and London Underground was resolved. The dispute related to implementation of the new station model and had resulted in significant disruption to the underground network.
- Acas was also successful in helping lift the threat of a strike over Christmas 2016 by British Airways cabin crew represented by Unite the Union, although the dispute led to sustained industrial action in 2017. The dispute over pay, terms and conditions was unresolved at the time of writing, with 26 days lost to strike action.
- Southern Railways/GTR went into dispute with the RMT Union over driver-only operations, causing disruption for commuters in the South East. A series of two day strikes began in April 2016 and continued throughout the year. A dispute between ASLEF and Southern railways also resulted in industrial action. Talks took place at Acas in both of these disputes without success, and disputes seemed no closer to resolution at the time of writing.

# 3

**Aim:** To shape and inform policy thinking and practice on employment issues which contribute to fair, effective and efficient working relationships.



We have contact with millions of employers and employees every year through our helpline, conciliation and mediation services, and through our training and in-house project work. This provides insight about emerging issues in the world of work and enables us to work with others to address them. It is also vital in identifying future customer needs and developing our services.

**Aftie Miah**  
Social Media  
Apprentice,  
London

**Acas' impartiality is embedded in our governance through the Acas Council, whose membership ensures that we benefit from employer, employee, academic and legal perspectives (see page 24). Council determines Acas' strategic direction, contributes to specific areas of work, such as Codes of Practice and guidance, and supports and challenges the Acas Executive in delivering our strategic aims.**



Our governance arrangements and strong working relationships with stakeholders help us to understand different aspects of an issue, and to work with others to address them. This gives us a broad perspective, and helps generate better informed output: it also helps build our reach and impact, as we are able to engage directly with our partners' customers, networks and members.

## Informing the debate

Acas uses its insight to contribute to the broader public policy debates, to shape and inform thinking and practice on employment issues, and to promote understanding of the part which well-managed, efficient and innovative workplaces play in unlocking productivity. For example, we provided evidence to the review into Modern Employment Practices commissioned in 2016 by the Prime Minister. We also developed a shared perspective with CBI, CIPD, and the TUC on the importance of the workplace in the draft Industrial Strategy, which we fed into BEIS and the Parliamentary Select Committee considering the issues.

### Aim 1

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Our relationships with customers and service users help us identify current and emerging workplace issues. We use this insight to inform development of our guidance and training, as well as to identify where further research and evidence would be helpful. In turn, this evidence informs our services and our discussions with stakeholders and policy makers.

In the past year our research explored a range of topical issues, including:

- **Dress codes and appearance at work** (including tattoos and body modifications). We published a research paper, guidance and blogs, and submitted evidence to the inquiry by the Commons Petitions Committee and Women and Equalities Committee into High Heels and Workplace Dress Codes.
- **Managing older workers.** Our research provided insights on how best to manage the ageing workforce, making connections with earlier Acas work on productivity.
- **Neurodiversity.** We published a research paper and articles and took part in extensive social media activity around ways to integrate people with neurological conditions such as autism, dyslexia, ADHD and dyspraxia into mainstream employment. We presented our evidence to the cross-party Westminster AchieveAbility Commission inquiry into Recruitment Practices for Dyslexic and Neurodivergent People, feeding into the Government goal of halving the disability employment gap by 2020.



**Rob Rees, Acas Office Manager, London**







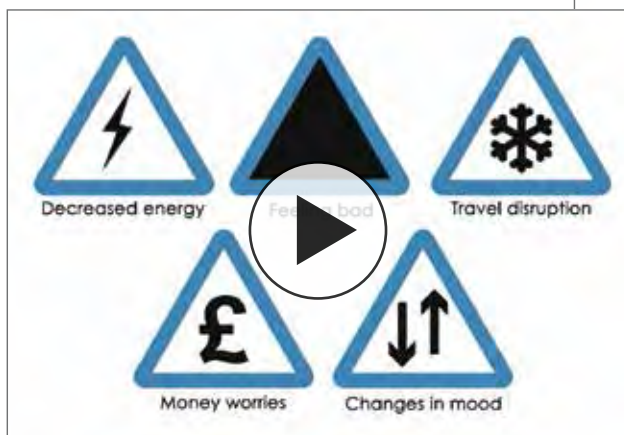
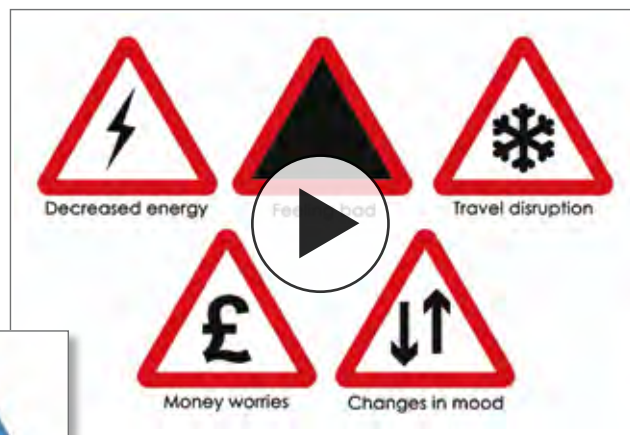
## Mental Health in the workplace

Mental health problems cost employers in the UK £30 billion a year through lost production, recruitment and absence. The Centre for Mental Health charity estimates that employers should be able to cut these costs by about a third by supporting their staff and creating a culture which enables their people to remain productive and able to carry out their roles effectively.

In November 2016, we published research on the management of [mental health at work](#), which includes case studies showing the impact of good practice.

The launch of the research brought together stakeholders for discussion which informed our response to the Department of Work and Pensions' Green Paper on Improving Lives.

We have worked with MIND (a leading mental health charity in England and Wales) to develop new guidance, including a booklet and video and a training course. We also teamed up with the NHS' Mindful Employer initiative to develop [online training](#).



# Developing Acas

## and its services

**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 individuals and the organisation.**

Over the last two years, we have been developing our capability to respond quickly to the needs of our customers. In 2016–17 we have started to see these changes come to fruition. We launched our vision and strategy for 2016–2021 at the beginning of the year, and have been putting in place the building blocks to enable us to further enhance customer service; to extend our reach and impact; to improve our effectiveness; and to make the best use of public money. A key focus of this work is making sure that we are making best use of online opportunities to meet the needs and expectations of service users and customers.

We will continue to inform, engage, listen to and consult our staff as we further deliver changes to improve services.



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**Anu Esan**  
People Policy  
Apprentice,  
London

## Estates changes

We have made the decision to close our Bootle office; this means we will have one North West regional office in Manchester, as in other regions of the country. We are working closely with those directly affected by this decision. We have many talented colleagues in our Bootle office and the 18 month lead-in to office closure enables retraining, reshaping of working arrangements and support for people moving to other jobs. We continue to consult with our Trade Unions.

## Helpline and Helpline Online

During the year we ran a pilot exploring different patterns of helpline opening hours. Evaluation showed continued satisfaction levels among callers. We implemented the changes at the beginning of 2017–18, enabling more advisers to be available at the busiest times.

Over the next 12 months, we will be concentrating the national helpline service from 11 centres to four larger teams in Glasgow, Newcastle, Manchester and Nottingham. This will support greater collaboration



**Laura Ryan and Helen Adamson**  
Helpline Advisers, Newcastle

between colleagues, make it easier to provide professional development and improve value for money. Helpline colleagues in offices that will no longer provide a Helpline function are being retrained to conciliate in disputes.

### SNAPSHOT



## Helpline to conciliation

*“In the last year Acas took the decision to concentrate our national helpline service from 11 centres to four. Staff in our office in Cardiff were the first to transfer from Helpline to Conciliation duties. Other offices will be transitioning over the next 18 months.*

*The roles are very different both in the way they are organised and the duties performed; this caused some apprehension amongst our colleagues but we worked very hard to engage with them about the changes and the opportunity for a fresh, new role and work through the change as a team. We took a number of local decisions about the procedure of the transition and received great support from the management team in Wales who wanted the best possible change experience for our colleagues.*

*It was vital to keep staff engaged and enthused about the change of roles. By using team and individual discussions everyone felt fully informed about the changes and felt they had real ownership of their career development.”*

**Siân West**, Resources and Conciliation Manager at Acas

# 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 Managing Director, People and Infrastructure at CBI. 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 Director of Human Resources for the Canal and River Trust. Prior to that he was Vice President of Labour Relations at 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 Batten 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 Agreement<sup>1</sup>

	2016-17		2015-16	
	Target	Outturn	Target	Outturn
<b>Conciliation in collective disputes:</b>				
The promotion of a settlement in disputes in which Acas is involved	80%	<b>92%</b>	80%	88%
<b>Individual disputes referred for conciliation</b>				
a) Percentage of Early Conciliation notifications which are COT3 settled.	20%	<b>24%</b>	20%	22%
b) Percentage of Early Conciliation notifications positively resolved by Acas conciliation	33%	<b>38%</b>	33%	38%
c) Percentage of ET1 cases which are COT3 settled excluding strike-outs	55%	<b>55%</b>	55%	53%
<b>Workplace projects:</b>				
Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention	70%	<b>82%</b>	70%	n/a
<b>Acas training services:</b>				
a) Percentage of open access delegates reporting they were satisfied with the service	95%	<b>99%</b>	95%	99%
b) Percentage of open access delegates reporting the training met the intended objectives	95%	<b>98%</b>	95%	100%
c) Percentage of workplace training delegates reporting they were satisfied with the service	95%	<b>98%</b>	95%	98%
d) Percentage of workplace training delegates reporting the training met the intended objectives	95%	<b>96%</b>	95%	100%
e) Percentage of workplaces reporting an improvement in employment relations practice following Acas workplace training	70%	<b>n/a</b>	70%	n/a
<b>Helpline:</b>				
a) Customers satisfied with the service	95%	<b>n/a</b>	95%	n/a
b) The percentage of callers who were able to take clear action following their call to the Acas Helpline	70%	<b>n/a</b>	70%	n/a

<sup>1</sup> 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.

	2016-17		2015-16	
	Target	Outturn	Target	Outturn
<b>Non-statutory alternative dispute resolution:</b>				
a) Mediation training: percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	n/a	80%	n/a
b) Mediation services: percentage of mediations that are successful	89%	<b>89%</b>	90%	93%
<b>Written information and guidance on good practice at work (including both online guidance from the Acas website and in hard copy):</b>				
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

### Other performance targets

	2016-17		2015-16	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	<b>100%</b>	100%	95%

### Volume indicators

	2016-17	2015-16
Number of EC notifications	<b>92,251</b>	92,172
Number of re-employments	<b>121</b>	97
Number of collective conciliation requests received	<b>744</b>	988
Number of workplace projects started	<b>229</b>	266
Number of requests for trade dispute arbitration	<b>17</b>	22
Number of calls answered by National Helpline	<b>886,929</b>	943,610
Number of Helpline Online user sessions	<b>508,318</b>	509,103
Number of advisory visits and in-depth phone calls	<b>5,309</b>	5,666
Number of training sessions delivered	<b>2,737</b>	2,592

### Cost of key services

	2016-17	2015-16
Cost of a Helpline enquiry (voice or webchat answered)	<b>£7.04</b>	£6.04
Cost of processing an Individual Conciliation case	<b>£123</b>	£141
Cost of a Collective Conciliation case	<b>£1,451</b>	£1,534
Cost of an Arbitration hearing case	<b>£2,242</b>	£3,899



# 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 with those prior to 2016-17 updated where possible to take account of finalised management information.

## Individual disputes<sup>2</sup>

### Early Conciliation notifications received

		2016-17		2015-16		2014-15	
		Volume	%	Volume	%	Volume	%
Employee Notifications	No track identified	5,746	6.5%	3,573	4.1%	536	0.7%
	Fast track	37,910	43.2%	38,847	44.2%	36,499	45.2%
	Standard track	22,173	25.3%	24,296	27.6%	26,695	33.1%
	Open track	21,897	25.0%	21,176	24.1%	17,004	21.2%
	<b>Total</b>	<b>87,726</b>		<b>87,892</b>		<b>80,734</b>	
Employer Notifications	No track identified	37	0.8%	0	0.0%	24	0.9%
	Fast track	1,390	30.7%	1,926	45.0%	802	29.8%
	Standard track	2,520	55.7%	1,703	39.8%	1,382	51.4%
	Open track	578	12.8%	651	15.2%	481	17.9%
	<b>Total</b>	<b>4,525</b>		<b>4,280</b>		<b>2,689</b>	
<b>Grand Total</b>		<b>92,251</b>		<b>92,172</b>		<b>83,423</b>	

<sup>2</sup> 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 2,040 group notifications for Early Conciliation in addition to nearly 90,000 individual notifications. Counting all individual potential claimants separately, Acas has received over 108,000 employee notifications in 2016-17 plus notifications from employers in respect of close to 4,500 employees.

### ET1 Conciliation cases received<sup>3</sup>

	Track	2016-17		2015-16		2014-15	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notification	Fast track	3,721	20.4%	4,696	24.0%	3,276	22.3%
	Standard track	7,915	43.4%	7,177	36.7%	5,776	39.3%
	Open track	6,595	36.2%	7,663	39.2%	5,655	38.5%
	<b>Total</b>	<b>18,231</b>		<b>19,536</b>		<b>14,707</b>	
ET1s received without prior EC notification	Fast track	164	39.4%	312	58.0%	740	17.9%
	Standard track	178	42.8%	101	18.8%	1,720	41.7%
	Open track	74	17.4%	125	23.2%	1,663	40.3%
	<b>Total</b>	<b>416</b>		<b>538</b>		<b>4,123</b>	
<b>Grand Total</b>		<b>18,647</b>		<b>20,074</b>		<b>18,830</b>	

### Early Conciliation notification forms received by all grounds of complaint<sup>4</sup>

Indicative Jurisdictions	Early Conciliation					
	2016-17		2015-16		2014-15	
	Volume	% of forms	Volume	% of forms	Volume	% of forms
Unfair Dismissal	30,039	33%	30,018	33%	30,567	37%
Wages Act	25,414	28%	26,358	29%	22,926	27%
Breach of Contract	12,520	14%	12,377	13%	10,651	13%
Working Time (Annual Leave)	11,200	12%	12,506	14%	12,637	15%
Disability Discrimination	10,282	11%	8,983	10%	6,924	8%
Sex Discrimination	6,538	7%	5,580	6%	3,947	5%
Race Discrimination	4,746	5%	4,471	5%	3,655	4%
Redundancy Pay	3,622	4%	3,659	4%	3,701	4%
Public Interest Disclosure	3,022	3%	2,870	3%	2,129	3%
Maternity Detriment	2,680	3%	2,469	3%	1,873	2%
Other	13,035		11,777		8,846	
<b>Total jurisdictions</b>	<b>123,098</b>		<b>121,068</b>		<b>107,856</b>	
<b>Total notifications</b>	<b>92,251</b>		<b>92,172</b>		<b>83,423</b>	

<sup>3</sup> The "ET1s Received without prior EC notification" section details both those older 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.

<sup>4</sup> 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 complaint

Jurisdictions	ET1					
	2016-17		2015-16		2014-15	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
Unfair Dismissal	10,663	57%	10,983	55%	11,191	59%
Breach of Contract	6,422	34%	6,565	33%	6,464	34%
Wages Act	6,043	32%	6,931	35%	5,980	32%
Working Time (Annual Leave)	4,467	24%	5,742	29%	5,302	28%
Disability Discrimination	3,643	20%	3,386	17%	2,964	16%
Sex Discrimination	1,994	11%	1,910	10%	1,786	9%
Race Discrimination	1,785	10%	1,709	9%	1,669	9%
Redundancy Pay	1,542	8%	1,766	9%	1,798	10%
Public Interest Disclosure	1,369	7%	1,319	7%	1,282	7%
Maternity Detriment	859	5%	850	4%	581	3%
Other	4,628		5,179		4,948	
<b>Total jurisdictions</b>	<b>43,415</b>		<b>46,340</b>		<b>43,965</b>	
<b>Total cases</b>	<b>18,647</b>		<b>20,074</b>		<b>18,830</b>	

## Take-up of employee-led Early Conciliation

Employee Notifications	2016-17		2015-16		2014-15	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	228	0.3%	206	0.2%	237	0.3%
Employee cannot be contacted	6,696	7.6%	4,513	5.1%	3,627	4.5%
Employee declines conciliation	14,564	16.6%	15,163	17.3%	8,504	10.5%
Employer declines conciliation	9,554	10.9%	8,852	10.1%	9,242	11.4%
Matter proceeds to conciliation	56,684	64.6%	59,158	67.3%	59,124	73.2%
<b>Total</b>	<b>87,726</b>		<b>87,892</b>		<b>80,734</b>	

## Early Conciliation notification outcomes<sup>5</sup>

Final status of Early Conciliation notifications	Received Jan 16-Dec 16		EC Notifications Received Jan 15-Dec 15		Received April 14-Dec 14	
	Volume	%	Volume	%	Volume	%
<b>No track identified</b>						
COT3 Settlement	0	0%	0	0%	0	0%
Did not progress to tribunal claim	4,204	87%	2,499	88%	410	94%
Dispute progressed to tribunal claim	622	13%	352	12%	28	6%
<b>Total</b>	<b>4,826</b>		<b>2,851</b>		<b>438</b>	
<b>Fast track</b>						
COT3 Settlement	6,030	15%	5,433	13%	3,294	12%
Did not progress to tribunal claim	29,513	74%	30,565	75%	19,867	74%
Dispute progressed to tribunal claim	4,606	11%	4,954	12%	3,624	14%
<b>Total</b>	<b>40,149</b>		<b>40,952</b>		<b>26,785</b>	
<b>Standard track</b>						
COT3 Settlement	6,571	27%	5,902	22%	4,087	20%
Did not progress to tribunal claim	12,111	49%	14,499	54%	10,871	52%
Dispute progressed to tribunal claim	6,050	24%	6,649	25%	5,961	29%
<b>Total</b>	<b>24,732</b>		<b>27,050</b>		<b>20,919</b>	
<b>Open track</b>						
COT3 Settlement	4,323	19%	3,424	16%	1,904	15%
Did not progress to tribunal claim	11,879	53%	11,812	56%	6,896	54%
Dispute progressed to tribunal claim	6,201	28%	5,753	27%	3,866	31%
<b>Total</b>	<b>22,403</b>		<b>20,989</b>		<b>12,666</b>	
<b>All tracks</b>						
COT3 Settlement	16,924	18%	14,759	16%	9,285	15%
Did not progress to tribunal claim	57,707	63%	59,375	65%	38,044	63%
Dispute progressed to tribunal claim	17,479	19%	17,708	19%	13,479	22%
<b>Total</b>	<b>92,110</b>		<b>91,842</b>		<b>60,808</b>	

<sup>5</sup> 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 2016.

## ET1 Conciliation case outcomes<sup>6</sup>

		2016-17		2015-16		2014-15	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	230	5.7%	212	4.6%	167	5.1%
	Settled	1,627	40.4%	1,820	39.3%	1,289	39.4%
	Withdrawn	673	16.7%	1,092	23.6%	544	16.6%
	Default judgment	426	10.6%	475	10.3%	319	9.7%
	Heard	1,067	26.5%	1,030	22.3%	956	29.2%
	<b>Total</b>	<b>4,023</b>		<b>4,629</b>		<b>3,275</b>	
	<b>Resolution rate</b>	<b>60.6%</b>		<b>65.9%</b>		<b>59.0%</b>	
Standard track	Struck out	412	6.0%	369	5.1%	555	6.3%
	Settled	3,520	51.5%	3,779	52.0%	4,533	51.3%
	Withdrawn	1,051	15.4%	1,176	16.2%	1,472	16.6%
	Default judgment	120	1.8%	124	1.7%	100	1.1%
	Heard	1,730	25.3%	1,816	25.0%	2,181	24.7%
	<b>Total</b>	<b>6,833</b>		<b>7,264</b>		<b>8,841</b>	
	<b>Resolution rate</b>	<b>71.2%</b>		<b>71.9%</b>		<b>72.5%</b>	
Open track	Struck out	378	5.1%	385	5.1%	580	6.2%
	Settled	4,293	58.3%	4,213	56.2%	4,919	52.5%
	Withdrawn	1,326	18.0%	1,387	18.5%	1,940	20.7%
	Default judgment	28	0.4%	31	0.4%	19	0.2%
	Heard	1,339	18.2%	1,475	19.7%	1,918	20.5%
	<b>Total</b>	<b>7,364</b>		<b>7,491</b>		<b>9,376</b>	
	<b>Resolution rate</b>	<b>80.4%</b>		<b>78.8%</b>		<b>78.0%</b>	
<b>Overall</b>	Struck out	1,020	5.6%	966	5.0%	1,302	6.1%
	Settled	9,440	51.8%	9,812	50.6%	10,741	50.0%
	Withdrawn	3,050	16.7%	3,655	18.9%	3,956	18.4%
	Default judgment	574	3.2%	630	3.3%	438	2.0%
	Heard	4,136	22.7%	4,321	22.3%	5,055	23.5%
	<b>Total</b>	<b>18,220</b>		<b>19,384</b>		<b>21,492</b>	
	<b>Resolution rate</b>	<b>72.6%</b>		<b>73.1%</b>		<b>72.8%</b>	

<sup>6</sup> 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 proceedings<sup>7</sup>

		2016-17	2015-16	2014-15
<b>New cases started in year</b>		<b>248</b>	<b>228</b>	<b>239</b>
<b>Cases closed by outcome</b>	Settled	115	131	131
	Progress made	61	49	46
	Unresolved	21	14	13
	Unprogressed	37	34	42
	<b>Total</b>	<b>234</b>	<b>228</b>	<b>232</b>
<b>Success rate</b>		<b>89%</b>	<b>93%</b>	<b>93%</b>

## Collective disputes

### Collective disputes received for conciliation by region

Region	2016-17		2015-16		2014-15	
	Volume	%	Volume	%	Volume	%
Acas National	29	3.9%	29	2.9%	34	2.5%
London	70	9.4%	64	6.5%	108	7.9%
South East	69	9.3%	208	21.1%	62	4.5%
East of England	40	5.4%	39	3.9%	54	3.9%
East Midlands	22	3.0%	36	3.6%	46	3.4%
West Midlands	48	6.5%	75	7.6%	83	6.0%
North East	38	5.1%	44	4.5%	80	5.8%
Yorkshire and Humber	90	12.1%	105	10.6%	102	7.4%
North West	141	19.0%	170	17.2%	150	10.9%
Scotland	146	19.6%	178	18.0%	580	42.2%
South West	22	3.0%	15	1.5%	27	2.0%
Wales	29	3.9%	25	2.5%	47	3.4%
<b>Total</b>	<b>744</b>		<b>988</b>		<b>1,373</b>	

<sup>7</sup> 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	2016-17		2015-16		2014-15	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
General pay claim	190	25.5%	167	16.9%	149	10.9%
Other pay/conditions of employment <sup>8</sup>	254	34.1%	516	52.2%	849	61.8%
Changes in working practices	80	10.8%	84	8.5%	116	8.4%
Recognition	96	12.9%	113	11.4%	118	8.6%
Other TU matters	49	6.6%	67	6.8%	79	5.8%
Dismissal / discipline	43	5.8%	43	4.4%	67	4.9%
Redundancy	48	6.5%	37	3.7%	39	2.8%
Other	34	4.6%	22	2.2%	36	2.6%
<b>Total dispute causes</b>	<b>794</b>		<b>1,049</b>		<b>1,453</b>	
<b>Total collective cases received</b>	<b>744</b>		<b>988</b>		<b>1,373</b>	

## Collective disputes closed by outcome

Dispute outcome	2016-17	2015-16	2014-15
Successfully completed	615	748	868
Unsuccessfully completed	55	98	126
<b>All completed cases</b>	<b>670</b>	<b>846</b>	<b>994</b>
Cases withdrawn	253	95	118
<b>Total</b>	<b>923</b>	<b>941</b>	<b>1,112</b>

## Collective disputes received by source of request

Source of request	2016-17		2015-16		2014-15	
	Volume	%	Volume	%	Volume	%
Employer	155	20.8%	176	17.8%	164	11.9%
Trade Union	264	35.5%	365	36.9%	787	57.3%
Joint	212	28.5%	201	20.3%	263	19.2%
Acas Initiative	113	15.2%	246	24.9%	159	11.6%
<b>Total</b>	<b>744</b>		<b>988</b>		<b>1,373</b>	

<sup>8</sup> The 'other pay/conditions of employment' category includes issues such as pay bonuses, job evaluation, grading arrangements, pension allowances and leave entitlements.



## Cases referred to collective arbitration and dispute mediation

Case type	2016-17	2015-16	2014-15
Single arbitration	12	21	15
Single mediation	5	1	4
Other	0	0	0
<b>Total</b>	<b>17</b>	<b>22</b>	<b>19</b>

## Issues referred to collective arbitration and dispute mediation

Issue	2016-17	2015-16	2014-15
Annual pay	6	10	6
Other pay and conditions of employment	6	1	2
Dismissal and discipline	1	9	10
Grading	1	0	0
Other	3	2	1
<b>Total</b>	<b>17</b>	<b>22</b>	<b>19</b>

## Joint problem-solving activities by topic

Topic	2016-17	2015-16	2014-15
Absence and stress management	1	1	1
Bullying and harassment	5	4	5
Collective bargaining and trade union issues	27	31	31
Conflict, mediation and change management	44	50	38
Discipline and grievance	3	1	2
Employment law	2	13	2
Equality, diversity and discrimination	2	4	5
Implementing flexible working arrangements	0	2	0
Information and consultation	9	12	10
Managing people	4	10	3
Payment and grading arrangements	6	6	7
Recruitment and employing people	1	6	0
Redundancy	2	2	0
Other	3	1	1
<b>Total</b>	<b>109</b>	<b>143</b>	<b>105</b>

## Advisory services

### Acas Helpline contacts<sup>9</sup>

Helpline service	2016-17	2015-16	2014-15
<i>Helpline advice is available over the telephone or online via <a href="http://www.acas.org.uk/helpline">www.acas.org.uk/helpline</a>.</i>			
<b>Voice calls answered</b> <i>Helpline advice delivered over the telephone.</i>	886,929	943,610	903,679
<b>Pre-recorded advice sessions</b> <i>Helpline callers can select pre-recorded advice regarding Minimum Wage, Holidays or Wage Deductions before being connected to an adviser.</i>	27,000	25,487	22,527
<b>Helpline Online sessions</b> <i>Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.</i>	508,318	509,103	531,712
<b>Webchat sessions</b> <i>Webchat allows real time text-based conversation with Helpline advisers.</i>	2,688	4,099	2,672
<b>Total contacts</b>	<b>1,424,935</b>	<b>1,482,299</b>	<b>1,460,590</b>

### Acas Helpline voice call topics<sup>10</sup>

Topic of enquiry	2016-17 % of calls	2015-16 % of calls	2014-15 % of calls
Discipline, dismissal and grievance	37.0%	35.7%	37.7%
Contracts	19.7%	18.9%	19.0%
Redundancies, lay offs and business transfers	13.7%	14.1%	14.6%
Wages and NMW	13.6%	14.1%	12.1%
Holiday and working time	11.3%	11.5%	11.6%
Absences, sickness and stress	11.3%	10.3%	9.9%
Diversity and discrimination	7.2%	6.0%	5.5%
Maternity, paternity and adoption	5.2%	5.4%	5.4%
Family friendly policies	2.1%	2.1%	2.4%
Others	7.2%	6.7%	7.5%

<sup>9</sup> Approximately 2% of the Helpline calls quoted and the total number of users accessing the pre-recorded advice are estimates for the year 2016-17. This is due to a change in the telephony system.

<sup>10</sup> 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	2016-17		2015-16		2014-15	
	Volume	%	Volume	%	Volume	%
Absence and stress management	146	9.2%	147	7.7%	116	7.1%
Bullying and harassment	25	1.6%	39	2.0%	36	2.2%
Collective bargaining and trade union issues	42	2.6%	73	3.8%	48	2.9%
Conflict, mediation and change management	217	13.6%	338	17.8%	299	18.3%
Discipline and grievance	227	14.3%	216	11.3%	219	13.4%
Employment law	145	9.1%	179	9.4%	154	9.4%
Equality, diversity and discrimination	94	5.8%	76	4.0%	86	5.3%
Implementing flexible working arrangements	37	2.3%	64	3.4%	77	4.7%
Information and consultation	93	5.8%	152	8.0%	118	7.2%
Managing people	192	11.9%	219	11.5%	147	9.0%
Payment and grading arrangements	64	4.0%	49	2.6%	58	3.6%
Recruitment and employing people	205	12.9%	264	13.9%	199	12.2%
Redundancy	56	3.5%	64	3.4%	57	3.5%
Other	51	3.2%	24	1.3%	19	1.2%
<b>Total</b>	<b>1,594</b>		<b>1,904</b>		<b>1,633</b>	

## In-depth advisory telephone calls by topic

Topic	2016-17		2015-16		2014-15	
	Volume	%	Volume	%	Volume	%
Absence and stress management	318	8.6%	371	9.9%	260	7.3%
Bullying and harassment	48	1.3%	44	1.2%	46	1.3%
Collective bargaining and trade union issues	136	3.7%	152	4.0%	131	3.7%
Conflict, mediation and change management	577	15.5%	528	14.0%	555	15.6%
Discipline and grievance	487	13.1%	520	13.8%	512	14.4%
Employment law	311	8.4%	368	9.8%	348	9.8%
Equality, diversity and discrimination	215	5.8%	175	4.7%	179	5.0%
Implementing flexible working arrangements	184	5.0%	261	6.9%	318	8.9%
Information and consultation	171	4.6%	205	5.4%	193	5.4%
Managing people	224	6.0%	224	6.0%	190	5.3%
Payment and grading arrangements	96	2.6%	97	2.6%	86	2.4%
Recruitment and employing people	616	16.6%	527	14.0%	442	12.4%
Redundancy	179	4.8%	213	5.7%	220	6.2%
Other	153	4.1%	77	2.0%	74	2.1%
<b>Total</b>	<b>3,715</b>		<b>3,762</b>		<b>3,554</b>	

## Charged workplace projects by topic

Topic	2016-17	2015-16	2014-15
Absence and stress management	6	3	4
Bullying and harassment	3	7	6
Collective bargaining and trade union issues	4	8	3
Conflict, mediation and change management	41	43	59
Discipline and grievance	5	2	4
Employment law	3	3	2
Equality, diversity and discrimination	2	5	2
Implementing flexible working arrangements	0	0	0
Information and consultation	33	23	25
Managing people	12	10	5
Payment and grading arrangements	9	11	12
Recruitment and employing people	1	3	4
Redundancy	0	2	2
Other	1	3	1
<b>Total</b>	<b>120</b>	<b>123</b>	<b>129</b>

## Certificate in Internal Workplace Mediation (CIWM) training

Type	2016-17		2015-16		2014-15	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	12	100	11	93	10	81
Open access CIWM	24	172	27	186	27	192
<b>Total</b>	<b>36</b>	<b>272</b>	<b>38</b>	<b>279</b>	<b>37</b>	<b>273</b>

## Workplace training by topic<sup>11</sup>

Subject of training	2016-17				2015-16				2014-15			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	102	7.7%	1,774	7.5%	98	8.3%	1,954	9.0%	69	6.4%	1,914	9.5%
Bullying and harassment	30	2.3%	951	4.0%	29	2.4%	862	4.0%	41	3.8%	964	4.8%
Collective bargaining and trade union issues	7	0.5%	56	0.2%	9	0.8%	113	0.5%	11	1.0%	106	0.5%
Conflict, mediation and change management	117	8.9%	2,025	8.5%	99	8.3%	1,525	7.0%	98	9.1%	1,822	9.1%
Discipline and grievance	315	23.9%	5,551	23.4%	264	22.3%	4,683	21.5%	268	24.9%	4,808	24.0%
Employment law	56	4.2%	1,845	7.8%	63	5.3%	1,819	8.4%	53	4.9%	924	4.6%
Equality, diversity and discrimination	118	9.0%	3,670	15.5%	82	6.9%	2,109	9.7%	93	8.6%	2,392	11.9%
Implementing flexible working arrangements	5	0.4%	77	0.3%	4	0.3%	29	0.1%	11	1.0%	121	0.6%
Information and consultation	166	12.6%	1,489	6.3%	157	13.2%	1,985	9.1%	154	14.3%	1,847	9.2%
Managing people	287	21.8%	4,801	20.2%	289	24.4%	5,193	23.9%	216	20.1%	4,264	21.3%
Payment and grading arrangements	5	0.4%	50	0.2%	2	0.2%	106	0.5%	1	0.1%	15	0.1%
Recruitment and employing people	45	3.4%	721	3.0%	43	3.6%	683	3.1%	34	3.2%	555	2.8%
Redundancy	26	2.0%	309	1.3%	24	2.0%	378	1.7%	18	1.7%	229	1.1%
Other	39	3.0%	410	1.7%	23	1.9%	321	1.5%	9	0.8%	84	0.4%
<b>Total</b>	<b>1,318</b>		<b>23,729</b>		<b>1,186</b>		<b>21,760</b>		<b>1,076</b>		<b>20,045</b>	

<sup>11</sup> 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<sup>12 13</sup>

Subject of training	2016-17				2015-16				2014-15			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	228	16.1%	1,914	14.7%	281	20.0%	2,379	18.6%	184	14.3%	1,662	13.9%
Bullying and harassment	31	2.2%	250	1.9%	23	1.6%	129	1.0%	7	0.5%	42	0.4%
Collective bargaining and trade union issues	1	0.1%	4	0.0%	5	0.4%	22	0.2%	2	0.2%	16	0.1%
Conflict, mediation and change management	122	8.6%	1,172	9.0%	134	9.5%	1,381	10.8%	124	9.6%	1,073	9.0%
Discipline and grievance	206	14.5%	2,077	16.0%	184	13.1%	1,585	12.4%	191	14.9%	1,484	12.4%
Employment law	334	23.5%	3,563	27.4%	318	22.6%	3,586	28.0%	317	24.7%	3,581	30.0%
Equality, diversity and discrimination	44	3.1%	280	2.2%	42	3.0%	318	2.5%	18	1.4%	183	1.5%
Implementing flexible working arrangements	22	1.6%	178	1.4%	71	5.0%	496	3.9%	179	13.9%	1,927	16.1%
Information and consultation	2	0.1%	15	0.1%	3	0.2%	30	0.2%	1	0.1%	4	0.0%
Managing people	226	15.9%	1,915	14.7%	175	12.4%	1,361	10.6%	131	10.2%	923	7.7%
Payment and grading arrangements	56	3.9%	485	3.7%	5	0.4%	41	0.3%	2	0.2%	11	0.1%
Recruitment and employing people	94	6.6%	642	4.9%	99	7.0%	672	5.2%	79	6.1%	526	4.4%
Redundancy	22	1.6%	150	1.2%	20	1.4%	128	1.0%	15	1.2%	95	0.8%
Other	31	2.2%	366	2.8%	46	3.3%	695	5.4%	35	2.7%	422	3.5%
<b>Total</b>	<b>1,419</b>		<b>13,011</b>		<b>1,406</b>		<b>12,823</b>		<b>1,285</b>		<b>11,949</b>	

<sup>12</sup> 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.

<sup>13</sup> Total delegates include events delivered with partner organisations.



## Total training by topic

Subject of training	2016-17				2015-16				2014-15			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	330	12.1%	3,688	10.0%	379	14.6%	4,333	12.5%	253	10.7%	3,576	11.2%
Bullying and harassment	61	2.2%	1,201	3.3%	52	2.0%	991	2.9%	48	2.0%	1,006	3.1%
Collective bargaining and trade union issues	8	0.3%	60	0.2%	14	0.5%	135	0.4%	13	0.6%	122	0.4%
Conflict, mediation and change management	239	8.7%	3,197	8.7%	233	9.0%	2,906	8.4%	222	9.4%	2,895	9.0%
Discipline and grievance	521	19.0%	7,628	20.8%	448	17.3%	6,268	18.1%	459	19.4%	6,292	19.7%
Employment law	390	14.2%	5,408	14.7%	381	14.7%	5,405	15.6%	370	15.7%	4,505	14.1%
Equality, diversity and discrimination	162	5.9%	3,950	10.8%	124	4.8%	2,427	7.0%	111	4.7%	2,575	8.0%
Implementing flexible working arrangements	27	1.0%	255	0.7%	75	2.9%	525	1.5%	190	8.0%	2,048	6.4%
Information and consultation	168	6.1%	1,504	4.1%	160	6.2%	2,015	5.8%	155	6.6%	1,851	5.8%
Managing people	513	18.7%	6,716	18.3%	464	17.9%	6,554	19.0%	347	14.7%	5,187	16.2%
Payment and grading arrangements	61	2.2%	535	1.5%	7	0.3%	147	0.4%	3	0.1%	26	0.1%
Recruitment and employing people	139	5.1%	1,363	3.7%	142	5.5%	1,355	3.9%	113	4.8%	1,081	3.4%
Redundancy	48	1.8%	459	1.2%	44	1.7%	506	1.5%	33	1.4%	324	1.0%
Other	70	2.6%	776	2.1%	69	2.7%	1,016	2.9%	44	1.9%	506	1.6%
<b>Total</b>	<b>2,737</b>		<b>36,740</b>		<b>2,592</b>		<b>34,583</b>		<b>2,361</b>		<b>31,994</b>	

# Performance Analysis

## Business performance in 2016-17

1. Independent analysis shows that for every £1 Acas spends, there is a £13 benefit to the economy. Working within ever decreasing budgets, Acas has put in place plans to improve our value for money and enhance our customer service provision. We are capturing opportunities provided by digital technology to reach new audiences and modernise the way we deliver our services, for example in the last year, we have further expanded our audience through social media and sought more innovative ways to support customers.
2. Detail of Acas' performance against our three strategic aims is set out at pages 6 to 21 (sections 1-3).
3. A report on how we have delivered against the activities which enable us to increase our capability, efficiency and effectiveness in building thriving workplaces and working lives is set out at pages 22 to 23.
4. See pages 26 to 41 for full details of business performance against our key performance indicators.

### Risk management

5. 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.
6. Acas' activities are monitored through quarterly reporting to our Executive Board and the Council using the strategic risk register. A full description of the risk control framework is set out in the Governance Statement.

### Sustainability

7. Acas remain committed to their environmental responsibilities and their contributions to the Greener Government agenda to reduce their impact on the environment in the period 2016-20.
8. Acas also remain committed to effective space utilisation in office environments and have continued to implement estates reduction projects. During the period 2016-17 two Acas office relocations took place in Newcastle and Bury St Edmunds which reduced the organisation's footprint by 771.71m<sup>2</sup>.
9. Acas have implemented several measures to promote energy and water efficiency within their office environments,

helping to minimise usage. Initiatives include:

- Reducing the use of comfort cooling in offices through solar film and the correct use of blinds to reduce solar gain;
  - Removal of personal heaters;
  - New ways of working including the introduction of mobile devices which consume less energy than desktop computers;
  - Introduction of 'point of use hot water' to reduce the use of high consuming kettles; and
  - Installation of dual flush toilet cisterns.
10. Acas continues to support and promote the reduction of emissions through:
- Flexible working arrangements to reduce employee commuting need;
  - Remote tele-conferencing to enabling the reduction of travel requirements; and
  - The introduction of mobile devices to replace desktops removing the reliance on one place of work.
11. Acas continues to support waste minimisation and management through:
- Continued staff recycling awareness;
  - Reduction of waste through increased segregation and therefore increased recycling and re-use;
  - Flexible working arrangements; and
  - Furniture recycling and waste avoidance.
12. Acas continue to support the reduction of paper requirements through:
- Continued use of the closed loop contract;

- Continuation of "no print" culture to reduce the amount of documentation printed;
- Roll out of laptops and mobile devices for ready access to documentation, removing a reliance on paper; and
- Installation of meeting room AV equipment to reduce need for paper handouts.

## Financial review

13. The majority of Acas' funding is through Grant in Aid from BEIS. Acas' gross allocation for 2016-17 was £53.8m and expenditure was £49.3m. Acas charges customers in order to recover costs for some of our services. In 2016-17 this generated income of £4.6m, compared to a target of £4.7m.
14. Acas continues to make efficient use of our funding and identify savings more effectively. We encourage all of our people to deliver value for money and be accountable, and have run a series of workshops to develop commercial skills in senior managers.
15. During 2016-17, we delivered improvements to management information resources to support increased financial management acumen and transparency. There have been changes to the way financial information is presented to the Executive Board and to Budget Holders across the organisation.
16. We made further improvements to our financial systems, enabling the production of more granular financial information. The centralisation of financial processing has been embedded and this released resources to support other areas of the business, delivering further savings in transactional processing costs.

17. Acas continues to engage with BEIS and other partner organisations to reduce and control costs across the public sector and to maintain good governance. We participate fully in several BEIS Networks of Excellence, which encourages collaborative working and the sharing of best practice across BEIS and its partner organisations.
18. We aim to pay at least 80% of payments within 5 working days of receipt of an invoice. During the year we achieved this target with 98.8% of payments being made in this time.
19. A full set of accounts for 2016-17, 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 56 to 85).



**Anne Sharp**  
Accounting Officer, Acas

Date: 10 July 2017

# 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 2016-17 were as follows:
  - Ms Anne Sharp (Chief Executive Officer)
  - Mrs Susan Clews (Chief Operations Officer)
  - Mr Ian Wood (Director of Strategy)
  - Ms Lucienne Jones (Director of Organisational Development and Human Resources)
  - Mr Rob White (Director of Finance, Estates and Procurement – to February 2017)
  - Ms Kim Humberstone (Interim Director of Finance, Estates and Procurement – from February 2017)
  - Mr Rob Mackintosh (Interim Director of DigiTec – to April 2016)
  - Ms Karen Pile (Director of DigiTec – from May 2016)

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 Acas is the Comptroller and Auditor General. The annual audit fee was £55k. 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 74 to 75.

### **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 was one incident related to personal data loss during 2016-17; the personnel file of a former member of staff was sent to their home address: contrary to instructions the courier left the file on the doorstep rather than requiring a signature, and these were subsequently misplaced. New processes have been introduced and a new courier contract has been let.

### **Future developments**

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



**Anne Sharp**

Accounting Officer, Acas

Date: 10 July 2017



# 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 Acas 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 Acas's state of affairs and of its net resource outturn, application of resources, changes in taxpayers' equity and cashflows for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury including relevant accounting and disclosure requirements; and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis.

The Accounting Officer for the Department for Business, Energy and the Industrial Strategy (BEIS) has designated the Chief Executive of Acas as the Accounting Officer for Acas. 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 HM Treasury.

The Accounting Officer confirms that this annual report and accounts as a whole is fair, balanced and understandable. The Accounting Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

# Governance Statement

## Scope of responsibility

1. As Accounting Officer, I am responsible for maintaining sound governance and internal controls that support 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 the Audit and Risk sub-committee of the Acas Council, which regularly monitors risk management 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 2016-17.

## Acas' governance structure

3. Governed by the Acas Council, Acas is a Non-Departmental Public Body which was established under the Employment Protection Act 1975, and continues in existence under the Trade Union and Labour Relations (Consolidation) Act 1992. The Council is responsible for determining strategic direction, policies and priorities and for ensuring that 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, Energy and the Industrial Strategy (BEIS), with which it has very regular contact regarding a wide range of issues. In addition Acas provides BEIS with regular updates on the Strategic Risk Register, the Balanced Scorecard, and financial management information. The respective roles of Acas and the Secretary of State for BEIS 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 ending 31 March 2017 and up to the date of approval of the Annual Report and Accounts, and accord with HM Treasury guidance.

## The Acas Council

7. The Council sets the strategic direction, policies and priorities for Acas, and monitors delivery of strategic objectives, targets, and statutory duties. 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.

8. Working through officials, the Council is 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.

9. The Council consists of the Chair and eleven employer, trade union and independent members, appointed by the Secretary of State for Business, Energy and the Industrial Strategy. Sir Brendan Barber has held the post of Chair for the duration of 2016-17.

10. Council members and their attendance at Council meetings for 2016-17 was as follows:

- Sir Brendan Barber (7/7)
- Mr Paul Butler (6/7)
- Mr Neil Carberry (5/7)
- Mr Mike Clancy (6/7)
- Mr Mike Gooddie (6/7)

- Ms Vikki Hawes (3/7)
- Ms Sally Hunt (6/7)
- Ms Jane McNeill (5/7)
- Mr Paul Nowak (3/7)
- Prof Paul Willman (2/7)

11. The Council held a strategic planning day on 1 December 2016. Council members and officials considered the wider social, economic and political environment and what this means for Acas. They reviewed progress towards strategic aims and Council members provided a steer on priorities in 2016-17.

## Assessment of Council effectiveness

12. As in previous years Council members carried out a survey to review the effectiveness of its processes and operation. The results of the survey showed positive responses in relation to the decision making process, training and induction, secretariat support and overall effectiveness. The survey also highlighted an increase in opportunities to use Council members in an ambassadorial capacity. Council was reassured it was operating effectively and meeting its terms of reference.

## The Audit Committee

13. The Audit Sub-committee of the Acas Council is an advisory, rather than executive body, which supports and challenges me as Chief Executive of Acas in my responsibilities for issues of risk, control and governance, finance and associated assurance. The Committee members are members of the Council, supported by an independent financial expert to provide an external perspective, technical advice and guidance. Meetings are attended by members of the Acas executive, internal and external audit, and BEIS officials who lead the department's relationship with Acas. Both external (NAO) and Internal Audit

engage as required with the Audit Committee Chair and members.

14. 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.

15. The Audit Committee met four times in 2016-17. Audit Committee members, and their attendance at the meetings were:

Mr Paul Butler (4/4)

Prof Linda Dickens (4/4)

Ms Vikki Hawes (2/4)

Ms Sally Hunt (3/4)

Prof Paul Willman (1/4)

Mrs Nina Amin, Financial Adviser to the committee (2/4)

16. The Audit Committee undertook an on-line self-assessment exercise during 2016-17, 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.

The Terms of Reference were reviewed and no amendments were made.

An annual Programme of Work for the Committee was agreed and adhered to during the year.

## The Remuneration Committee

17. 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 one member are present. Meetings take place as determined by the Chair.

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

- To ensure that pay awards of Acas Senior Civil Servants (SCS) are fair according to contribution, both in the achievement of objectives and in the demonstration of competencies, skills and knowledge;
- To determine suitable objectives and performance criteria to be used in determining the pay awards;
- To deal with any appeals arising from the distribution of pay awards, including any non-consolidated awards. In such circumstances to make the final decisions, ensuring that awards are made fairly and equitably in line with current guidance and with particular regard to equal pay for work of equal value;
- To keep under review the criteria for making pay awards, to ensure that they continue to be relevant; and
- To monitor the operation of the pay award process to ensure that it continues to be effective.

19. In addition to the above Committees, the Council retains oversight of our Organisational Development & HR functions. New people initiatives are reported in the CEO brief to Council (approximately 4 times a year). At the end of the financial year Acas officials present an overview of the past years' activities and a short summary of our objectives for the coming year.

### **The Executive Board**

20. 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.
21. An internal publication – The Chief Executive's Bulletin – is produced after each Executive Board meeting and communicates 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.
22. During the year, the membership of the Acas Executive Board consisted of the Chief Executive; the Chief Operations Officer; and the Directors of Strategy; Finance, Estates and Procurement; Organisational Development and Human Resources; and DigiTec.
23. The Terms of Reference for the Executive Board for 2016-17 set out the following responsibilities:

#### **Strategic Direction**

- Supporting the Council in setting the direction of Acas and developing the Acas Strategic Plan 2016-21;

- Overseeing the implementation of Acas' Strategic Plan; 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.

24. The Executive Board uses management information to monitor the performance of Acas including data on finances, 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 Board effectiveness**

25. 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.

26. More broadly, the Executive Board reviewed overall governance structures and the extent to which decisions and issues were considered at the right organisational level. As a result, it agreed to establish two new 'management tier groups', the 'Strategy and Planning Board' and 'People and Finance Board' in 2017-18, alongside the other sub-committees (Customer Services Board, Transformation Board and Digital Technology Strategy Board). These groups support the Executive Board in focusing on the strategic issues, set out in its Terms of Reference. The Terms of Reference for Executive Board will be reviewed once the new groups are established.

### **The risk and internal control framework**

27. The Acas Council retains oversight of 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 are accessible to all staff on the intranet.

29. As in previous years, the Executive Board discussed the organisation's risk appetite level, based upon the categories of risk described in HM Treasury's framework. This raises awareness, clarifies a shared corporate view and guides in-year discussions and decisions. The decisions of the Executive Board were communicated to the organisation and informed risk appetite discussions at a local level.

30. 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.

31. The revised Strategic Risk Register, introduced in 2015-16, which provides more concise information on the management of the identified strategic risks by the organisation has been used throughout the year.

32. During the year the separate Fraud and Error Risk Register was fully reviewed. Insight on the fraud risks was sought



directly from across Acas' business. Acas participates in the Fraud and Error Network of Excellence, a body that brings together Partner Organisations from across the BEIS 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.

33. The risk register is a live document. At the time that this report was prepared, it identified three high level and three medium level risks. The high level risks and mitigating actions for the year ahead are as follows:

- *Acas does not have the resources and capacity to develop new capabilities, whilst at the same time maintaining existing service levels:*

The Acas transformation programme will identify strategic trends both in the UK and wider global market. We will incorporate this understanding in our planning, ways of working and business services to deliver efficiency and productivity gains.

- *In continuing to align with the BEIS strategic direction on shared services, Acas is unable to achieve optimum outcomes for its 2021 estate and third party supplier delivery:*

We are strengthening our relationship with BEIS and the shared service providers by creating an intelligent customer function within Acas to work with them, and establishing a service level agreement with the Government Property Agency.

- *Inability to recruit and retain staff due to a growing disparity between inflation levels and Civil Service pay awards:* Acas is looking at making better use of pay allowances in difficult recruitment areas.

## Review of organisational effectiveness

34. 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.

35. 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;
- Regular reports by Internal Audit, to standards defined in the Public Sector 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;
  - A systematic review of compliance with internal control procedures and governance arrangements; and
  - Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.
36. The 2016-17 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 Midlands, South West and Wales and the Directors of Digital Technology and Organisational Development and Human Resources.
37. Following on from the contract management issues identified last year, the associated risks have been addressed and the control environment was now considered to be stronger. During the year the DigiTec Directorate has identified and addressed priority issues. Controls have been improved, costs have been reduced and a clear plan for further improvement has been formulated.
38. The OD&HR team has completed its transformation from a largely transactional service to one that adds more strategic value and supports the organisation in developing its capability and effectiveness. Key appointments have brought expertise of organisational development and workforce planning/reward, while gaps on learning and development had been filled. Current challenges include arrangements for future payroll provision ahead of expiry of the current contract: scope for an integrated finance and payroll system is being explored.
39. Themes emerging across the Panel's discussions included:
- The involvement of all in ambitious organisational transformation;
  - Building on the joined-up corporate approach to challenges;
  - Business delivery; and
  - Challenges in bringing in talent and succession planning.
40. 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.
41. A new Compliance Review was introduced; this is wider in scope than the existing system of checks previously undertaken. For example, the new compliance checks included staffing issues, business continuity and security arrangements, in addition to the checks on the controls over financial processing. Overall, the review demonstrated that controls are working sufficiently and there have been no significant deviation from Acas' governance and internal control procedures and processes.
42. HMRC concluded their audit of VAT and were satisfied that the controls in place were working satisfactorily and that the correct VAT was being recovered.
43. 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 2016-17.

44. Internal Audit performed the Independent Assurance role for Acas to inform the 2016-17 Security Policy Framework return. In addition a peer review was conducted in partnership with the Intellectual Property Office. No areas of concern were identified. There was one loss of personal data in 2016-17; this occurred when personal documents were lost by a courier. Changes in procedures have been introduced to prevent this happening again.
45. Acas complied with the Alexander Tax Review. During 2016-17 we were compliant with relevant IR35 legislation.
46. In line with requirements set out by BEIS, 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. Going forward, transactions over £250 will be published.
47. Acas continued to work collaboratively with BEIS and other Partner Organisations, as well as with the Business Insight Competency Centre and the Accounts Preparation and Advice Centre to streamline the production of the Acas Account. Acas is represented on a number of other BEIS groupings to consider issues across the core Department and Partner Organisations. During the year, Acas joined the Ministry of Justice's (MoJ) Tax Centre of Excellence.

48. Overall, Internal Audit gave a 'Moderate' assurance 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.
49. 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 2016-17.



**Anne Sharp**

Accounting Officer, Acas

Date: 10 July 2017

# Remuneration and Staff Report

1. Subject to the provisions of the Civil Service Management Code, Acas has delegated authority from the Secretary of State for BEIS 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 four additional Acas staff who are members of the Senior Civil Service, one at SCS 2 and three at SCS 1 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 Interim Certification Officer is a member of the Civil Service Pension Scheme (CSPS). 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 BEIS. 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](http://www.ome.uk.com).

## Audited Information Staff Report<sup>1</sup>

	2016-17				2015-16			
	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)
Sir B Barber (Chair) <sup>2</sup>	80-85	0	0	80-85	75-80	0	0	75-80
Mr D Cockburn (Certification Officer, part-time to May 2016)	75-80	0	5	75-80	70-75	0	28	100-105
Ms A Sharp (Chief Executive) <sup>3</sup>	110-115	0-5	24	140-145	110-115	5-10	37	155-160
Mr G Walker (Interim Certification Officer, from May 2016)	80-85	0	166	245-250	0	0	0	0
Mr A Wareing (Chief Operations Officer, to December 2016)	80-85	0	12	90-95	75-80	0	22	100-105
Mrs S Clews (Chief Operations Officer) <sup>3</sup>	75-80	0-5	19	95-100	75-80	0-5	20	100-105
Mr R White (Director, Finance, Estates, and Procurement, to February 2017)	75-80	0	163	240-245	75-80	0	23	100-105
Ms K Humberstone (Interim Director, Finance, Estates, and Procurement, from February 2017) <sup>4</sup>	30-35	0	0	30-35	0	0	0	0
Ms L Jones (Director, Organisational Development and Human Resources)	70-75	0	28	100-105	70-75	0	29	100-105
Mr A Godber (Director Information Communications and Technology Services, to December 2015)	0	0	0	0	85-90	0	28	110-115
Ms K Pile (Director, Digital Technology, from May 2016)	90-95	0	25	115-120	0	0	0	0
Mr S Gouldstone (Chief Executive, CAC, to March 2016)	0	0	0	0	70-75	0	54	125-130
Mr I Wood (Director, Strategy) <sup>3</sup>	65-70	0-5	33	100-105	65-70	0	3	70-75
Mr J James (Chief Executive, CAC)	50-55	0	68	115-120	0	0	0	0

<sup>1</sup> Salaries have not increased this year as these are set by a parliamentary committee and the process was disrupted by the General Election. Pay may be backdated at a later date.

<sup>2</sup> Sir Brendan Barber is not a member of the pension scheme.

<sup>3</sup> Ms Sharp, Mrs Clews, and Mr Wood received a non-consolidated payment in 2016-17 relating to their performance in 2015-16.

<sup>4</sup> Ms Humberstone is engaged as an Interim and the above table shows the costs to Acas, not the salary paid. Ms Humberstone is not a member of the pension scheme. Her FTE for the year is equivalent to 0.16 (two months out of twelve).

	Real increase in pension and related lump sum at pension age (£k)	Accrued pension at pension age as at 31/3/17 and related lump sum (£k)	CETV at 31/03/16 (nearest £k)	CETV at 31/03/17 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
Mr D Cockburn (Certification Officer, to March 2016)	0-2.5 plus 0 (lump sum)	20- 25 plus 0-5 (lump sum)	351	357	4
Ms A Sharp (Chief Executive)	0-2.5 plus 2.5-5 (lump sum)	55-60 plus 175-180 (lump sum)	1,282	1,303	23
Mr G Walker (Interim Certification Officer, from May 2016)	5-7.5 plus 20- 25 (lump sum)	30-35 plus 90-95 (lump sum)	446	613	145
Mr A Wareing (Chief Operations Officer, to December 2016)	0-2.5 plus 0-2.5 (lump sum)	25-30 plus 85-90 (lump sum)	567	585	10
Mrs S Clews (Chief Operations Officer)	0-2.5 plus 2.5-5 (lump sum)	25-30 plus 80-85 (lump sum)	518	560	16
Mr R White (Director, Finance, Estates, and Procurement, to February 2017)	5-7.5 plus 20-22.5 (lump sum)	30-35 plus 100-105 (lump sum)	510	668	135
Ms L Jones (Director, Organisational Development and Human Resources)	0-2.5 plus 0 (lump sum)	5-10 plus 0 (lump sum)	105	130	17
Ms K Pile (Director, Digital Technology, from May 2016) <sup>1</sup>	0-2.5 plus 0 (lump sum)	20-25 plus 0 (lump sum)	366	392	23
Mr I Wood (Director, Strategy)	0-2.5 plus 5-7.5 (lump sum)	25-30 plus 80-85 (lump sum)	492	546	28
Mr J James (Chief Executive, CAC)	2.5-5 plus 7.5-10 (lump sum)	20-25 plus 65-70 (lump sum)	407	490	65

1 Ms Pile was on secondment from BEIS prior to joining on a permanent basis.



5. There were no compensation payments for loss of office to senior managers in 2016-17.

6. Average number of full time equivalents employed during the period was as follows:

	2016-17			2015-16
	Permanently Employed	Others	Total	Total
Acas National	159	6	165	133
Regional Offices	552	26	578	636
Certification Office	8	0	8	7
Central Arbitration Committee	7	0	7	8
<b>Total</b>	<b>726</b>	<b>32</b>	<b>758</b>	<b>784</b>

### 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.

	2016-17	2015-16
Band of Highest Paid Director's Total Remuneration (£'000)	115-120	115-120
Median total	32,669	32,387
Ratio	3.60	3.67

In 2016-17 0 (2015-16 0) employee(s) received remuneration in excess of the highest paid director. Remuneration ranged from £18k to £116k (2015-16 £18k to £115k).

8. During 2016-17, the ratio of females to males employed by Acas was 1:0.7

(2015-16, 1:0.7). At Executive Board level, this ratio was 1:0.5 (2015-16, 0.7:1).

### Council and CAC Members

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

9. Acas Council Members are each entitled to the above annual salary and receive the daily rate for attending on Acas

business. The CAC Deputy Chairmen and Members are reimbursed at the daily rate for attending on CAC business.

## Unaudited Information

### Service Contracts

10. 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.
11. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. All staff, with the exception of the Certification Officer are entitled to a three months' notice period.
12. The Chair's contract ends in December 2019. The Chief Executive's contract ends in February 2019.
13. The Certification Officer's role is currently filled by Mr Gerard Walker on an interim basis. The function is quasi-judicial. His decisions can be appealed to the higher courts. The interim appointment will continue until a permanent Certification Officer is recruited following the OCPA rules on public appointments and starts their term of office. The Secretary of State may remove Mr Walker from his office in specified circumstances. The Certification Officer is required to present an annual report on his activities to the Secretary of State and the Chair of Acas. This report is laid before Parliament.
14. The Chair's performance is reviewed by the sponsor annually. As members of the SCS, Ms Sharp, Mrs Clews, Mr Wood and Ms Pile 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 CAC James Jacob's assessment is informed by the CAC Chair's comments.

15. Further information about the work of the Civil Service Commissioners can be found at <http://civilservicecommission.independent.gov.uk/>

### Salary

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

### Civil Service Pensions

17. 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 Civil Service Pension Scheme (CSPS). 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.

18. 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).
19. 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.
20. The **partnership pension** account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).
21. 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 age of 65 or State Pension Age for members of **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, but note that part of that pension may be payable from different ages.)

22. Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

### **Cash Equivalent Transfer Values**

23. 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.

24. 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**

25. 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.

### **Compensation for loss of office**

One person left under a voluntary exit scheme during 2016-17. They received a compensation package of £12,170.



**Anne Sharp**  
Accounting Officer, Acas

Date: 10 July 2017

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

I certify that I have audited the financial statements of Advisory, Conciliation and Arbitration Service for the year ended 31 March 2017 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 Accountability 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 2017 and of the net expenditure 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 Accountability 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 Annual 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 Accountability 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

14 July 2017

# Statement of comprehensive net expenditure

for the period ended 31 March 2017

	Note	2016-17		2015-16	
		£'000	£'000	£'000	£'000
<b>Income</b>	5		4,628		4,544
<b>Expenditure</b>					
Staff Costs	3	(33,404)		(33,233)	
Depreciation	4	(1,293)		(2,404)	
Other Expenditure	4	(14,599)		(15,485)	
			<b>(49,296)</b>		<b>(51,122)</b>
<b>Net Expenditure</b>			<b>(44,668)</b>		<b>(46,578)</b>
<b>Other Comprehensive Expenditure</b>					
Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles	6		169		(9)
<b>Total Comprehensive Net Expenditure for the year ended 31st March</b>			<b>(44,499)</b>		<b>(46,587)</b>

The notes on pages 69 to 85 form part of these accounts.



# Statement of financial position

as at 31 March 2017

consists of:

**Advisory, Conciliation and Arbitration Service**

**Certification Office**

**Central Arbitration Committee**

	Note	31 March 2017		31 March 2016	
		£'000	£'000	£'000	£'000
<b>Non-Current Assets</b>					
Property, plant and equipment	6.1	2,832		3,003	
Intangible Assets	6.2	255		408	
<b>Total non-current assets</b>			3,087		3,411
<b>Current Assets</b>					
Trade and other receivables	7	3,612		3,605	
Cash and cash equivalents	8	1,358		777	
<b>Total Current Assets</b>			4,970		4,382
<b>Total Assets</b>			8,057		7,793
<b>Current Liabilities</b>					
Trade and other payables	9	(4,985)		(4,959)	
Provisions	10	(122)		(264)	
<b>Total current liabilities</b>			(5,107)		(5,223)
<b>Total assets less net current liabilities</b>			2,950		2,570
<b>Non-current liabilities</b>					
Provisions	10	(838)		(859)	
<b>Total non-current liabilities</b>			(838)		(859)
<b>Assets less liabilities</b>			<b>2,112</b>		<b>1,711</b>
<b>Reserves</b>					
General Reserve			1,319		1,014
Revaluation Reserve			793		697
			<b>2,112</b>		<b>1,711</b>

The notes on pages 69 to 85 form part of these accounts.

These accounts were approved on 10 July 2017.



**Anne Sharp**

Accounting Officer, Acas

Date: 10 July 2017

# Statement of cashflows

for the period ended 31 March 2017

consists of:

**Advisory, Conciliation and Arbitration Service**

**Certification Office**

**Central Arbitration Committee**

	Note	2016-17 £'000	2015-16 £'000
<b>Cash flows from operating activities</b>			
Net operating cost		<b>(44,668)</b>	<b>(46,578)</b>
Decrease/(Increase) in trade and other receivables	7	(7)	(67)
(Decrease)/Increase in trade and other payables	9	26	(411)
Use of Provisions	10	(116)	(182)
Adjustments for non-cash transactions	4	1,256	2,090
<b>Net cash outflow from operating activities</b>		<b>(43,509)</b>	<b>(45,148)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6.1	(786)	(780)
Purchase of intangible assets	6.2	(24)	(40)
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals of intangible assets	6.2	0	0
<b>Net cash outflow from investing activities</b>		<b>(810)</b>	<b>(820)</b>
<b>Cash flows from financing arrangements</b>			
Grants from sponsoring Department		44,900	45,050
<b>Net financing</b>		<b>44,900</b>	<b>45,050</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		581	(918)
<b>Cash and cash equivalents at the beginning of the period</b>	8	777	1,695
<b>Cash and cash equivalents at the end of the period</b>	8	<b>1,358</b>	<b>777</b>

The notes on pages 69 to 85 form part of these accounts.

# Statement of changes in taxpayers' equity

for the period ended 31 March 2017

	General Reserve £000	Reval Reserve £000	Total Reserves £000
<b>Balance at 1 April 2015</b>	<b>2,465</b>	<b>783</b>	<b>3,248</b>
<b>Changes in taxpayers' equity for 2015-16</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	(9)	<b>(9)</b>
Transfers between reserves	77	(77)	<b>0</b>
Comprehensive net expenditure for the year	(46,578)	0	<b>(46,578)</b>
Grants from sponsoring department	45,050	0	<b>45,050</b>
<b>Balance at 31 March 2016</b>	<b>1,014</b>	<b>697</b>	<b>1,711</b>
<b>Changes In Taxpayers Equity for 2016-17</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	169	<b>169</b>
Transfers between reserves	73	(73)	<b>0</b>
Comprehensive net expenditure for the year	(44,668)	0	<b>(44,668)</b>
Grants from sponsoring department	44,900	0	44,900
<b>Balance at 31 March 2017</b>	<b>1,319</b>	<b>793</b>	<b>2,112</b>

# Notes to the accounts

## for period ended 31 March 2017

### 1. Statement of Accounting Policies

#### 1.1 Basis of preparation

These Accounts have been prepared in accordance with the 2016-17 *Government Financial Reporting Manual (FReM)* issued by HM Treasury, as required by the Accounts Direction issued by the Secretary of State for Business, Energy and the Industrial Strategy (BEIS). 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 financial statements and related notes 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 -2.70%; the early retirement provision is discounted at a rate of 0.24%).

## 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 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 Civil Service Pension Schemes (CSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSPS. In respect of the defined contribution elements of the schemes, the Service recognises the contributions payable for the year.

In addition the Service has to meet the retirement benefits for two former chairs of Acas and one former chair of the CAC. The costs of these benefits are met from the annual Grant-in-Aid and are disclosed in the staff costs note. A provision for the expected costs of future benefits has been established. Actuarial advice was sought on the valuation of this liability in 2009-10, this will be revalued upon the death of a member or their spouse. The provision estimate is based upon the age, sex and number of the beneficiaries.

## 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 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 2017 or major FReM changes in 2016-17 which would have a material impact on Acas's future financial statements.

## 2. Segmental Analysis

	2016-17							Total £'000
	Public Services £'000	Conciliation I/c and C/c £'000	Help Line £'000	Good Practice Services £'000	CAC £'000	CO £'000		
	<b>Income:</b>							
Total	0	0	0	4,614	0	14	4,628	
<b>Expenditure</b>								
Total Salaries	2,891	17,102	9,039	3,225	553	593	33,404	
Total GAE	1,647	6,512	4,752	1,206	241	241	14,599	
Overhead Allocation	102	657	371	121	21	21	1,293	
Total Expenditure	4,640	24,271	14,162	4,552	815	855	49,296	
<b>Net Expenditure</b>	<b>4,640</b>	<b>24,271</b>	<b>14,162</b>	<b>(62)</b>	<b>815</b>	<b>841</b>	<b>44,668</b>	

	2015-16							Total £'000
	Public Services £'000	Conciliation I/c and C/c £'000	Help Line £'000	Good Practice Services £'000	CAC £'000	CO £'000		
	<b>Income:</b>							
Total	0	0	0	(4,539)	(5)	0	(4,544)	
<b>Expenditure</b>								
Total Salaries	3,118	18,307	8,026	2,799	452	531	33,233	
Total GAE	1,352	4,599	2,820	1,021	109	110	10,011	
Overhead Allocation	795	3,480	2,902	404	149	148	7,878	
Total Expenditure	5,265	26,386	13,748	4,224	710	789	51,102	
<b>Net Expenditure</b>	<b>5,265</b>	<b>26,386</b>	<b>13,748</b>	<b>(315)</b>	<b>705</b>	<b>789</b>	<b>46,558</b>	

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 a telephone advice line.

### **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 onward, a revised methodology for allocating overheads was agreed and was used to report to the Executive Board. Grant Aided Expenditure overheads are 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	2016-17			2015-16
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	23,785	1,322	25,107	25,394
Social security costs	2,365	119	2,484	1,901
Other pensions costs	4,956	169	5,125	5,012
Sub total	<b>31,106</b>	<b>1,610</b>	<b>32,716</b>	<b>32,307</b>
Less recoveries in respect of outward secondments	(133)	0	(133)	(34)
<b>Total Net Costs</b>	<b>30,973</b>	<b>1,610</b>	<b>32,583</b>	<b>32,273</b>

CO & CAC	2016-17			2015-16
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	624	19	643	755
Social security costs	60	1	61	61
Other pensions costs	116	1	117	144
Sub total	<b>800</b>	<b>21</b>	<b>821</b>	<b>960</b>
Less recoveries in respect of outward secondments	0	0	0	0
<b>Total Net Costs</b>	<b>800</b>	<b>21</b>	<b>821</b>	<b>960</b>

Total Acas, CO & CAC	2016-17			2015-16
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	24,409	1,341	25,750	26,149
Social security costs	2,425	120	2,545	1,962
Other pensions costs	5,072	170	5,242	5,156
Sub total	<b>31,906</b>	<b>1,631</b>	<b>33,537</b>	<b>33,267</b>
Less recoveries in respect of outward secondments	(133)	0	(133)	(34)
<b>Total Net Costs</b>	<b>31,773</b>	<b>1,631</b>	<b>33,404</b>	<b>33,233</b>

#### 4. Other expenditure

	ACAS £'000	2016-17 CO/CAC £'000	TOTAL £'000	ACAS £'000	2015-16 CO/CAC £'000	TOTAL £'000
Running Costs	6,356	23	6,379	6,920	11	6,931
Accommodation costs	4,777	188	4,965	5,326	146	5,472
Travelling and incidental expenses	1,397	3	1,400	1,370	4	1,374
Research and development costs	684	0	684	901	3	904
Staff training costs	505	1	506	489	2	491
Conference costs	276	6	282	254	6	260
Rentals under operating leases	160	0	160	124	1	125
Legal costs	111	0	111	96	0	96
Services provided by OGD's	80	0	80	71	0	71
External audit fees	55	0	55	65	0	65
Bad debts	2	0	2	6	0	6
Fees and expenses of arbitrators, conciliators & CAC members	0	12	12	1	3	4
<i>Non-cash costs:</i>						
Depreciation	1,293	0	1,293	2,404	0	2,404
Losses, write offs and loss on disposal of property, plant and equipment	10	0	10	13	0	13
Loss on Revaluation	0	0	0	1	0	1
Provisions for liabilities and charges – Early Retirement Scheme	(1)	0	(1)	(6)	0	(6)
Provisions for liabilities and charges – Dilapidations	(34)	0	(34)	(310)	0	(310)
Unwinding of Discount	(12)	0	(12)	(12)	0	(12)
	<b>15,659</b>	<b>233</b>	<b>15,892</b>	<b>17,713</b>	<b>176</b>	<b>17,889</b>

## 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.

	2016-17			2015-16		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Receipts from fees	4,598	14	4,612	4,539	5	4,544
Other receipts	16	0	16	0	0	0
	<b>4,614</b>	<b>14</b>	<b>4,628</b>	<b>4,539</b>	<b>5</b>	<b>4,544</b>

	2016-17 £'000	2015-16 £'000
Receipts from Fees and other Operating receipts (Acas)	4,614	4,539
Total Expenditure	(4,551)	(4,224)
Net Surplus	<b>63</b>	<b>315</b>

The CAC has no Operating Income.

## 6.1 Property, plant and equipment: 2016-17

	Assets Under Construction £'000	Leasehold Improvements £'000	Computer Hardware, Telecomms & Office Mach. £'000	Furniture Fixtures & Fittings £'000	Total £'000
Cost or Valuation					
<b>At 1 April 2016</b>	<b>136</b>	<b>4,563</b>	<b>5,955</b>	<b>827</b>	<b>11,481</b>
Additions	(10)	198	537	61	786
Disposals	0	(4)	(135)	(176)	(315)
Revaluations	0	235	163	0	398
Impairment	0	0	0	0	0
Transfers	(125)	12	113	0	0
<b>At 31 March 2017</b>	<b>1</b>	<b>5,004</b>	<b>6,633</b>	<b>712</b>	<b>12,350</b>
Depreciation					
<b>At 1 April 2016</b>	<b>0</b>	<b>3,088</b>	<b>4,672</b>	<b>718</b>	<b>8,478</b>
Charge in year	0	399	664	33	1,096
Disposals	0	(4)	(126)	(175)	(305)
Revaluations	0	158	91	0	249
Impairment	0	0	0	0	0
<b>At 31 March 2017</b>	<b>0</b>	<b>3,641</b>	<b>5,301</b>	<b>576</b>	<b>9,518</b>
<b>Net Book Value at 31 March 2017</b>	<b>1</b>	<b>1,363</b>	<b>1,332</b>	<b>136</b>	<b>2,832</b>
Asset Financing					
<b>Owned</b>	<b>1</b>	<b>1,363</b>	<b>1,332</b>	<b>136</b>	<b>2,832</b>



## Property, plant and equipment: 2015-16

	Assets Under Construction £'000	Leasehold Improvements £'000	Computer Hardware, Telecomms & Office Mach. £'000	Furniture Fixtures & Fittings £'000	Total £'000
Cost or Valuation					
<b>At 1 April 2015</b>	<b>91</b>	<b>4,469</b>	<b>5,526</b>	<b>828</b>	<b>10,914</b>
Additions	45	189	459	87	780
Disposals	0	0	(80)	(90)	(170)
Revaluations	0	(95)	50	2	(43)
Impairment	0	0	0	0	0
<b>At 31 March 2016</b>	<b>136</b>	<b>4,563</b>	<b>5,955</b>	<b>827</b>	<b>11,481</b>
Depreciation					
<b>At 1 April 2015</b>	<b>0</b>	<b>2,780</b>	<b>4,129</b>	<b>752</b>	<b>7,660</b>
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
<b>At 31 March 2016</b>	<b>0</b>	<b>3,088</b>	<b>4,672</b>	<b>718</b>	<b>8,478</b>
<b>Net Book Value at 31 March 2015</b>					
	<b>136</b>	<b>1,475</b>	<b>1,283</b>	<b>109</b>	<b>3,003</b>
Asset Financing					
<b>Owned</b>	<b>136</b>	<b>1,475</b>	<b>1,283</b>	<b>109</b>	<b>3,003</b>

## 6.2 Intangible fixed assets: 2016-17

	Assets Under Construction £'000	Computer Software £'000	Total £'000
Cost or Valuation			
<b>At 1 April 2016</b>	<b>66</b>	<b>9,469</b>	<b>9,535</b>
Additions	0	24	24
Disposals	0	0	0
Revaluation	0	55	55
Transfers	(61)	61	0
<b>At 31 March 2017</b>	<b>5</b>	<b>9,609</b>	<b>9,614</b>
Depreciation			
<b>At 1 April 2016</b>	<b>0</b>	<b>9,127</b>	<b>9,127</b>
Charge in Year	0	197	197
Disposals	0	0	0
Revaluation	0	35	35
<b>At 31 March 2017</b>	<b>0</b>	<b>9,359</b>	<b>9,359</b>
<b>Net Book Value at 31 March 2017</b>	<b>5</b>	<b>250</b>	<b>255</b>
<b>Asset Financing</b>			
Owned	<b>5</b>	<b>250</b>	<b>255</b>

## Intangible fixed assets: 2015-16

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

## 7. Trade Receivables and Other Current Assets

	2017	2016
	£'000	£'000
Amounts falling due within one year:		
VAT receivables	258	441
Deposits and advances (staff)	77	71
Trade Receivables	1,436	1,073
Prepayments	1,838	2,013
	<b>3,609</b>	<b>3,598</b>
Amounts falling due after more than one year:		
Deposits and advances (staff)	3	7
	<b>3,612</b>	<b>3,605</b>

## 8. Cash and Cash Equivalents

	2017	2016
	£'000	£'000
Balance at 1 April	777	1,695
Net change in cash and cash equivalent balances	581	(918)
<b>Balance at 31 March</b>	<b>1,358</b>	<b>777</b>
The following balances at 31 <sup>st</sup> March are held at:		
Government Banking Service	<b>1,358</b>	<b>777</b>

## 9. Trade Payables and Other Current Liabilities

	2017	2016
	£'000	£'000
Trade and Staff Payables	1,414	1,214
Accruals	2,525	2,915
Holiday Pay	651	704
Deferred Income	395	126
	<b>4,985</b>	<b>4,959</b>

## 10. Provisions for liabilities and charges: 2016-17

	Future Pensions <sup>1</sup> £'000	VER Scheme <sup>2</sup> £'000	Dilapidations <sup>3</sup> £'000	Total £'000
<b>Opening Provisions at 1 April 2016</b>	<b>83</b>	<b>14</b>	<b>1,026</b>	<b>1,123</b>
In period:				
Expenditure during year	(18)	(13)	(85)	(116)
Increase in provisions	0	0	0	0
Reversed unused in the year	0	(1)	(34)	(35)
Unwinding of discount	0	0	(12)	(12)
<b>Closing Provision at 31 March 2017</b>	<b>65</b>	<b>0</b>	<b>895</b>	<b>960</b>

	Future Pensions <sup>1</sup> £'000	VER Scheme <sup>2</sup> £'000	Dilapidations <sup>3</sup> £'000	Total £'000
<b>Summary of Cashflow Timings</b>				
Not later than 1 Year	18	0	104	122
Later than 1 year and not later than 5 years	47	0	791	838
Later than 5 years	0	0	0	0
<b>Total</b>	<b>65</b>	<b>0</b>	<b>895</b>	<b>960</b>

<sup>1</sup> Provision for future years' pensions for former Chair persons.

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

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

## Provisions for liabilities and charges: 2015-16

	Future Pensions <sup>1</sup> £'000	VER Scheme <sup>2</sup> £'000	Dilapidations <sup>3</sup> £'000	Total £'000
<b>Opening Provisions at 1 April 2015</b>	<b>101</b>	<b>119</b>	<b>1,413</b>	<b>1,633</b>
In period:				
Expenditure during year	(18)	(101)	(63)	(182)
Increase in provisions	0	0	16	16
Reversed unused in the year	0	(6)	(326)	(332)
Unwinding of discount	0	2	(14)	(12)
<b>Closing Provision at 31 March 2016</b>	<b>83</b>	<b>14</b>	<b>1,026</b>	<b>1,123</b>

	Future Pensions <sup>1</sup> £'000	VER Scheme <sup>2</sup> £'000	Dilapidations <sup>3</sup> £'000	Total £'000
<b>Summary of Cashflow Timings</b>				
Within 1 Year	18	14	232	264
Between 2 and 5 Years	65	0	794	859
Beyond 5 Years	0	0	0	0
<b>Total</b>	<b>83</b>	<b>14</b>	<b>1,026</b>	<b>1,123</b>

## 11. Capital Commitments

Acas is committed to further Estates moves in 2017-18 for which it is estimated £320,000 capital expenditure (2016-17, £262,000) 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:

	2016-17		2015-16	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
<b>Obligations under Operating Leases</b>				
Not later than one year	2,618	31	2,233	63
Later than one year and not later than five years	1,591	13	2,975	44
Later than five years	0	0	0	0
	<b>4,209</b>	<b>44</b>	<b>5,208</b>	<b>107</b>

## 13. Related party transactions

Acas is a Non Departmental Public Body sponsored by the Department for Business, Energy and the Industrial Strategy (BEIS).

During the year Acas has had various material transactions with BEIS including legal 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 BEIS, 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. 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 Executive Board have considered the results of the General Election and the contents of the Queen's Speech and have concluded that there is no impact on Acas or its duties. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

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