

**acas** working  
for everyone

# Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2017–18

HC 1405



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Annual Report and Accounts 2017–18

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# Foreword from the Chair and Chief Executive

Acas is a trusted, impartial and expert organisation.

We have a long and successful track record in supporting better workplace relations, helping employers to engage effectively with their people, and enabling business growth. All this is delivered through the skills and experience of our people, and by the partnerships we have built with other organisations: employer representatives and trade unions; businesses and HR professionals; think tanks and legal groups.

This Annual Report sets out how we have delivered against our strategic plan during 2017-18, and indicates our ambitions for the year and years ahead.

We are proud of the positive difference we make to workplace relationships and the economy. We have taken the knowledge gathered in the previous reporting year about our customers' needs and used that insight to develop and improve our services. This programme of transformation will continue over the next year when our customers will increasingly see the outputs of our change programme. This will include easier to use digital information and improved interactions with our individual dispute resolution service.

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. In the year, we have had to say goodbye to some Council members as they reached the end of their term, and warmly welcomed others.

We continue to be impressed by the professionalism, expertise and commitment of our people, particularly those who are helping develop and take forward our change programme and those who are working 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 in the year ahead.



**Sir Brendan Barber**  
Chair



**Anne Sharp**  
Chief Executive

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## Introduction

### Our 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. Our work is built around three strategic aims:

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

### What we do

We provide free, expert and impartial information to individuals and organisations about workplace good practice, rights and obligations and we help them to 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.

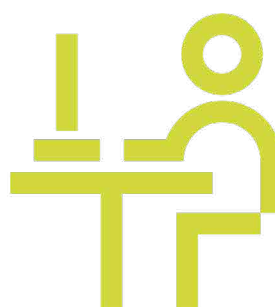
We evaluate the experience of our customers and research what they need. We use our findings to develop our services and help us increase our impact and reach more of those who could benefit from our work. Independent research has demonstrated that the economy benefits by £13 for every £1 we spend.

## Effectiveness and efficiency

Largely funded by the taxpayer, Acas has a responsibility to make the best use of public money to meet the needs of its service users. We are currently engaged in a transformation programme which reaches all parts of the organisation. As well as the progress reported below in relation to our strategic aims, important developments in 2017-18 have included:

- improved use of expensive London estate and sub-letting of space to reduce costs;
- improved commercial arrangements with a number of contractors;
- capability development and restructuring of our IT function to mirror the Government's Digital, Data and Technology (DDAT) model, better meeting organisational needs and providing development opportunities for our people;
- closure of an office in Bootle, so that the North West region has a single focus in Manchester – we were pleased to complete this on time and without compulsory redundancies; and
- introduction of new telecommunications technology to improve our ways of working, internal collaboration and flexibility so our people can meet face to face wherever they are.

Our transformation programme will continue in 2018-19.



## 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

We provide employers and employees with easy access to practical, expert and impartial information in the format, 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. Employers and employees can get Acas advice online or over the phone; they can access relevant, appropriately detailed guidance to meet their needs; and they can receive training online or face to face in our place or theirs.

### Telephone helpline

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.

Over the past year the Helpline has undergone significant changes, reducing the number of locations we work from, while recruiting to maintain service levels; introducing new opening hours; and piloting new approaches to call handling to focus time on more complex enquiries. Across our voice, webchat and Helpline Online we helped 1.3 million customers as well as providing expertise to support our social media channels.

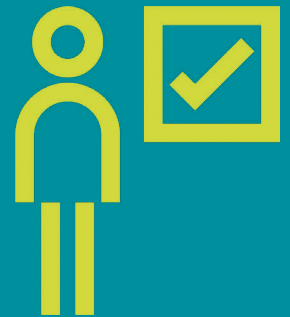
Helpline advisers also used their expertise to support ground-breaking work on webinars. Around 8,250 people signed up to take part in a series of webinars which we ran jointly with HM Revenue and Customs (HMRC) on statutory sick pay and leave.

### Customer feedback: helpline

"I wanted to provide positive feedback for [the adviser], who I spoke to over the helpline, and who was immensely helpful and understanding.

They understood how to advise giving specific consideration to my anxiety. Their advice was specific enough to be of significant help and now know what steps to take. I feel immensely reassured and much more confident, whatever the outcome in my employment situation.

Thanks very much."



### Digital information

Our website provides practical advice and support on a wide range of employment issues in many different formats, including guidance; Codes of Practice; templates and forms to help small businesses; Helpline Online; and eLearning modules on a wide range of employment relations topics.





### Customer feedback – Helpline Online:

*"Your Q&A online is brilliant thank you for such an amazing tool!!"*



We have a strong presence on social media, with increasing numbers of people accessing information and advice from our Twitter, Facebook, LinkedIn, and YouTube channels. These channels also enable us to share topical news and updates with a wider audience.

New online material this year included:

- Equality Act guidance on pregnancy and maternity, gender reassignment and sex discrimination;
- an eLearning module on disability discrimination and reasonable adjustments;
- advice for employers on supporting parents with a sick or early baby;
- support on managing mental health in the workplace; and
- guidance on sexual harassment and how to report and manage it.



### Customer feedback: online guidance

*"The Acas guidance is balanced, pragmatic and easy to work with, providing useful pointers whether you're an individual or an organisation. I wish it had been available when we started our network!"*

*Lorraine Martins MBE FRSA, Director of Diversity and Inclusion at Network Rail*

### Training and in-depth support

We offer training in all aspects of employment relations. Our training is delivered both at events which are open to anyone and in-company, where we tailor the content to the organisation. We develop and adapt our training programme to reflect customer needs. One new course developed this year was a management skills workshop, with learning through exercises, group discussion and role play based on real life situations. Another new course covered best practice on managing drugs and alcohol in the workplace.

During the year over 13,600 people attended open access training events, and we provided tailored training to over 26,800 people in around 982 organisations. Our most popular events were an overview of employment law; training on discipline and grievance; and training on attendance and absence management. Popular topics for in-company training also included supervision/ management skills; information and consultation; and equality and diversity.





We also offer organisations tailored in-depth support which goes beyond training. In these projects we work closely with employers and employees to diagnose issues and tailor support to address them. Examples include supporting the resolution of conflict and improvement of relationships; the creation and enhancement of employee forums; and assistance with Trade Union recognition.

### Customer feedback – in-depth support:

Ryedale District Council had experienced a period of significant change, including a new operating model and the departure of both the Leader of the Council and the Chief Executive.

Acas was asked to facilitate a series of focus groups around implementing change and delivering improvement.

#### Clare Slater, Chief Executive (Interim) at Ryedale District Council said:

*“Acas provided an independent view of the organisation as presented by members of the workforce and delivered some difficult messages constructively, efficiently and impartially. This meant the messages were well received by staff and the leadership team, and this method has been incorporated into the annual review of the Council operating model. We have committed to undertaking an annual staff survey and focus groups with Acas following the success of the first sessions, and positive feedback about this approach from staff members.”*



## AIM 2

# To assist organisations and individuals to manage conflict and resolve disputes at work

When workplace 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.

Our aim is to help resolve workplace disputes as early as possible through the provision of expert, speedy and impartial interventions. We enable employers and employees to understand the context of their situation and the potential damage to the working relationships; to identify ways to resolve the dispute; and to rebuild the relationship after the immediate dispute has been resolved.

### Resolving disputes involving individuals

Anyone who wishes to take a case to an Employment Tribunal (ET) must first notify Acas. On receipt of the notification we offer parties free and impartial help to resolve the dispute and avoid the anxiety and costs associated with a tribunal hearing. Use of our service is voluntary, and our services remain available after an ET claim has been lodged, right up to the day of the hearing.

In 2013 the Ministry of Justice introduced fees of up to £1,200 for making a claim to an Employment Tribunal. Following a Supreme Court decision in July 2017, fees were abolished. Since then there has been a sharp increase in the number of notifications we have received – from around 1,700 per week to around 2,200 per week. Since the ruling, a higher proportion of Acas notifications go on to become claims lodged with an Employment Tribunal. Overall, notifications have increased by over 17,000 (19%) compared to the same period last year; and the number of our cases relating to an ET claim has increased by over 7,000 (39%).

Our conciliators worked extremely hard to broadly maintain overall levels of settlement in the face of this increased workload: 34% of notifications were resolved before a claim was made to a Tribunal (either through a formal settlement or informally between the parties, for example through payment of wages which were owing);

58% of claims to an Employment Tribunal were settled; and a further 16% of tribunal claims were withdrawn. This meant that in total an Employment Tribunal hearing was avoided in well over 70% of cases which were notified to us

### Customer feedback: individual conciliation

#### Claimant:

*"May I please take this opportunity to say a huge thank you to you, for your professionalism and speed of sorting this ugly situation out for me. I am so impressed with how quickly you have liaised and sorted it out and appreciate so much that you have taken my holiday into consideration and have got it all done before I go. I know its your job, but the kindness and support you have shown and you have taken the time to explain everything to me as we have proceeded has meant an awful lot to me. I've been so upset and stressed by what's happened but thanks to you, I can go on holiday and relax now, and when I come back I will be full speed ahead to get another position as soon as I possibly can."*

#### Claimant's rep

*"I would like to take this opportunity to thank you for the professional manner with which you managed the [conciliation] in the above case. From day 1 you understood the case facts, you explained your role clearly and I was particularly impressed with your quick response to e-mails. I found the service you provided on behalf of Acas absolutely first class."*

*Thank you very very much."*

#### Respondent's solicitor

*"Many thanks for all your assistance in settling this matter. You have provided an excellent service and it is very much appreciated."*

The need to manage an increased caseload reinforced the importance of work already in hand to improve the effectiveness of our conciliation processes. This work has focussed on customer need, including how best to make sure that users understand the nature of disputes which can be notified to us and our role. We want to reduce the proportion of notifications we receive inappropriately (which could mean too early in the process, with the wrong employer named, or where there is no recourse to Tribunal). This will enable us to concentrate resources on those situations for which our service is intended.

As well as improving our processes, we are recruiting new conciliators in 2018-19 so as to sustain effectiveness and customer service in the face of high demand.

## Resolving disputes involving groups of employees

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

Most disputes in which Acas gets involved are not in the public eye because we are successful in enabling resolution before ballots for industrial action take place. Less than a quarter of the cases we received during 2017-18 involved a threat of industrial action. But where disputes did escalate, Acas was able to successfully conciliate to reach a resolution, including between CrossCountry Trains and RMT, Universities UK and UCU, and the Post Office and CWU

## Customer feedback: collective conciliation

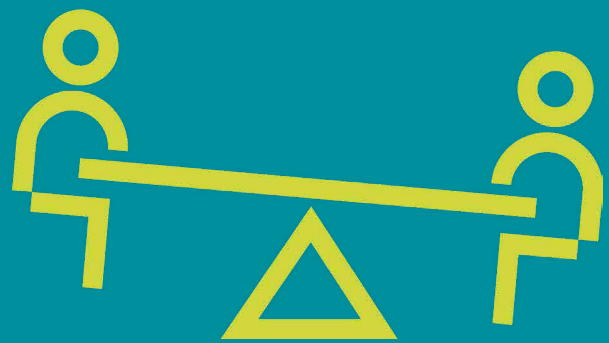
CWU and the Post Office had failed to reach agreement on a new working agreement which led to a breakdown in communications and threats of industrial action. Acas supported the parties to reach a positive and collaborative way forward.

**Trade Union side** – Andy Furey, Assistant Secretary at CWU said:

*“Our experience at Acas was extremely positive, with the expertise of those involved helping to overcome a difficult situation between CWU and the Post Office. I would highly recommend the involvement of Acas to any organisation struggling to reach a way forward. Thankfully the skills and commitment of the Acas facilitators led to a constructive outcome and industrial relations have improved enormously.”*

**Employer side** – John Whitefoot, Employee Relations & Policy Director at the Post Office said:

*“Acas was highly involved and instrumental in facilitating a positive and constructive joint working approach to our negotiations. The agreement contains many mutually beneficial joint commitments to meaningful collective engagement and constructive joint working.”*



65% of 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, 92% of cases either settled or made progress towards settlement.

## 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 attendance rates. Acas mediators help employers and employees to jointly find more constructive solutions to their issues. Of the 203 mediations Acas was involved with in 2017-18, 195 (96%) reached full or partial agreement.

### Customer feedback: mediation

*"Thank you very much for your assistance with this mediation. I agree with the outcomes detailed below.*

*Whilst I had no expectation that mediation was going to wave a magic wand, personally I found it to be quite cathartic. Since mediation, I am now sleeping throughout the night, the first time since October and no longer feel frustrated and angry. For me, that's a positive outcome and for that I thank you."*

In 2017-18 we also trained 217 people through our accredited Certificate in Internal Workplace Mediation (CIWM) course, sharing insight gathered from our experience to assist other organisations in developing their own resources to manage and reduce workplace conflict





## AIM 3

# To shape and inform policy thinking and practice on employment issues which contribute to fair, effective and efficient working relationship

To shape and inform policy thinking and the services we provide, Acas draws on three core strengths: our meaningful interactions with customers and stakeholders; the quality of our research and policy analysis, including an ability to capture insight and knowledge from inside Acas; and effective and diverse channels for promoting our perspectives and evidence.

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 12). Our Council determines Acas' strategic direction, contributes to specific areas of work, such as Codes of Practice and guidance, and supports and challenges officials in their work to deliver our strategic aims.

Our governance arrangements and strong working relationships with stakeholders help us to understand workplace issues from multiple perspectives, and to create appropriate solutions. This informed and impartial approach helps Acas extend its reach and impact.

### Informing and shaping the debate

We use our insight to contribute to significant public policy debates, to shape and inform thinking and practice on employment and workplace matters, and to promote understanding of the importance of well-managed, efficient and innovative workplaces in unlocking productivity and improving working lives.

In the past year our work on a range of topical research and policy issues included:

- Two studies on flexible working. The first looked at the hidden benefits and challenges for individuals, teams and workplaces. The second explored how employers could ensure that women returning from maternity leave were appropriately supported. Both studies shed light on the broader question of gender and work, for instance highlighting the importance of more men working flexibly if we are to achieve a shift in the way flexible working arrangements are perceived.

- A discussion paper exploring the challenges arising from the trend towards non-standard employment contracts – covering irregular hours, multiple employers, agency and zero-hours contracts, and the tension between the flexibility offered by such arrangements and the lack of availability of permanent secure work.
- Two research projects looking at the impacts of technology on workplace productivity. The first considered how policies and practices have evolved in line with significant growth in the use of work emails over the last decades. The second addressed the workplace relationship implications of introducing technological change, in particular highlighting the impact of technology and automation on work intensification, autonomy, skills and wellbeing. We ran a stakeholder discussion roundtable to discuss the research and connect it to real life examples of what organisations were doing.

### Customer feedback: stakeholder engagement:

*"Thank you so much for an invitation to this morning's Breakfast Briefing [on automation].*

*The content was of real help and value; it was a great blend of 'transmit' and 'debate'; and you created a wonderfully constructive and engaged atmosphere in the room."*

Penny Hunt, Change Consultant

### Stakeholder engagement

We have worked closely with colleagues in the Department for Business, Energy and Industrial Strategy (BEIS) on issues around the future of work, including the development of the Industrial Strategy and Matthew Taylor's Review of Modern Workplace Practices, commissioned by the Prime Minister. The Government's response to the Taylor Review referred to our contribution to key policy areas, and to potential roles for Acas in providing further guidance, and strengthening opportunities for 'good work' in particular sectors of the economy. These will be areas for continuing activity in future years.



We worked with the Department for Work and Pensions (DWP) and Department of Health and Social Care (DoHSC) Work and Health Policy Unit to inform the *Improving Lives Green Paper* and Lord Stevenson and Paul Farmer's *Thriving at Work Report* on mental health and employers. Following the Government's Green paper on Corporate Governance we hosted two stakeholder events on the issue of worker voice at board level and submitted evidence to the consultation by the Financial Reporting Council on their new Corporate Governance Code of Practice.

We gave evidence to the Women and Equalities Select Committee (WESC) on older people and employment; on Acas' work with the Equalities and Human Rights Commission (EHRC) and the Equality Advisory Support Service (EASS); and on sexual harassment.

We also submitted comments to the Justice Committee of the Scottish Parliament on alternative dispute resolution.

We work closely with stakeholders and partners to horizon-scan, gather insight, share evidence and build consensus on a range of topical issues. This engagement helps us to increase the reach of our work through partners, their networks and their customers. Our key stakeholders include trade unions and other organisations who support employees, like Citizens Advice and Working Families; employer representative groups, such as CBI, Chambers of Commerce and the Federation of Small Businesses (FSB); Government Departments and agencies, such as BEIS, DWP, Government Equalities Office (GEO), Public Health England and the EHRC; and other influential groups, including the Chartered Institute of Personnel and Development (CIPD), Investors in People, the Royal Society of Arts (RSA), academics and the Civil Mediation Council.



## The Acas Council

### Sir Brendan Barber (Acas Council Chair since January 2014)

Sir Brendan was the General Secretary of the Trades Union Congress (TUC) from 2003 to 2012 having first joined the TUC in 1975, and sat on the Acas Council from 1995 to 2004. He is a member of the Banking Standards Board, of the board of Openreach Ltd and of the Council of City University London, from which he graduated in 1974 with a BSc in Social Sciences. He is also a member of the board of the Mountview Academy of Theatre Arts.

Sir Brendan is a Visiting Fellow at the Said Business School, Oxford University, and 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.

### Neil Carberry (Acas Council member since July 2014)

Neil Carberry was appointed as Chief Executive of the Recruitment and Employment Confederation (REC) in March 2018, and will take up the role in June.

Neil was previously Managing Director at the CBI, where he led work on employment, the labour market, skills, energy, climate and infrastructure. He is also a member of the Low Pay Commission and a Fellow of the CIPD.

### Mike Clancy (Acas Council member since May 2016)

Since March 2012 Mike Clancy has been the General Secretary of the trade union Prospect. Mike also serves as an Employment Tribunal member and was appointed to the Employment Appeal Tribunal in 2002. In March 2017 he joined the Nuclear Industry Council, he is also a member of the TUC Executive Committee and the General Council.

Mike holds a degree in Law, an MA in Industrial Relations (Warwick) and an MBA (Cranfield). He is a Chartered member of CIPD and has held several board level positions in government trading funds and the skills environment.

### Mike Goodie (Acas Council member since July 2014)

Mike is currently People Director for the Canal & River Trust, prior to this he was Vice President for Labour Relations at Asda.

Mike began his career with Shell as a graduate trainee working in a number of HR roles both in the UK and Australia, before moving on to senior HR positions with British Airways, GNER and the BBC. He has held non-executive positions on the boards at Manchester Airport Group (MAG), Community Integrated Care (CIC) and the York Archaeological Trust (YAT).

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

### Jane McNeill (Acas Council member since July 2014)

Jane McNeil QC is an honorary member and former Head of Old Square 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.

Jane 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 (Acas Council member since November 2011)

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.

### Sally Hunt (Acas Council member since March 2015)

Since 2007 Sally Hunt has been General Secretary of the University and College Union (UCU). She has two decades' experience as a senior trade union official

Sally holds a number of positions outside the union and represents UCU on the General Council of the TUC. Her duties include being the TUC's spokesperson on international issues. Since September 2017, Sally has been the President of TUC.

**Christina McAnea** (Acas Council member since March 2017)

Christina McAnea is Unison's Assistant General Secretary. She has lead responsibility for the development and implementation of Unison's collective bargaining, negotiations and equalities strategy, including health and safety, pensions and procurement.

Christina has worked for the trade union movement for over 25 years and has had a long involvement in workforce and equalities issues and in national negotiations in health, education, local government, the police sector and with national private and voluntary sector employers.

**Ben Summerskill** (Acas Council member since March 2017)

Ben Summerskill is Director of the Criminal Justice Alliance, a coalition of 120 organisations working in fields ranging from policing to prisons and probation.

From 2003 to 2014 he was CEO of Stonewall, where he grew its support programme for major employers from 35 to 650 organisations employing 10m people between them. Before that Ben worked as a journalist at titles including The Observer, Express and London Evening Standard. He is also a trustee of The Silver Line.

**Paul Butler, Vicki Hawes and Prof Paul Willman** left the Council this year as their term came to an end.

**Anne Davies, Susan Jordan and Jayne Haines** joined the Council from April 2018.

# PERFORMANCE AGAINST KEY INDICATORS

## Key performance indicators for Service Level Agreement<sup>1</sup>

	2017-18		2016-17	
	Target	Outturn	Target	Outturn
<b>Conciliation in collective disputes:</b>				
The promotion of a settlement in disputes in which Acas were involved	80%	92%	80%	92%
<b>Individual disputes referred for conciliation:</b>				
a) Percentage of Early Conciliation notifications which were COT3 settle	20%	22%	20%	24%
b) Percentage of Early Conciliation notifications positively resolved by Acas conciliation	33%	34%	33%	38%
c) Percentage of ET1 cases which were COT3 settled excluding strike-outs	55%	58%	55%	55%
<b>Workplace projects:</b>				
Percentage of managers and employee representatives reporting improvements in employment relations following Acas intervention	70%	n/a	70%	82%
<b>Acas training services:</b>				
a) Percentage of open access delegates reporting they were satisfied with the service	95%	99%	95%	99%
b) Percentage of open access delegates reporting the training met the intended objectives	95%	98%	95%	98%
c) Percentage of workplace training delegates reporting they were satisfied with the service	95%	99%	95%	98%
d) Percentage of workplace training delegates reporting the training met the intended objectives	95%	97%	95%	96%
e) Percentage of workplaces reporting an improvement in employment relations practice following Acas workplace training	70%	n/a	70%	n/a
<b>Helpline:</b>				
a) Customers satisfied with the service	95%	n/a	95%	n/a
b) The percentage of callers who were able to take clear action following their call to the Acas Helpline	70%	n/a	70%	n/a
<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	90%	96%	90%	n/a
<b>Written information and guidance on good practice at work:</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%	68%	55%	n/a
b) The percentage of users for whom the guidance helped to amend or introduce a policy	15%	43%	15%	n/a
<b>Arbitration:</b>				
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	94%	100%	100%

<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.

## Volume indicators

	<b>2017-18</b>	<b>2016-17</b>
Number of EC notification	109,364	92,251
Number of re-employments	108	121
Number of collective conciliation requests received	715	744
Number of workplace projects started	217	229
Number of requests for trade dispute arbitration	20	17
Number of calls answered by National Helpline	782,958	886,929
Number of Helpline Online user sessions	471,511	508,318
Number of advisory visits and in-depth phone calls	4,931	5,309
Number of training sessions delivered	2,885	2,737

## Cost of key services

	<b>2017-18</b>	<b>2016-17</b>
Cost of a Helpline enquiry (voice or webchat answered)	£7.97	£7.04
Cost of processing an Individual Conciliation case	£118	£123
Cost of a Collective Conciliation case	£1,185	£1,451
Cost of an Arbitration hearing case	£2,745	£2,242

## OUR WORK IN FACTS AND FIGURES

This section provides a breakdown of service volumes across a range of services. To facilitate comparisons, figures for the past three years have been provided (if available) with those prior to 2017/18 updated where possible to take account of finalised management information

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

Early Conciliation notifications receive

	Track	2017-18		2016-17		2015-16	
		Volume	%	Volume	%	Volume	%
Employee notification	No track identify	8,238	7.8	5,746	6.5	3,573	4.1
	Fast track	50,217	47.8	37,910	43.2	38,847	44.2
	Standard track	23,245	22.1	22,173	25.3	24,296	27.6
	Open track	23,335	22.2	21,897	25.0	21,176	24.1
	<b>Total</b>	<b>105,035</b>		<b>87,726</b>		<b>87,892</b>	
Employer notification	No track identify	28	0.7	37	0.8	0	0.0
	Fast track	738	17.1	1,390	30.7	1,926	45.0
	Standard track	2,820	65.1	2,520	55.7	1,703	39.8
	Open track	743	17.2	578	12.8	651	15.2
	<b>Total</b>	<b>4,329</b>		<b>4,525</b>		<b>4,280</b>	
<b>Grand Total</b>		<b>109,364</b>		<b>92,251</b>		<b>92,172</b>	

ET1 conciliation cases received<sup>3</sup>

	Track	2017-18		2016-17		2015-16	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notificatio	Fast track	6,140	24.2	3,721	20.4	4,696	24.0
	Standard track	9,023	35.6	7,915	43.4	7,177	36.7
	Open track	10,168	40.1	6,595	36.2	7,663	39.2
	<b>Total</b>	<b>25,331</b>		<b>18,231</b>		<b>19,536</b>	
ET1s received without prior EC notificatio	Fast track	237	34.8	164	39.4	312	58.0
	Standard track	177	26.0	178	42.8	101	18.8
	Open track	267	39.2	74	17.4	125	23.2
	<b>Total</b>	<b>681</b>		<b>416</b>		<b>538</b>	
<b>Grand total</b>		<b>26,012</b>		<b>18,647</b>		<b>20,074</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 over 2,200 group notifications for Early Conciliation in addition to nearly 103,000 individual notifications. Counting all individual potential claimants separately, Acas has received around 120,000 employee notifications in 2017-18 plus notifications from employers in respect of close to 4,400 employees.

<sup>3</sup> The "ET1s Received without prior EC notification" section details those cases which are exempt from notification under the Employment Tribunals (Early Conciliation: Exemptions and Rules of Procedure) Regulations 2014.

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

Indicative jurisdictions	Early Conciliation					
	2017-18		2016-17		2015-16	
	Volume	% of forms	Volume	% of forms	Volume	% of forms
Unfair dismissal	29,379	27	30,039	33	30,018	33
Wages act	28,078	26	25,414	28	26,358	29
Working time (annual leave)	12,895	12	11,200	12	12,506	14
Breach of contract	11,186	10	12,520	14	12,377	13
Disability discrimination	10,434	10	10,282	11	8,983	10
Sex discrimination	6,578	6	6,538	7	5,580	6
Race discrimination	4,642	4	4,746	5	4,471	5
Public interest disclosure	3,013	3	3,022	3	2,870	3
Redundancy pay	2,889	3	3,622	4	3,659	4
Maternity detriment	2,577	2	2,680	3	2,469	3
Other	13,410		13,035		11,777	
<b>Total jurisdictions</b>	<b>125,081</b>		<b>123,098</b>		<b>121,068</b>	
<b>Total notification</b>	<b>109,364</b>		<b>92,251</b>		<b>92,172</b>	

## ET1 cases received for conciliation from the Employment Tribunal Service by all grounds of complaint

Jurisdictions	ET1					
	2017-18		2016-17		2015-16	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
Unfair dismissal	13,721	53	10,663	57	10,983	55
Wages act	9,298	36	6,043	32	6,931	35
Breach of contract	8,648	33	6,422	34	6,565	33
Working time (annual leave)	6,368	25	4,467	24	5,742	29
Disability discrimination	4,630	18	3,643	20	3,386	17
Sex discrimination	2,579	10	1,994	11	1,910	10
Redundancy pay	2,306	9	1,542	8	1,766	9
Race discrimination	2,250	9	1,785	10	1,709	9
Public interest disclosure	1,780	7	1,369	7	1,319	7
Maternity detriment	1,141	4	859	5	850	4
Other	6,276		4,628		5,179	
<b>Total jurisdictions</b>	<b>58,998</b>		<b>43,415</b>		<b>46,340</b>	
<b>Total cases</b>	<b>26,012</b>		<b>18,647</b>		<b>20,074</b>	

<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%.



## Take-up of employee-led Early Conciliation

Employee notification	2017-18		2016-17		2015-16	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	158	0.2	228	0.3	206	0.2
Employee cannot be contacted	8,604	8.2	6,696	7.6	4,513	5.1
Employee declines conciliation	23,488	22.4	14,564	16.6	15,163	17.3
Employer declines conciliation	10,808	10.3	9,554	10.9	8,852	10.1
Matter proceeds to conciliation	61,977	59.0	56,684	64.6	59,158	67.3
<b>Total</b>	<b>105,035</b>		<b>87,726</b>		<b>87,892</b>	

Early Conciliation notification outcome <sup>5</sup>

Final status of Early Conciliation notification	EC notification					
	Received Jan 17-Dec 17		Received Jan 16-Dec 16		Received Jan 15-Dec 15	
	Volume	%	Volume	%	Volume	%
<b>No track identifie</b>						
COT3 settlement	0	0	0	0	0	0
Did not progress to tribunal claim	6,329	85	4,204	87	2,499	88
Dispute progressed to tribunal claim	1,115	15	622	13	352	12
<b>Total</b>	<b>7,444</b>		<b>4,826</b>		<b>2,851</b>	
<b>Fast track</b>						
COT3 settlement	5,005	11	6,030	15	5,433	13
Did not progress to tribunal claim	27,699	63	29,513	74	30,565	75
Dispute progressed to tribunal claim	11,162	25	4,606	11	4,954	12
<b>Total</b>	<b>43,866</b>		<b>40,149</b>		<b>40,952</b>	
<b>Standard track</b>						
COT3 settlement	6,857	27	6,571	27	5,902	22
Did not progress to tribunal claim	10,904	43	12,111	49	14,499	54
Dispute progressed to tribunal claim	7,672	30	6,050	24	6,649	25
<b>Total</b>	<b>25,433</b>		<b>24,732</b>		<b>27,050</b>	
<b>Open track</b>						
COT3 settlement	4,322	19	4,323	19	3,424	16
Did not progress to tribunal claim	11,208	48	11,879	53	11,812	56
Dispute progressed to tribunal claim	7,631	33	6,201	28	5,753	27
<b>Total</b>	<b>23,161</b>		<b>22,403</b>		<b>20,989</b>	
<b>All tracks</b>						
COT3 settlement	16,184	16	16,924	18	14,759	16
Did not progress to tribunal claim	56,140	56	57,707	63	59,375	65
Dispute progressed to tribunal claim	27,580	28	17,479	19	17,708	19
<b>Total</b>	<b>99,904</b>		<b>92,110</b>		<b>91,842</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 2017.

ET1 conciliation case outcomes<sup>6</sup>

		2017-18		2016-17		2015-16	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	183	3.8	230	5.7	212	4.6
	Settled	2,132	44.2	1,627	40.4	1,820	39.3
	Withdrawn	734	15.2	673	16.7	1,092	23.6
	Default judgment	514	10.7	426	10.6	475	10.3
	Heard	1,260	26.1	1,067	26.5	1,030	22.3
	<b>Total</b>	<b>4,823</b>			<b>4,023</b>		<b>4,629</b>
	<b>Resolution rate</b>		<b>61.8%</b>		<b>60.6%</b>		<b>65.9%</b>
Standard track	Struck out	325	4.4	412	6.0	369	5.1
	Settled	4,177	56.4	3,520	51.5	3,779	52.0
	Withdrawn	1,059	14.3	1,051	15.4	1,176	16.2
	Default judgment	139	1.9	120	1.8	124	1.7
	Heard	1,702	23.0	1,730	25.3	1,816	25.0
	<b>Total</b>	<b>7,402</b>			<b>6,833</b>		<b>7,264</b>
	<b>Resolution rate</b>		<b>74.0%</b>		<b>71.2%</b>		<b>71.9%</b>
Open track	Struck out	387	5.0	378	5.1	385	5.1
	Settled	4,729	60.8	4,293	58.3	4,213	56.2
	Withdrawn	1,320	17.0	1,326	18.0	1,387	18.5
	Default judgment	35	0.5	28	0.4	31	0.4
	Heard	1,305	16.8	1,339	18.2	1,475	19.7
	<b>Total</b>	<b>7,776</b>			<b>7,364</b>		<b>7,491</b>
	<b>Resolution rate</b>		<b>81.9%</b>		<b>80.4%</b>		<b>78.8%</b>
Overall	Struck out	895	4.5	1,020	5.6	966	5.0
	Settled	11,038	55.2	9,440	51.8	9,812	50.6
	Withdrawn	3,113	15.6	3,050	16.7	3,655	18.9
	Default judgment	688	3.4	574	3.2	630	3.3
	Heard	4,267	21.3	4,136	22.7	4,321	22.3
	<b>Total</b>	<b>20,001</b>			<b>18,220</b>		<b>19,384</b>
	<b>Resolution rate</b>		<b>74.1%</b>		<b>72.6%</b>		<b>73.1%</b>

Charged-for mediation in individual employment and workplace disputes, which were not subject to actual or potential employment tribunal proceedings<sup>7</sup>

		2017-18	2016-17	2015-16
<b>New cases started in year</b>		<b>268</b>	<b>248</b>	<b>228</b>
<b>Cases closed by outcome</b>	Settled	136	115	131
	Progress made	59	61	49
	Unresolved	8	21	14
	Unprogressed	28	37	34
	<b>Total</b>	<b>231</b>	<b>234</b>	<b>228</b>
	<b>Success rate</b>	<b>96%</b>	<b>89%</b>	<b>93%</b>

<sup>6</sup> Resolution rates are calculated excluding cases struck out by the Tribunal since these are generally not susceptible to conciliation.

<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

Collective disputes received for conciliation by region

Region	2017-18		2016-17		2015-16	
	Volume	%	Volume	%	Volume	%
Acas National	28	3.9	29	3.9	29	2.9
London	67	9.4	70	9.4	64	6.5
South East	43	6.0	69	9.3	208	21.1
East of England	38	5.3	40	5.4	39	3.9
East Midlands	21	2.9	22	3.0	36	3.6
West Midlands	52	7.3	48	6.5	75	7.6
North East	35	4.9	38	5.1	44	4.5
Yorkshire and Humber	56	7.8	90	12.1	105	10.6
North West	173	24.2	141	19.0	170	17.2
Scotland	164	22.9	146	19.6	178	18.0
South West	14	2.0	22	3.0	15	1.5
Wales	24	3.4	29	3.9	25	2.5
<b>Total</b>	<b>715</b>		<b>744</b>		<b>988</b>	

Collective disputes received for conciliation by dispute cause

Dispute cause	2017-18		2016-17		2015-16	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
General pay claim	173	22.4	190	25.5	167	16.9
Other pay / conditions of employment <sup>8</sup>	238	30.7	254	34.1	516	52.2
Changes in working practices	82	10.6	80	10.8	84	8.5
Recognition	108	14.0	96	12.9	113	11.4
Other TU matters	51	6.6	49	6.6	67	6.8
Dismissal / discipline	43	5.6	43	5.8	43	4.4
Redundancy	33	4.3	48	6.5	37	3.7
Other	46	5.9	34	4.6	22	2.2
<b>Total dispute causes</b>	<b>774</b>		<b>794</b>		<b>1,049</b>	
<b>Total collective cases received</b>	<b>715</b>		<b>744</b>		<b>988</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.

## Collective disputes closed by outcome

Dispute outcome	2017-18	2016-17	2015-16
Successfully completed	674	615	748
Unsuccessfully completed	57	55	98
<b>All completed cases</b>	<b>731</b>	<b>670</b>	<b>846</b>
Cases withdrawn	63	253	95
<b>Total</b>	<b>794</b>	<b>923</b>	<b>941</b>

## Collective disputes received by source of request

Source of request	2017-18		2016-17		2015-16	
	Volume	%	Volume	%	Volume	%
Employer	130	18.2	155	20.8	176	17.8
Trade union	319	44.6	264	35.5	365	36.9
Joint	178	24.9	212	28.5	201	20.3
Acas initiative	88	12.3	113	15.2	246	24.9
<b>Total</b>	<b>715</b>		<b>744</b>		<b>988</b>	

## Cases referred to collective arbitration and dispute mediation

Case type	2017-18	2016-17	2015-16
Single arbitration	13	12	21
Single mediation	7	5	1
Other	0	0	0
<b>Total</b>	<b>20</b>	<b>17</b>	<b>22</b>

## Issues referred to collective arbitration and dispute mediation

Issue	2017-18	2016-17	2015-16
Annual pay	6	6	10
Other pay and conditions of employment	2	6	1
Dismissal and discipline	4	1	9
Grading	1	1	0
Other	7	3	2
<b>Total</b>	<b>20</b>	<b>17</b>	<b>22</b>

## Joint problem-solving activities by topic

Topic	2017-18	2016-17	2015-16
Absence and stress management	3	1	1
Bullying and harassment	1	5	4
Collective bargaining and trade union issues	38	27	31
Conflict, mediation and change management	42	44	50
Discipline and grievance	0	3	1
Employment law	2	2	13
Equality, diversity and discrimination	3	2	4
Implementing flexible working arrangements	1	0	2
Information and consultation	18	9	12
Managing people	1	4	10
Payment and grading arrangements	3	6	6
Recruitment and employing people	0	1	6
Redundancy	0	2	2
Other	1	3	1
<b>Total</b>	<b>113</b>	<b>109</b>	<b>143</b>

## Advisory services

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

	2017-18	2016-17	2015-16
Helpline advice is available over the telephone or online via <a href="http://acas.org.uk/helpline">acas.org.uk/helpline</a> .			
<b>Voice calls answered</b> Helpline advice delivered over the telephone.	782,958	886,929	943,610
<b>Pre-recorded advice sessions</b> Helpline callers can select pre-recorded advice regarding Minimum Wage, Holidays or Wage Deductions before being connected to an adviser.	28,719	27,000	25,487
<b>Helpline Online Sessions</b> Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.	471,511	508,318	509,103
<b>Webchat sessions</b> Webchat allows real time text-based conversation with Helpline advisers.	1,016	2,688	4,099
<b>Total Contacts</b>	<b>1,284,204</b>	<b>1,424,935</b>	<b>1,482,299</b>

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

Topic of enquiry	2017-18 % of calls	2016-17 % of calls	2015-16 % of calls
Discipline, dismissal and grievance	37.0	37.0	35.7
Contracts	18.3	19.7	18.9
Wages and NMW	14.4	13.6	14.1
Redundancies, lay offs and business transfers	12.8	13.7	14.1
Absences, sickness and stress	10.5	11.3	10.3
Holiday and working time	10.4	11.3	11.5
Diversity and discrimination	7.7	7.2	6.0
Maternity, paternity and adoption	4.8	5.2	5.4
Family friendly policies	1.9	2.1	2.1
Others	8.0	7.2	6.7

<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 as are the pre-recorded advice figures (only) for the first month of 2017-18. This is due to a change in the telephony system. Subsequent figures are actuals.

<sup>10</sup> As some calls relate to more than one of the specified core topics, the sum of percentages in this table exceeds 100%.



## In-depth advisory meetings by topic

Topic	2017-18		2016-17		2015-16	
	Volume	%	Volume	%	Volume	%
Absence and stress management	145	9.9	146	9.2	147	7.7
Bullying and harassment	38	2.6	25	1.6	39	2.0
Collective bargaining and trade union issues	49	3.3	42	2.6	73	3.8
Conflict, mediation and change management	260	17.7	217	13.6	338	17.8
Discipline and grievance	154	10.5	227	14.3	216	11.3
Employment law	159	10.8	145	9.1	179	9.4
Equality, diversity and discrimination	103	7.0	94	5.8	76	4.0
Implementing flexible working arrangement	21	1.4	37	2.3	64	3.4
Information and consultation	91	6.2	93	5.8	152	8.0
Managing people	158	10.8	192	11.9	219	11.5
Payment and grading arrangements	71	4.8	64	4.0	49	2.6
Recruitment and employing people	144	9.8	205	12.9	264	13.9
Redundancy	48	3.3	56	3.5	64	3.4
Other	28	1.9	51	3.2	24	1.3
<b>Total</b>	<b>1,469</b>		<b>1,594</b>		<b>1,904</b>	

## In-depth advisory telephone calls by topic

Topic	2017-18		2016-17		2015-16	
	Volume	%	Volume	%	Volume	%
Absence and stress management	311	9.0	318	8.6	371	9.9
Bullying and harassment	93	2.7	48	1.3	44	1.2
Collective bargaining and trade union issues	120	3.5	136	3.7	152	4.0
Conflict, mediation and change management	533	15.4	577	15.5	528	14.0
Discipline and grievance	430	12.4	487	13.1	520	13.8
Employment law	387	11.2	311	8.4	368	9.8
Equality, diversity and discrimination	220	6.4	215	5.8	175	4.7
Implementing flexible working arrangement	150	4.3	184	5.0	261	6.9
Information and consultation	159	4.6	171	4.6	205	5.4
Managing people	189	5.5	224	6.0	224	6.0
Payment and grading arrangements	132	3.8	96	2.6	97	2.6
Recruitment and employing people	534	15.4	616	16.6	527	14.0
Redundancy	136	3.9	179	4.8	213	5.7
Other	68	2.0	153	4.1	77	2.0
<b>Total</b>	<b>3,462</b>		<b>3,715</b>		<b>3,762</b>	

## Charged workplace projects by topic

Topic	2017-18	2016-17	2015-16
Absence and stress management	5	6	3
Bullying and harassment	8	3	7
Collective bargaining and trade union issues	5	4	8
Conflict, mediation and change management	33	41	43
Discipline and grievance	3	5	2
Employment law	2	3	3
Equality, diversity and discrimination	6	2	5
Implementing flexible working arrangements	0	0	0
Information and consultation	19	33	23
Managing people	4	12	10
Payment and grading arrangements	15	9	11
Recruitment and employing people	3	1	3
Redundancy	0	0	2
Other	1	1	3
<b>Total</b>	<b>104</b>	<b>120</b>	<b>123</b>

## Certificate in Internal Workplace Mediation (CIWM) training

Type	2017-18		2016-17		2015-16	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	5	42	12	100	11	93
Open access CIWM	26	175	24	172	27	186
<b>Total</b>	<b>31</b>	<b>217</b>	<b>36</b>	<b>272</b>	<b>38</b>	<b>279</b>

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

Subject of training	2017-18				2016-17				2015-16			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	156	10.7	3,079	11.5	102	7.7	1,774	7.5	98	8.3	1,954	9.0
Bullying and harassment	78	5.3	2,387	8.9	30	2.3	951	4.0	29	2.4	862	4.0
Collective bargaining and trade union issues	14	1.0	159	0.6	7	0.5	56	0.2	9	0.8	113	0.5
Conflict, mediation and change management	88	6.0	1,284	4.8	117	8.9	2,025	8.5	99	8.3	1,525	7.0
Discipline and grievance	357	24.5	6,616	24.6	315	23.9	5,551	23.4	264	22.3	4,683	21.5
Employment law	63	4.3	1,165	4.3	56	4.2	1,845	7.8	63	5.3	1,819	8.4
Equality, diversity and discrimination	121	8.3	3,561	13.3	118	9.0	3,670	15.5	82	6.9	2,109	9.7
Implementing flexible working arrangements	6	0.4	58	0.2	5	0.4	77	0.3	4	0.3	29	0.1
Information and consultation	169	11.6	1,687	6.3	166	12.6	1,489	6.3	157	13.2	1,985	9.1
Managing people	331	22.7	5,525	20.6	287	21.8	4,801	20.2	289	24.4	5,193	23.9
Payment and grading arrangements	6	0.4	67	0.2	5	0.4	50	0.2	2	0.2	106	0.5
Recruitment and employing people	46	3.2	978	3.6	45	3.4	721	3.0	43	3.6	683	3.1
Redundancy	10	0.7	129	0.5	26	2.0	309	1.3	24	2.0	378	1.7
Other	13	0.9	150	0.6	39	3.0	410	1.7	23	1.9	321	1.5
<b>Total</b>	<b>1,458</b>		<b>26,845</b>		<b>1,318</b>		<b>23,729</b>		<b>1,186</b>		<b>21,760</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	2017-18				2016-17				2015-16			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	216	15.1	1,731	12.7	228	16.1	1,914	14.7	281	20.0	2,379	18.6
Bullying and harassment	42	2.9	312	2.3	31	2.2	250	1.9	23	1.6	129	1.0
Collective bargaining and trade union issues	1	0.1	10	0.1	1	0.1	4	0.0	5	0.4	22	0.2
Conflict, mediation and change management	140	9.8	1,320	9.7	122	8.6	1,172	9.0	134	9.5	1,381	10.8
Discipline and grievance	238	16.7	2,289	16.8	206	14.5	2,077	16.0	184	13.1	1,585	12.4
Employment law	315	22.1	3,866	28.4	334	23.5	3,563	27.4	318	22.6	3,586	28.0
Equality, diversity and discrimination	32	2.2	164	1.2	44	3.1	280	2.2	42	3.0	318	2.5
Implementing flexible working arrangements	12	0.8	69	0.5	22	1.6	178	1.4	71	5.0	496	3.9
Information and consultation	6	0.4	41	0.3	2	0.1	15	0.1	3	0.2	30	0.2
Managing people	252	17.7	1,925	14.1	226	15.9	1,915	14.7	175	12.4	1,361	10.6
Payment and grading arrangements	44	3.1	345	2.5	56	3.9	485	3.7	5	0.4	41	0.3
Recruitment and employing people	74	5.2	440	3.2	94	6.6	642	4.9	99	7.0	672	5.2
Redundancy	11	0.8	70	0.5	22	1.6	150	1.2	20	1.4	128	1.0
Other	44	3.1	1,024	7.5	31	2.2	366	2.8	46	3.3	695	5.4
<b>Total</b>	<b>1,427</b>		<b>13,606</b>		<b>1,419</b>		<b>13,011</b>		<b>1,406</b>		<b>12,823</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 includes events delivered with partner organisations.

## Total training by topic

Subject of training	2017-18				2016-17				2015-16			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	372	12.9	4,810	11.9	330	12.1	3,688	10.0	379	14.6	4,333	12.5
Bullying and harassment	120	4.2	2,699	6.7	61	2.2	1,201	3.3	52	2.0	991	2.9
Collective bargaining and trade union issues	15	0.5	169	0.4	8	0.3	60	0.2	14	0.5	135	0.4
Conflict, mediation and change management	228	7.9	2,604	6.4	239	8.7	3,197	8.7	233	9.0	2,906	8.4
Discipline and grievance	595	20.6	8,905	22.0	521	19.0	7,628	20.8	448	17.3	6,268	18.1
Employment law	378	13.1	5,031	12.4	390	14.2	5,408	14.7	381	14.7	5,405	15.6
Equality, diversity and discrimination	153	5.3	3,725	9.2	162	5.9	3,950	10.8	124	4.8	2,427	7.0
Implementing flexible working arrangements	18	0.6	127	0.3	27	1.0	255	0.7	75	2.9	525	1.5
Information and consultation	175	6.1	1,728	4.3	168	6.1	1,504	4.1	160	6.2	2,015	5.8
Managing people	583	20.2	7,450	18.4	513	18.7	6,716	18.3	464	17.9	6,554	19.0
Payment and grading arrangements	50	1.7	412	1.0	61	2.2	535	1.5	7	0.3	147	0.4
Recruitment and employing people	120	4.2	1,418	3.5	139	5.1	1,363	3.7	142	5.5	1,355	3.9
Redundancy	21	0.7	199	0.5	48	1.8	459	1.2	44	1.7	506	1.5
Other	57	2.0	1,174	2.9	70	2.6	776	2.1	69	2.7	1,016	2.9
<b>Total</b>	<b>2,885</b>		<b>40,451</b>		<b>2,737</b>		<b>36,740</b>		<b>2,592</b>		<b>34,583</b>	

# PERFORMANCE ANALYSIS

## Business performance in 2017-18

1. Details of Acas' performance against our three strategic aims during the reporting year and how we are improving effectiveness and efficiency to better meet the needs of our users is set out at pages 3 to 11 [sections 1-3].
2. Full details of business performance against our key performance indicators is set out on page 14.

## Risk management

3. 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. We continue to manage a range of risks and issues, including uncertainties often outside our direct influence or control. In an unpredictable and ever-changing environment, our risk management processes are designed to adapt to provide us with the best chance of successfully delivering our three strategic aims and improving our corporate performance.
4. Acas' activities are monitored through quarterly reporting to our Executive Board and the Acas Council using the strategic risk register. A full description of the risk control framework is set out in the Governance Statement at pages 34 to 40 including the most significant risks

## Sustainability

5. Acas remains committed to its environmental responsibilities and its contributions to the Greening Government Commitment (GGC) agenda, reducing its impact on the environment and enabling targets to be achieved for the reporting period 2016 to 2020 whilst developing the strategy for 2020 and beyond.
6. A commitment to effective use of working environments enabled Acas to continue to implement estate reduction projects. During the reporting period 2017-18 Acas reduced office accommodation and increased the sharing of workspace with other Government Departments, resulting in a reduction of occupied space of 772 m<sup>2</sup>.

7. Acas continued to promote energy and water efficiency. Building-specific initiative included installation of energy efficient lighting, building temperature controls and continued introduction of 'point of use hot water'. Emissions reduction was supported through flexible working arrangements to reduce employee commuting and travel policy restrictions on air transport. Waste was minimised by continued furniture and other recycling activity; and by supporting reduction of paper use through a digital working environment.

## Financial review

8. The majority of Acas' funding is through Grant in Aid from BEIS. Acas' gross allocation for 2017-18 was £52.38m and expenditure was £52.75m. Acas charges customers in order to recover costs for some services. In 2017-18 this generated income of £5.28m, compared to a target of £4.88m.
9. Acas strives to deliver its services in the most efficient manner, making effective use of the funding and other income received. This was achieved in 2017-18 through a range of efficiencies, which included reductions in travel and subsistence payments, by greater use of video conferencing, better contract management and improved management information.
10. Corporate services, including Finance, Estates and People, underwent systematic review and development with the aim of better serving stakeholders and further improving value for money in the provision of services. In 2017-18 we prepared for the introduction of new finance and HR systems in 2018-19: both will improve management information and reduce administration activities.
11. Acas continues to engage with BEIS and other partner organisations to share good practice on governance and on reducing and controlling costs. We participate fully in several BEIS and pan-government Networks of Excellence, which encourage collaborative working and knowledge sharing.

- 12. Acas aims to pay at least 80% of payments within five working days of receipt of an invoice. During the year we achieved this target with 98.8% of payments being made in this time.
- 13. A full set of accounts for 2017-18, 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 52 to 71).

..... Date.....

Anne Sharp  
Accounting Officer, Aca





# 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 2017-18 were:
  - 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, to November 2017)
  - Ms Kim Humberstone (Interim Director of Finance, Estates and Procurement, to August 2017)
  - Mr Rob Mackintosh (Director of Finance, Estates and People from September 2017)
  - Mrs Karen Pile (Director of Digitec, who retired in April 2018 after this reporting period)
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 £50k. 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 60.

#### Matters of Public Interest

7. Acas is committed to the principles of the Modern Slavery Act 2015, and has over the past 12 months taken steps to meet commitments under the Act. This has included making staff aware of the Act and the action to take if they suspect slavery or trafficking; and considering the Act in procurement activities.
8. We are committed to creating and maintaining a non-discriminatory and respectful working environment. A range of policies are in place to support this, on, for example, bullying and harassment; diversity and inclusion; and recruitment and selection. All are available on the staff intranet. During the year Acas launched a new Diversity and Inclusion Strategy which focuses on three key themes – representation, inclusion and transparency. Supported by clear milestones and measures, we will be mapping progress in creating a more inclusive workplace over the next three years.
9. In November 2017 Acas achieved Level 3 of the Department for Work and Pensions' Disability Confident scheme – Disability Confident Leader. The Disability Confident scheme supports employers in making the most of the talents that disabled people bring to their workplace. The process involved external validation of a self-assessment exercise; assurance that Acas was delivering against all of the required core actions; and testing the evidence of activities to attract, retain and develop our people.
10. Acas provides a safe working environment, and the health, safety and well-being of our staff is paramount. The Health and Safety and Health and Well-Being Committees meet quarterly. The Terms of Reference of both Committees are available to staff on the intranet. Trades Unions are represented on both.

## Regularity of Expenditure

11. 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.

## Consultancy and Contingent Labour Expenditure

12. During the year, expenditure on Consultancy and Contingent Labour was £3.4m (2016-17: £2.7m). This increase in expenditure was due to the on-going transformation of Acas to improve customer service, efficiency, effectiveness and management information. The expenditure related primarily to:
  - increasing digitisation of services;
  - improving commercial arrangements and capability in DigiTec;
  - introducing new HR & Pay and finance systems

Details of off-payroll engagements can be found in the Remuneration Report.

## Personal data related incidents

13. There were no incidents related to personal data loss during 2017-18.

## Future developments

14. Key aspects of future development are covered in the Annual Report.

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

1. 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' state of affairs at the year end, its income and expenditure, changes in taxpayers' equity and cashflows for the year
2. 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.
3. The Accounting Officer for the Department for Business, Energy and 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.
4. 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 intended to give a clear understanding of how the duties set out above have been carried out during 2017-18.

## 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 Industrial Strategy (BEIS), with which it has 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 2018 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 Industrial Strategy (BEIS). Sir Brendan Barber has held the post of Chair for the duration of 2017-18.
10. Council members' attendance at Council meetings for 2017-18 was as follows:
  - Sir Brendan Barber (6/6)
  - Mr Paul Butler, until November 2017 (1/3)
  - Mr Neil Carberry (4/6)

- Mr Mike Clancy (6/6)
  - Mr Mike Gooddie (6/6)
  - Ms Vikki Hawes, until November 2017 (1/3)
  - Ms Sally Hunt (4/6)
  - Ms Jane McNeill (6/6)
  - Mr Paul Nowak (5/6)
  - Prof Paul Willman, until July 2017 (1/2)
  - Mr Ben Summerskill (5/5)
  - Ms Christina McAnea (4/5)
11. The Council held a strategic planning day on 10 November 2017. Council members and officials considered the wider social, economic and political environment and what this meant for Acas. This included hearing from speakers on the areas of Mental Health in the Workplace and Labour Market Enforcement. The day provided an opportunity for Council members to steer strategic priorities for the remainder of 2017-18 and the next operational year.

### 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. 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 the Comptroller and Auditor General (C&AG) 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.
  - Consider assurances relating to the corporate governance requirements for Acas.
15. The Audit Committee met four times in 2017-18. Audit Committee members, and their attendance at the meetings were:
- Mr Paul Butler, until November 2017 (2/2)
  - Mike Gooddie (4/4)
  - Paul Willman, until July 2017 (1/2)
  - Vikki Hawes, until November 2017 (1/2)
  - Ms Sally Hunt (2/4)
  - Ben Summerskill (2/2)
  - Nina Amin, Financial Adviser until December 2017 (0/1)
  - Ann Beasley, Financial Adviser from December 2017(2/2)
16. Audit Committee did not undertake a self-assessment exercise during 2017-18, as this was last completed in February 2017. The Committee will undertake self-assessment in 2018 -19.

### 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 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.
  - To monitor the operation of the pay award process to ensure that it continues to be effective.
19. The Remuneration Committee met once in the last year on 5 October 2017. Attendees were Sir Brendan Barber (Chair), Paul Nowak, Mike Gooddie and Vikki Hawes.

## 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; of Finance, Estates and People; of Organisational Development and Human Resources; and of DigiTec.
23. The Terms of Reference for the Executive Board for 2017-18 set out the following responsibilities:

### *Strategic direction*

- Supporting the Council in setting the direction of Acas;
- Overseeing the implementation of Acas' Strategic Plan 2016-21; 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 needed for reliable and informed business decisions.
25. The Executive Board has the following sub committees:
- Customer Services Board;
  - Digital Technology Strategy Board;
  - Strategy and Planning Board;
  - Transformation Programme Board; and
  - People and Finance Board.

26. These groups support the Executive Board in focusing on the strategic issues set out in its Terms of Reference.
27. During the year the Executive Board continued to review and refine overall governance structures, in line with best corporate governance practice, this included each group reviewing its Terms of Reference. The Board agreed that the structure was fit for purpose and supported efficient and effective decision making
  - Operational and Policy Delivery: 'hungry' was agreed upon for transformation activity and 'open' overall in this area;
  - Financial and Value for Money: the risk appetite was set at 'open' although the need to maintain robust financial controls was emphasised; and
  - Compliance and Legal: the Executive Board agreed that this should be set at 'open'.

## The risk and internal control framework

28. 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 periodically 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.
29. 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.
30. 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.
31. Whilst noting that the descriptors used in the framework were more suited to Departments, the Executive Board agreed the risk appetite for the following aspects of Acas' activities:
  - Reputation and Credibility: 'open' to reflect the willingness to consider alternative ways of operating as part of the transformation programme;
  - Operational and Policy Delivery: 'hungry' was agreed upon for transformation activity and 'open' overall in this area;
  - Financial and Value for Money: the risk appetite was set at 'open' although the need to maintain robust financial controls was emphasised; and
  - Compliance and Legal: the Executive Board agreed that this should be set at 'open'.
32. In addition, the Executive Board commissioned a training needs analysis to gather information on management's understanding of their role in risk management; this is on-going, and will be used to determine what training will be offered to managers to support them in managing risk.
33. 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.
34. The risk register is a live document. Its format has been revised in year and now more clearly provides visibility of the risk rating post mitigation. At the time that this report was prepared, the register identified two high level and five medium level risks. In summary the high level risks and key mitigating actions for the year ahead are:
  - Resistance to the transformation programme slows or potentially derails the process, making change more difficult to implement. Mitigated in part by strong and consistent communication channels and messages, which will build confidence via line managers to explain what is happening and why.
  - Inability to recruit and retain staff due to a growing disparity between inflation levels and Civil Service pay awards at a time of full employment. Mitigated in part by continuing use of pay allowances in pinch-point recruitment areas, and use of apprentices to grow capability and new skills within the organisation.
35. During the year the separate Fraud and Error Risk Register was fully reviewed. 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.

## Review of organisational effectiveness

36. 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;
- the in-year operation of the risks and control framework;
- annual statements on corporate governance by each Director, supported by challenge panel examination of a sample of these each year;
- observations made by the external auditors in their Management Letter and other reports.

37. 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;

- a high level Assurance Mapping of controls; and
- data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

## Corporate Governance Challenge Panel

38. The 2017-18 Corporate Governance Challenge Panel consisted of me, the Chair of the Audit Committee, the Committee's Independent Financial Advisor and Internal Audit. It considered in detail the statement from the Regional Director for Northern England and the Directors of Transformation and of Finance, Estates and People.

39. Themes emerging across the Panel's discussions included:

- ensuring a focus was maintained on building organisational capability;
- challenges with resourcing, particularly at a time of full employment;
- business delivery pressures; and
- an organisational focus on prioritisation of activity.

40. The Panel did not identify any significant issues of internal control, and recognised the improvements in collaborative working between regional offices and strategy and corporate service teams.

## Transformation

41. The transformation of Acas has continued with a view to adapting to the changing needs of our customers; increasing the reach and impact of our services; and further improving effectiveness and efficiency. The programme involved workstreams across all aspects of the business.

42. As part of the transformation programme, we reduced the number of Helpline locations from 11 to four, while recruiting so as to maintain service levels. Individual dispute services are being redesigned to enhance the customer experience, improve processes, modernise technology and to enable Acas to cope effectively with increased case loads following the abolition of fees for Employment Tribunals. We also:

- improved use of our estate by reducing expensive floor space in London and sub letting part of our accommodation;
  - closed an office in Bootle, leaving one regional office for the North West, in Manchester, in line with other regions;
  - improved the commercial basis of IT contracts;
  - introduced new technology to reduce costs and improve capability;
  - restructured our digital and technology teams to provide the capability Acas will need for the future; and
  - laid the ground for significant improvement in digital services in future years.
43. We took forward these changes on the basis of extensive consultation with our people and our Trade Unions, in line with our Information and Consultation Agreement. One of our recognised Trade Unions, PCS, was unhappy about aspects of the changes and complained to the Central Arbitration Committee (CAC) that we had not complied with the requirements of the Information and Consultation of Employees Regulations (ICE).
44. Acas consults and inform employees in full adherence to ICE, however, like other parts of the Civil Service, it did not consider that the regulations applied in law because it did not 'undertake economic activity'. There is little relevant case law, however in the course of the year the Employment Appeal Tribunal (EAT) concluded that the portion of our work for which we recover costs amounts to 'economic activity' and that the regulations therefore applied. This means that the CAC will in due course consider PCS' original complaint.
45. In the meantime, PCS successfully balloted some of its members for industrial action. We continue to seek resolution of the dispute through discussion.

## General Data Protection Regulations

46. Acas completed a GDPR preparation project in readiness for the new legislation which came into force on 25 May 2018. We made changes to systems and internal data handling processes and identified necessary follow-on actions to be completed in 2018-19.
47. The Government Internal Audit Agency (GIAA) was commissioned to evaluate the readiness of the organisation for the

introduction of GDPR. GIAA reported that they were satisfied that Acas had appropriate plans to achieve compliance and that work is on-going to address risks and issues.

48. We have a clear view of how personal data is managed across the organisation. We are able to demonstrate and provide assurance to the ICO that we are providing customers and staff with the protections they need for their personal data.

## Internal Compliance Reviews

49. Quarterly Compliance Reviews have demonstrated that controls are working sufficiently and there have been no significant deviations from Acas' governance and internal control procedures and processes. Feedback on the review was presented to a meeting of the finance community, and was used as a basis for sharing good practice and for strengthening adherence. A report on the findings was presented to the Audit Committee.

## Government Internal Audit Agency

50. Internal Audit performed the Independent Assurance role for Acas to inform the 2017-18 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 were no losses of personal data in 2017-18.
51. The 2017-18 Internal Audit Plan reviewed the following areas:
- Transformation: GIAA provided independent and objective advice on the delivery of the new Finance and HR systems.
  - Budgetary Control: this review considered the governance, risk management and control over budgetary control arrangements, including examination of budget setting, approvals and monitoring.
  - Capability and Capacity: specifically, this considered Acas' ability to manage capability requirements and future succession planning during the transformation programme.
  - Travel and Subsistence: the aim of this audit was to assess whether travel and subsistence procedures were operating in line with guidance and not resulting in incorrect payments.

- Risk Management: the adequacy and effectiveness of the risk management arrangements in place to mitigate against the significant risks to the achievement of Acas' strategic objectives were reviewed.
52. GIAA provided a 'Moderate' rating for Acas in 2017-18, which reflected their conclusion control and governance arrangements were generally adequate, though some enhancements were recommended.

## Other areas

53. HMRC concluded its audit of Travel and Subsistence payments; overall, it was satisfied that the controls in place were working satisfactorily, and that the correct payments were being made. HMRC required Acas to strengthen controls over Regular Travellers (those deemed to have a second workplace). This has been addressed through further training of managers and has been monitored through the Compliance Reviews.
54. Acas' whistle-blowing policy was in operation throughout the year; the policy sets out the steps staff should take to raise any concerns about behaviours and practices within Acas. It is supported by detailed guidance and has been made available to all staff. The policy was discussed at the Audit Committee who confirmed it was content. No issues were raised under the whistle-blowing arrangements during 2017-18.
55. Acas reviewed the status of contractors engaged by the business; all were found to be compliant with IR35 regulations.
56. 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 £250, prompt payment statistics, organisation charts and details of senior staff remuneration.
57. 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, as well as several pan-Government networks.

## Assessment of Effectiveness

58. 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 2017-18.

## 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 the Department for Business, Energy and Industrial Strategy (BEIS) to determine the pay and grading of staff in non-Senior Civil Service grades.
2. The salaries of the Acas Chairman, the Certification Officer, the Chairman of the Central Arbitration Committee (CAC), and four Acas staff who are members of the Senior Civil Service are 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 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 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).
4. The salaries of the Council are set by BEIS.
5. The 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.
6. The Chair of the Central Arbitration Committee (Stephen Redmond) was appointed by the Secretary of State for BEIS and his fee for one day a week is set by BEIS. The Members of the CAC Committee (Deputy Chairs 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.

## Audited Information

	2017-18				2016-17			
	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits (£'000)	Total (£'000)
<b>Sir B Barber</b> (Chair) <sup>1</sup>	80-85	0	0	80-85	80-85	0	0	80-85
<b>Mrs S Bedwell</b> (Certification Officer from January 2018) <sup>2</sup>	30-35	0	12	40-45	0	0	0	0
<b>Ms A Sharp</b> (Chief Executive, Acas) <sup>3,4</sup>	110-115	0-5	(2)	115-120	110-115	0-5	24	140-145
Mr G Walker (Interim Certification Officer, † January 2018)	75-80	0	43	120-125	80-85	0	166	90-95
<b>Mr J Jacob</b> (Chief Executive, CAC)	50-55	0	2	50-55	50-55	0	68	115-120
<b>Mr A Wareing</b> (Chief Operations Officer, to December 2016)	0	0	0	0	80-85	0	12	90-95
<b>Mrs S Clews</b> (Chief Operations Officer) <sup>4</sup>	75-80	0-5	4	80-85	75-80	0-5	19	95-100
<b>Mr R Mackintosh</b> (Director of Finance, Estates and People, from September 2017) <sup>2</sup>	40-45	0	39	80-85	0	0	0	0
<b>Ms K Humberstone</b> (Interim Director, Finance, Estates, and Procurement, to August 2017) <sup>5</sup>	100-105	0	0	100-105	30-35	0	0	30-35
<b>Ms L Jones</b> (Director, Organisational Development and Human Resources, to November 2017) <sup>2</sup>	45-50	0	18	65-70	70-75	0	28	100-105
<b>Ms K Pile</b> (Director, Digital Technology. Retired in April 2018 after the reporting period) <sup>4,6</sup>	100-105	0-5	25	125-130	90-95	0	25	115-120
<b>Mr I Wood</b> (Director, Strategy) <sup>4,7</sup>	65-70	0-5	3	70-75	65-70	0-5	33	100-105

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

2 This table shows the amount paid to Mrs Bedwell, Ms Jones and Mr Mackintosh in the reporting year. Mrs Bedwell's annual salary is in the range of £125-130k; Ms Jones' salary is in the range of £70-75k; and Mr Mackintosh's is in the range of £80-85k.

3 Ms Sharp's accrued benefits increased by a proportionately lower amount over this year's disclosure period than the previous one, resulting in her real increase in pension on a single total figure for remuneration being lower. This does not mean that her actual pension benefits have reduced.

4 In 2017-18 Ms Sharp, Mrs Clews, Ms Pile and Mr Wood received a non-consolidated payment relating to their performance in 2016-17.

5 Ms Humberstone was engaged as an Interim and the above table shows the costs to Acas, not the salary paid. Ms Humberstone was not a member of the pension scheme.

6 Ms Pile was on secondment to Acas from BEIS during 2016-17.

7. Ms Jones, Director of Organisational Development and Human Resources left the organisation in November 2017 as a result of restructuring, at a cost of £35k.

	Real increase in pension and related lump sum at pension age (£k)	Accrued pension at pension age as at 31/3/18 and related lump sum (£k)	CETV at 31/03/17 (nearest £k)	CETV at 31/03/18 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
<b>Mrs S Bedwell</b> (Certification Officer)	0-2.5 (plus 0 lump sum)	0-5 (plus 0 lump sum)	0	8	6
<b>Ms A Sharp</b> (Chief Executive, Acas)	0-2.5 (plus 0-2.5 lump sum)	60-65 (plus 180-185 lump sum)	1,303	1,323	(3)
<b>Mr G Walker</b> (Interim Certification Officer)	0-2.5 (plus 5-7.5 lump sum)	30-35 (plus 100-105 lump sum)	613	693	39
<b>Mr J Jacob</b> (Chief Executive, CAC)	0-2.5 (plus 0-2.5 lump sum)	20-25 (plus 70-75 lump sum)	490	524	1
<b>Mrs S Clews</b> (Chief Operations Officer)	0-2.5 (plus 0-2.5 lump sum)	25-30 (plus 85-90 lump sum)	560	601	3
<b>Ms L Jones</b> (Director, Organisational Development and Human Resources)	0-2.5 (plus 0 lump sum)	10-15 (plus 0 lump sum)	137	152	11
<b>Mr R Mackintosh</b> (Director, Finance, Estates, and People)	0-2.5 (plus 5-7.5 lump sum)	30-35 (plus 90-95 lump sum)	573	637	34
<b>Ms K Pile</b> (Director, Digital Technology)	0-2.5 (plus 0 lump sum)	20-25 (plus 0 lump sum)	392	423	23
<b>Mr I Wood</b> (Director, Strategy)	0-2.5 (plus 0-2.5 lump sum)	25-30 (plus 85-90 lump sum)	546	587	2

8. Average number of full time equivalents employed during the period were:

	2017-18			2016-17
	Permanently Employed	Others	Total	Total
Acas National	139	13	152	165
Regional Office	582	17	599	578
Certification Office and Central Arbitration Committee	16	1	17	15
<b>Total</b>	<b>737</b>	<b>31</b>	<b>768</b>	<b>758</b>

## Fair Pay Disclosure

9. 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. The calculation is based upon the full time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

	2017-18	2016-17
Band of Highest Paid Director's Total Remuneration (£'000) <sup>1</sup>	115-120	115-120
Median total	32,712	32,669
Ratio	3.60	3.60

<sup>1</sup> Ms Sharp's pay has been used for the median pay calculation, as Mrs Bedwell does not sit on the Executive Board

10. In 2017-18 0 (2016-17 0) employee(s) received remuneration in excess of the highest paid director. Remuneration ranged from £14k to £115k (2016-17 £18k to £116k).
11. During 2017-18, the ratio of females to males employed by Acas was 1:0.7 (2016-17, 1:0.7). At Executive Board level, this ratio was 1:0.7 (2016-17, 1:0.5).
12. An average of 6.5 days were lost to sickness absences in 2017-18.

## Council and CAC Members

Acas Council Members	2017-18
Annual salary	1,695
Daily rate for attendance	172
CAC Deputy Chair's daily rate	492
CAC Members daily rate	280
Arbitrators	350

13. Acas Council Members are entitled to an annual salary and receive the daily rate for attending on Acas business. The CAC Deputy Chairs and Members are reimbursed at the daily rate for attending on CAC business.

### Compensation for loss of office

14. In the reporting year, 19 people left under Voluntary Exit terms. They received a total compensation payment of £568k, broken down as follows:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,000 - £25,000	0	9	9
£25,000 - £50,000	0	8	8
£50,000 - £100,000	0	2	2
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
Total number of exit packages	0	19	19
Total cost (£)	0	568,147	568,147



## Unaudited information

### Service Contracts

15. 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.
16. 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.
17. The Chair's contract ends in December 2019. The Chief Executive's contract ends in February 2019.
18. The roles of the Certification Officer and the Chair of the CAC are quasi-judicial. Their decision can be appealed to the higher courts. In keeping with appointments of this nature their contract states that 'you will, unless one of the grounds for non-renewal applies, be offered re-appointment at the end of each subsequent term for a further period of re-appointment'. The grounds for non-renewal and removal are specified. There is a process established for removal of the Certification Officer which requires the Secretary of State to request the Lord Chief Justice to nominate a judge to investigate, and report findings to the Secretary of State and the Lord Chief Justice.
19. The current appointment period for the Chair of the CAC is for five years with a discretionary further five years. Any member can only work until the 31 March following their 70th birthday.
20. Both the Certification Officer and the Chair of the CAC are required to present an annual report on their activities to the Secretary of State and the Chair of Acas. This report is laid before Parliament.
21. The Chair's performance is reviewed by the sponsor annually. As members of the Senior Civil Service (SCS), the Chief Executive, the Chief Operations Officer and the Director of Strategy are subject to annual assessment in line with the prevailing rules for the SCS. The performance of the other Executive Board members are assessed annually in line with the Acas Performance Management arrangements. As Chief Executive of the CAC, Mr Jacob's assessment is informed by the CAC Chair's comments.
22. Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

### Salary

23. '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.

### Gender Pay Reporting

24. Under gender pay reporting requirements, Acas has published its gender pay gap and bonus pay gap data.
25. This analysis shows a mean pay gap of 7.1% in favour of men (compared to 11% across the Civil Service) and no gap in median pay (12.7% across the Civil Service).
26. Acas operates a reward and recognition scheme based upon performance; there is no gap in the median award made to staff and a 4.5% gap in favour of women when using the mean calculation.
27. Acas is committed to fair pay irrespective of gender, and continues to work towards eradicating the gap through a series of initiatives, including:
- support for women returning to work;
  - helping women progress in their careers;
  - encouraging men to take advantage of arrangements that enable the fulfilment of caring responsibilities;
  - monitoring pay and taking targeted action where appropriate;
  - continuous improvement of the recruitment process to reduce the potential for unconscious bias.

### Civil Service pensions

28. 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).
29. The CSPS has four sections: three 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.
30. 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 CSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the CSPS after 1 April 2015. Those who were between 10 years and 13 years and five 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 CSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the CSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in CSPS or **alpha** – as appropriate. Where the official has benefits in both the CSPS 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).

31. Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **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.
32. 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)
33. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in CSPA or alpha – as appropriate. Where the official has benefits in both the CSPA 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.)
34. 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

35. 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.
36. 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
37. The Real Increase in CETV 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.

*Off Payroll engagements*

38. As of 31 March 2018, the number and status of off-payroll engagements, for more than £245 per day and lasting for longer than six months are disclosed below:

<b>No. of existing engagements as of 31 March 2018</b>	<b>7</b>
<b>Of which...</b>	
No. that have existed for less than one year at the time of reporting	7
No. that have existed for between one and two years at the time of reporting	0
No. that have existed for between two and three years at the time of reporting	0
No. that have existed for between three and four years at the time of reporting	0
No. that have existed for between four and more years at the time of reporting	0

39. All new off-payroll engagements at more than £245 per day that reached six months in duration between 1 April 2017 and 31 March 2018, or that lasted for longer than six months are shown below:

<b>No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018.</b>	<b>24</b>
<b>Of which...</b>	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	24
No. engaged directly (via PSC contracted to Acas) and are on the Acas payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year.	0
No of engagements that saw a change to IR35 status following the consistency review	0

*Trade Union Facility Time*

40. There were 38 (FTE 34.8) employees who were relevant union officials during the year, and their facility time (as a percentage of their time) was:

Percentage of time	Number of Employees
0%	21
1-50%	15
51-99%	2
100%	0

41. The total cost of facility time, as a percentage of the total pay bill, was:

	£'000
Total Cost of Facility Time	96
Total Pay Costs	34,617
Percentage of Total Pay Bill spent on facility time	0.28

42. The hours (as a percentage) spent by employees who were relevant union officials on paid trade union activities during the year was 2.24%.

..... Date.....

Anne Sharp  
Accounting Officer, Aca

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

### *Opinion on financial statements*

I certify that I have audited the financial statements of the Advisory, Conciliation & Arbitration Service for the year ended 31 March 2018 under the Trade Unions 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, including the significant accounting policies. 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.

In my opinion:

- the financial statements give a true and fair view of the state of Advisory, Conciliation & Arbitration Service's affairs as at 31 March 2018 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Trade Unions and Labour Relations (Consolidation) Act 1992 and Secretary of State directions issued thereunder.

### *Opinion on regularity*

In my opinion, in all material respects the income and expenditure 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

### *Basis of opinions*

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'.

My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Advisory, Conciliation & Arbitration Service in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

### *Responsibilities of the Advisory, Conciliation & Arbitration Service and Accounting Officer for the financial statements*

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Advisory, Conciliation & Arbitration Service and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

### *Auditor's responsibilities for the audit of the financial statements*

My responsibility is to audit, certify and report on the financial statements in accordance with the Trade Unions and Labour Relations (Consolidation) Act 1992. 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Advisory, Conciliation & Arbitration Service's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Advisory, Conciliation & Arbitration Service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies internal control that I identify during my audit.

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

#### *Other Information*

The Advisory, Conciliation & Arbitration Service and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other

than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### *Opinion on other matters*

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Secretary of State directions made under the Trade Unions and Labour Relations (Consolidation) Act 1992;
- in the light of the knowledge and understanding of the Advisory, Conciliation & Arbitration Service and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statement

*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 parts 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

Date

**Comptroller and Auditor General**

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



# STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the period ended 31 March 2018

	Note	2017-18		2016-17	
		£'000	£'000	£'000	£'000
<b>Income</b>	<b>5</b>		<b>5,279</b>		<b>4,628</b>
<b>Expenditure</b>					
Staff costs	3	(34,617)		(33,404)	
Depreciation	4	(1,736)		(1,293)	
Other expenditure	4	(16,393)		(14,599)	
			(52,746)		(49,296)
<b>Net Expenditure</b>			<b>(47,467)</b>		<b>(44,668)</b>
<b>Other comprehensive expenditure</b>					
Net gain/(loss) on revaluation of Property, Plant and Equipment and Intangibles.	6		70		169
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2018</b>			<b>(47,397)</b>		<b>(44,499)</b>

The notes on pages 56 to 71 form part of these accounts.

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

consists of:

Advisory, Conciliation and Arbitration Service  
Central Arbitration Committee  
Certification Offi

	Note	31 March 2018		31 March 2017	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	6.1	2,508		2,832	
Intangible assets	6.2	136		255	
<b>Total non-current assets</b>			<b>2,644</b>		<b>3,087</b>
<b>Current assets</b>					
Trade and other receivables	7	1,902		3,612	
Cash and cash equivalents	8	1,064		1,358	
<b>Total current assets</b>			<b>2,966</b>		<b>4,970</b>
<b>Total assets</b>			<b>5,610</b>		<b>8,057</b>
<b>Current liabilities</b>					
Trade and other payables	9	(6,727)		(4,985)	
Provisions	10	(544)		(122)	
<b>Total current liabilities</b>			<b>(7,271)</b>		<b>(5,107)</b>
Total assets less net current liabilities			<b>(1,661)</b>		<b>2,950</b>
<b>Non-current liabilities</b>					
Provisions	10	(380)		(838)	
<b>Total current liabilities</b>			<b>(380)</b>		<b>(838)</b>
<b>Assets less liabilities</b>			<b>(2,041)</b>		<b>2,112</b>
<b>Reserves</b>					
General reserve			(2,687)		1,319
Revaluation reserve			646		793
			<b>(2,041)</b>		<b>2,112</b>

The notes on pages 56 to 71 form part of these accounts.

These accounts were approved on 5 July 2018.

.....  
Anne Sharp

Accounting Officer, Acas

Date: 5 July 2018

# STATEMENT OF CASHFLOWS

for the period ended 31 March 2018

consists of:

Advisory, Conciliation and Arbitration Service

Certification Offi

Central Arbitration Committee

	Note	2017-18 £'000	2016-17 £'000
<b>Cash flows from operating activitie</b>			
Net operating cost		(47,467)	(44,668)
Decrease/(Increase) in trade and other receivables	7	1,710	(7)
(Decrease)/Increase in trade and other payables	9	1,742	26
Use of provisions	10	(42)	(116)
Adjustments for non-cash transactions	4	1,936	1,256
<b>Net cash outflow from operating activitie</b>		<b>(42,121)</b>	<b>(43,509)</b>
<b>Cash flows from investing activitie</b>			
Purchase of property, plant and equipment	6.1	(1,374)	(786)
Purchase of intangible assets	6.2	(49)	(24)
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 activitie</b>		<b>(1,423)</b>	<b>(810)</b>
Cash flows from financing arrangemen			
Grants from sponsoring Department		43,250	44,900
<b>Net financin</b>		<b>43,250</b>	<b>44,900</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(294)</b>	<b>581</b>
<b>Cash and cash equivalents at the beginning of the period</b>	8	<b>1,358</b>	<b>777</b>
<b>Cash and cash equivalents at the end of the period</b>	8	<b>1,064</b>	<b>1,358</b>

The notes on pages 56 to 71 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	<b>General Reserve</b>	<b>Reval Reserve</b>	<b>Total Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April 2016</b>	1,014	697	1,711
<b>Changes In Taxpayers Equity for 2016-17</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	169	169
Transfers between reserves	73	(73)	0
Comprehensive net expenditure for the year	(44,668)	0	(44,668)
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>
<b>Changes In Taxpayers Equity for 2017-18</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	70	70
Adjustment for Intangible Assets	(6)	0	(6)
Transfers between reserves	217	(217)	0
Comprehensive net expenditure for the year	(47,467)	0	(47,467)
Grants from sponsoring department	43,250	0	43,250
<b>Balance at 31 March 2018</b>	<b>(2,687)</b>	<b>646</b>	<b>(2,041)</b>

# Notes to the accounts

## for period ended 31 March 2018

### 1. Statement of Accounting Policies

#### 1.1 Basis of preparation

These Accounts have been prepared in accordance with the *Government Financial Reporting Manual (FReM)* issued by HM Treasury, as required by the Accounts Direction issued by the Secretary of State for the Department of Business, Energy and 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 impairment review is conducted if evidence exists that there has been an impairment event. 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:

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

### 1.10 Provisions

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

Material provisions greater than one year are discounted to a value using a discount rate set by HM Treasury (currently dilapidations are discounted at a rate determined by the discounting period in the range of -1.56% to -2.42%).

### 1.11 Operating income

Operating income is income that relates directly to the activities of the service from a variety of operations and is measured at the fair value of consideration received or receivable. This is credited to other operating income net of VAT (see note 5). Operating income is income that relates directly to the operating activities of Acas and is recognised to the extent that it is probable that the economic benefits will flow to Acas and can be reliably measured. Income is recognised in the period it is generated.

## 1.12 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes which are described in the Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. The Service recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the 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.

## 1.13 Employee benefit

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 15 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 11.

## 1.21 New IFRSs in issue but not yet effective and FReM changes 2017-18

IFRS 16 Leases replaces IAS 17 Leases removing the distinction between operating and finance leases. Acas currently recognises all leases as operating leases, and as a result does not recognise assets on the Statement of Financial Position.

IFRS 16 requires the recognition of most leases in excess of 12 months as finance leases, and as such Acas will recognise a right to use asset measured at present value of future lease payments with a matching liability in the Statement of Financial Position. The adoption of this accounting standard will have a material effect on the financial statements as Acas occupies 15 buildings held as operating leases.

The new standard has an implementation date of 1 January 2019.

The introduction of IFRS 9 and 15 is not anticipated to have a material impact on Acas.

There are no other major changes to FReM in 2017-18 which would impact on Acas' future financial statements

## 2. Segmental analysis

2017-18	Public Services	Individual and Collective Conciliation	Helpline	Good Practice Services	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Total	0	0	0	(5,266)	(13)	(5,279)
<b>Expenditure</b>						
Total Salaries	3,081	18,254	8,840	3,156	1,286	34,617
Total GAE	1,680	7,674	5,078	1,370	592	16,394
Overhead Allocation	137	879	500	162	57	1,735
Total Expenditure	4,898	26,807	14,418	4,688	1,935	52,746
<b>Net Expenditure</b>	<b>4,898</b>	<b>26,807</b>	<b>14,418</b>	<b>(578)</b>	<b>1,922</b>	<b>47,467</b>
<b>2016-17</b>						
	Public Services	Individual and Collective Conciliation	Helpline	Good Practice Services	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Total	0	0	0	4,614	14	4,628
<b>Expenditure</b>						
Total Salaries	2,891	17,102	9,039	3,225	1,146	33,404
Total GAE	1,647	6,512	4,752	1,206	482	14,599
Overhead Allocation	102	657	371	121	42	1,293
Total Expenditure	4,640	24,271	14,162	4,552	1,670	49,296
<b>Net Expenditure</b>	<b>4,640</b>	<b>24,271</b>	<b>14,162</b>	<b>(62)</b>	<b>1,656</b>	<b>44,668</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.

### **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 service.

### **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 CA)**

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

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

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

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

### 3. Staff costs

The aggregate payroll costs were as follows:

Acas	2017-18			2016-17
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	24,988	1,362	26,350	25,107
Social security costs	2,384	131	2,515	2,484
Other pensions costs	4,662	267	4,929	5,125
<b>Sub total</b>	<b>32,034</b>	<b>1,760</b>	<b>33,794</b>	<b>32,716</b>
Less recoveries in respect of outward secondments	(87)	0	(87)	(133)
<b>Total Net Costs</b>	<b>31,947</b>	<b>1,760</b>	<b>33,707</b>	<b>32,583</b>

CO & CAC	2017-18			2016-17
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	695	9	704	643
Social security costs	72	1	73	61
Other pensions costs	131	2	133	117
<b>Sub total</b>	<b>898</b>	<b>12</b>	<b>910</b>	<b>821</b>
Less recoveries in respect of outward secondments	0	0	0	0
<b>Total Net Costs</b>	<b>898</b>	<b>12</b>	<b>910</b>	<b>821</b>

Total Acas, CO & CAC	2017-18			2016-17
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	25,683	1,371	27,054	25,750
Social security costs	2,456	132	2,588	2,545
Other pensions costs	4,793	269	5,062	5,242
<b>Sub total</b>	<b>32,932</b>	<b>1,772</b>	<b>34,704</b>	<b>33,537</b>
Less recoveries in respect of outward secondments	(87)	0	(87)	(133)
<b>Total Net Costs</b>	<b>32,845</b>	<b>1,772</b>	<b>34,617</b>	<b>33,404</b>

## 4. Other expenditure

	2017-18			2016-17		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	4,116	144	4,260	4,777	188	4,965
Running costs	3,306	19	3,325	2,939	23	2,962
Professional fees	2,236	20	2,256	2,346	0	2,346
Computer software	1,364	0	1,364	691	0	691
Travelling and incidental expenses	1,338	7	1,345	1,397	3	1,400
Contractor fees	1,150	0	1,150	380	0	380
Research and development costs	788	0	788	684	0	684
Staff training costs	709	24	733	505	1	506
Services provided by OGD's	309	0	309	80	0	80
Conference costs	296	12	308	276	6	282
Legal costs	193	36	229	111	0	111
Rentals under operating leases	63	1	64	160	0	160
External audit fees	50	0	50	55	0	55
Fees and expenses of arbitrators, conciliators & CAC members	1	7	8	0	12	12
Bad debts	4	0	4	2	0	2
Non-cash costs:						
Depreciation	1,736	0	1,736	1,293	0	1,293
Losses, write offs and loss on disposal of property, plant and equipment	174	0	174	10	0	10
Other non cash movements	16	0	16	0	0	0
Provisions for liabilities and charges - Early Retirement Scheme	0	0	0	(1)	0	(1)
Provisions for liabilities and charges - dilapidations	6	0	6	(34)	0	(34)
Unwinding of discount	4	0	4	(12)	0	(12)
	<b>17,859</b>	<b>270</b>	<b>18,129</b>	<b>15,659</b>	<b>233</b>	<b>15,892</b>

## 5. Income

Acas charges fees for the provision of training in all major aspects of employment relations, and strives towards full cost recovery for these charged for services.

	2017-18			2016-17		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	5,266	13	5,279	4,598	14	4,612
Other receipts	0	0	0	16	0	16
	<b>5,266</b>	<b>13</b>	<b>5,279</b>	<b>4,614</b>	<b>14</b>	<b>4,628</b>

	2017-18	2016-17
	£'000	£'000
Receipts from Fees and other Operating receipts (Acas)	5,266	4,614
<b>Total Expenditure</b>	(4,688)	(4,551)
<b>Net Surplus</b>	578	63

The CAC has no operating income.

## 6. Property, plant and equipment and Intangible assets

### 6.1 Property, plant and equipment 2017-18

	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecomms & Office Machinery	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>					
<b>At 1 April 2017</b>	1	5,004	6,633	712	12,350
Additions	0	523	703	153	1,379
Disposals	0	(609)	(548)	0	(1,157)
Revaluations	0	169	47	4	220
Impairment	0	0	0	0	0
Transfers	(1)	(31)	0	31	(1)
<b>At 31 March 2018</b>	0	5,056	6,835	900	12,791
<b>Depreciation</b>					
<b>At 1 April 2017</b>	0	3,641	5,301	576	9,518
Charge in year	0	785	732	53	1,570
Disposals	0	(472)	(512)	0	(984)
Revaluations	0	126	27	1	154
Adjustment	0	25	0	0	25
<b>At 31 March 2018</b>	0	4,105	5,548	630	10,283
<b>Net Book Value at 31 March 2018</b>	0	951	1,287	270	2,508
<b>Asset Financing</b>					
<b>Owned</b>	0	951	1,287	270	2,508



## Property, plant and equipment 2016-17

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

## 6.2 Intangible assets 2017-18

	Assets Under Construction £'000	Computer Software £'000	Total £'000
<b>Cost or Valuation</b>			
<b>At 1 April 2017</b>	5	9,609	9,614
Additions	0	44	44
Disposals	0	(1)	(1)
Revaluation	0	13	13
Transfers	(5)	5	0
<b>At 31 March 2018</b>	0	9,670	9,670
<b>Amortisation</b>			
<b>At 1 April 2017</b>	0	9,359	9,359
Charge in year	0	166	166
Disposals	0	0	0
Revaluations	0	9	9
<b>At 31 March 2018</b>	0	9,534	9,534
<b>Net Book Value at 31 March 2018</b>	0	136	136
<b>Asset Financing</b>			
<b>Owned</b>	0	136	136

## Intangible assets 2016-17

	<b>Assets Under Construction</b>	<b>Computer Software</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or Valuation</b>			
<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>
<b>Amortisation</b>			
<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
Revaluations	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>			
<b>Owned</b>	<b>5</b>	<b>250</b>	<b>255</b>

## 7. Trade receivables and other current asset

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
VAT receivables	411	258
Deposits and advances (staff)	120	77
Trade receivables	1,207	1,436
Prepayments	163	1,838
	<b>1,901</b>	<b>3,609</b>
<b>Amounts falling due after more than one year:</b>		
Deposits and advances (staff)	1	3
	<b>1,902</b>	<b>3,612</b>

## 8. Cash and cash equivalent

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	1,358	777
Net change in cash and cash equivalent balances	(294)	581
<b>Balance at 31 March</b>	<b>1,064</b>	<b>1,358</b>
<b>The following balances at 31 March are held at:</b>		
Government Banking Service	1,064	1,358

## 9. Trade payables and other current liabilities

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade and staff payables	1,516	1,414
Accruals	4,057	2,525
Holiday pay	842	651
Deferred income	312	395
	<b>6,727</b>	<b>4,985</b>

## 10. Provisions and contingent liabilities

### 10.1 Provisions for liabilities and charges 2017-18

	<b>Future Pensions<sup>1</sup></b> <b>£'000</b>	<b>VER Scheme<sup>2</sup></b> <b>£'000</b>	<b>Dilapidations<sup>3</sup></b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Opening provisions at 1 April 2017</b>	65	0	895	960
<b>In period</b>				
Expenditure during year	(18)	0	(24)	(42)
Increase in provisions	0	0	0	0
Reversed unused in the year	0	0	10	10
Unwinding of discount	0	0	(4)	(4)
<b>Closing provision at 31 March 2018</b>	<b>47</b>	<b>0</b>	<b>877</b>	<b>924</b>
<b>Summary of Cashflow Timing</b>				
Within 1 Year	18	0	526	544
Between 2 and 5 Years	29	0	334	363
Beyond 5 Years	0	0	17	17
<b>Total</b>	<b>47</b>	<b>0</b>	<b>877</b>	<b>924</b>

### Provisions for liabilities and charges 2016-17

	<b>Future Pensions<sup>1</sup></b> <b>£'000</b>	<b>VER Scheme<sup>2</sup></b> <b>£'000</b>	<b>Dilapidations<sup>3</sup></b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Opening provisions at 1 April 2016</b>	83	14	1,026	1,123
<b>In period</b>				
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>
<b>Summary of Cashflow Timing</b>				
Within 1 Year	18	0	104	122
Between 2 and 5 Years	47	0	791	838
Beyond 5 Years	0	0	0	0
<b>Total</b>	<b>65</b>	<b>0</b>	<b>895</b>	<b>960</b>

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

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

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

### 10.2 Contingent liabilities

There were no claims outstanding against Acas as at 31 March 2018 (2016-17 estimated cost of cases outstanding was £68,000).

## 11. Capital commitments

Acas is committed to further estates moves in 2018-19 for which it is estimated £1,048,500 capital expenditure (2017-18, £320,000) 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:

	2017-18		2016-17	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
<b>Obligations under Operating Leases</b>				
Not later than one year	2,269	90	2,618	31
Later than one year and not later than five years	1,739	38	1,591	13
Later than five year	0	0	0	0
	<b>4,008</b>	<b>128</b>	<b>4,209</b>	<b>44</b>

## 13. Related party transactions

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

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

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

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

## 14. Financial instruments

As the cash requirements of Acas are met through Grant-in-Aid provided by 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 date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.