

acas working
for everyone

Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2018–19
HC 2192



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Annual Report and Accounts 2018–19

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Foreword from the Chair and Chief Executive

Acas is a trusted, impartial and expert organisation. We work with millions of employers and employees every year to make working life better for everyone in Britain.

Acas provides high quality practical employment advice on the law and best practice to help address the most challenging situations when people need it most. We help employees to understand their rights, building a consensus of what a 'good' workplace looks like; and support employers to engage effectively with their people, resulting in business growth, greater levels of productivity, and contributing to a stronger labour market.

We help to resolve thousands of workplace disputes each year, through individual and collective conciliation services, and wherever possible, we try to resolve conflict before a dispute arises.

We use our experience and insight on the world of work to inform and influence policy makers on what makes for good workplace relationships, and address the issues of the day. This year our focus has been on:

- Good work and productivity
- Mental health and wellbeing
- Reducing conflict and resolving workplace disputes

We are proud of the positive difference we make to workplace relationships and the economy. This Annual Report sets out how we have delivered against our strategic plan during 2018-19, and indicates our ambitions for the year and years ahead.

In the last year, we took the knowledge gathered in the previous reporting years about customer needs, and used that insight to develop and improve our services. We have completed a programme of transformation, and over the next year customers will see the benefits of clearer online advice; improved interactions with our individual dispute resolution service; and better access to our helpline services. This programme was spearheaded by our outgoing Chief Executive Anne Sharp OBE, who we would like to thank for her drive and dedication over the last five years.

Acas' impact on the world of work comes from the skills and experience of our committed people, who have worked incredibly hard over the last year in the face of strong demand for services, and by the partnerships we have built with other organisations: employer representatives, trades unions and others who support employees; businesses and HR professionals; think tanks and legal groups. We thank you all for your immeasurable support.

Our strategic direction and independence is set by the Acas Council, made up of representatives of employee and employer organisations and independent experts. Their support and challenge provides us with the essential impartiality and independence we require for success. During the year, we said goodbye to some Council members as they reached the end of their term and warmly welcomed others. We are grateful to the Council for their insight on workplace challenges, and their commitment to enabling Acas to achieve our goals.

Over the year ahead, we will continue to increase our visibility to be more widely recognised and valued as workplace experts; be more responsive to the changing world of work; and be a great place to work for our people.



Sir Brendan Barber
Chair



Susan Clews
Chief Executive

Our vision

Acas exists to make working life better for everyone in Britain, and our strategic aims support that vision.

Strategic Aim One: To advise on good practice in everyday working life

Strategic Aim Two: To resolve disputes and manage conflict

Strategic Aim Three: To influence employment policy and debate

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. This is done through a unique combination of practical and expert services – we offer dispute resolution for individuals, employers and representatives; face to face, online and telephone advice; practical guidance and expert training; and in-depth tailored support – to help build thriving workplaces and working lives.

We evaluate the experience of our customers and research what they need. We use our findings to spearhead thinking on how to improve the world of work, and focus on interventions where we can make a substantive difference to people's lives. We also use our research to help us develop our services and increase the reach and impact we can have on those who could benefit from our work.

Recent changes to Acas services

- We have introduced a new way for people to notify us about emerging disputes which may end up at the Employment Tribunal in order to allow faster access to a trained Acas conciliator.
- We continue to develop our Helpline service so that we can provide customers with the information that they need and the best possible support.
- We have run a series of trials on how we provide face to face training, for whom, in what location and on what issues. We will see the results of these pilots in the next financial year.
- We are in the process of developing a new website, making sure that we meet customer expectations about how our information and advice is presented and used.



AIM 1

To advise on good practice in everyday working life

We help organisations to improve performance by advising on good practice in everyday working life – through online and telephone advice, practical tools, clear guidance, and expert training.

Helpline

Acas Helpline advisers are the frontline of support for employers and employees facing a problem at work, who need quick impartial advice on what the law says, information and support to address issues and fix problems, or signposting to more detailed help. And our customers tell us what a positive impact our people have had. This year we answered over 730k calls (and our advisers made around 10k calls to customers).



Our Helpline advisers also provided expertise to support the new Acas webinar programme and social media channels (answering around 3k Facebook queries and over 1,300 webchats).

Over the past year the Helpline has undergone significant challenges as many of our Helpline colleagues moved into conciliation roles. To address this, we ran intensive recruitment drives in four locations and trained new colleagues.

As we recruited and trained new staff, our Helpline teams showed resilience and professionalism to support customers who might have had to wait longer than usual. By the end of the reporting year, we were back at target levels of staffing and call answer times.

The Acas Helpline provides advice on a number of issues which can be subject to enforcement by: HM Revenue and Customs (HMRC), the Gangmasters' and Labour Abuse Authority and the Employment Agency Standards Inspectorate. Where a caller to the Helpline wishes to make a complaint about their employer, we can provide immediate advice and guidance, and where appropriate transfer them to the relevant agency.

Customer feedback: Helpline

"Dean (Acas North East) was very helpful and really explained everything in detail. Nothing to improve. Amazing Service.

Thank You Dean."

"Return to work of an employee following long term mental health issues. I spoke to Louise (Acas North East), who gave very clear and sensible advice for what is quite a complex issue. Advice was clear, business sensible, fair to both sides. Conversations are open and confidential."



Customer feedback: Helpline satisfaction survey

- Customer satisfaction remains high (around 80% are extremely or very satisfied).
- 92% of customers agreed/ strongly agreed that their adviser was knowledgeable.
- Satisfaction with waiting times improved from 37% in June 2018 (when resourcing was at its lowest) to 78% in December 2018, and averaged 69% January-March 2019.

(Survey data gathered June 2018 – March 2019)



Online advice and guidance

The Acas website had over 11 million visits last year. It 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; an automated Helpline Online service; and eLearning modules on a wide range of employment relations topics. The most popular guidance pages this year were on discipline and grievance; TUPE; and disputes and problems at work.

Last year we commissioned independent research into the uses of and perceptions of our web guidance. This told us that:

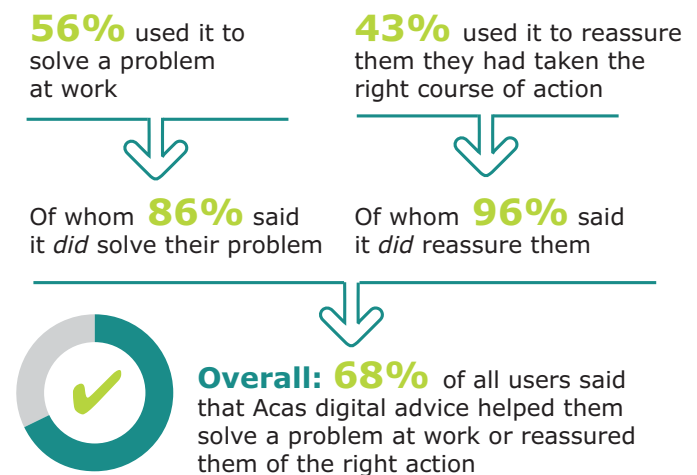
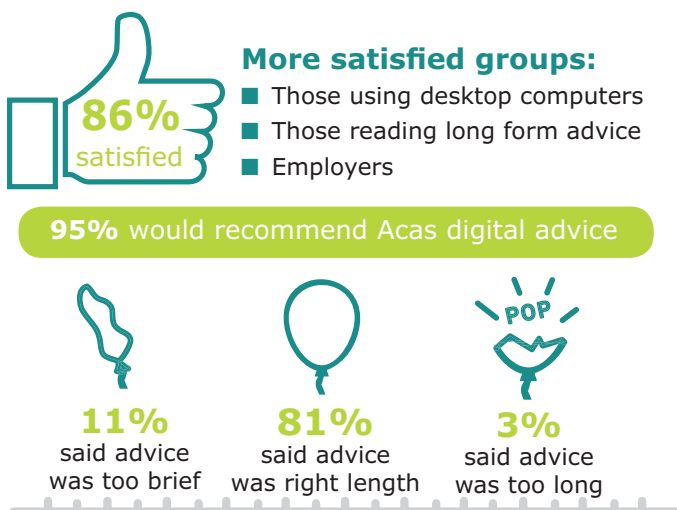
- Users were more likely to go straight to Acas rather than research their query elsewhere first (42%); other users were redirected from gov.uk (28%).
- 54% of all users arrived at the advice pages through an Acas source (e.g. Acas search engine, newsletter, or directed by Acas staff).
- Those who read the information thoroughly on screen were significantly more likely to feel that the advice completely solved their problem or reassured them of their course of action than users that skim-read the information (86%). And those who read longform advice were significantly more likely to feel that the advice solved their problem (96%).

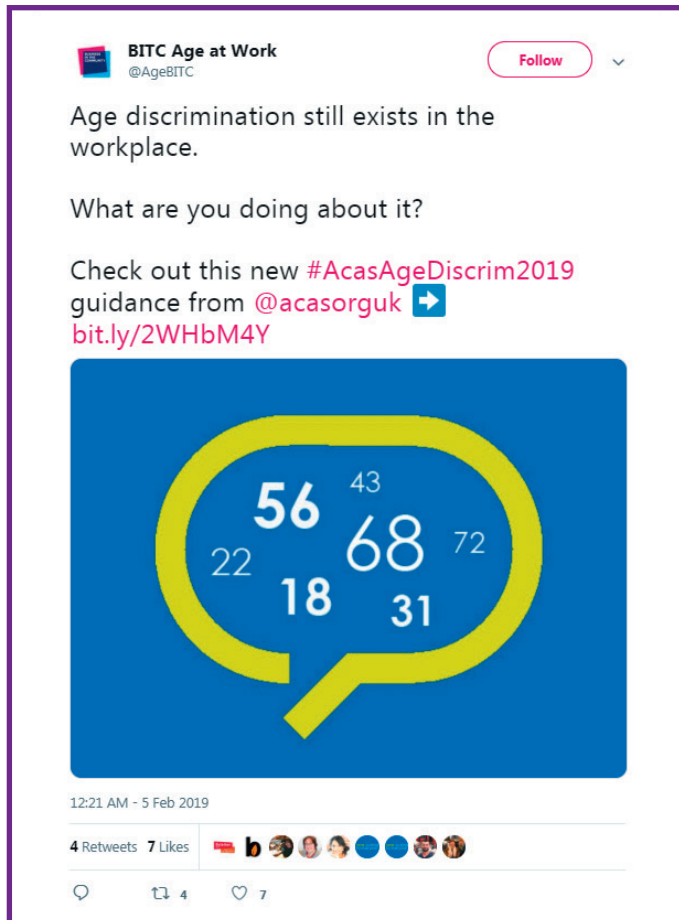


We created new guidance this year, including:

- How to prevent discrimination based on a person's religion or belief (www.acas.org.uk/religionorbelief).
- How to support neurodiversity in the workplace (www.acas.org.uk/neurodiversity).
- Guidance on job references (<https://beta.acas.org.uk/providing-a-job-reference>).
- How to prevent age discrimination at work (www.acas.org.uk/agediscrimination).
- Effective use of performance management systems for planning and monitoring training and development (www.acas.org.uk/performancemanagement).

Research on perceptions of web advice





We are building a new corporate website for Acas using Government Digital Service (GDS) user focused standards. The first pages of our new website went live in May 2018, with new advice coming online every month. We anticipate we will have transitioned to the new site by December 2019.

New learning channels

We are exploring a range of new channels to support users when, where and how they need it most. Building on the success of a series of joint webinars with HMRC in the previous reporting year, we introduced our own webinars on managing a fair disciplinary process. We have had excellent feedback and engagement from customers: 14 webinars for over 5500 delegates. We also ran a joint webinar with the Chartered Institute of Payroll Professionals as they had told us that their members often get asked HR questions by clients. Over 500 people attended this joint webinar, of which two thirds reported they had not previously engaged with Acas.

96% of delegates said that the webinar met their training needs, and they were likely or extremely likely to recommend to others. And 78% said they were more likely to attend Acas face to face training after attending a webinar.

Customer feedback: webinars

"I was impressed by how useful this session was and it takes no effort and very little time to attend compared to other types of learning events."

"Information was clear and concise. For small companies it is difficult to afford training fees, and sometimes distance to travel for people with mobility issues can be difficult. This was good because it was like a training session that I could attend free of charge!"

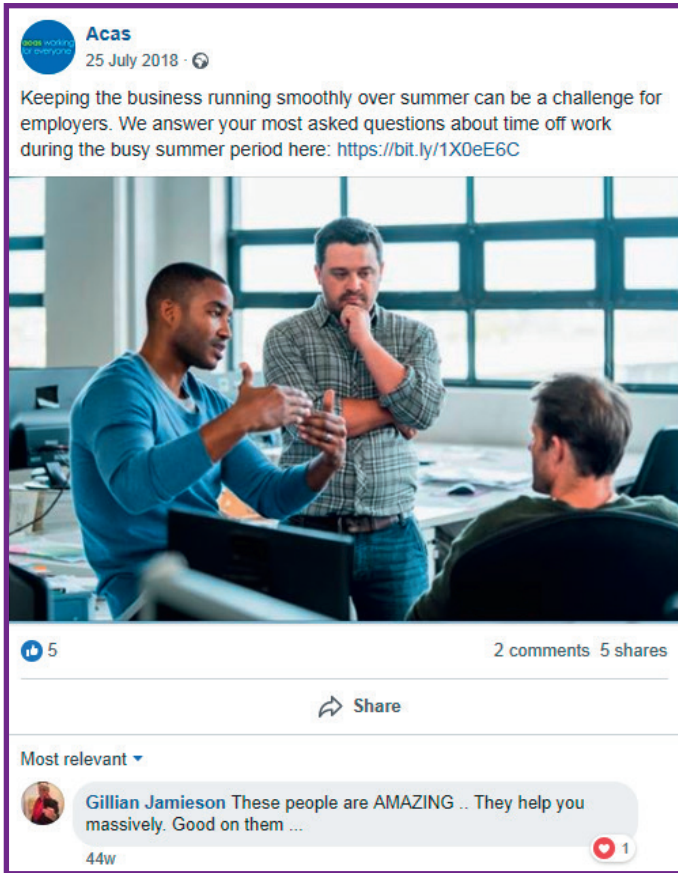
"Good overview of topic area, able to engage and seek responses back as part of the session."



In the year ahead, we plan to expand this programme, and look at a range of additional channels which will help us reach our target audiences using approaches to learning that work for them. This will include a programme of joint webinars with partners, and podcasts where we explore policy issues and topical themes.

E-Learning continues to be a popular service with nearly 34k new registrations this year. Employers regularly ask to download Acas' online training courses onto their intranet sites to share with their employees (38 such requests this year with a potential reach of 135k employees from companies including Volvo, Network Rail and Cheshire Police).

We have also started to explore blended learning, which incorporates face to face training with digital learning methods, and will continue to develop and test this further in 2019-20.



Social media

We have a strong presence on social media, with increasing numbers of people accessing information and advice from our Twitter (73k followers), Facebook (15k fans), LinkedIn (70k members), Instagram (650 followers) and YouTube channels (346k views of Acas videos and 1,800 subscribers). These channels also enable us to share topical news and updates with a wider audience, as our partners and stakeholder supporters are regularly willing to help us promote new guidance, commentary or tools.



Training and in-depth support

We offer training in all aspects of employment relations, to give businesses vital information to comply with the law and to give managers key skills and confidence in managing people. Our training is delivered either at open access events or tailored to the organisations' needs and delivered on their own premises. During the year around 15,600 people attended open access training events (including some webinars), and we provided tailored training in more than 1,000 organisations to over 34k people.



Our most popular events were our employment law updates, training on discipline and grievance, GDPR and line management skills. Our most popular in-company training events were on discipline and grievance; line management skills; information and consultation, and equality, diversity and inclusion.

We offer organisations tailored in-depth support which goes beyond training, working closely with employers, employees, and sometimes employee representatives (trade unions) to diagnose potential issues within the workplace and tailor support to address the challenges they face. We have helped organisations resolve conflict and improve relationships, consider work organisation, job design and change management to create and enhance employee forums, and assisted with requests for trade union recognition.

Case study 1: new framework for effective leadership

The new training builds on earlier Acas thinking on what makes an effective leader: communication skills, a reflective personal style, cultural awareness and knowledge of employment policies and procedures. Within this, all staff are role models for organisational values and behaviours.

The training was developed in response to customers wanting to hear more about how they could explore individual leadership potential, with the goal of improving workplace effectiveness and employee engagement through better management practices.

Case study 2: Mayor of London – Good Work Standard

Acas helped in development of the Mayor of London's Good Work Standard – providing resources and signposting to employers on legal requirements and good workplace practices. An accreditation scheme, launching in 2019 will encourage London employers to implement "the very best employment standards".

Acas helped with the structure and content of the Standard, providing advice on key legal employment obligations as well as more aspirational standards of good practice in the workplace. The Standard maps across to guidance and practical support that Acas provides for employers in areas such as fair pay and contracts, workplace wellbeing, skills and development and diversity and recruitment.

The London Mayor's office said:

"The mapping of supporting resources Acas provided was so comprehensive that we were able to integrate it directly into our Foundation stage of the online assessment process. This means that employers engaging with our Good Work Standard can get a bespoke list of resources directly relevant to their needs, helping them understand what action they can take and what support is available to improve employment standards in their organisation."



AIM 2

To resolve disputes and manage conflict

Most people know us for our work when things go wrong. We help individuals and their employers to find solutions to disputes which would otherwise result in legal action.

We also provide collective conciliation to help employers and employees' representatives (usually trade unions) to reach agreement on disputes affecting groups of employees on issues such as pay and job design.

available after a tribunal claim has been lodged, right up to the day of the hearing. We received over 132k notifications last year, an increase of (23k) 21% from last year; and the number of cases relating to an Employment Tribunal claim has increased to over 39k, an increase of (10.5k) 40%.

In 2018, (92k) 73% of notifications handled by Acas did not lead to a Tribunal claim being made (either because a formal or informal resolution was reached with the parties or because the claimant otherwise reconsidered their intention to proceed). Of the cases which progressed to the Employment Tribunal, Acas conciliation resulted in settlement in (14.7k) 51% of cases, with a further (5.1k) 18% being withdrawn by the claimant.

Over the period we have seen a number of large group notifications (4.2k, covering around 29k individuals). For example, more than 12,000 individuals are involved in one case concerning Equal Pay and other related jurisdictions.

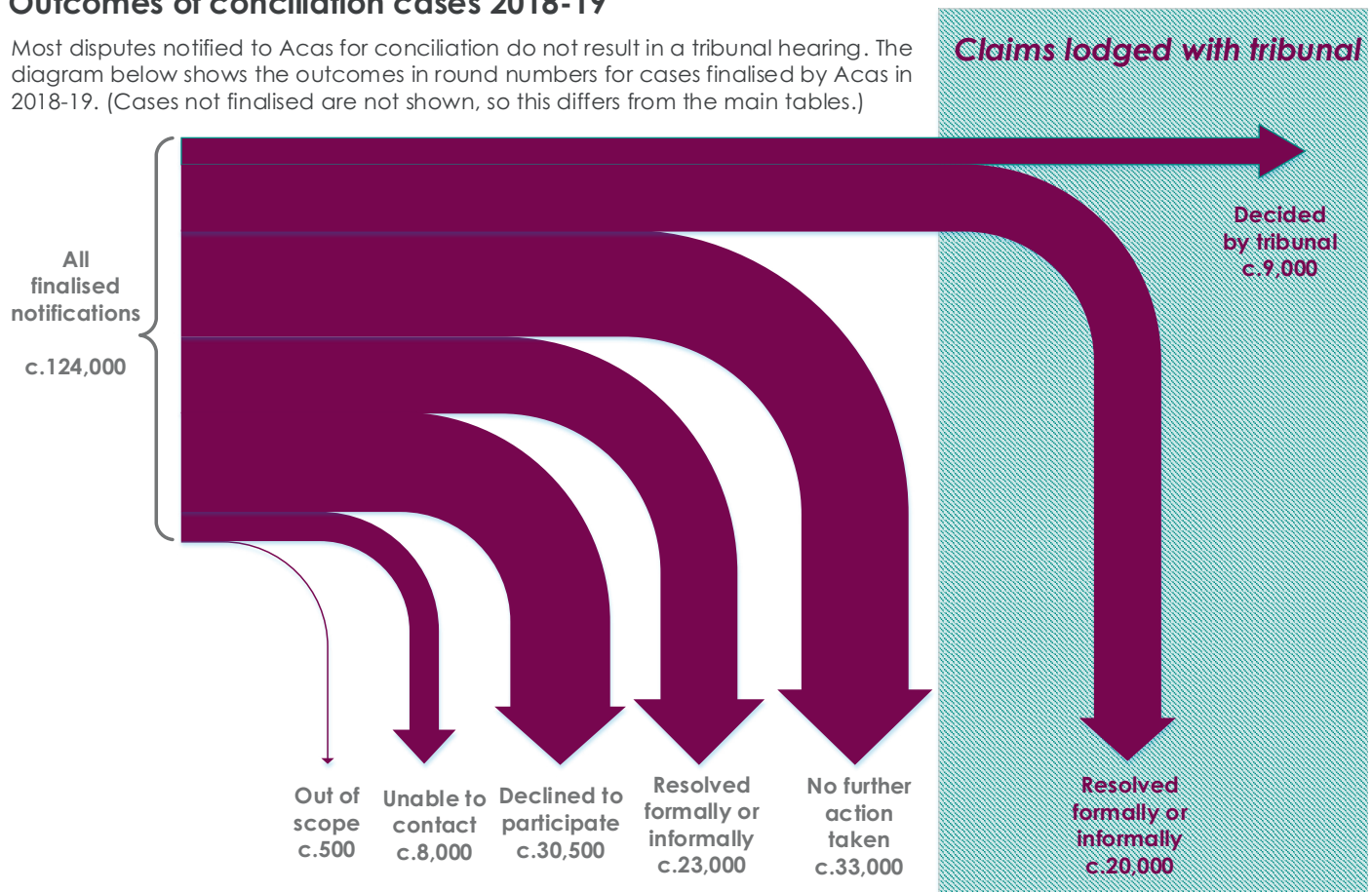
Resolving disputes involving individuals

Anyone who wishes to take a case to an Employment Tribunal must first notify Acas. On receipt of the notification we offer parties free, impartial and voluntary support to resolve the dispute and avoid the anxiety and costs associated with a tribunal hearing.

We receive around 2,500 Early Conciliation notifications per week; some of which lead to Employment Tribunal claims. Our services remain

Outcomes of conciliation cases 2018-19

Most disputes notified to Acas for conciliation do not result in a tribunal hearing. The diagram below shows the outcomes in round numbers for cases finalised by Acas in 2018-19. (Cases not finalised are not shown, so this differs from the main tables.)



Following the abolition of Employment Tribunal fees in 2017, we saw a significant increase in the individual dispute resolution caseload. To address challenges to our workload and a resulting impact on quality of service, we recruited 98 new staff and trained them to our usual high standards. Feedback from employees, employers and their representatives during the period continued to be positive, which is testament to the quality of our team and their resilience to provide a positive service in difficult times.

Customer feedback: individual conciliation

Claimant:

"I would like to thank Acas for their support and help throughout the last four years. I have found their advice and knowledge to be of the greatest help... you have given me the knowledge and strength to go through with this case... I cannot speak highly enough and will continue to recommend this agency to all that need advice or guidance."

Legal representatives:

"I have been so impressed with Rosemarie. She has been thorough, diligent, efficient, effective and generally excellent. She has a wonderful approach which was pivotal in bringing two entrenched parties to the table."

"My experience of Acas is almost always very positive. Acas conciliators provide an excellent service in what I imagine can be a very busy/challenging environment. I just wanted to pick out Paul for his exceptional customer service skills. He is always friendly and approachable, while approaching cases with a helpful and pragmatic manner. He has a lovely sense of humour which makes him an absolute pleasure to work with and he is a credit to the Acas conciliation team."

Claimant:

"Dear Cindy. Thank you so much. You're the best. Chris"



We are in the process of improving the effectiveness of our early conciliation processes, which will mean that we will be able to allocate cases faster, allowing more time for conciliation. By Q2 2019, we aim to have:

- Improved users' understanding of Acas' role in resolving disputes, so that cases are received at the right stage of the process, and that the correct employer is named on the form, which will reduce the proportion of inappropriate notifications received.
- Introduced a new early conciliation notification process that addresses some of the issues experienced by users, and is more effective across a range of devices.
- Introduced a new case management system, which will provide a modern, flexible platform for future developments of the service.

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.

Many disputes where Acas gets involved are not in the public eye, because the service we provide is confidential and we are successful in bringing about a resolution before the dispute escalates into industrial action. But where disputes have escalated, Acas was able to conciliate successfully in most cases.

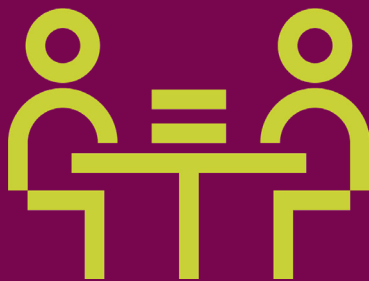
While the number of disputes has declined in recent years (just over 600 in 2018-19), the complexity of the cases we are involved in has increased. This may be due to various factors such as multiple parties, increasing complexity of business and commercial structures, the continuing impact of economic pressures and general marketplace uncertainty.

Case study: collective conciliation in the transport sector

Over the last year we have been involved with a variety of industrial disputes affecting all sectors and all regions, some of which led to industrial action. Disputes arising in the public and private transport systems impact the whole economy. Over the year, we have worked with several rail networks and their trade unions, including: Northern Rail, Merseyrail and across the London Underground. Although we have been instrumental in helping parties to find solutions in many cases, this has not been without significant days of industrial action, which has affected people up and down the country.

Air transport and its associated organisations have experienced a difficult year. We have worked with a number of airports, including Glasgow and Aberdeen and Highlands Airports to resolve disputes. In road transport we have worked with bus companies and their respective trade unions including Lothian buses, Arriva Buses North East and Hackney Council on school bus drivers' disputes.

Disputes are all slightly different in origin and cause, but in many cases are indicative of companies seeking to make changes to operating arrangements in a challenging economic environment, often with complex contractual implications on pay, pensions, or on trade union recognition.



70% of requests for our involvement were from private sector organisations, with the rest from the public and voluntary sector. The most common cause of collective disputes was pay or pay-related matters (54%). However we found the underlying issues were increasingly around modernisation, a focus on efficiencies, and changing working practices. Trade union recognition continues to feature as a reason for collective disputes. Following Acas involvement, 84% 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 can be used in situations where work relationships have broken down, with adverse impacts on employee engagement, effectiveness and absence rates. Acas mediators help employers and employees to jointly find more constructive solutions to their issues. Of the 270 mediations Acas was involved with in 2018-19, (195) 80% reached full or partial agreement).



Customer feedback: mediation

"I can move on now, I understand much better... It's funny how talking to someone can change the way you think and look at stuff but yeah, I feel refreshed after that meeting." (about Jane, Acas East of England).

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 influence employment policy and debate

We use the insight gathered from research and from working with millions of people, employers and stakeholders every year, to inform and influence employment policy and debate. This knowledge is fed back into our good practice guidance and dispute resolution services.

Acas' impartiality is embedded in our governance through the Acas Council, whose membership ensures that we benefit from employer, employee, and independent academic and legal perspectives (see pg 17-18). Our Council determines Acas' strategic direction, contributes to specific areas of work, such as developing Codes of Practice and guidance, and supports and challenges the Executive Board in delivering our strategic aims.

Our governance arrangements, strong working relationships with stakeholders and evidence from research help us to be clear about workplace practices, which sectors need us most, and informs our position on key aspects of workplace policy. Our credibility means that Ministers, policy makers, influencers and others seek and listen to our recommendations. Our close working relationships with others also helps build our reach and impact, as we are advocated by partners and are able to engage directly with their customers, networks and members.

Informing and shaping the debate

We use our insight to contribute to the broader public policy debate, to shape and inform thinking and practice on employment issues, and to promote understanding of how well-managed, efficient and innovative workplaces can improve both productivity and working lives.

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

- **Positive mental health in the workplace.** Based on insights gathered through speaking with employers, employees and specialist interest groups, we have developed a unique mental health framework with a supporting modular training programme. This sets out the roles of the employer, the line manager and the employee. Engaging stakeholders, including the Royal Foundation's Heads Together Campaign, and speaking at conferences around the country

has led to some of the most well-known British and international brands using the Acas framework.

- **Worker voice at board level.** We ran two roundtables for the Financial Reporting Council (FRC) on how to increase worker involvement with Board decisions. This evidence fed into both the FRC's consultation and the new Corporate Governance Code.
- **Good work.** We commissioned a poll to explore whether work can be both productive and good. We are exploring ways of supporting the BEIS sector deals, which provide for partnerships between Government and industry to boost productivity, employment, innovation and skills. For example, we are listed as a delivery expert for the Aerospace 'Sharing in Growth' deal, providing line management skills training.
- **Sexual harassment.** In September 2018, Acas commissioned a YouGov poll to find out if the extensive media coverage on sexual harassment has begun to shift organisational culture and if good words are translating into effective action. 92% of people in our poll said that they know sexual harassment is unlawful in all workplaces in the UK. But if we all know it's wrong, why is it so difficult to stop?
- **Performance management systems.** We examined a range of employers' performance management systems, their purpose and the values underpinning them, and found that only one in ten used them for planning and monitoring training and development. We also looked at emerging trends in performance management design, and we asked 'Is improvement required?'



The Acas Council has responded to a number of Government consultations, including on ethnicity pay reporting and on actions to improve business productivity. We have also appeared before and responded to the Women and Equalities Committee on the use of non-disclosure agreements.

We have responded to the Government's consultations on Employment Status, on measures to increase transparency in the labour market, on enforcement of employment rights and on Agency workers. Our recommendations fed into the Government's Good Work Plan, which included reference to Acas improving the quality of work and better employee engagement. Acas has also been actively engaged with the RSA/ Carnegie UK Trust and others in developing new metrics to measure work quality.

Case study: Future of Work Conference

As the workplace experts, we have the evidence and insight to shape the world of work and influence the direction of travel. Through the inaugural International Future of Work Conference, Acas brought together some of the leading workplace thinkers and influencers from across the English speaking world. It covered the future of industrial relations; how the Industrial Strategy will address the huge productivity challenges impacting our economy and living standards; how to balance flexibility and fairness so businesses can grow and people have greater security; and the challenges and opportunities of the fourth industrial revolution.

Speakers included the Chief Economist of the Bank of England; Director General of the CBI and General-Secretary of the TUC; Matthew Taylor, author of the Review on Modern Working Practices; Chairs of EHRC, PwC and the Institute for the Future of Work; and the top people from Acas' counterparts in the USA, Canada, New Zealand, Australia and Ireland.



Stakeholder engagement

We work closely with stakeholders and partners to horizon-scan, gather insight, share evidence and build consensus on a range of topical issues impacting on the world of work. This engagement helps us to increase the reach of our work, as partners are more willing to share and advocate to their networks and customers. Our key stakeholders include trade unions and other organisations who support employees, such as Citizens Advice and Working Families; employer representative groups, such as the CBI, Chambers of Commerce and FSB; Government Departments and agencies, such as BEIS, the Department for Work and Pensions, the Government Equalities Office (GEO), Public Health England and the Equality and Human Rights Commission (EHRC); and other influential groups, including the CIPD, Investors in People, RSA, academics and the Civil Mediation Council.

We run high profile, expert led conferences to explore the future of work, share our insights and knowledge, and hear from others about their experiences. We host some of the most interesting and exciting speakers in the world of work and support HR professionals, small employers and more. In the past year, we ran 36 conferences with over 2,100 delegates all around the country. Topics included: terminal illness in the workplace, positive mental health, the future of work and leading the way to workplace brilliance.



Adapting to the changing world of work

The past year has been a time of uncertainty and challenge in the world of work, which has had significant impacts on businesses, their productivity and workplace relationships. This makes Acas and our services more essential than ever. Getting the culture right to support everybody within an organisation; building trusting relationships based on fairness; sharing knowledge and investing in development; identifying and tackling problems early; recognising and welcoming difference – all are crucial to help GB Plc grow and succeed, and all are areas where Acas can provide support.

Insights from our partners and customers enable us to consider future challenges and be responsive to the key changes to the world of work over the next few years. The following developments will present opportunities and challenges to many organisations and individuals:

- The changing relationship with the European Union (EU), and how this will impact the labour market, and demand for our services.
- The Government's focus on productivity and 'Good Work' through its Industrial Strategy. More sectors, regions and organisations are raising productivity levels through using Acas' insight into how to improve their offer to employees.
- New business models and contractual arrangements will give rise to more complex employment relationships with the potential for uncertainty and conflict. Our guidance and helpline support will be more important than ever.
- Technological innovation will drive new ways of working, new skills requirements and create new people management challenges. Intensification of work from evolving technology and the pressure this has on individuals is a greater challenge than ever before. We will continue to think about 'the human lag' and reflect on the people impacts of technological change.
- Social media is changing workplace communications, challenging traditional systems for effectively involving employees. Trade unions enable engagement and representation but they are not found in all workplaces. We are supporting new innovative ways of helping employers and employees to work together to improve business growth.
- The law shapes the employment relationship. As we look to the immediate future, Acas stands ready to advise the Government, trades unions and employers on legal developments arising from the Taylor Review, possible changes in the law around non-disclosure agreements, and eradicating harassment and inequality in the workplace.

Helping employers and employees to understand the implications of the above, and more, is central to Acas' role, as is providing support in developing solutions and sharing good practice about what makes working life better.



The Acas Council

Sir Brendan Barber (Chair)

Sir Brendan was appointed as the Chair of the Advisory, Conciliation and Arbitration Service (Acas) in January 2014. He was the General Secretary of the TUC from 2003 to 2012. He is a member of the Banking Standards Board and of the Council of City University London.

He is a Visiting Fellow at the Said Business School, Oxford University, and a Visiting Fellow at Nuffield College, Oxford. Sir Brendan was knighted in the 2013 Birthday Honours for services to employment relations.

Neil Carberry

(joined Acas Council July 2014)

Neil became Chief Executive of the Recruitment and Employment Confederation in June 2018. Previously he was Managing Director, People and Infrastructure at CBI. He is a member of the Low Pay Commission, and is a Chartered Fellow of the CIPD. He is the Chair of Business Europe's Employment Working Group.

Mike Clancy

(joined Acas Council May 2016)

Mike is 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 has held several board level positions in government trading funds and the skills environment.

Professor Anne Davies

(joined Acas Council April 2018)

Anne is Dean of the Oxford Law Faculty, and has been Professor of Law and Public Policy since 2015. She is a professorial fellow of Brasenose College. Anne is also the author of five books and numerous articles in the fields of public law and labour law.

Mike Goodie

(joined Acas Council July 2014)

Mike is People Director for the Canal and River Trust, and on the Board of the Waterways Trust. He began his career with Shell and has held Senior HR positions at British Airways, GNER, the BBC and Asda. He has held non-executive positions on the boards at Manchester Airport Group, Community Integrated Care and the York Archaeological Trust. He is a Fellow of the Royal Society for the Encouragement of Arts Manufactures and Commerce (FRSA).

Jayne Haines

(joined Acas Council April 2018)

Jayne is Senior Vice President Talent, Learning and Organisation Development at GlaxoSmithKline. Prior to this she has held a number of progressively more senior commercial business partner and specialist roles.

Sally Hunt

(joined Acas Council March 2015)

Sally is the former General Secretary of the University and College Union (UCU). Sally is the TUC's spokesperson on international issues and represents the TUC at the European Trade Union Confederation and International Trade Union Confederation.

Susan Jordan

(joined Acas Council April 2018)

Susan is an HR/ER Consultant, Non-Executive Director and former Vice President of HR for Retail UK and Ireland, DHL. Prior to this she worked at Hays Recruitment and Wincanton.

Christina McAnea

(joined Acas Council March 2017)

Christina is Assistant General Secretary of Unison. 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.

Jane McNeill

(joined Acas Council July 2014)

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

Paul Nowak

(joined Acas Council November 2011)

Paul is Deputy General Secretary of the TUC. 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.

Ben Summerskill

(joined Acas Council March 2017)

Ben is Director of the Criminal Justice Alliance, a coalition of 120 organisations working in fields ranging from policing to prisons and probation. He was previously CEO of Stonewall, with a background as a journalist at titles including The Observer, Express and London Evening Standard. He is also a trustee of The Silver Line.



PERFORMANCE AGAINST KEY INDICATORS

Key performance indicators for Service Level Agreement¹

	Target	2018-19 Outturn	Target	2017-18 Outturn
Conciliation in collective disputes:				
a) The promotion of a settlement in disputes in which Acas were involved	80%	88%	80%	92%
Individual disputes referred for conciliation:				
a) Percentage of Early Conciliation notifications which result in a conciliated settlement between parties	20%	20%	20%	22%
b) Percentage of Early Conciliation notifications which result in a conciliated settlement between parties or other positive outcome	30%	32%	33%	34%
c) Percentage of Employment Tribunal cases which result in a conciliated settlement excluding those which have been struck out by the courts	55%	55%	55%	58%
d) Percentage of Employment Tribunal cases which are positively resolved following Acas conciliation	70%	74%	n/a	n/a
Employment relations workplace projects:				
a) Number of workplaces reporting improvements in employment relations following Acas workplace project intervention ²	172	144	n/a	n/a
Acas training services:				
a) Percentage of open access customers reporting they were satisfied with the course	97%	99%	95%	99%
b) Percentage of workplace training customers reporting they were satisfied with the course	97%	98%	95%	99%
c) Number of open access customers reporting that training provided by Acas resulted in a review or change in policy or practice ^{2,3}	10,000	10,107	n/a	n/a
d) Number of workplaces reporting an improvement in employment relations practice following Acas workplace training ²	1,300	1,237	n/a	n/a
Telephone helpline advice on workplace problems:				
a) Users satisfied with the service	95%	94%	95%	n/a
b) The percentage of users who were able to take clear action following their call to the Acas Helpline	70%	88%	70%	n/a
Digital advice on workplace problems:				
a) Number of interactions where the user solved their problem or were reassured of a course of action ²	6.48m	7.59m	n/a	n/a

1. In 2018-19 we revised our KPIs. Data is only displayed for 2017-18 where the KPI remained unchanged. For other targets and outturns for 2017-18 KPIs, please see last year's Annual Report (www.acas.org.uk/annualreport).

2. Metrics calculated by multiplying service user volumes against the latest impact evaluation survey results.

3. The target for Acas training services KPI (c) has been amended as it was incorrectly transcribed in the Acas 2018-19 Business Plan.

Volume indicators

	2018-19	2017-18
Number of EC notifications	132,711	109,364
Number of re-employments	94	108
Number of collective conciliation requests received	607	715
Number of workplace projects started	175	217
Number of requests for trade dispute arbitration	16	20
Number of calls answered by National Helpline	730,550	782,958
Number of Helpline Online user sessions	417,258	471,511
Number of advisory visits and in-depth phone calls	4,340	4,931
Number of training sessions delivered	2,955	2,885

Cost of key services

	2018-19	2017-18
Cost of a Helpline enquiry (voice or Facebook query or webchat answered)	£7.84	£7.97
Cost of processing an Individual Conciliation case	£120	£118
Cost of a Collective Conciliation case	£1,203	£1,185
Cost of an Arbitration hearing case	£2,132	£2,745

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 disputes⁴

Early Conciliation notifications received

	Track	2018-19		2017-18		2016-17	
		Volume	%	Volume	%	Volume	%
Employee notifications	No track identified	9,047	7.0	8,238	7.8	5,746	6.5
	Fast track	57,105	44.3	50,217	47.8	37,910	43.2
	Standard track	26,697	20.7	23,245	22.1	22,173	25.3
	Open track	36,057	28.0	23,335	22.2	21,897	25.0
	Total	128,906		105,035		87,726	
Employer notifications	No track identified	57	1.5	28	0.7	37	0.8
	Fast track	987	25.9	738	17.1	1,390	30.7
	Standard track	2,177	57.2	2,820	65.1	2,520	55.7
	Open track	584	15.4	743	17.2	578	12.8
	Total	3,805		4,329		4,525	
Grand total		132,711		109,364		92,251	

ET1 conciliation cases received

	Track	2018-19		2017-18		2016-17	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notification	Fast track	9,767	27.5	6,140	24.2	3,721	20.4
	Standard track	11,546	32.5	9,023	35.6	7,915	43.4
	Open track	14,223	40.0	10,168	40.1	6,595	36.2
	Total	35,536		25,331		18,231	
ET1s received without prior EC notification ⁵	Fast track	327	32.9	237	34.8	164	39.4
	Standard track	274	27.5	177	26.0	178	42.8
	Open track	394	39.6	267	39.2	74	17.8
	Total	995		681		416	
Grand total		36,531		26,012		18,647	

4. 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 claim with the Employment Tribunal). This year, Acas received nearly 4,200 group notifications for Early Conciliation in addition to over 124,000 individual notifications (nearly 129k employee notifications). Acas received over 158,000 notifications from individuals (singly and in groups) in 2018-19 plus notifications from employers in respect of over 3,800 employees.

5. This 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 complaint⁶

Indicative jurisdictions	Early Conciliation					
	2018-19		2017-18		2016-17	
	Volume	% of forms	Volume	% of forms	Volume	% of forms
Unfair dismissal	34,624	26	29,379	27	30,039	33
Wages act	33,945	26	28,078	26	25,414	28
Working time (annual leave)	15,340	12	12,895	12	11,200	12
Breach of contract	13,820	10	10,434	10	10,282	11
Disability discrimination	11,674	9	11,186	10	12,520	14
Sex discrimination	8,264	6	6,578	6	6,538	7
Race discrimination	8,256	6	992	1	538	1
Public interest disclosure	6,153	5	4,642	4	4,746	5
Redundancy pay	4,278	3	2,889	3	3,622	4
Maternity detriment	4,154	3	3,013	3	3,022	3
Other	18,523		13,410		13,035	
Total jurisdictions	159,031		125,081		123,098	
Total notifications	132,711		109,364		92,251	

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

Jurisdictions	ET1					
	2018-19		2017-18		2016-17	
	Volume	% of cases	Volume	% of cases	Volume	% of cases
Unfair dismissal	18,571	51	13,721	53	10,663	57
Wages act	14,809	41	9,298	36	6,043	32
Breach of contract	12,200	33	8,648	33	6,422	34
Working time (annual leave)	9,490	26	6,368	25	4,467	24
Disability discrimination	7,119	19	4,630	18	3,643	20
Sex discrimination	3,841	11	2,579	10	1,994	11
Redundancy pay	3,618	10	2,306	9	1,542	8
Race discrimination	3,514	10	2,250	9	1,785	10
Public interest disclosure	2,543	7	1,780	7	1,369	7
Maternity detriment	1,633	4	1,141	4	859	5
Other	9,041		6,276		4,628	
Total jurisdictions	86,379		58,998		43,415	
Total cases	36,531		26,012		18,647	

6. 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 Conciliation⁷

Employee notifications	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	523	0.4	158	0.2	228	0.3
Employee cannot be contacted	9,294	7.2	8,604	8.2	6,696	7.6
Employee declines conciliation	36,809	28.7	23,488	22.4	14,564	16.6
Employer declines conciliation	12,565	9.8	10,808	10.3	9,554	10.9
Matter proceeds to conciliation	69,137	53.9	61,977	59.0	56,684	64.6
Total	128,328		105,035		87,726	

Early Conciliation notification outcomes⁸

Final status of Early Conciliation notifications	EC notifications					
	Received Jan 18-Dec 18		Received Jan 17-Dec 17		Received Jan 16-Dec 16	
	Volume	%	Volume	%	Volume	%
No track identified						
COT3 settlement	0	0	0	0	0	0
Did not progress to tribunal claim	7,706	84	6,329	85	4,204	87
Dispute progressed to tribunal claim	1,484	16	1,115	15	622	13
Total	9,190		7,444		4,826	
Fast track						
COT3 settlement	4,340	7	5,005	11	6,030	15
Did not progress to tribunal claim	41,255	70	27,699	63	29,513	74
Dispute progressed to tribunal claim	13,217	22	11,162	25	4,606	11
Total	58,812		43,866		40,149	
Standard track						
COT3 settlement	4,247	17	6,857	27	6,571	27
Did not progress to tribunal claim	12,077	47	10,904	43	12,111	49
Dispute progressed to tribunal claim	9,385	37	7,672	30	6,050	24
Total	25,709		25,433		24,732	
Open track						
COT3 settlement	3,910	12	4,322	19	4,323	19
Did not progress to tribunal claim	18,363	57	11,208	48	11,879	53
Dispute progressed to tribunal claim	9,991	31	7,631	33	6,201	28
Total	32,264		23,161		22,403	
All tracks						
COT3 settlement	12,497	10	16,184	16	16,924	18
Did not progress to tribunal claim	79,401	63	56,140	56	57,707	63
Dispute progressed to tribunal claim	34,077	27	27,580	28	17,479	19
Total	125,975		99,904		92,110	

7. Note that for 2018-19 this table omits a small number of notifications (578) which were recorded on a new case management system being developed for deployment in 2019-20.

8. Claimants can have up to three months to progress their case to a tribunal. Therefore, in order for these statistics to accurately represent the final outcome of Early Conciliation cases, this table reports by calendar year.

ET1 conciliation case outcomes⁹

		2018-19		2017-18		2016-17	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	292	3.6	183	3.8	230	5.7
	Settled	3,177	38.9	2,132	44.2	1,627	40.4
	Withdrawn	1,362	16.7	734	15.2	673	16.7
	Default judgment	795	9.7	514	10.7	426	10.6
	Heard	2,543	31.1	1,260	26.1	1,067	26.5
	Total	8,169		4,823		4,023	
	Resolution rate		57.6		61.8		60.6
Standard track	Struck out	519	5.2	325	4.4	412	6.0
	Settled	5,247	52.1	4,177	56.4	3,520	51.5
	Withdrawn	1,722	17.1	1,059	14.3	1,051	15.4
	Default judgment	226	2.2	139	1.9	120	1.8
	Heard	2,364	23.5	1,702	23.0	1,730	25.3
	Total	10,078		7,402		6,833	
	Resolution rate		72.9		74.0		71.2
Open track	Struck out	603	5.8	387	5.0	378	5.1
	Settled	6,241	59.7	4,729	60.8	4,293	58.3
	Withdrawn	2,046	19.6	1,320	17.0	1,326	18.0
	Default judgment	51	0.5	35	0.5	28	0.4
	Heard	1,512	14.5	1,305	16.8	1,339	18.2
	Total	10,453		7,776		7,364	
	Resolution rate		84.1		81.9		80.4
Overall	Struck out	1,414	4.9	895	4.5	1,020	5.6
	Settled	14,665	51.1	11,038	55.2	9,440	51.8
	Withdrawn	5,130	17.9	3,113	15.6	3,050	16.7
	Default judgment	1,072	3.7	688	3.4	574	3.2
	Heard	6,419	22.4	4,267	21.3	4,136	22.7
	Total	28,700		20,001		18,220	
	Resolution rate		72.6		74.1		72.6

Mediation in individual disputes not subject to employment tribunal proceedings¹⁰

		2018-19	2017-18	2016-17
New cases started in year		272	268	248
Cases closed by outcome	Settled	162	136	115
	Progress made	45	59	61
	Unresolved	25	8	21
	Unprogressed	28	28	37
	Total	260	231	234
	Success rate	89%	96%	89%

⁹ Resolution rates exclude cases struck out by the tribunal, since these are generally not susceptible to conciliation.

¹⁰ 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	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
Acas National	23	3.8	28	3.9	29	3.9
London	62	10.2	67	9.4	70	9.4
South East	33	5.4	43	6.0	69	9.3
East of England	17	2.8	38	5.3	40	5.4
East Midlands	26	4.3	21	2.9	22	3.0
West Midlands	41	6.8	52	7.3	48	6.5
North East	22	3.6	35	4.9	38	5.1
Yorkshire and Humber	44	7.2	56	7.8	90	12.1
North West	153	25.2	173	24.2	141	19.0
Scotland	150	24.7	164	22.9	146	19.6
South West	11	1.8	14	2.0	22	3.0
Wales	25	4.1	24	3.4	29	3.9
Total	607		715		744	

Collective disputes received for conciliation by dispute cause

Dispute cause	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
General pay claim	167	27.5	173	24.2	190	25.5
Other pay/ conditions of employment ¹¹	160	26.4	238	33.3	254	34.1
Changes in working practices	58	9.6	82	11.5	80	10.8
Recognition	72	11.9	108	15.1	96	12.9
Other TU matters	71	11.7	51	7.1	49	6.6
Dismissal / discipline	38	6.3	43	6.0	43	5.8
Redundancy	25	4.1	33	4.6	48	6.5
Other	47	7.7	46	6.4	34	4.6
Total dispute causes	638		774		794	
Total collective cases received	607		715		744	

11. 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	2018-19	2017-18	2016-17
Successfully completed	554	674	615
Unsuccessfully completed	49	57	55
All completed cases	603	731	670
Cases withdrawn	53	63	253
Total	656	794	923

Collective disputes received by source of request

Source of request	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
Employer	108	17.8	130	18.2	155	20.8
Trade union	255	42.0	319	44.6	264	35.5
Joint	167	27.5	178	24.9	212	28.5
Acas initiative	77	12.7	88	12.3	113	15.2
Total	607		715		744	

Cases referred to collective arbitration and dispute mediation

Case type	2018-19	2017-18	2016-17
Single arbitration	8	13	12
Single mediation	8	7	5
Other	0	0	0
Total	16	20	17

Issues referred to collective arbitration and dispute mediation

Issue	2018-19	2017-18	2016-17
Annual pay	5	6	6
Other pay and conditions of employment	5	2	6
Dismissal and discipline	3	4	1
Grading	0	1	1
Other	3	7	3
Total	16	20	17

Joint problem-solving activities by topic

Topic	2018-19	2017-18	2016-17
Absence and stress management	2	3	1
Bullying and harassment	2	1	5
Collective bargaining and trade union issues	27	38	27
Conflict, mediation and change management	26	42	44
Discipline and grievance	3	0	3
Employment law	0	2	2
Equality, diversity and discrimination	3	3	2
Implementing flexible working arrangements	1	1	0
Information and consultation	13	18	9
Managing people	4	1	4
Payment and grading arrangements	4	3	6
Recruitment and employing people	0	0	1
Redundancy	0	0	2
Other	0	1	3
Total	85	113	109

Advisory services

Acas Helpline contacts¹²

	2018-19	2017-18	2016-17
Helpline advice is available over the telephone or online via acas.org.uk/helpline .			
Voice calls answered Helpline advice delivered over the telephone.	730,550	782,958	886,929
Pre-recorded advice sessions Helpline callers can select pre-recorded advice regarding Minimum Wage, Holidays, Wage Deductions or P45s/P60s before being connected to an adviser.	85,093	28,719	27,000
Helpline Online sessions Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.	417,258	471,511	508,318
Facebook advice sessions The Acas Helpline provides advice to customers via the Acas Facebook page.	2,976	2,593	1,510
Webchat sessions Webchat allows real time text-based conversation with Helpline advisers.	1,368	1,016	2,688
Total Contacts	1,237,245	1,286,797	1,426,445

Acas Helpline voice call topics¹³

Topic of enquiry	2018-19 % of calls	2017-18 % of calls	2016-17 % of calls
Discipline, dismissal and grievance	38.1	37.0	37.0
Contracts	16.3	18.3	19.7
Wages and NMW/NLW	14.8	14.4	13.6
Redundancies, lay offs and business transfers	12.8	12.8	13.7
Absences, sickness and stress	9.5	10.5	11.3
Holiday and working time	9.2	10.4	11.3
Diversity and discrimination	8.3	7.7	7.2
Maternity, paternity and adoption	4.1	4.8	5.2
Family friendly policies	1.8	1.9	2.1
Others	7.4	8.0	7.2

¹² Due to a 2016-17 change in our telephony system, some of the figures for this period are estimates. We also had to use estimates for April 2017 (one month), though subsequent month figures are actuals.

¹³ 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	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
Absence and stress management	91	8.1	145	9.9	146	9.2
Bullying and harassment	54	4.8	38	2.6	25	1.6
Collective bargaining and trade union issues	43	3.8	49	3.3	42	2.6
Conflict, mediation and change management	208	18.4	260	17.7	217	13.6
Discipline and grievance	101	8.9	154	10.5	227	14.2
Employment law	139	12.3	159	10.8	145	9.1
Equality, diversity and discrimination	72	6.4	103	7.0	94	5.9
Implementing flexible working arrangements	7	0.6	21	1.4	37	2.3
Information and consultation	67	5.9	91	6.2	93	5.8
Managing people	170	15.0	158	10.8	192	12.0
Payment and grading arrangements	48	4.2	71	4.8	64	4.0
Recruitment and employing people	85	7.5	144	9.8	205	12.9
Redundancy	24	2.1	48	3.3	56	3.5
Other	21	1.9	28	1.9	51	3.2
Total	1,130		1,469		1,594	

In-depth advisory telephone calls by topic

Topic	2018-19		2017-18		2016-17	
	Volume	%	Volume	%	Volume	%
Absence and stress management	269	8.4	311	9.0	318	8.6
Bullying and harassment	136	4.2	93	2.7	48	1.3
Collective bargaining and trade union issues	82	2.6	120	3.5	136	3.7
Conflict, mediation and change management	607	18.9	533	15.4	577	15.5
Discipline and grievance	393	12.2	430	12.4	487	13.1
Employment law	377	11.7	387	11.2	311	8.4
Equality, diversity and discrimination	203	6.3	220	6.4	215	5.8
Implementing flexible working arrangements	91	2.8	150	4.3	184	5.0
Information and consultation	158	4.9	159	4.6	171	4.6
Managing people	231	7.2	189	5.5	224	6.0
Payment and grading arrangements	51	1.6	132	3.8	96	2.6
Recruitment and employing people	422	13.1	534	15.4	616	16.6
Redundancy	96	3.0	136	3.9	179	4.8
Other	94	2.9	68	2.0	153	4.1
Total	3,210		3,462		3,715	

Charged workplace projects by topic

Topic	2018-19	2017-18	2016-17
Absence and stress management	2	5	6
Bullying and harassment	8	8	3
Collective bargaining and trade union issues	7	5	4
Conflict, mediation and change management	35	33	41
Discipline and grievance	2	3	5
Employment law	0	2	3
Equality, diversity and discrimination	2	6	2
Implementing flexible working arrangements	0	0	0
Information and consultation	14	19	33
Managing people	0	4	12
Payment and grading arrangements	11	15	9
Recruitment and employing people	2	3	1
Redundancy	1	0	0
Other	6	1	1
Total	90	104	120

Certificate in Internal Workplace Mediation (CIWM) training

Type	2018-19		2017-18		2016-17	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	17	155	5	42	12	100
Open access CIWM	25	174	26	175	24	172
Total	42	329	31	217	36	272

Workplace training by topic¹⁴

Subject of training	2018-19				2017-18				2016-17			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	158	10.0	3,667	10.7	156	10.7	3,079	11.5	102	7.7	1,774	7.5
Bullying and harassment	113	7.1	3,029	8.9	78	5.3	2,387	8.9	30	2.3	951	4.0
Collective bargaining and trade union issues	14	0.9	144	0.4	14	1.0	159	0.6	7	0.5	56	0.2
Conflict, mediation and change management	134	8.4	2,306	6.7	88	6.0	1,284	4.8	117	8.9	2,025	8.5
Discipline and grievance	356	22.4	7,015	20.5	357	24.5	6,616	24.6	315	23.9	5,551	23.4
Employment law	69	4.3	1,824	5.3	63	4.3	1,165	4.3	56	4.2	1,845	7.8
Equality, diversity and discrimination	144	9.1	4,590	13.4	121	8.3	3,561	13.3	118	9.0	3,670	15.5
Implementing flexible working arrangements	1	0.1	12	0.0	6	0.4	58	0.2	5	0.4	77	0.3
Information and consultation	163	10.3	2,010	5.9	169	11.6	1,687	6.3	166	12.6	1,489	6.3
Managing people	367	23.1	8,230	24.1	331	22.7	5,525	20.6	287	21.8	4,801	20.2
Payment and grading arrangements	24	1.5	657	1.9	6	0.4	67	0.2	5	0.4	50	0.2
Recruitment and employing people	1	0.1	12	0.0	46	3.2	978	3.6	45	3.4	721	3.0
Redundancy	28	1.8	522	1.5	10	0.7	129	0.5	26	2.0	309	1.3
Other	15	0.9	159	0.5	13	0.9	150	0.6	39	3.0	410	1.7
Total	1,587		34,177		1,458		26,845		1,318		23,729	

¹⁴ 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^{15 16}

Subject of training	2018-19				2017-18				2016-17			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	212	15.5	3,101	22.4	216	15.1	1,731	12.8	228	16.1	1,914	14.7
Bullying and harassment	54	3.9	415	3.0	42	2.9	312	2.3	31	2.2	250	1.9
Collective bargaining and trade union issues	2	0.1	14	0.1	1	0.1	10	0.1	1	0.1	4	0.0
Conflict, mediation and change management	138	10.1	1,299	9.4	140	9.8	1,320	9.8	122	8.6	1,172	9.0
Discipline and grievance	224	16.4	4,602	33.2	238	16.7	2,289	16.9	206	14.5	2,077	16.0
Employment law	270	19.7	182	1.3	315	22.1	3,866	28.5	334	23.5	3,563	27.4
Equality, diversity and discrimination	36	2.6	105	0.8	32	2.2	164	1.3	44	3.1	280	2.2
Implementing flexible working arrangements	9	0.7	82	0.6	12	0.8	69	0.5	22	1.6	178	1.4
Information and consultation	2	0.1	1,390	10.0	6	0.4	41	0.3	2	0.1	15	0.1
Managing people	290	21.2	1,094	7.9	252	17.7	1,925	14.3	226	15.9	1,915	14.7
Payment and grading arrangements	8	0.6	264	1.9	44	3.1	345	2.5	56	3.9	485	3.7
Recruitment and employing people	74	5.4	485	3.5	74	5.2	440	3.3	94	6.6	642	4.9
Redundancy	17	1.2	114	0.8	11	0.8	70	0.5	22	1.6	150	1.2
Other	32	2.3	698	5.0	44	3.1	1,024	7.0	31	2.2	366	2.8
Total	1,368		13,845		1,427		13,606		1,419		13,011	

¹⁵ 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.

¹⁶ Total delegates includes events delivered with partner organisations.

Total training by topic^{17 18}

Subject of training	2018-19				2017-18				2016-17			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%	Vol.	%
Absence and stress management	370	13	6,768	14	372	12.9	4,810	11.9	330	12.1	3,688	10.0
Bullying and harassment	167	6	3,444	7.2	120	4.2	2,699	6.7	61	2.2	1,201	3.3
Collective bargaining and trade union issues	16	1	158	0.3	15	0.5	169	0.4	8	0.3	60	0.2
Conflict, mediation and change management	272	9	3,605	7.5	228	7.9	2,604	6.4	239	8.7	3,197	8.7
Discipline and grievance	580	20	11,617	24.2	595	20.6	8,905	22.0	521	19.0	7,628	20.8
Employment law	339	11	2,006	4.2	378	13.1	5,031	12.4	390	14.2	5,408	14.7
Equality, diversity and discrimination	180	6	4,695	9.8	153	5.3	3,725	9.2	162	5.9	3,950	10.8
Implementing flexible working arrangements	10	0	94	0.2	18	0.6	127	0.3	27	1.0	255	0.7
Information and consultation	165	6	3,400	7.1	175	6.1	1,728	4.3	168	6.1	1,504	4.1
Managing people	657	22	9,324	19.4	583	20.2	7,450	18.4	513	18.7	6,716	18.3
Payment and grading arrangements	32	1	921	1.9	50	1.7	412	1.0	61	2.2	535	1.5
Recruitment and employing people	75	3	497	1.0	120	4.2	1,418	3.5	139	5.1	1,363	3.7
Redundancy	45	2	636	1.3	21	0.7	199	0.5	48	1.8	459	1.2
Other	47	2	857	1.8	57	2.0	1,174	2.9	70	2.6	776	2.1
Total	2,955		48,022		2,885		40,451		2,737		36,740	

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

18. Total delegates includes events delivered with partner organisations.

PERFORMANCE ANALYSIS

Business performance in 2018-19

1. Detail of Acas' performance against our strategic aims is set out at pages 6 to 16 [sections 1-3].
2. Full details of business performance against our key performance indicators is set out on page 19.

Risk management

3. Risk management is the process of identifying, assessing and managing issues which could impact on successful fulfilment of our goals. Through this process we aim to minimise the impact of uncertainty on the delivery of strategic aims.
4. Acas' activities are monitored through quarterly reporting to our Executive Board, BEIS and the Council using a strategic risk register. A full description of the risk control framework is set out in the Governance Statement.

Sustainability

5. Acas remains committed to its environmental responsibilities and its contributions to the Greening Government Commitment (GGC), reducing its impact on the environment and enabling targets to be achieved for the GGC reporting period 2016 to 2020. Acas is developing and agreeing strategies and technical solutions to enable transparency in reporting on sustainability.
6. Acas continues to fully engage on all Government estate strategy initiatives which has enabled zero estate expansion this year despite the growing public sector demand for additional work space.
7. Acas continues to promote energy and water efficiency. Asset life cycle replacement planning strategies are in place to ensure sustainable benefits and value for money. Emissions reduction continues to be supported through promotion of and access to flexible working arrangements to reduce employee commuting and continued staff travel policy restrictions on air transport. Waste minimisation continues through Acas staff commitment to office recycling schemes, supporting both waste segregation, and single use plastics removal in office occupations, along with continued furniture and other recycling activity. Paper reduction

continues through the sustained roll out of a digital working environment and gradual reduction of office printing facilities.

8. Acas further ensures that service delivery contracts:
 - fully support engagement with Small and Medium-Sized Enterprises (SMEs) and include a 33% minimum measured target;
 - appoint a minimum of 2.5% apprentices amongst the contractor workforce;
 - sub-contractors are paid in line with the prompt payment code; and
 - adhere to legal and sustainable timber procurement rules.

Financial review

9. The majority of Acas' funding is through Grant in Aid from Department for Business, Energy and Industrial Strategy (BEIS). Acas' gross allocation for 2018-19 was £49.6m and expenditure was £56.2m. Acas charges customers in order to recover costs for some of our services. In 2018-19 this generated income of £5.6m, compared to a target of £5.1m.
10. Acas aims to deliver its services in the most efficient manner, making appropriate use of the funding and other income received. This has been achieved in 2018-19 through a range of activities, including reducing our estates' footprint, improving technological capability, and delivering procurement savings.
11. We continue to engage with BEIS and other partner organisations to achieve efficiencies, to reduce and control costs across the public sector, and to maintain good governance. We participate fully in several BEIS and pan-Government Networks of Excellence, which encourage collaborative working and the sharing of best practice across organisations.
12. This year 86% of payments were made within 5 working days of receipt of an invoice (meeting our target of 80%). During the year we introduced a new finance system, which had an expected and significant impact on the speed of payments during the month of transition. Targets have been surpassed in each subsequent month and we continue to make improvements to the management information produced.

13. A full set of accounts for 2018-19, which are prepared under Section 253 of the Trade Union and Labour Relations (Consolidation) Act 1992, are set out at the end of this report (see pages 58-75).

Susan Clews

Susan Clews
Accounting Officer
Acas
4 July 2019



ACCOUNTABILITY REPORT

Corporate Governance Report

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 2018-19 were as follows:
 - Anne Sharp (Chief Executive Officer, to November 2018)
 - Susan Clews (Chief Operations Officer to November 2018, and Chief Executive Officer from December 2018)
 - Antony Cooper (Chief Operations Officer, from December 2018)
 - Ian Wood (Director of Strategy)
 - Rob Mackintosh (Director of Finance, Estates and People)
 - Karen Pile (Director of DDaT, to April 2018)
 - Paul Dowse (Director of DDaT, April 2018 to December 2018)
 - James Vincent (Director of DDaT, from January 2019)
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 £49k. No non-audit services were provided.

Charging regime

5. 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 66.

Matters of Public Interest

6. Acas has established policies and procedures designed to protect public resources, including property, assets and information, from attempts by the public, contractors (and sub-contractors) and its own employees to gain financially by corruption or fraud. Acas expects integrity and honesty from its staff to ensure the safeguarding of the public resources they are responsible for.
7. There were no identified cases of bribery or corruption this year.
8. Acas remains committed to the Modern Slavery Act 2015 and our procurement activities pro-actively consider the Act: suppliers to Acas are required, on request, to provide an assurance statement on compliance with the Act. Acas strives to ensure that human rights are respected and to promote the benefits of a diverse society.
9. We are committed to creating and maintaining a non-discriminatory and respectful working environment for our staff. A range of policies to support this, on, for example, bullying and harassment, diversity and inclusion, and recruitment and selection are available on the staff intranet.
10. Acas' Diversity and Inclusion Strategy, which runs alongside our strategic plan has three key themes: representation, inclusion and transparency. We have made good progress on our milestones and measures during the reporting period and have appointed a new Board level Diversity and Inclusion Champion.
11. Acas is committed to ensuring equality of opportunities for all disabled employees. As a Disability Confident Leader we participate in the Guaranteed Interview Scheme which ensures disabled candidates automatically go forward to the interview stage, provided they satisfy the minimum criteria. This year we have reviewed our workplace adjustments process, undertaking research with employees with disabilities and established a new staff network *Disability and You*.
12. Acas provides a safe working environment. The health, wellbeing and safety of staff continues to be paramount, with good mental health in particular being a focus in

the reporting period. The Executive Board has championed the way mental health is thought of in the workplace, and has signed the #TimetoTalk pledge.

13. A Health and Wellbeing Action Plan was launched, ensuring alignment with the Civil Service's health and wellbeing priorities, and Health and Wellbeing Champions were appointed in each Acas office.
14. The Health and Safety and WellBeing Committees have met quarterly throughout the year; both have representation from management and our trades unions.

Regularity of Expenditure

15. 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.

Susan Clews

Susan Clews
Accounting Officer
Acas
4 July 2019

Personal data related incidents

16. There was one incident of data loss; further details are disclosed in the Governance Statement (pg 39).

Consultancy and Contingent Labour Expenditure

17. During the year, Acas' expenditure on Consultancy and Contingent Labour was £4m (2017-18, £3.4m). This was incurred as part of the continuing transformation of Acas, and related to, for example growing our internal digital capability; implementation of the Acas IT strategy; and improved use of our estate.

Future developments

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

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

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

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

- Observe the Accounts Direction issued by HM Treasury including relevant accounting and disclosure requirements; and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis; and
- Confirm that this Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Business, Energy and Industrial Strategy 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 the HM Treasury.

As the Accounting Officer, 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. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

The Accounting Officer has taken all reasonable steps to ensure the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments 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 Committee (a sub-committee of the Acas Council) which regularly monitors risk management in Acas.
2. As a new Accounting Officer, I have received the training needed for me to fulfil the duties of this role.

The purpose of the Governance Statement

3. This Governance Statement, for which I as Accounting Officer take responsibility, is designed to give a clear understanding of how the duties set out above have been carried out during 2018-19.

Acas' governance structure

4. 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. Delivery of business objectives and operations are overseen by the Executive Board.
5. Acas is sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), with which it has very regular contact regarding a wide range of issues. In addition, Acas provides BEIS with regular updates on the Strategic Risk Register, the Balanced Scorecard, and financial management information. The respective roles of Acas and the Secretary of State for BEIS are set out in a Framework Document. A new Framework Document, covering 2018-21 was published in year, and was presented to the Audit Committee in December 2018.

6. 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.
7. This 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 2019 and up to the date of approval of the Annual Report and Accounts, and accord with HM Treasury guidance.

The Acas Council

8. 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](http://www.acas.org.uk/bestpractice) <http://www.acas.org.uk/bestpractice> sets out the general responsibilities of members of the Council.
9. 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;
 - Identification of 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.

10. The Council consists of the Chair and eleven employer, trade union and independent members appointed by the Business Secretary. Sir Brendan Barber has held the post of Chair for the duration of 2018-19.
11. Council members' attendance at the six Council meetings held during 2018-19 was as follows:
 - Sir Brendan Barber (6/6)
 - Neil Carberry (5/6)
 - Mike Clancy (6/6)
 - Anne Davies (4/6)
 - Mike Gooddie (5/6)
 - Jayne Haines (5/6)
 - Sally Hunt (1/6)
 - Susan Jordan (4/6)
 - Christina McAnea (3/6)
 - Jane McNeill (6/6)
 - Paul Nowak (5/6)
 - Ben Summerskill (6/6)
12. The Council held a strategic planning day on 8 November 2018. Council members and officials considered the wider social, economic and political environment and what this means for Acas. This included hearing from speakers from the Institute for Fiscal Studies, and BEIS. The day provided an opportunity for Council members to steer strategic priorities for the remainder of 2018-19 and the next operational year.

Assessment of Council effectiveness

13. 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.
14. There are two formal Council sub-committees: the Audit Committee, and the Remuneration Committee. Policy issues are raised with the full Council and sub-groups are set up to look at specific issues, for example, revisions of Codes of Practice, specific issues such as non-disclosure agreements, or responses to key public consultations, such as the Taylor Review.

The Audit Committee

15. 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, BEIS officials who lead the Department's relationship with Acas, and both external (NAO) and internal audit officials, who engage as required with the Audit Committee Chair and members.
16. 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 internal and external audit activity, including external audit's Management Letter; and
 - Consider assurances relating to the corporate governance requirements for Acas.
17. The Audit Committee met four times in 2018-19. Audit Committee members, and their attendance at the meetings were:
 - Mike Gooddie, Chair (3/4)
 - Sally Hunt (2/4)
 - Ben Summerskill (4/4)
 - Ann Beasley (financial adviser) (4/4)

18. The Audit Committee undertook a self-assessment exercise in January 2019, using NAO's Self-Assessment Checklist. Initial feedback was provided by NAO in the January meeting. Responses to the self-assessment were positive, but highlighted some areas for further analysis, with NAO's recommendations were reported back to the Committee in the May 2019 meeting.
19. The Committee's Terms of Reference were reviewed in year.
20. 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.
21. 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; and
 - To monitor the operation of the pay award process to ensure that it continues to be effective.
22. The Executive Board oversees the effective operation of Acas. All major policies and decisions that affect the delivery of Acas' business objectives are considered and made by the Executive Board.
23. 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.
24. During the year, the membership of the Acas Executive Board consisted of the Chief Executive, the Chief Operations Officer, and the Directors of Strategy; Finance, Estates and People, and Digital Data and Technology (DDaT).
25. The Terms of Reference for the Executive Board for 2018-19 are to:

The Remuneration Committee

Strategic direction

- Support the Council in setting the direction of Acas and developing the Acas Strategic Plan 2016-21;
- Oversee the implementation of Acas' Strategic Plan; and
- Ensure effective communication on the strategic direction and objectives of Acas both internally and externally.

Performance and delivery

- Set the annual business plan, outlining activities across all business areas and agreeing and reviewing policies to enable appropriate and efficient delivery plans;
- Ensure that appropriate processes and controls are maintained, including through examination of management information, evaluation data and customer feedback; and
- Oversee organisational change and development and ensuring that change management systems are effective and appropriate.

Resources and capabilities

- Oversee use of all public funds and assets, including any approved income or other receipts, in accordance with the rules and controls governing public spending;
- Oversee financial and non-financial performance in a timely way through fit for purpose management and accounting systems;
- Ensure human resource management policies are fit for purpose and used effectively; and

- Maintain high standards of corporate governance, transparency and sustainability.

Risk management

- Oversee the systematic identification and management of organisational risk.
26. The Executive Board uses management information to monitor the performance of Acas including data on finances, human resources and performance indicators. There are a range of process controls in place that ensure the quality of the data is of the standard expected for reliable and informed business decisions.
27. The Executive Board has the following sub-committees with responsibilities:
- **Customer Services Board** – Responsible for effective service delivery and continuous improvement in line with the annual business plan.
 - **Digital Technology Strategy Board** – Ensure alignment with IT strategy and digital innovation including value for money, identification and implementation of technical solutions.
 - **Strategy and Planning Board** – Oversee significant strategy development. Identify and improve strategic business initiatives, defining strategic outcomes, timeframes, costs and resource requirements.
 - **Transformation Programme Board** – Govern, implement and ensure effective delivery of a portfolio of change projects.
 - **People, Estates and Finance Board** – Consider implications of policies for the budget and workforce plans. During the year, the Board established a Security and Information Assurance Group to provide assurance that Acas is operating in a secure manner and has the capability to maintain services and protect the information assets held. This Group has oversight on data protection matters, Business Continuity and cyber-security.
28. These groups support the Executive Board in delivering on its Terms of Reference.

Assessment of Board effectiveness

29. The Executive Board continued to review and refine overall governance structures, in line with best corporate governance practice. This has included each group reviewing its own terms of reference. For the next reporting

year, the Board agreed to streamline the governance of the sub-committees by decommissioning the following boards:

- Strategy and Planning Board;
 - People, Estates and Finance Board; and
 - Transformation Programme Board.
30. From June 2019, the Customer Service Board will incorporate the strategic planning that was previously undertaken by the Strategy and Planning Board. Overarching finance reporting will be undertaken at the Executive Board, and a new Assurance Board will be formed to provide assurance to the Executive Board on: key performance metrics; business as usual work activities; and project milestones and financial spend.

The risk and internal control framework

31. The identification and assessment of risk is embedded within 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.
32. Acas Council retains oversight of the management of risk in Acas. At least annually, the Council reviews and challenges the Strategic Risk Register. Each Audit Committee meeting also considers the risk register and receives a detailed report on an individual high-level risk. The purpose of this is to monitor Acas' processes for assessing, reporting and mitigating business risk, and the member of the Executive responsible for the risk attends the discussion in order for the risk management to be explored in detail. The Chair of the Audit Committee reports back to the Council after each meeting.
33. The Executive Board discusses 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 are communicated to the organisation and inform risk appetite discussions at a local level.
34. The Executive Board agreed the risk appetite should be set at 'Open' for all operational activities in 2018-19.

35. 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.
36. The Strategic Risk Register is revised on a quarterly basis, though risks are considered and added at any point. This allows the Board to review the current status of the risks and mitigations, and also to anticipate whether risk owners expect the risk impact and likelihood to worsen over the following three to six months.
37. Risk owners and managers provide a commentary on the risks, the impact if the risk crystallised, and the likelihood of this happening; plus the current mitigations in place.
38. The format of the Strategic Risk Register has been amended to focus on clearly demonstrating the current status of the risks and the mitigations in place to manage them. The register includes the previous assessment of the risk, to allow for on-going monitoring and a future risk trajectory, to show the expected future risk severity in response to the actions taken to mitigate them.
39. The risk register is a live document. At the time that this report was prepared, it identified one high level, seven medium and one low level risks. The high level risk and mitigating actions for the year ahead is as follows:
 - As we undertake the 2019-20 Business Planning exercise, it is clear that Acas will come under significant and sustained financial pressure from next financial year.
 - *Monthly variances between actual expenditure and profiled budget will be challenged more robustly. Workforce planning estimates will be reviewed regularly. The Executive Board will forward plan ahead of the expected Spending Review.*
40. During the year the separate Fraud and Error Risk Register was fully reviewed. Acas participates in the Counter-Fraud Network, 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

41. As Accounting Officer, I am responsible for conducting an annual review of the effectiveness of the system of the organisation's governance, risk management and internal control. My review of the effectiveness of the system of internal control is informed by:
 - The work of the Internal Auditors;
 - Annual statements on corporate governance by each Director, supported by challenge panel examination of a sample of these each year;
 - The in-year operation of the risks and control framework; and
 - Observations made by the external auditors in their Management Letter and other reports.
42. 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

43. The 2018-19 Corporate Governance Challenge Panel consisted of me, the Chair of the Audit Committee, the Committee's Independent Financial Advisor, Internal Audit, and representatives from Finance. It considered in detail the statement from the Regional Director for London, East of England and South East England and the Directors of Strategy and DDaT.
44. Themes emerging across the Panel's discussions included:
- Managing transformation, including changing our culture, new ways of working, and the importance of people development within the organisation;
 - Implementing feedback loops to ensure the dissemination of good practice across the organisation;
 - Escalating decision making to the right governance body, ensuring there is clarity over ownership of risks;
 - Ensuring the business planning process takes appropriate account of future demand for our services;
 - Identifying and managing cross-organisational themes;
 - Maintaining ambitions whilst recognising resource constraints;
 - Recognition of the impact that Brexit planning has had on other work priorities; and
 - An organisational focus on prioritisation of activity to ensure the optimal use of the overall budget.
45. The Panel did not identify any significant issues of internal control. The Panel recognised significant improvements in the leadership of the three business areas and the changes implemented during the year.

Transformation

46. The Transformation Programme has significantly increased our capacity and capability to meet the changing needs of our customers and the demands on our services. It will formally close on 30th May 2019.
47. Under the Transformation Programme, we have:
- Modernised the technology which underpins Acas individual dispute resolution services;
 - Trialled redesign of customer access to individual dispute resolution services;
 - Reduced the number of Helpline locations from 11 to four, while recruiting so as to maintain service levels;
 - Closed our Bootle office, leaving one regional office for the North West, in Manchester, in line with other regions;
 - Improved use of our estate by reducing expensive floor space in London;
 - Improved the commercial basis of IT contracts;
 - Introduced Skype for Business, which is enabling us to develop smarter working practices;
 - Implemented an IT Strategy which gives us technology that is fit for the future, cloud-based and has greater resilience and security;
 - Restructured our digital technology teams and our strategy teams to provide the structure and capability that we need for the future; and
 - We are in the process of developing a new website, including new advice pages; and have grown our internal digital agile capability.
48. We have worked closely with staff and trade union colleagues on transformational change. An industrial dispute with PCS which arose in the previous year has been resolved. During 2018-19, PCS successfully balloted some of its members for industrial action which took place in summer 2018. Following talks, the dispute has now been resolved.
49. The formal end of the Transformation Programme marks a transition to robust and effective change management for the future.

Government Internal Audit Agency

50. The Government Internal Audit Agency (GIAA) 2018-19 Internal Audit Plan, covered the following areas:
- **Governance:** independent and objective advice on the implementation of the updated Assurance Mapping;
 - **Payroll:** whether there are effective controls to manage payroll through the new payroll system and whether the system is working effectively, with appropriate anti-fraud measures and risk management;
 - **Transformation:** advice on benefits realisation, assurance on transformational activities, capability and capacity to deliver change and project management, and the resources needed to fulfil the transformation ambitions of Acas;
 - **General Data Protection Regulation (GDPR) Compliance:** this advisory work was to ensure governance arrangements relating to GDPR were sufficient and to provide assurance on management's compliance with GDPR;
 - **Procurement Management:** the objectives of this audit were to provide assurance on procurement processes, alignment with Cabinet Office Commercial Standards and conformance with BEIS' developing Commercial Framework; and
 - **Finance System:** following the implementation of a new finance system, this review considered the management and mitigation of the risk of fraud and error in financial processes, and assurance on the effectiveness of the new system.
51. Overall, the Acas Internal Audit gave a 'Moderate' assurance opinion on the control and governance framework. Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Appropriate action has been agreed and new procedures introduced to address observations on further scope for improvement.
52. GIAA endorsed the Acas return for the Departmental Security Healthcheck.

General Data Protection Regulations

53. The Government Internal Audit Agency (GIAA) was commissioned to provide an advisory audit on how we are meeting GDPR requirements. GIAA reported that they were satisfied with Acas' progress, though a further audit is planned. A GDPR Improvement Plan is being taken forward, which provides a new data breach reporting system, a review of suitable lawful bases for processing data, revised internal policies including on data retention, and a revised Privacy Statement over the reporting period.

Internal Compliance Reviews

54. The annual 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 team, and was used by management to share identified good practice to strengthen adherence to procedures.

Cyber security incident

55. In August 2018, Acas experienced a targeted 'RYUK' Ransomware attack from an external source, resulting in the encryption of Windows infrastructure servers, affecting multiple business services over the course of a week. No data was lost to outside the organisation, but a small amount of Central Arbitration Committee (CAC) data was irrecoverable. We contracted National Cyber Security Partner NWR to investigate the attack, and in partnership with them DDaT produced a Cyber Security Action Plan with a number of recommendations. All of the high and medium priority actions from this plan are now complete.
56. There were no other incidents of personal data loss.

Other areas

57. In the event of the UK exiting the EU under a 'no deal' scenario, the following three risks have been identified, and actions to mitigate or prepare for these risk have started:
- Changes to employment law requires Acas to provide higher volumes of new guidance. Risk of reducing quality of service provision or focus on strategic priorities;

- There is an economic downturn, or other change to Acas' operating environment, that could affect employee-employer relations resulting in increased demand for Acas' dispute resolution services; and
 - Following EU Exit, no agreement on data adequacy is reached resulting in implications for data hosted in the EU and US.
58. In line with HMRC's recommendations, controls were strengthened over Dual Workplaces. This has been addressed through training our managers and a Finance-led review of travel patterns, and has been monitored through the Compliance Reviews. Those staff identified as having dual workplaces have had their tax arrangements corrected.
59. Acas' whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise any concerns about behaviours and practices within Acas. This is supported by detailed guidance and has been made available to all staff. No issues were raised under the formal whistle-blowing arrangements during 2018-19.
60. In accordance with best practice, Acas considered our quality assurance processes, and determined that these were at a level appropriate for the nature of the organisation.
61. Acas has reviewed the status of contractors engaged by the business; all were found to be compliant with IR35 regulations.
62. To meet the 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, and organisation charts. As a result of the implementation of the new finance system, Acas has not been able to publish the details of the travel and subsistence of senior staff but there remains the intention to re-institute the publication of these details in 2019-20.
63. 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 accounts.

Assessment of effectiveness

64. 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 2018-19.

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 Chair, the Certification Officer (CO), the Chair of the Central Arbitration Committee (CAC), and five 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 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.
4. The salaries of the Acas Council are set by BEIS.
5. The Certification Officer is a member of the Principal Civil Service Pension Scheme (PCSPS). No pension contributions are made in respect of the Acas Chair and Acas Council members.
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

7. The following sections provide details of the remuneration and pension interests of the most senior management (i.e. Board members) of Acas, CAC and CO.

There were four senior civil servants at pay band 1, and one senior civil servant at pay band 2.

Remuneration (salary, bonus and pensions)

	2018-19				2017-18			
	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits ⁶ (£'000)	Total (£'000)	Salary (£'000)	Bonus Payments (£'000)	Pension Benefits ⁶ (£'000)	Total (£'000)
Sir B Barber (Chair) ¹	80-85	0	0	80-85	80-85	0	0	80-85
S Bedwell (Certification Officer, from January 2018)	125-130	0	49	170-175	30-35	0	12	40-45
S Clews (Chief Executive, Acas, from December 2018, formerly Chief Operations Officer) ²	90-95	0-5	131	225-230	75-80	0-5	4	80-85
A Sharp (Chief Executive, Acas, to November 2018) ^{2,3,4}	75-80	0-5	-6	70-75	110-115	0-5	-2	115-120
J Jacob (Chief Executive, CAC)	50-55	0	6	55-60	50-55	0	2	50-55
A Cooper (Chief Operations Officer, from December 2018) ³	20-25	0	42	60-65	0	0	0	0
G Walker (Interim Certification Officer, to January 2018)	0	0	0	0	75-80	0	43	120-125
R Mackintosh (Director, Finance, Estates, and People, from August 2017) ²	80-85	0-5	54	140-145	40-45	0	39	80-85
K Humberstone (Interim Director, Finance, Estates, and Procurement, to August 2017) ⁵	0	0	0	0	100-105	0	0	100-105
L Jones (Director, Organisational Development and Human Resources, to November 2017)	0	0	0	0	45-50	0	18	65-70
J Vincent (Director, Digital, Data and Technology, from January 2019) ³	15-20	0	7	20-25	0	0	0	0
P Dowse (Interim Director, Digital, Data and Technology, from April 2018 to December 2018) ^{2,3}	65-70	0-5	62	130-135	0	0	0	0
K Pile (Director, Digital Technology, to April 2018) ³	0-5	0	0	0-5	100-105	0-5	25	125-130
I Wood (Director, Strategy) ²	65-70	0-5	8	80-85	65-70	0-5	3	70-75

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

2 In 2018-19 S Clews, A Sharp, R Mackintosh, P Dowse and I Wood received a non-consolidated payment relating to their performance in 2017-18.

3 This table shows the amount paid to A Sharp, A Cooper, J Vincent, P Dowse and K Pile in the reporting year, in their capacity as Board members. A Sharp's annual salary was in the range of £115-120k; A Cooper's was in the range of £65-70k; J Vincent's was in the range of £85-90k; P Dowse's was in the range of £80-85k; and K Pile's was in the range of £100-105k.

4 A 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 and single total figure for remuneration being lower. This does not mean that her actual pension benefits have reduced.

5 K Humberstone was engaged as an Interim during 2017-18 and the above table shows the costs to Acas, not the salary paid. K Humberstone was not a member of the pension scheme.

6 The pension benefit for staff has been calculated by MyCSP, and reflect the in-year benefit to staff of either the civil service or stakeholder pension.

8. There were no compensation payments for loss of office to senior managers in 2018-19.

	Real increase in pension and related lump sum at pension age (£'000)	Accrued pension at pension age as at 31/3/19 and related lump sum (£'000)	CETV at 31/03/18 (nearest £'000)	CETV at 31/03/19 (nearest £'000)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £'000)
S Bedwell (Certification Officer)	2.5-5	0-5	8	46	27
S Clews (Chief Executive, Acas, formerly Chief Operations Officer)	5-7.5 plus a lump sum of 17.5-20	35-40 plus a lump sum of 105-110	601	794	129
A Sharp (Chief Executive, Acas)	0	60-65 plus a lump sum of 180-185	1,323	1356	-7
J Jacob (Chief Executive, CAC)	0-2.5 plus a lump sum of 0-2.5	20-25 plus a lump sum of 70-75	524	580	6
A Cooper (Chief Operations Officer)	0-2.5 plus a lump sum of 0-2.5	25-30 plus a lump sum of 60-65	422	505	29
R Mackintosh (Director, Finance, Estates, and People)	2.5-5 plus a lump sum of 2.5-5	30-35 plus a lump sum of 100-105	637	751	44
J Vincent (Director, Digital, Data and Technology)	0	15-20	180	190	3
P Dowse (Interim Director, Digital, Data and Technology)	2.5-5 plus a lump sum of 2.5-5	35-40 plus a lump sum of 85-90	525	639	41
K Pile (Director, Digital Technology)	0-2.5	20-25	423	424	0
I Wood (Director, Strategy)	0-2.5 plus a lump sum of 0-2.5	30-35 plus a lump sum of 90-95	587	661	7

9. Average number of full time equivalents employed during the period.

	Permanently Employed	Others	2018-19	2017-18
			Total	Total
Acas National	134	36	170	152
Regional Offices	648	51	699	599
Certification Office and Central Arbitration Committee	16	3	19	17
Total	798	90	888	768

Fair Pay Disclosure

10. *Government Financial Reporting Manual (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.

	2018-19	2017-18
Band of Highest Paid Director's Total Remuneration (£'000)	125-130	115-120
Median total	29,699	32,712
Ratio	4.29	3.6

11. The calculation is based upon the full time equivalent staff of the reporting entity at the reporting period end date on an annualised basis. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.
12. In 2018-19 0 (2017-18 0) employee(s) received remuneration in excess of the highest paid director. Remuneration ranged from £16k to £130k (2017-18 £14k to £115k).
13. During 2018-19, the ratio of females to males employed by Acas was 1:0.7 (2017-18, 1:0.7). At Executive Board level, this ratio was 1:2 (2017-18, 1:0.7).

Council and CAC Members

Acas Council Members	2018-2019
Annual salary	1,695
Daily rate for attendance	172
CAC Deputy Chairs daily rate	502
CAC Members daily rate	285
Arbitrators	357

14. Acas Council Members are paid an annual salary and are entitled to 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

15. In the reporting year, nobody left under Voluntary Exit terms. In 2017-18, 19 people left under Voluntary Exit terms and received a total compensation payment of £568k.

Sickness absence

16. An average of 8.6 days per person were lost to sickness absences in 2018-19 (2017-18, 6.5). This increase is explained by more robust reporting following the introduction of the new payroll system.

Unaudited Information

Service Contracts:

17. 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.
18. 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.
19. The Chair's contract ends in December 2019.

20. The roles of the Certification Officer and the Chair of the CAC are quasi-judicial. Their decisions 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.
21. 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.
22. 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.
23. 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 Directors of Strategy, DDaT and FEP are subject to annual assessment in line with the prevailing rules for the SCS. As Chief Executive of the CAC, J Jacob's assessment is informed by the CAC Chair's comments.
24. Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Salary:

25. 'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the service and thus recorded in these accounts.
26. Acas also operates a reward and recognition scheme with nominations for strong performance.

Gender Pay Reporting:

27. Under gender pay reporting requirements, Acas has published its gender pay gap and bonus pay gap data. This analysis shows a mean pay gap of 7.4% in favour of men and no gap in median pay. Acas' reward and recognition scheme has a gap of 17.5% in favour of men in the median calculation, and a 6% gap in favour of men when using the mean calculation.
28. Acas senior leadership team are committed to fair pay irrespective of gender. We will continue to build on actions and initiatives aimed at eradicating the gender pay gap, including:
 - Support for women returning to work – through shared parental leave, job sharing, compressed hours, part-time, remote working (including working from home) and term-time only opportunities. We have updated our guidance on supporting staff returning from maternity or adoption leave.
 - This year Acas signed up to the Equality and Human Rights Commission (EHRC) Working Forward initiative, which looks at how we can better support new parents, pregnant women and parents on leave within the workplace.
 - We are helping women progress in their careers through our new clear conversations approach towards performance management, which encourages line managers to have an open ongoing dialogue with staff on career development and progression.
 - Last year Acas joined the Civil Service Jobshare website. This will enable more people to find potential roles across the wider Civil Service. Acas was the first agency to join this initiative outside of the main ministerial departments.

- We continue to encourage men to take advantage of flexible working arrangements which enable them to fulfil their caring responsibilities, such as shared parental leave, part time working and compressed hours, for example by publishing case studies in our internal communication channels.
 - We continue to monitor pay to identify pay differences and take targeted action where appropriate, within Civil Service pay controls.
 - We are currently reviewing our recruitment process: Acas has anonymised the application process to reduce the potential for unconscious bias and ensures that all interviewers have undergone unconscious bias training. The organisation is developing a more flexible approach towards recruitment and selection through success profiles, which was launched in April 2019.
 - Acas aims to have a 'diverse by default' approach towards recruitment, for example, by having recruitment panels which are diverse in terms of gender and ethnicity.
29. We will take a more proactive approach towards monitoring our bonus pay in the future, through doing a live time analysis of the gender breakdown during national reward and recognition panels.

Civil Service Pensions:

30. Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 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.
31. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).
32. 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 their 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.

33. 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).
34. 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 PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).
35. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values:

36. 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.
37. 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. 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 2019, the number and status of off-payroll engagements, for more than £245 per day and lasting for longer than six months are disclosed below:

Number of existing engagements as of 31st March 2019	6
Of which...	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	6
for between two and three years at the time of reporting	0
for between three and four years at the time of reporting	0
for between four and more years at the time of reporting	0

39. All new off-payroll engagements, or those that reached six months in duration, between 1st April 2018 and 31st March 2019, for more than £245 per day and that last for longer than six months are disclosed below:

Number of new engagements, or those that reached six months in duration, between 1st April 2018 and 31st March 2019	12
Of which.....	
assessed as caught by IR35	0
assessed as not caught by IR35	12
engaged directly (via PSC contracted to Acas) and are on the Acas payroll	0
engagements reassessed for consistency/assurance purposes during the year.	0
engagements that saw a change to IR35 status following the consistency review	0

Trade Union Facility Time:

40. Acas recognises PCS and FDA Trades Unions. The hours (as a percentage) spent by employees who were relevant union officials on paid trade union activities during the year was 2%.

41. There were 42 (FTE 40.1) employees who were relevant union officials during the year, and their facility time (as a percentage of their working time) was:

Percentage of time	Number of Employees
0%	17
1-50%	24
51-99%	1
100%	0

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

	£000
Total cost of facility time	111
Total pay costs	38,424
Percentage of total pay bill spent on facility time	0.3%

Susan Clews

Susan Clews
Accounting Officer
Acas
4 July 2019

THE CERTIFICATE 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 2019 under the Trade Unions and Labour Relations (Consolidation) Act 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, and 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 the Advisory, Conciliation & Arbitration Service's affairs as at 31 March 2019 and of 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.

Conclusions relating to going concern

I am required to 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 for a period of at least twelve months from the date of approval of the financial statements. 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. I have nothing to report in these respects.

Responsibilities of the Board and Accounting Officer for the financial statements for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities the Board 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 in 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 Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include 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 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.
- The information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Gareth Davies

Date

Comptroller and Auditor General

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 March 2019

The following four financial statements cover:

Advisory, Conciliation and Arbitration Service
Central Arbitration Committee
Certification Office

	Note	£'000	2018-19 £'000	£'000	2017-18 £'000
Income	5		5,604		5,279
Expenditure					
Staff costs	3	(38,424)		(34,617)	
Depreciation	4	(1,431)		(1,736)	
Other expenditures	4	(16,334)		(16,393)	
			(56,189)		(52,746)
Net Expenditure			(50,585)		(47,467)
Other comprehensive expenditure					
Net gain/(loss) on revaluation of property, plant and equipment and intangibles	6		30		70
Total comprehensive net expenditure			(50,555)		(47,397)

The notes on pages 62 to 75 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Non-current assets					
Property, plant and equipment	6.1	2,192		2,508	
Intangible assets	6.3	64		136	
Total non-current assets			2,256		2,644
Current assets					
Trade and other receivables	7	2,843		1,902	
Cash and cash equivalents	8	405		1,064	
Total current assets			3,248		2,966
Total assets			5,504		5,610
Current Liabilities					
Trade and other payables	9	(7,652)		(6,727)	
Provisions	10	(112)		(544)	
Total current liabilities			(7,764)		(7,271)
Assets less current liabilities			(2,260)		(1,661)
Non-current liabilities					
Provisions	10	(785)		(380)	
Total non-current liabilities			(785)		(380)
Assets less liabilities			(3,045)		(2,041)
Reserves					
General reserve			(3,594)		(2,687)
Revaluation reserve			549		646
Total equity			(3,045)		(2,041)

The notes on pages 62 to 75 form part of these accounts.
These accounts were approved on:



Susan Clews
Accounting Officer
Acas
4 July 2019

STATEMENT OF CASHFLOWS

for the period ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Cash flows from operating activities			
Net operating cost		(50,585)	(47,467)
Adjustments for non-cash transactions	4	1,439	1,936
(Increase)/Decrease in trade and other receivables	7	(941)	1,710
Increase/(Decrease) in trade payables	9	925	1,742
Use of Provisions	10	(18)	(42)
Net cash outflow from operating activities		(49,180)	(42,121)
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(1,028)	(1,374)
Purchase of intangible assets	6.3	(1)	(49)
Proceeds of disposals of property, plant and equipment	6.1	–	–
Proceeds of disposals of intangible assets	6.3	–	–
Net cash outflow from investing activities		(1,029)	(1,423)
Cash flows from investing activities			
Grant from sponsoring Department		49,550	43,250
Net financing		49,550	43,250
Net increase/(decrease) in cash and cash equivalents in the period			
		(659)	(294)
Cash and cash equivalents at the beginning of the year	8	1,064	1,358
Cash and cash equivalents at the end of the year	8	405	1,064

The notes on pages 62 to 75 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ended 31 March 2019

	General reserve £'000	Revaluation Reserve £'000	Total reserves £'000
Balance at 1 April 2017	1,319	793	2,112
Changes in taxpayers' equity for 2017-18			
Net gain/(loss) on revaluation of property, plant and equipment	0	70	70
Transfers between reserves	217	(217)	0
Adjustment to intangibles	(6)	0	(6)
Comprehensive net expenditure for the year	(47,467)	0	(47,467)
Grant from sponsoring department	43,250	0	43,250
Balance at 31 March 2018	(2,687)	646	(2,041)
Changes in taxpayers' equity for 2018-19			
Net gain/(loss) on revaluation of property, plant and equipment	0	30	30
Transfers between reserves	128	(128)	0
Adjustment to fixed assets	0	1	1
Comprehensive net expenditure for the year	(50,585)	0	(50,585)
Grant from sponsoring department	49,550	0	49,550
Balance at 31 March 2019	(3,594)	549	(3,045)

Notes to the accounts

for period ended 31 March 2019

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

1.8 Depreciation and amortisation

Assets under construction are not depreciated or amortised until the asset is brought into use. Depreciation is provided at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life with a full year's charge being levied in the year of purchase, as follows:

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

1.9 Development expenditure

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

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

1.10 Provisions

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

Material provisions greater than one year are discounted to a value using a discount rate set by HM Treasury (currently dilapidations are discounted at a rate determined by the discounting period in the range of 0.76% to 1.99%).

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 control of economic benefits has transferred to Acas and can be reliably measured. Income is recognised in the period it is generated.

1.12 Pensions

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

In addition, the Service has to meet the retirement benefits for two former 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 benefits

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

1.14 Taxation

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

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

- Irrecoverable VAT is charged to the SoCNE, 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 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 2018-19

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 may 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 April 2020.

Acas has assessed the implementation of IFRS 9 and has concluded that there will be no impact from its introduction. Financial instruments play a very limited role in Acas' cash requirements. Most of Acas' funding is through Grant in Aid provided by BEIS.

Acas has no equity or loan investments, and a very limited exposure to impairment of trade receivables.

Acas has no long term contracts (those considered to be in excess of 12 months). Income is recognised in the period in which it is earned (the period in which an event takes place). As a result, there is also no impact from the implementation of IFRS 15.

There are no other major changes to FReM in 2018-19 which would impact on Acas' future financial statements.

2. Segmental analysis

2018-19	Public Services £'000	Individual & Collective Conciliation £'000	Helpline £'000	Good Practice Services £'000	Certification Office & Central Arbitration Committee £'000	Total £'000
Income						
Total	0	0	0	(5,598)	(6)	(5,604)
Expenditure						
Total salaries	2,536	20,707	10,460	3,229	1,492	38,424
Total GAE	1,513	6,369	6,441	1,384	626	16,333
Overhead allocation	113	725	412	134	47	1,431
Total expenditure	4,162	27,801	17,313	4,747	2,165	56,188
Net expenditure	4,162	27,801	17,313	(851)	2,159	50,584

2017-18	Public Services £'000	Individual & Collective Conciliation £'000	Helpline £'000	Good Practice Services £'000	Certification Office & Central Arbitration Committee £'000	Total £'000
Income						
Total	0	0	0	(5,266)	(13)	(5,279)
Expenditure						
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
Net expenditure	4,898	26,807	14,418	(578)	1,922	47,467

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, 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 employees. 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 free 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, facilitated problem solving support and other activities. In general these are charged for products. Income recorded here is Acas' Operating Income.

Certification Office and Central Arbitration Committee (CO and CAC)

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

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

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

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			2018-19	2017-18
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages & salaries	28,134	1,142	29,276	26,350
Social security costs	2,712	10	2,722	2,515
Other pension costs	5,324	22	5,346	4,929
	36,170	1,174	37,344	33,794
Less recoveries in respect of outward secondment	0	0	0	(87)
Total net costs	36,170	1,174	37,344	33,707

CO & CAC			2018-19	2017-18
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages & salaries	830	0	830	704
Social security costs	86	0	86	73
Other pension costs	164	0	164	133
	1,080	0	1,080	910
Less recoveries in respect of outward secondment	0	0	0	0
Total net costs	1,080	0	1,080	910

Total Acas, CO & CAC			2018-19	2017-18
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages & salaries	28,964	1,142	30,106	27,054
Social security costs	2,798	10	2,808	2,588
Other pension costs	5,488	22	5,510	5,062
Sub total	37,250	1,174	38,424	34,704
Less recoveries in respect of outward secondment	0	0	0	(87)
Total net costs	37,250	1,174	38,424	34,617

4. Other expenditure

	2018-19			2017-18		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	4,114	193	4,307	4,116	144	4,260
Running costs	2,370	18	2,388	3,306	19	3,325
Contractor fees	2,318	0	2,318	1,150	0	1,150
Professional fees	1,691	29	1,720	2,236	20	2,256
Travelling and incidental expenses	1,458	10	1,468	1,338	7	1,345
Computer software	1,433	0	1,433	1,364	0	1,364
Staff training costs	907	18	925	709	24	733
Research and development costs	815	0	815	788	0	788
Legal costs	439	58	497	193	36	229
Rentals under operating leases	145	1	146	63	1	64
Services provided by OGD's	72	0	72	309	0	309
External audit fees	49	0	49	50	0	50
Fees and expenses of arbitrators, conciliators & CAC members	3	6	9	1	7	8
Bad debts	8	0	8	4	0	4
Conference costs	0	7	7	296	12	308
<i>Non-cash costs:</i>						
Depreciation	1,431	0	1,431	1,736	0	1,736
Losses, write offs and loss on disposal of property, plant and equipment	17	0	17	174	0	174
Other non cash movements	164	0	164	16	0	16
Provisions for liabilities and charges – Early Retirement Scheme	0	0	0	0	0	0
Provisions for liabilities and charges – dilapidations	(1)	0	(1)	6	0	6
Unwinding of discount	(8)	0	(8)	4	0	4
	17,425	340	17,765	17,859	270	18,129

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.

	2018-19			2017-18		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	5,598	6	5,604	5,266	13	5,279
Other receipts	0	0	0	0	0	0
	5,598	6	5,604	5,266	13	5,279

	2018-19	2017-18
	£'000	£'000
Receipts from fees and other operating receipts (Acas)	5,598	5,266
Total expenditure	(4,747)	(4,688)
Net surplus	851	578

The CAC has no operating income.

6. Property, plant and equipment and Intangible assets

6.1 Property, plant and equipment 2018-19

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office £'000	Furniture fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2018	0	5,056	6,835	900	12,791
Additions	262	2	645	119	1,028
Disposals	0	(18)	(224)	(47)	(289)
Revaluation	0	107	27	0	134
Transfer	0	0	0	0	0
At 31 March 2019	262	5,147	7,283	972	13,664
Depreciation					
At 1st April 2018	0	4,105	5,548	630	10,283
Charged in year	0	645	639	72	1,356
Disposals	0	(18)	(207)	(47)	(272)
Revaluations	0	92	13	0	105
Transfer	0	0	0	0	0
At 31 March 2019	0	4,824	5,993	655	11,472
Net book value at 31 March 2019	262	323	1,290	317	2,192
Asset financing					
Owned	262	323	1,290	317	2,192

6.2 Property, plant and equipment 2017-18

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office £'000	Furniture fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2017	1	5,004	6,633	712	12,350
Additions	0	523	703	153	1,379
Disposals	0	(609)	(548)	0	(1,157)
Revaluation	0	169	47	4	220
Write off	0	0	0	0	0
Transfer	(1)	(31)	0	31	(1)
At 31 March 2018	0	5,056	6,835	900	12,791
Depreciation					
At 1 April 2017	0	3,641	5,301	576	9,518
Charged in year	0	785	732	53	1,570
Disposals	0	(472)	(512)	0	(984)
Revaluations	0	126	27	1	154
Transfer	0	25	0	0	25
At 31 March 2018	0	4,105	5,548	630	10,283
Net book value at 31 March 2018	0	951	1,287	270	2,508
Asset financing					
Owned	0	951	1,287	270	2,508

6.3 Intangible assets 2018-19

	Assets under construction £'000	Computer software £'000	Total £'000
Cost or valuation			
At 1 April 2018	0	9,670	9,670
Additions	0	1	1
Disposals	0	0	0
Revaluation	0	4	4
Transfer	0	0	0
At 31 March 2019	0	9,675	9,675
Amortisation			
At 1 April 2018	0	9,534	9,534
Charged in year	0	75	75
Disposals	0	0	0
Revaluations	0	2	2
Transfer	0	0	0
At 31 March 2019	0	9,611	9,611
Net book value at 31 March 2019	0	64	64
Asset financing			
Owned	0	64	64

6.4 Intangible fixed assets 2017-18

	Assets under construction £'000	Computer software £'000	Total £'000
Cost or valuation			
At 1 April 2017	5	9,609	9,614
Additions	0	44	44
Disposals	0	(1)	(1)
Revaluation	0	13	13
Transfer	(5)	5	0
At 31 March 2018	0	9,670	9,670
Depreciation			
At 1 April 2017	0	9,359	9,359
Charge	0	166	166
Disposals	0	0	0
Revaluation	0	9	9
Transfer	0	9,534	9,534
At 31 March 2018	0	136	136
Net book value at 31 March 2018	0	136	136
Asset financing			
Owned	0	136	136

7. Trade receivables and other current assets

	2019	2018
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	1,282	1,207
Prepayments	615	163
VAT receivables	838	411
Deposits and advances (staff)	107	120
	2,842	1,901
Amounts falling due after more than one year:		
Deposits and advances (staff)	1	1
	2,843	1,902

8. Cash and cash equivalents

	2019	2018
	£'000	£'000
Balance at 1 April 2018	1,064	1,358
Net change in cash and cash equivalent balances	(659)	(294)
Balance at 31 March 2019	405	1,064
The following balances at 31 March are held at:		
Government Banking Service	405	1,064

9. Trade payables and other current liabilities

	2019	2018
	£'000	£'000
Trade payables	1,067	1,516
Accruals	4,646	4,057
Holiday pay	1,496	842
Deferred income	443	312
	7,652	6,727

10. Provisions and contingent liabilities

10.1 Provisions for liabilities and charges 2018-19

	Future pensions £'000	Dilapidations £'000	Total £'000
Opening provisions at 1 April 2018	47	877	924
In period:			
Expenditure during the year	(18)	0	(18)
Increase in provisions	0	0	0
Reversed unused in year	0	(1)	(1)
Unwinding of Discount	0	(8)	(8)
Closing provisions at 31 March 2019	29	868	897
Summary of cashflow timings			
Within 1 Year	18	94	112
Between 2 and 5 Years	11	758	769
Beyond 5 Years	0	16	16
Total	29	868	897

10.2 Provisions for liabilities and charges 2017-18

	Future pensions £'000	Dilapidations £'000	Total £'000
Opening provisions at 1 April 2018	65	895	960
In period:			
Expenditure during the year	(18)	(24)	(42)
Increase in provisions	0	0	0
Reversed unused in year	0	10	10
Unwinding of discount	0	(4)	(4)
Closing provisions at 31 March 2019	47	877	924
Summary of cashflow timings			
Within 1 year	18	526	544
Between 2 and 5 years	29	334	363
Beyond 5 years	0	17	17
Total	47	877	924

10.3 Contingent liabilities

The estimated cost of cases outstanding against Acas as at 31st March 2019 was £193k (2018, £Nil).

11. Capital commitments

Acas is committed to further estates moves in 2019-20 for which it is estimated £1,100k capital expenditure (2018-19, £1,048k) 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:

	2018-19		2017-18	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under operating leases				
Not later than one year	1,655	48	2,269	90
Between 2 and 5 years	2,154	25	1,739	38
Later than five years	255	0	0	0
	4,064	73	4,008	128

13. Related party transactions

Acas is a Non Departmental Public Body (NDPB) sponsored by 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.

