

acas working
for everyone

Advisory, Conciliation
and Arbitration Service
(Acas)

Annual Report and Accounts 2019–20



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Annual Report and Accounts 2019–20

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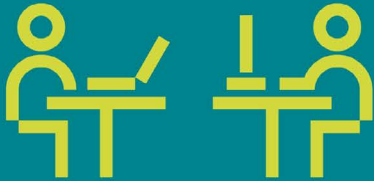
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Acas year in numbers

15M

web user sessions



doubled Twitter followers,
one third more Facebook fans



800K

helpline calls



(50% more daily over lockdown)



1,300

conference delegates



16K

 webinar delegates
including joint webinars
with partners

65K

delegates
trained



13K

 new elearning
registrants

140K

early conciliation
notifications



77%

 avoiding
employment tribunal

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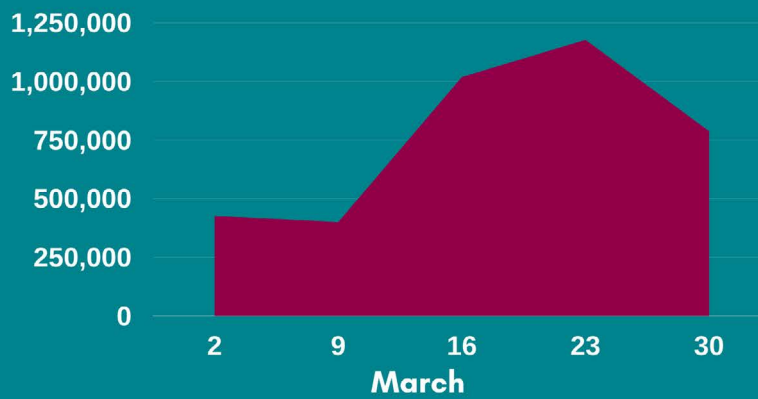
Response to Coronavirus in numbers

Coronavirus response: March 2020

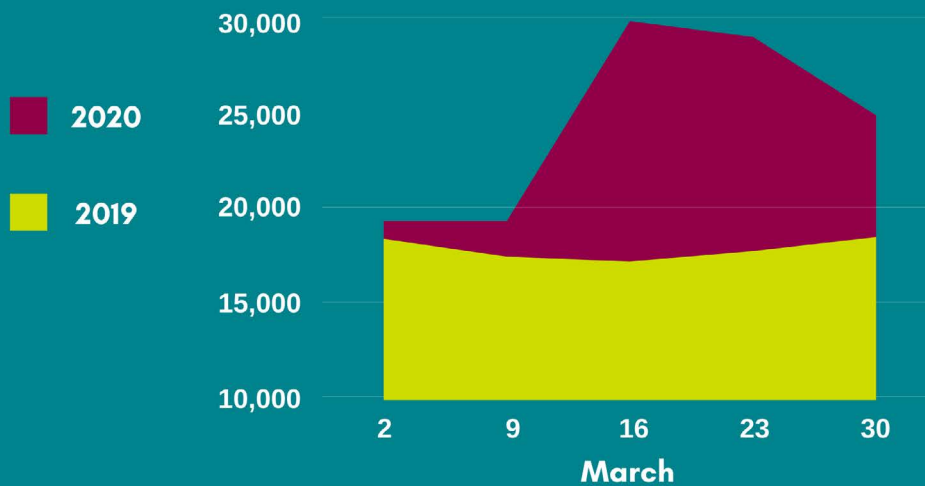
Percentage of staff working from home each week



Number of web visits



Helpline calls each week



Foreword from the chair and chief executive

As Britain's workplace expert, we deliver an essential and necessary service to businesses, employees, trade unions and others, particularly in times of upheaval.

Acas is trusted and impartial, working with millions of employers and employees every year to make working life better in Britain. At no time are we needed more than at times of economic and workplace uncertainty – and the last quarter of the reporting year underlined just how vital our services are.

The first three quarters of the year saw Acas responding strongly to emerging issues, for example with new guidance on non-disclosure agreements and the menopause; and a full go-live of our new website (including updates of over 40 sections of guidance). By January, we had trained over 65,500 delegates, and our conference programme had reached over 1,300 people. We had taken steps to improve the speed at which our dispute services were able to resolve conflict and to reach agreements in the thorniest of disputes. Internally, we had introduced a new Mental Health Action Plan, run an awareness campaign on sexual harassment and revised our discipline and grievance and bullying and harassment policies.

Then everything changed. The coronavirus (COVID-19) pandemic has impacted every area of our personal, professional and social lives. And has caused uncertainty and anxiety to workforces up and down the country.

Following government advice, we quickly moved to full home working to support and protect our people. We were able to ensure our service was maintained and teams had the tools to do their jobs remotely. Line managers quickly moved to new ways of engaging teams to maintain morale and respond with resilience to the emerging challenging situation. We refigured our priorities to make daily website updates, providing the most up to date and relevant information.

We have had overwhelming positive feedback from employers, lawyers, human resources professionals and employees that Acas offered the most authoritative accurate advice.

Our frontline services quickly responded to the demand. Our helpline saw a spike on one day of around 15,000 calls, 5 times our average daily call rate; and over the final weeks of the reporting year, we were dealing with around 50% more calls per day. Our website advice on coronavirus reached 3.6 million customers up to the end of March. These channels were supplemented by employer facing webinars and employee facing Twitter Live sessions.



Sir Brendan Barber
Chair



Susan Clews
Chief Executive

We were supported in reaching out by our partners in the business and trade union community. CBI, TUC and FSB, sector trade bodies and trade unions, MPs, LEPs and growth hubs, lawyers, HR professionals and other business advisers were quick to see the value of the support we were offering and quickly disseminated and promoted it amongst their members and constituents. And calls on our expertise from many of these partners, as well as commentators, news outlets and others illustrated that we were a trusted source of knowledge and advice.

As we emerge from the crisis, we will continue to work with these partners to address how GB Plc can rebuild a strong labour market using trusted business models, explore any learnings from the lockdown and address areas of unfairness, or perceived unfairness. We will in particular continue to offer support through our priority areas of:

- good work and productivity
- mental health and wellbeing
- reducing conflict and resolving workplace disputes

In all of the above, we have been overwhelmed by the resilience, commitment and professionalism of all our people. They have truly stepped up to the challenge. We have also been immensely grateful to the Acas Council for their strategic direction and challenge during this period – their insights, impartiality and independence have been critical.

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 2019 to 2020, and indicates our ambitions for the year and years ahead.

Susan Clews adds:

Finally, I would like to thank Sir Brendan personally for his outstanding service and valuable input and insight in driving forward Acas since 2014 I would also like to welcome Clare Chapman as the new Chair of Acas. Clare takes up office at the end of July 2020 bringing enormous valuable experience to the role. She will be warmly welcomed.

Our vision

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

- Strategic Aim One:** Advising on good practice in everyday working life
- Strategic Aim Two:** Resolving disputes and managing conflict
- Strategic Aim Three:** Influencing 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.

Highlights

1. Launched our new website – offering clear advice to customers to solve employment problems quickly and easily and make a difference to their working lives.
2. Extended our webinar programme to over 16,000 delegates, including in partnership with NHS Employers, Companies House and Equality Advisory Support Service.
3. Answered 800,000 helpline calls, and added an employer callback service to support organisations during the early weeks of the coronavirus pandemic.
4. Delivered record levels of training to more organisations alongside more in-depth advisory visits and calls to respond to the most complex challenges.

Aim 1

To advise on good practice in everyday working life

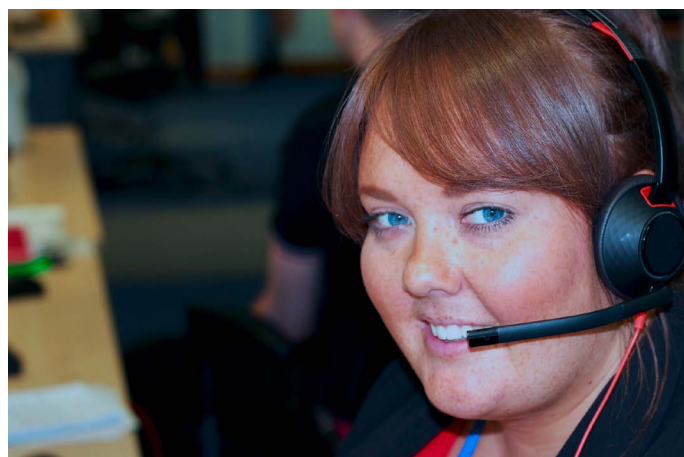
We help organisations to get it right and improve performance. We provide phone and online advice, practical tools, clear guidance, good practice and expert training.

As the trusted authority, our role is to raise standards of work practice, reduce the causes of conflict which can lead to disputes, and make British workplaces more productive. We believe that the most effective way of doing that is to improve line management skills and help people understand and respond to employment legislation and regulations.

We do this through a range of channels: helpline, online and face to face, depending on customer need.

Acas 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. This year we answered nearly 800,000 calls, and had a further 370,000 interactions through our other helpline services. Our customers told us what a positive impact our people have had.



Customer feedback: helpline

The service of advice and guidance provided by Stacey (Acas Newcastle) had lifted so much weight off my shoulders, in terms of stressing about what the next step is. Honestly an amazing individual, you guys should be glad to have her on your team:-)

Employee

I have spoken to Acas on many occasions, and I was particularly impressed by the advisor on my most recent call. He was very polite and informative and helped break down my problem for me to understand better. I am very glad I phoned; keep up the good work!

Human Resources Manager



Customer feedback: helpline satisfaction survey

A recent audit of the helpline was positive, praising in particular training of advisers and our quality monitoring. (Government Internal Audit Agency)



During the height of the coronavirus crisis, the Acas helpline was receiving 3 times as many calls as normal (from an average of less than 5,000 per day, of which we answer around 3,000, to a peak of 15,000 incoming calls on 23 March), of which we managed to answer around 4 to 5,000 per day. To maximise the number of calls we could take, we made some temporary internal staff changes, and repositioned some of our senior advisers to respond to calls from businesses who were facing significant challenges.

We continue to work in partnership with enforcement bodies: HM Revenue and Customs (HMRC), the Gangmasters and Labour Abuse Authority and 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.

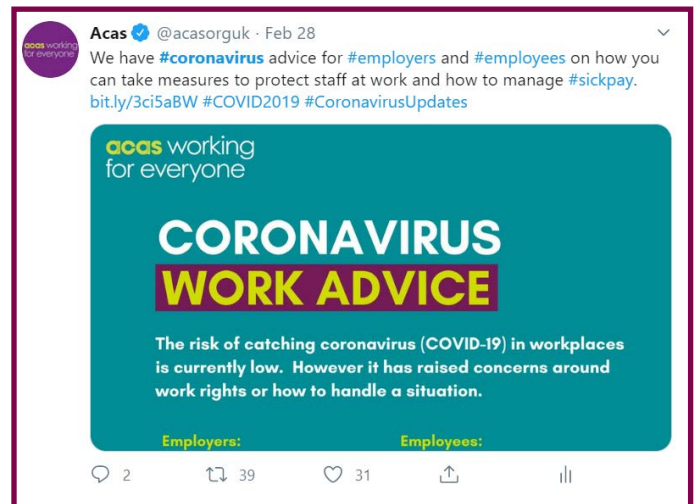
Online advice and guidance

Acas switched over to a new website in December 2019. The new site provides information and good practice advice written in plain English. We regularly update it with what our users tell us is important and can help prevent workplace problems. It has been built using open source technology and is one of the first government sites to be fully compliant with the new accessibility regulations.

Last year we published new advice on non-disclosure agreements and the menopause, as well as completely rewriting advice across 40 different topics.

In February 2020, Acas published a guide to coronavirus for employers and employees, followed swiftly by updates to statutory sick pay and redundancy. The coronavirus advice was updated almost daily to respond to evolving legislation and advice, and had around 2 million user sessions and 3.6 million unique page views by the end of March.

Across both the old and new websites there were almost 15 million user sessions this year.



New channels for advice and learning

Webinars

We have continued to expand our range of webinars to customers, and in 2019 to 2020 delivered 15 webinars to over 12,000 delegates. These were on managing fair disciplinaries, a special winter webinar and in March 2020 we launched a webinar on the workplace aspects of the coronavirus pandemic. After the reporting period, we continued to run these webinars, and developed others on topics including on furlough and mental health in a time of crisis, in order to meet customer needs.

Customer satisfaction remains high with 96% of customers satisfied and 98% of customers likely to recommend Acas webinars to others.

Separately, we have run a series of partner webinars with other organisations:

- with Companies House, on managing sickness absence with over 1,300 registrants and 200 video views
- with the Employment Advisory Support Service 'Did my boss really just do that? An employee's guide to discrimination'; where we had over 1,000 registrants and 250 video views
- with NHS Employers: 'Top 10 tips for managing investigations' and 'Top 10 tips for managing sickness absence' for which we had over 1,000 registrants and 300 video views.

Customer feedback

- *Really useful to have questions answered during the seminar and to have the chance to download the list of questions and answers afterwards. Thank you very much, Julie and Amy, for your time on this.*
- *Really the best webinar I have sat through since the lockdown - THANK YOU!*
- *Always trust the advice given by Acas*



eLearning

Our e-learning continues to be popular with over 13,000 new registration in 2019 to 2020. In addition, employers regularly ask to download the e-learning packages onto local intranets for employees. This year 30 employers downloaded online training, with a potential reach of 53,000 employees from sectors such as construction, local government and pharmacies.

This year we are updating our e-learning platform which will result in an improved customer experience and a new look product.

Social media

We have a strong presence on social media, with increasing numbers of people accessing information and advice from Twitter (nearly double the number of followers from last year to 143,000), Facebook (nearly one third more fans to 20,000), Instagram (doubled to 1,200 followers) and YouTube channels (342,000 views of Acas videos and more than 2,000 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.

Social media is changing workplace communications and challenging traditional systems for effectively involving employees. We are supporting innovative ways of helping employers and employees to work together to improve business growth. During the coronavirus pandemic, we launched a weekly Twitter Live Q&A which allows our followers to engage with us directly and get their questions answered. For the 2 sessions we ran during the reporting period, we had over 2,500 engagements on this platform.

Training and in-depth support

We offer training in all aspects of employment relations, providing employers with essential information to comply with legislation and equipping managers with the key skills and confidence to manage people. During the year around 11,600 people attended our open access events, and we have provided in-house training, tailored to an organisation's needs, to over 38,000 people, across 1,700 organisations. Both types of training receive positive feedback from delegates with 99% satisfaction ratings.

We also offer organisations tailored in-depth support which goes beyond training, working closely with employers, employees and employee representatives/trade unions to diagnose potential issues within the workplace and tailor support to address the challenges they face. We have helped organisations manage change, resolve conflict and improve relationships and have assisted with requests for trade union recognition.



We continue to enhance and add to our training programme, events launched this year include on gender identity in the workplace and on menopause and the workplace. We have also started to offer our training digitally through online platforms. This has been key in enabling us to continue to meet customers' training needs during the coronavirus pandemic.



Partnership work

We have collaborated with partners on joint programmes to reach a wider audience and increase the impact of our messaging bespoke to user needs. For example, in September and October we ran 2 joint webinars with NHS Employers, and in November delivered the 'Building the best place to work' conference designed specifically for the health sector which covered topics such as; mental health, diversity and inclusion and bullying and harassment. All of these events were delivered wholly in partnership to ensure the lived experience of delegates and expertise of NHS Employers was reflected.

While the events themselves were hugely successful, the real win for Acas was the benefit of having our partners at NHS Employers advocating our work across their networks.

Case study: health sector joint programme

One of the best Acas courses I've attended!

Delegate

Partnering with workplace experts Acas to deliver a series of events enabled us to pool our collective expertise and provide delegates with insight, shared learning and workable solutions to the key challenges facing the NHS workforce today.

Feedback from our colleagues working across the health and care sector has been extremely positive and I look forward to exploring future opportunities where we can jointly further the ambition of making the NHS the best place to work.

Danny Mortimer, Chief Exec of NHS Employers

Aim 2

To resolve disputes and manage conflict

We help individuals and their employers to find solutions to disputes which would otherwise result in legal action.

We also conciliate 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.

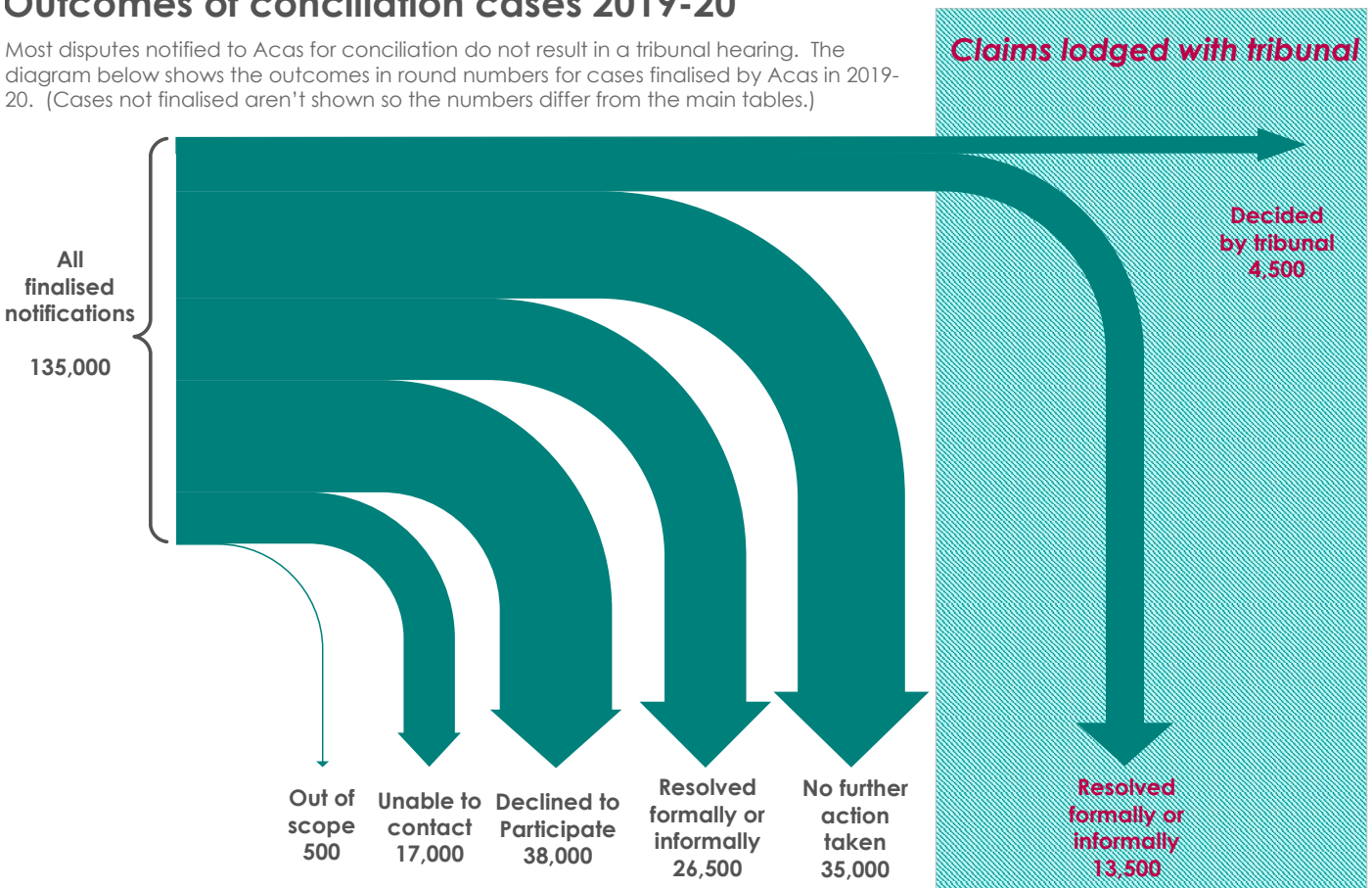
Most people know us for our work when things go wrong. While conflict is inevitable, when it is allowed to escalate into a dispute, it can impact on an organisation's ability to fulfil its objectives, and on every member of staff. We work with individuals and organisations to help them find early solutions to conflict and avoid some of the long term impacts this can cause.

Resolving disputes involving individuals

Anyone who wishes to take a case to an employment tribunal must first notify Acas. After receiving 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.

Outcomes of conciliation cases 2019-20

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 2019-20. (Cases not finalised aren't shown so the numbers differ from the main tables.)



In 2019 to 2020 we received nearly 140,000 early conciliation notifications (approximately 2,700 notifications a week), an increase of 5% on the previous year. Conciliation officers have worked incredibly hard to be available and responsive to claimants, respondents and their representatives while dealing with this increased workload. This has meant that 77% of the notifications handled by Acas did not lead to an employment tribunal claim (because a formal or informal agreement was made, or the claimant decided not to proceed).

Our services remain available after an employment tribunal claim has been lodged, right up to the day of the hearing. We saw a slight increase last year with 41,000 cases reaching this stage. Of the 18,000 cases finalised this year, Acas conciliation resulted in settlement in (10,000) 58% of cases, with a further (3,500) 20% being withdrawn by the claimant before the hearing.

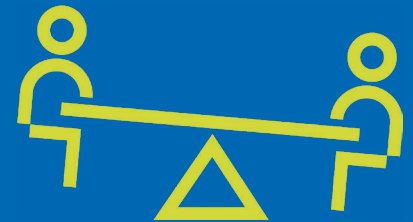
Despite a year-on-year increase in case receipts since the abolition of employment tribunal fees in July 2017, we continue to receive positive feedback to the service from claimants, respondents and their representatives. Nevertheless, we continue to explore ways to better manage our cases and maximise efficiency. In the last year, we have trained 40 new conciliators, and explored new models of service delivery. We created a new notification form and rolled out a new case management system to improve the way people notify Acas of a potential claim, and offer faster more efficient communication and case management.

In the coming year we will deliver further enhancements, including speedier allocation of cases to conciliators; quicker contact with customers over a range of channels; and simplified group claims.

Customer feedback: individual conciliation

From a claimant:

Dear Clare, Thank you so very much for your professionalism, care and humanity when dealing with my case.....The words Thank you do not seem big enough as you (and Acas) have really helped me to draw a line and move on with my life.



From a claimant, formerly a rep for companies:

Unusually I found myself working through Acas from the claimant's perspective as my day job is in HR. ...after experiencing both I am flabbergasted at how balanced and diligent you guys actually are. I have been thoroughly impressed by the team there, especially when you all cover each other's work loads and pick up seamlessly from where the other left off. Credit where credit is due, impressed. Keep it up.

From an employer:

We received the countersigned COT3 today, so all done and dusted. Thank you very much indeed for all your help. This result could not have been achieved without your assistance. The service we have received from Acas has been excellent and amazingly efficient. Our position has been improved immeasurably in a way that we simply could not have achieved on our own. You have provided a great service.

Unrepresented claimant:

Regards and many thanks for your positive interventions and your patience. It's a shame people don't sometimes stand at their doorsteps on Thursdays and applaud Acas... I would!!

From the parent of a claimant:

All in all, a pretty faultless public service.

Resolving disputes involving groups of employees

Our collective dispute resolution work is wide-ranging, from resolving conflict between trade unions and employers after a workforce has been balloted about potential action, to encompass situations where there is no formal trade union recognition and fewer formal mechanisms for resolving disputes.

Our work to resolve collective disputes behind the scenes is vital to help avoid industrial action wherever possible. Our conciliators help increase employer understanding of employee concerns and discontent, and facilitate discussions about ways of working together, better communication and improved productivity. In most cases we are successful in finding a solution before the dispute escalates into industrial action.



But where the dispute has escalated, we are able to help parties find a solution in most cases. Requests for our involvement come from private, public and voluntary sectors. The most common cause of collective disputes was pay or pay-related matters. However, we are seeing increasing numbers of disputes which relate to change: around increased efficiency, working practices, and reviews of terms and conditions. We have also seen a steady flow of cases around trade union recognition.

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 258 mediations Acas was involved with in 2019 to 2020, 76% reached full or partial agreement.

One of our most popular training packages is an in-depth intensive accredited Certificate in Internal Workplace Mediation (CIWM) course. Last year we trained 240 people from organisations which recognise the need to manage conflict proactively, and think strategically about how they can address challenges within their own organisations.

We have not yet seen significant increases in dispute resolution caseloads since the beginning of the coronavirus pandemic. However, we are carefully tracking the impact on business and workplaces; and using insight from our helpline to inform planning on expected areas of dispute so we are well prepared to respond.

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.

Acas's 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 page 19). Our council determines Acas's strategic direction, contributes to specific areas of work, such as developing Codes of Practice and new guidance, and supports and challenges the Executive Board in delivering our strategic aims.

Our credibility and reputation as impartial experts mean that we are regularly approached by partners, government ministers, policy makers, influencers and others for our insight and views. 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.

Our governance arrangements, strong working relationships with stakeholders and evidence from research helps us make decisions about what areas we need to focus our resources on and where we can have most impact. For example, over the last year, we have focused on resolving conflict, improving good work and productivity and in improving workplace mental health and wellbeing.

Major areas of work included:

Positive mental health in the workplace

Our mental health framework and modular training programme has continued to expand, and we have trained around 250 companies. We have worked with particular well-known brands to support them to deliver changes. In May 2019 we published a new paper exploring the impact of stress and anxiety at work.



Good work and productivity

We continued to work with partners to develop our offer of practical advice to businesses on delivering **'good work'**. We have worked in particular with the London Mayor's office, Greater Manchester Mayoral Authority and North of the Tyne Authority on supporting them to offer local businesses advice and tools. We have also worked with a number of sectors including the supply chain sector on their plans on what good work looks like. We also contributed an essay to a collection published in January 2020 by RSA and Carnegie on **'Can good work solve the productivity puzzle?'**

Technological innovation

Technology continues to be a driver of new working relationships and productivity. This year we published a paper looking at the impact of algorithms in the workplace. We followed this up with a think piece on some of the winners and losers that new technology will lead to in the workplace.

Conflict resolution

We published a paper on the evolving nature of the human resource function and its implications for workplace conflict.



These themes also offered considerable insight when the coronavirus pandemic took over our thinking, as they provide a lens through which Acas can offer to support business and employees. It also helps us look at the different stages of support we can offer:

- during lockdown and the panic which was being felt by many – we offered a rescue; our authoritative experience and expertise offered reassurance to many that we have the answers and are here to offer help and tools
- as we start to exit lockdown and understand more about what will happen next, we can assist with repairing the breakdowns in trust which have happened in many workplaces and offer practical tangible solutions to rebuild
- as we look to the future we can help with the recovery – we have experience in supporting organisations to restructure, taking their people with them, and thinking about new business models and ways to ensure productivity through times of change



The Acas Council has responded to a number of government consultations, including on:

- confidentiality clauses
- sexual harassment in the workplace
- the government's Good Work Plan on: addressing unfair flexible working practices; and establishing a new single enforcement body for employment rights
- Health is everyone's business: proposals to reduce ill health-related job loss

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 willing to share and advocate to their networks and customers. Our key stakeholders include trade unions and other organisations who support employees, such as Citizen's Advice and Working Families; employer representative groups, such as CBI, Chambers of Commerce and FSB; government departments and agencies, such as the Department for Business, Energy and Industrial Strategy (BEIS), the Department for Work and Pensions (DWP), the Government Equalities Office (GEO), Public Health England (PHE) and the Equality and Human Rights Commission (EHRC); and other influential groups, including the CIPD, Investors in People, the Royal Society for the Arts (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. We ran over 1,300 events for over 13,000 delegates over the year, including regional network fora, conferences and various face to face group sessions.

Equality and discrimination

In July 2019 Acas received awards in 3 categories for the Employers Network for Equality and Inclusion (enei) awards. We received a highly commended for our work on Disability Confident, won the pay gap award and in addition gained overall winner for best public sector organisation.

We continued to work closely and collaboratively with colleagues in the GEO and EHRC. We have worked together to support the wider government agenda to tackle sexual harassment.

Case study: LGBT Action Plan across the Civil Service

We supported the government's workplace commitment in response to the LGBT survey and helped develop the LGBT Action Plan. We facilitated a number of roundtable sessions and fed into development of a e-learning package to help employers and employees deal with LGBT discrimination in the workplace.

Future planning

As we move into 2020 to 2021, we are entering a period of unprecedented economic and workplace uncertainty. It is clear from the early months of this crisis the essential nature of our work for business and employees in rebuilding and returning to normal. In order to respond to this call for our support, we have reviewed our programme of work for the year ahead.

Internally, we will be focussing on the balance between office and home working for our people, and considering how we can continue to deliver the essential training and in-house work that employers tell us make such a difference to their ability to deliver and improve effectively. We have been overwhelmed at the resilience, capability and flexibility of colleagues, who have shown how able they are to respond quickly to need.

Externally, we are reviewing our digital offering, developing plans to respond to the differing needs of our customers in the post-coronavirus world. This includes adapting our conciliation service to meet the anticipated uptake of demand and looking at improved joined up customer journeys, using insights gathered during the crisis to support people better so they can find what they need faster.

We are looking at what the future needs of the workplace are likely to be so we can respond quickly and effectively. We will continue to involve partners in our thinking as this work and the impacts of the situation evolves. But there are some clear topics which we will be addressing, including on safe workplaces and working practices; business survival, recovery and productivity; new ways of working; and issues around fairness, or perceived unfairness.

The Acas Council

Sir Brendan Barber (Acas Council Chair January 2014 to July 2020)

Sir Brendan was the General Secretary of the Trades Union Congress (TUC) from 2003 to 2012. He is also Deputy Chair of the Banking Standards Board.

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

Clare Chapman (Acas Council Chair from 27 July 2020)

Clare previously served as Group People Director at BT Group and before that, Director General of Workforce at the Department of Health. She has a long track record of managing relationships between employers, workers and their trade unions, in both the private and the public sectors.

Neil Carberry (Acas Council since July 2014)

Neil is Chief Executive of the Recruitment and Employment Confederation (REC), the UK's representative and professional body for recruitment and staffing. Previously he was a Managing Director at the CBI. Neil is a member of the Low Pay Commission and a Chartered Fellow of the CIPD. He sits on the World Employment Confederation board and is Chair of a Primary Academy Trust.

Mike Clancy (Acas Council since May 2016)

Mike is the General Secretary of the trade union Prospect. Mike was appointed as an Employment Appeal Tribunal member in 2002 and became member of the Central Arbitration Committee (CAC) in 2019. In March 2017 he joined the Nuclear Industry Council. He is also a member of the TUC Executive Committee and the General Council.

Professor Anne Davies (Acas Council since April 2018)

Anne is Professor of Law and Public Policy at the University of Oxford, and Dean of the Faculty of Law. She is a professorial fellow of Brasenose College. Anne is the author of 5 books and many articles in the fields of public law and labour law.

Mike Goodie (Acas Council since July 2014)

Mike is People Director for the Canal and River Trust. Prior to this he held a number of senior HR positions, including for Shell, 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 Chair of the Acas Audit Committee and a member of the Remuneration Committee.

Jayne Haines (Acas Council since April 2018)

Jayne is senior Vice President Talent, Learning and Organisational Development at GlaxoSmithKline. She has worked at the European Commission in Equal Opportunities and the Royal Mail. Jayne is a member of the Business in the Community (BITC) Age Leadership Team, and Chair of the charity "Women in Sport".

Sally Hunt (Acas Council since March 2015)

Sally was the General Secretary of the University and College Union (UCU) since its formation in 2007. Prior to that, she was General Secretary of the Association of University Teachers. Sally was a member of the TUC Executive Committee and General Council, and acted as the international spokesperson. She was also President of the TUC 2017 to 2018.

Susan Jordan (Acas Council since April 2018)

Sue was previously Vice President HR DHL Supply Chain. She is a Non-Executive Director of Worcestershire Local Enterprise Partnership, Employer Member of the CAC and Chair of the Trustee Board for Citizens Advice – Bromsgrove and Redditch. She is a Fellow of the CIPD.

Christina McAnea (Acas Council since 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 QC (Acas Council since 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 (Acas Council since November 2011)

Paul is Deputy General Secretary of the TUC. He has responsibility for public services and transport, and for the TUC's organisation in the English regions and Wales, union organising, interunion relations and the organisation of the TUC's annual Congress. He is a member of the government's Strategic Trade Advisory Group.

Ben Summerskill (Acas Council since March 2017)

Ben was Chief Executive of Stonewall from 2003 to 2014, and then Director of the Criminal Justice Alliance. Prior to this, Ben was Assistant Editor and Chief Leader Writer at The Observer. He is a member of the Honours Committee for Community and Voluntary Service and the Queen's Award for Voluntary Service, and a trustee of Switchback.

Performance against key indicators

Key performance indicators for the service level agreement

	2019-20		2018-19	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes:				
The promotion of a settlement in disputes in which Acas were involved	80%	95%	80%	88%
Individual disputes referred for conciliation:				
Percentage of early conciliation notifications which result in a conciliated settlement between parties	20%	17%	20%	20%
Percentage of early conciliation notifications which result in a conciliated settlement between parties or other positive outcome	30%	26%	30%	32%
Percentage of employment tribunal cases which result in a conciliated settlement excluding those which have been struck out by the courts	55%	59%	55%	55%
Percentage of employment tribunal cases which are positively resolved following Acas conciliation	70%	80%	70%	74%
Acas training services:				
Percentage of open access customers reporting they were satisfied with the course	97%	99%	97%	99%
Percentage of workplace training customers reporting they were satisfied with the course	97%	99%	97%	98%
Percentage of open access customers reporting that the training met their learning needs ¹	90%	86%	n/a	84%
Telephone helpline advice on workplace problems:				
The percentage of users who were able to take clear action following their call to the Acas helpline	85%	89%	70%	88%
Digital advice on workplace problems:				
Number of interactions where the user solved their problem or were reassured of a course of action ²	3.1m	5.0m	6.48m	7.59m

1. This is a new measure hence there was no target for the previous year.

2. This measure is calculated by multiplying service user volumes against the latest impact evaluation survey results.

Volume indicators

	2019-20	2018-19
Number of early conciliation notifications	138,837	132,711
Number of employment tribunal claim forms (ET1s) received	40,978	36,531
Number of re-employments	101	94
Number of collective conciliation requests received	566	607
Number of workplace projects started	131	175
Number of requests for trade dispute arbitration	20	16
Number of calls answered by national helpline	798,552	730,550
Number of helpline online user sessions	295,612	417,258
Number of advisory visits and in-depth phone calls	5,090	4,340
Number of training sessions delivered	3,033	2,955

Cost of key services

	2019-20	2018-19
Cost of a helpline enquiry (voice or webchat answered)	£8.91	£7.84
Cost of processing an individual conciliation case	£114	£120
Cost of a collective conciliation case	£1,220	£1,203
Cost of an arbitration hearing case	£2,327	£2,132

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 (where available).

Individual disputes³

Individual (early conciliation or EC) notifications received

		2019-20		2018-19		2017-18	
		Volume	%	Volume	%	Volume	%
Employee notifications	No track identified	18,681	13.8%	9,047	7.0%	8,238	7.8%
	Fast track	53,680	39.6%	57,105	44.3%	50,217	47.8%
	Standard track	25,190	18.6%	26,697	20.7%	23,245	22.1%
	Open track	38,123	28.1%	36,057	28.0%	23,335	22.2%
	Total	135,674		128,906		105,035	
Employer notifications	No track identified	73	2.3%	57	1.5%	28	0.7%
	Fast track	479	15.1%	987	25.9%	738	17.1%
	Standard track	1,945	61.5%	2,177	57.2%	2,820	65.1%
	Open track	666	21.1%	584	15.4%	743	17.2%
	Total	3,163		3,805		4,329	
Grand total	138,837		132,711		109,364		

Number of employment tribunal claims (ETIs) received⁴

		2018-19		2017-18		2016-17	
		Volume	%	Volume	%	Volume	%
ETIs received following EC notification	Fast track	10,964	27.4%	9,767	27.5%	6,140	24.2%
	Standard track	12,558	31.4%	11,546	32.5%	9,023	35.6%
	Open track	16,503	41.2%	14,223	40.0%	10,168	40.1%
	Total	40,025		35,536		25,331	
ETIs received without prior EC notification ⁵	Fast track	309	32.4%	327	32.9%	237	34.8%
	Standard track	302	31.7%	274	27.5%	177	26.0%
	Open track	342	35.9%	394	39.6%	267	39.2%
	Total	953		995		681	
Grand total	40,978		36,531		26,012		

3. Throughout the individual dispute resolution section, early conciliation group notifications are each counted as '1' case as are ET1 multiples (where a number of claimants sharing representation raise the same dispute). Acas has received several thousand group notifications annually for early conciliation in addition to the individual notifications.

4. Note that this table excludes a small number of cases where management information had not been finalised at run date.

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					
		2019-20		2018-19		2017-19	
		Volume	% of forms	Volume	% of forms	Volume	% of forms
Major jurisdictions by volume	Wages act	36,778	26%	33,945	26%	28,078	26%
	Unfair dismissal	31,857	23%	34,624	26%	29,379	27%
	Working time (annual leave)	22,970	17%	15,340	12%	12,895	12%
	Disability discrimination	15,371	11%	13,820	10%	10,434	10%
	Breach of contract	11,229	8%	11,674	9%	11,186	10%
	Sex discrimination	8,780	6%	8,264	6%	6,578	6%
	Equal pay	7,001	5%	8,256	6%	992	1%
	Race discrimination	7,001	5%	6,153	5%	4,642	4%
	Redundancy pay	4,230	3%	4,278	3%	2,889	3%
	Public interest disclosure	3,669	3%	4,154	3%	3,013	3%
	Other	19,728		18,523		13,410	0.12
		Total jurisdictions	168,614		159,031		125,081
	Total notifications	138,837		132,711		109,364	

ET1 cases received for conciliation from the employment tribunal service by all grounds of complaint

	Jurisdictions	ET1					
		2019-20		2018-19		2017-18	
	% of cases	Volume	% of cases	Volume	% of cases	% of cases	
Major jurisdictions by volume	Unfair dismissal	17,397	42%	18,571	51%	13,721	53%
	Wages act	14,464	35%	14,809	41%	9,298	36%
	Breach of contract	11,633	28%	12,200	33%	8,648	33%
	Working time (annual leave)	10,232	25%	9,490	26%	6,368	25%
	Disability discrimination	7,474	18%	7,119	19%	4,630	18%
	Sex discrimination	4,329	11%	3,841	11%	2,579	10%
	Race discrimination	4,012	10%	3,514	10%	2,250	9%
	Redundancy pay	3,761	9%	3,618	10%	2,306	9%
	Public interest disclosure	2,796	7%	2,543	7%	1,780	7%
	Age discrimination	2,286	6%	1,633	5%	1,056	4%
	Other	10,357		9,041		6,276	
		Total jurisdictions	88,741		86,379		58,998
	Total cases	40,978		36,531		26,012	

6. Jurisdictions reported against early conciliation notifications differ from those reported in cases received for conciliation from the employment tribunal service in that they are assigned by Acas officers on an indicative basis only and do not necessarily represent the jurisdictions a claimant might record when submitting an ET1. Since a case can have multiple jurisdictions, the sum of the percentages in both this table and the following table exceeds 100%.

Take-up of employee-led early conciliation

Employee notifications	2019-20		2018-19		2017-18	
	%	Volume	%	Volume	%	%
Out of scope for conciliation	774	0.6%	523	0.4%	158	0.2%
Employee cannot be contacted	16,873	12.4%	9,294	7.2%	8,604	8.2%
Employee declines conciliation	38,156	28.1%	36,809	28.7%	23,488	22.4%
Employer declines conciliation	10,657	7.9%	12,565	9.8%	10,808	10.3%
Matter proceeds to conciliation	69,214	51.0%	69,137	53.9%	61,977	59.0%
Total	135,674		128,328		105,035	

Early conciliation notification outcomes⁷

Final status of early conciliation notifications	EC notifications					
	Jan 19-Dec 19		Jan 18-Dec 18		Jan 17-Dec 17	
	Volume	%	Volume	%	Volume	%
No track						
COT3 settlement	0	0%	0	0%	0	0%
Did not progress to tribunal claim	10,830	82%	7,706	84%	6,329	85%
Dispute progressed to tribunal claim	2,299	18%	1,484	16%	1,115	15%
Total	13,129		9,190		7,444	
Fast track						
COT3 settlement	5,718	11%	4,340	7%	5,005	11%
Did not progress to tribunal claim	34,468	66%	41,255	70%	27,699	63%
Dispute progressed to tribunal claim	11,652	22%	13,217	22%	11,162	25%
Total	51,838		58,812		43,866	
Standard track						
COT3 settlement	3,821	14%	4,247	17%	6,857	27%
Did not progress to tribunal claim	13,829	52%	12,077	47%	10,904	43%
Dispute progressed to tribunal claim	8,860	33%	9,385	37%	7,672	30%
Total	26,510		25,709		25,433	
Open track						
COT3 settlement	3,996	10%	3,910	12%	4,322	19%
Did not progress to tribunal claim	23,521	61%	18,363	57%	11,208	48%
Dispute progressed to tribunal claim	11,332	29%	9,991	31%	7,631	33%
Total	38,849		32,264		23,161	
All tracks						
COT3 settlement	13,535	10%	12,497	10%	16,184	16%
Did not progress to tribunal claim	82,648	63%	79,401	63%	56,140	56%
Dispute progressed to tribunal claim	34,143	26%	34,077	27%	27,580	28%
Total	130,326		125,975		99,904	

7. In order for these statistics to accurately represent the final outcome of early conciliation cases it is necessary to allow a period of time after the notification is received as claimants have time (sometimes up to three months) after the end of early conciliation to decide whether to progress the case to tribunal. This table therefore considers notifications by calendar year up until December 2019.

ET1 conciliation case outcomes⁸

		2019-20		2018-19		2017-18	
		%	Volume	%	Volume	%	%
Fast track	Struck out	235	3.8%	292	3.6%	183	3.8%
	Settled	2,589	42.2%	3,177	38.9%	2,132	44.2%
	Withdrawn	1,142	18.6%	1,362	16.7%	734	15.2%
	Default judgment	819	13.3%	795	9.7%	514	10.7%
	Heard	1,350	22.0%	2,543	31.1%	1,260	26.1%
	Total	6,135		8,169		4,823	
	Resolution rate		63.2%		57.6%		61.8%
Standard track	Struck out	310	5.1%	519	5.2%	325	4.4%
	Settled	3,558	59.1%	5,247	52.1%	4,177	56.4%
	Withdrawn	1,033	17.2%	1,722	17.1%	1,059	14.3%
	Default judgment	192	3.2%	226	2.2%	139	1.9%
	Heard	928	15.4%	2,364	23.5%	1,702	23.0%
	Total	6,021		10,078		7,402	
	Resolution rate		80.4%		72.9%		74.0%
Open track	Struck out	327	5.4%	603	5.8%	387	5.0%
	Settled	3,912	64.1%	6,241	59.7%	4,729	60.8%
	Withdrawn	1,353	22.2%	2,046	19.6%	1,320	17.0%
	Default judgment	51	0.8%	51	0.5%	35	0.5%
	Heard	460	7.5%	1,512	14.5%	1,305	16.8%
	Total	6,103		10,453		7,776	
	Resolution rate		91.2%		84.1%		81.9%
Overall	Struck out	872	4.8%	1,414	4.9%	895	4.5%
	Settled	10,059	55.1%	14,665	51.1%	11,038	55.2%
	Withdrawn	3,528	19.3%	5,130	17.9%	3,113	15.6%
	Default judgment	1,062	5.8%	1,072	3.7%	688	3.4%
	Heard	2,738	15.0%	6,419	22.4%	4,267	21.3%
	Total	18,259		28,700		20,001	
	Resolution rate		78.1%		72.6%		74.1%

Individual mediation not subject to employment tribunal proceedings

		2019-20	2018-19	2017-18
New cases started in year		275	272	268
Cases closed by outcome	Settled	143	162	136
	Progress made	52	45	59
	Unresolved	26	25	8
	Unprogressed ⁹	37	28	28
	Total	258	260	231
	Success rate	76%	89%	96%

⁸ Resolution rates are calculated excluding cases struck out by the tribunal since these are generally not susceptible to conciliation. Note that this table excludes a small number of cases where management information had not been finalised at run date.

⁹ '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	2019-20		2018-19		2017-18	
	Volume	%	Volume	%	Volume	%
Acas national	9	1.6%	23	3.8%	28	3.9%
London	79	14.0%	62	10.2%	67	9.4%
South east	28	4.9%	33	5.4%	43	6.0%
East of England	18	3.2%	17	2.8%	38	5.3%
East Midlands	50	8.8%	26	4.3%	21	2.9%
West Midlands	18	3.2%	41	6.8%	52	7.3%
North east	27	4.8%	22	3.6%	35	4.9%
Yorkshire and Humber	28	4.9%	44	7.2%	56	7.8%
North west	112	19.8%	153	25.2%	173	24.2%
Scotland	152	26.9%	150	24.7%	164	22.9%
South west	16	2.8%	11	1.8%	14	2.0%
Wales	29	5.1%	25	4.1%	24	3.4%
Total	566		607		715	

Collective disputes received for conciliation by dispute cause

Dispute cause	2019-20		2018-19		2017-18	
	Volume	%	Volume	%	Volume	%
General pay claim	139	22.9%	167	27.5%	173	24.2%
Other pay/ conditions of employment	186	30.6%	160	26.4%	238	33.3%
Changes in working practices	52	8.6%	58	9.6%	82	11.5%
Recognition	75	12.4%	72	11.9%	108	15.1%
Other TU matters	77	12.7%	71	11.7%	51	7.1%
Dismissal/ discipline	23	3.8%	38	6.3%	43	6.0%
Redundancy	30	4.9%	25	4.1%	33	4.6%
Other	25	4.1%	47	7.7%	46	6.4%
Total dispute causes	607		638		774	
Total collective cases received	566		607		715	

Collective disputes closed by outcome

Dispute outcome	2019-20	2018-19	2017-18
Successfully completed	469	554	674
Unsuccessfully completed	26	49	57
All completed cases	495	603	731
Cases withdrawn	110	53	63
Total	605	656	794

Collective disputes received by source of request

Source of request	2019-20		2018-19		2017-18	
	Volume	%	Volume	%	Volume	%
Employer	122	21.6%	108	17.8%	130	18.2%
Trade union	248	43.8%	255	42.0%	319	44.6%
Joint	132	23.3%	167	27.5%	178	24.9%
Acas initiative	64	11.3%	77	12.7%	88	12.3%
Total	566		607		715	

Cases referred to collective arbitration and dispute mediation

Case type	2019-20	2018-19	2017-18
Single arbitration	10	8	13
Single mediation	10	8	7
Other	0	0	0
Total	20	16	20

Issues referred to collective arbitration and dispute mediation

Issue	2019-20	2018-19	2017-18
Annual pay	5	5	6
Other pay and conditions of employment	4	5	2
Dismissal and discipline	3	3	4
Grading	1	0	1
Other	7	3	7
Total	20	16	20

Joint problem-solving activities by topic

Topic	2019-20	2018-19	2017-18
Absence and stress management	3	2	3
Bullying and harassment	3	2	1
Collective bargaining and trade union issues	23	27	38
Conflict, mediation and change management	30	26	42
Discipline and grievance	0	3	0
Employment law	0	0	2
Equality, diversity and discrimination	0	3	3
Implementing flexible working arrangements	0	1	1
Information and consultation	5	13	18
Managing people	1	4	1
Payment and grading arrangements	5	4	3
Recruitment and employing people	0	0	0
Redundancy	3	0	0
Other	0	0	1
Total	73	85	113

Advisory services

Acas helpline contacts

	2019-20	2018-19	2017-18
Voice calls answered			
Helpline advice delivered over the telephone	798,552	730,550	782,958
Pre-recorded advice sessions¹⁰			
Helpline callers can select pre-recorded advice regarding minimum wage, holidays, wage deductions or p45's/ p60's before being connected to an adviser	74,536	85,093	28,719
Helpline online sessions			
Helpline online is an interactive database of frequently asked questions written by helpline advisers	295,612	417,258	471,511
Facebook advice sessions			
The Acas helpline provides advice to customers via the Acas Facebook page	2,632	2,976	2,593
Webchat sessions			
Webchat allows real time text-based conversation with helpline advisers	759	1,368	1,016
Total contacts	1,172,091	1,237,245	1,286,797

Acas helpline voice call topics¹¹

Topic of enquiry	2019-20 % of calls	2018-19 % of calls	2017-18 % of calls
Discipline, dismissal and grievance	36.4%	38.1%	37.0%
Contracts	15.9%	16.3%	18.3%
Wages and NMW/ NLW	14.1%	14.8%	14.4%
Redundancies, lay-offs and business transfers	13.4%	12.8%	12.8%
Absences, sickness and stress	9.9%	9.5%	10.5%
Holiday and working time	8.8%	9.2%	10.4%
Diversity and discrimination	8.6%	8.3%	7.7%
Others	8.4%	7.4%	8.0%
Maternity, paternity and adoption	3.5%	4.1%	4.8%
Family friendly policies	1.8%	1.8%	1.9%

10. Approximately 2% of the pre-recorded advice figures are estimates for the first month of 2017-18 as are the figures for the first part of 2019-20. This is owing to constraints of the system.

11. 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	2019-20		2018-19		2017-18	
	Volume	%	Volume	%	Volume	%
Absence and stress management	97	11.2%	91	8.1%	145	9.9%
Bullying and harassment	41	4.7%	54	4.8%	38	2.6%
Collective bargaining and trade union issues	38	4.4%	43	3.8%	49	3.3%
Conflict, mediation and change management	175	20.2%	208	18.4%	260	17.7%
Discipline and grievance	98	11.3%	101	8.9%	154	10.5%
Employment law	30	3.5%	139	12.3%	159	10.8%
Equality, diversity and discrimination	62	7.2%	72	6.4%	103	7.0%
Implementing flexible working arrangements	8	0.9%	7	0.6%	21	1.4%
Information and consultation	44	5.1%	67	5.9%	91	6.2%
Managing people	170	19.6%	170	15.0%	158	10.8%
Payment and grading arrangements	14	1.6%	48	4.2%	71	4.8%
Recruitment and employing people	50	5.8%	85	7.5%	144	9.8%
Redundancy	20	2.3%	24	2.1%	48	3.3%
Other	19	2.2%	21	1.9%	28	1.9%
Total	866		1,130		1,469	

In-depth advisory telephone calls by topic

Topic	2019-20		2018-19		2017-18	
	Volume	%	Volume	%	Volume	%
Absence and stress management	315	10.5%	269	8.4%	311	9.0%
Bullying and harassment	155	5.2%	136	4.2%	93	2.7%
Collective bargaining and trade union issues	77	2.6%	82	2.6%	120	3.5%
Conflict, mediation and change management	591	19.7%	607	18.9%	533	15.4%
Discipline and grievance	425	14.2%	393	12.2%	430	12.4%
Employment law	204	6.8%	377	11.7%	387	11.2%
Equality, diversity and discrimination	149	5.0%	203	6.3%	220	6.4%
Implementing flexible working arrangements	82	2.7%	91	2.8%	150	4.3%
Information and consultation	100	3.3%	158	4.9%	159	4.6%
Managing people	335	11.2%	231	7.2%	189	5.5%
Payment and grading arrangements	75	2.5%	51	1.6%	132	3.8%
Recruitment and employing people	318	10.6%	422	13.1%	534	15.4%
Redundancy	102	3.4%	96	3.0%	136	3.9%
Other	66	2.2%	94	2.9%	68	2.0%
Total	2,994		3,210		3,462	

Charged workplace projects by topic

Topic	2019-20	2018-19	2017-18
Absence and stress management	1	2	5
Bullying and harassment	7	8	8
Collective bargaining and trade union issues	5	7	5
Conflict, mediation and change management	30	35	33
Discipline and grievance	1	2	3
Employment law	0	0	2
Equality, diversity and discrimination	0	2	6
Implementing flexible working arrangements	0	0	0
Information and consultation	8	14	19
Managing people	1	0	4
Payment and grading arrangements	2	11	15
Recruitment and employing people	0	2	3
Redundancy	1	1	0
Other	0	6	1
Total	56	90	104

Certificate in internal workplace mediation (CIWM) training

Type	2019-20		2018-19		2017-18	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	8	76	17	155	5	42
Open access CIWM	26	164	25	174	26	175
Total	34	240	42	329	31	217

Workplace training by topic

Subject of training	2019-20				2018-19				2017-18			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence and stress management	231	13.5%	5,434	14.1%	158	10.0%	3,667	10.7%	156	10.7%	3,079	11.5%
Bullying and harassment	139	8.1%	5,149	13.4%	113	7.1%	3,029	8.9%	78	5.3%	2,387	8.9%
Collective bargaining and trade union issues	7	0.4%	117	0.3%	14	0.9%	144	0.4%	14	1.0%	159	0.6%
Conflict, mediation and change management ¹²	132	7.7%	3,042	7.9%	134	8.4%	2,306	6.7%	88	6.0%	1,284	4.8%
Discipline and grievance	342	20.0%	5,834	15.2%	356	22.4%	7,015	20.5%	357	24.5%	6,616	24.6%
Employment law	33	1.9%	595	1.5%	69	4.3%	1,824	5.3%	63	4.3%	1,165	4.3%
Equality, diversity and discrimination	150	8.8%	4,082	10.6%	144	9.1%	4,590	13.4%	121	8.3%	3,561	13.3%
Implementing flexible working arrangements	0	0.0%	0	0.0%	1	0.1%	12	0.0%	6	0.4%	58	0.2%
Information and consultation	152	8.9%	1,608	4.2%	163	10.3%	2,010	5.9%	169	11.6%	1,687	6.3%
Managing people	467	27.3%	11,654	30.3%	367	23.1%	8,230	24.1%	331	22.7%	5,525	20.6%
Payment and grading arrangements	2	0.1%	28	0.1%	24	1.5%	657	1.9%	6	0.4%	67	0.2%
Recruitment and employing people	26	1.5%	435	1.1%	1	0.1%	12	0.0%	46	3.2%	978	3.6%
Redundancy	18	1.1%	238	0.6%	28	1.8%	522	1.5%	10	0.7%	129	0.5%
Other	14	0.8%	262	0.7%	15	0.9%	159	0.5%	13	0.9%	150	0.6%
Total	1,713		38,478		1,587		34,177		1,458		26,845	

12. These figures include in-house certificate in internal workplace mediation (CIWM) course.

Open access training by topic

Subject of training	2019-20				2018-19				2017-18			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence and stress management	184	13.9%	1,682	13.1%	212	15.5%	3,101	22.4%	216	15.1%	1,731	12.8%
Bullying and harassment	48	3.6%	339	2.6%	54	3.9%	415	3.0%	42	2.9%	312	2.3%
Collective bargaining and trade union issues	2	0.2%	22	0.2%	2	0.1%	14	0.1%	1	0.1%	10	0.1%
Conflict, mediation and change management ¹³	133	10.1%	1,539	12.0%	138	10.1%	1,299	9.4%	140	9.8%	1,331	9.8%
Discipline and grievance	188	14.2%	1,893	14.7%	224	16.4%	4,602	33.2%	238	16.7%	2,289	16.9%
Employment law	245	18.6%	2,656	20.7%	270	19.7%	182	1.3%	315	22.1%	3,866	28.5%
Equality, diversity and discrimination	81	6.1%	764	6.0%	36	2.6%	105	0.8%	32	2.2%	172	1.3%
Implementing flexible working arrangements	6	0.5%	32	0.2%	9	0.7%	82	0.6%	12	0.8%	69	0.5%
Information and consultation	4	0.3%	37	0.3%	2	0.1%	1,390	10.0%	6	0.4%	41	0.3%
Managing people	331	25.1%	2,976	23.2%	290	21.2%	1,094	7.9%	252	17.7%	1,935	14.3%
Payment and grading arrangements	2	0.2%	8	0.1%	8	0.6%	264	1.9%	44	3.1%	345	2.5%
Recruitment and employing people	49	3.7%	328	2.6%	74	5.4%	485	3.5%	74	5.2%	448	3.3%
Redundancy	17	1.3%	146	1.1%	17	1.2%	114	0.8%	11	0.8%	70	0.5%
Other	30	2.3%	415	3.2%	32	2.3%	698	5.0%	44	3.1%	957	7.0%
Total¹⁴	1,320		12,837		1,368		13,845		1,427		13,576	

13. These figures include the open-access certificate in internal workplace mediation (CIWM) course

14. Total delegates includes events delivered with partner organisations

Total training by topic

Subject of training	2019-20				2018-19				2017-18			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence and stress management	415	14%	7,116	13.9%	370	13%	6,768	14%	372	12.9%	4,810	11.9%
Bullying and harassment	187	6%	5,488	10.7%	167	6%	3,444	7.2%	120	4.2%	2,699	6.7%
Collective bargaining and trade union issues	9	0%	139	0.3%	16	1%	158	0.3%	15	0.5%	169	0.4%
Conflict, mediation and change management ¹⁵	265	9%	4,581	8.9%	272	9%	3,605	7.5%	228	7.9%	2,604	6.4%
Discipline and grievance	530	17%	7,727	15.1%	580	20%	11,617	24.2%	595	20.6%	8,905	22.0%
Employment law	278	9%	3,251	6.3%	339	11%	2,006	4.2%	378	13.1%	5,031	12.4%
Equality, diversity and discrimination	231	8%	4,846	9.4%	180	6%	4,695	9.8%	153	5.3%	3,725	9.2%
Implementing flexible working arrangements	6	0%	32	0.1%	10	0%	94	0.2%	18	0.6%	127	0.3%
Information and consultation	156	5%	1,645	3.2%	165	6%	3,400	7.1%	175	6.1%	1,728	4.3%
Managing people	798	26%	14,630	28.5%	657	22%	9,324	19.4%	583	20.2%	7,450	18.4%
Payment and grading arrangements	4	0%	36	0.1%	32	1%	921	1.9%	50	1.7%	412	1.0%
Recruitment and employing people	75	2%	763	1.5%	75	3%	497	1.0%	120	4.2%	1,418	3.5%
Redundancy	35	1%	384	0.7%	45	2%	636	1.3%	21	0.7%	199	0.5%
Other	44	1%	677	1.3%	47	2%	857	1.8%	57	2.0%	1,174	2.9%
Total¹⁵	3,033		51,315		2,955		48,022		2,885		40,451	

15. Total delegates includes events delivered with partner organisations

Performance analysis

Business performance in 2019 to 2020

1. Detail of Acas's performance against our strategic aims is set out at pages 4 to 18.
2. See pages 21 to 35 for full details of business performance against our key performance indicators.

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's activities are monitored through quarterly reporting to our Executive Board, the Department for Business, Energy and Industrial Strategy (BEIS) and the Acas Council using a strategic risk register. A full description of the risk control framework is set out in the governance statement below.

Sustainability report

5. Acas remains committed to its environmental responsibilities.
6. We have been making progress on collecting the data required to report on our carbon emissions and other key indicators such as water and waste. The journey is not yet complete, and we recognise there are gaps in our data. However, we have been able to produce an estimated footprint based on surrogate data for typical offices to fill those gaps, shown below.
7. In 2019 to 2020, we estimate that Acas produced 715 tons of CO₂ emissions, based on our estates footprint and the numbers of people travelling. This is broken down as follows:

Item	Tons CO ₂ emissions	Scope ¹	% of total
Travel by land	282.71	3	44.0
Travel by air	72.55	3	7.3
Office energy use	355.46	2 & 3	48.2
Office water use	4.24	3	0.5
Total	714.95		

Staff involvement

8. In January, the Green Network ran an awareness campaign called The 3 Ps to Protect our Planet (plant-based, paper-free and plastic-free), the focus of which was to challenge common behaviours in the workplace and explore 'greener' alternatives.
9. The campaign ran over 3 weeks and saw London office staff share plant-based dishes, challenge each other to go paper free for a week, ditch plastic for more sustainable options, and raise £90 for charity in the process.

Carbon offsetting

10. We have been working with Carbon Footprint Ltd, the government's chosen provider, to offset our (estimated) travel carbon emissions for the year ahead. We have committed to offsetting 850 tonnes of CO₂ emissions as part of our commitment to tackling climate change.

¹ Scope refers to the Greenhouse Gas Protocol type. Scope 2 emissions arise from direct electricity use, Scope 3 from supply-chain activities such as use of different transport modes which do not belong to Acas, other resources such as water, and the transmission losses of electric power.

New sustainability strategy

11. Following appointment of a board level green champion in autumn of last year, Acas has made progress in moving forward with sustainability improvements. These include, but are not limited to:
 - roadshow presentations around the country to directorates on key green issues
 - inclusion of sustainability on staff surveys to establish a baseline of employee sentiment and crowd source improvement ideas
 - commissioning and completion of work to understand the current Acas carbon footprint
 - offsetting Acas's emissions with carbon footprint
12. The board of directors are in the final stages of creating a 3-year sustainability strategy which will include new targets for overall emissions reductions. These will be supported by individual targets and projects for energy use, water use, travel impact and waste reductions and will support BEIS in the delivery of its own targets.
13. Our initial target is to deliver 10% emissions reduction in CO₂ over the 3 years. Each year we plan to focus on and tackle reductions in one of the 3 largest emissions areas. There will also be other projects and an opportunity for employees to get involved in workplace savings, for example through a network of volunteers we plan to establish this coming year. This network will help direct good ideas upwards, as well as spread good practice and help identify opportunities and solutions.
14. This strategy will also embed an annual cycle of target setting, reporting, and reviews to drive carbon and other emissions reductions and resource savings.
15. 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
 - adhere to legal and sustainable timber procurement rules

Financial review

16. The majority of Acas's funding is through Grant in Aid from BEIS. Acas's gross allocation for 2019 to 2020 was £57.6 million and expenditure was £55.7 million. Acas charges customers in order to recover costs for some of our services. In 2019 to 2020 this generated income of £5.6 million, despite the impact of the coronavirus (COVID-19) pandemic towards the end of the financial year leading to the cancellation of good practice services training.
17. 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 2019 to 2020 through a range of activities, including effective management of our estates, improving technological capability, and delivering procurement savings.
18. 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.

19. 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 embedded our new finance system, and we sought to improve the in-year financial monitoring during a period of uncertainty with respect to many internal projects.
20. A full set of accounts for 2019 to 2020, 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 64 to 67).

Susan Clews

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Susan Clews
Accounting Officer
Acas
30 June 2020

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 2019 to 2020 were as follows:

- Susan Clews, Chief Executive Officer
- Tony Cooper, Chief Operations Officer
- Ian Wood, Director of Strategy
- Rob Mackintosh, Director of Finance, Estates and Procurement
- James Vincent, Director of Data Digital and Technology
- Dan Ellis, People Director (from December 2019)

In addition, Kate Nowicki (Director of Strategic Planning, Performance and Change) attends the Executive Board, but is not a formal member of it.

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 £50,500. 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 73.

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 fraud, bribery or corruption this year.
8. Acas remains committed to the Modern Slavery Act 2015 and our procurement activities proactively 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's Diversity and Inclusion Strategy, which runs alongside our strategic plan has 3 key themes: representation, inclusion and transparency. We have made good progress on our milestones and measures during the reporting period and have appointed a 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, developed a network of mental health first aiders and has signed up to the #TimetoTalk campaign.
13. A Health and Wellbeing Action Plan has been developed, 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. Personal data related incidents

Personal data related incidents

16. There were no incidents of data loss; further details are disclosed in the governance statement (page 42).

Consultancy and contingent labour expenditure

17. During the year, Acas's expenditure on consultancy and contingent labour was £3 million (2018 to 2019, £4 million). This was largely incurred on the development of our new website and improvements to individual conciliation systems amongst other work streams.

Future developments

18. Acas's future developments are covered within the annual report.



Susan Clews

Accounting Officer

Acas

30 June 2020

Statement of accounting officer's responsibilities

Under Part VI section 253 subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992 the Secretary of State, with the consent of HM Treasury, has directed Acas to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of Acas's state of affairs 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
- 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 the Industrial Strategy (BEIS) has designated the chief executive of Acas as the accounting officer for Acas. The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Service's assets, are set out in 'Managing public money', published by 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's 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 judgements required for determining that it is fair, balanced and understandable.

Governance statement

Scope of responsibility

1. As accounting officer, I am responsible for maintaining sound governance and internal controls that support the achievement of Acas's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing public money'. In delivering this role I am supported by the Acas Executive Board and the Audit and Risk Assurance Committee (a sub-committee of the Acas Council) which regularly monitors risk management in Acas. I also use the Government Internal Audit Agency for additional assurance.
2. As 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 2019 to 2020.

Acas' governance structure

4. Acas is a non-departmental public body which is governed by the Acas Council. It was established under the Employment Protection Act 1975 and continues in existence under the Trade Union and Labour Relations (Consolidation) Act 1992. The council (formed of publicly appointed non-executive directors) is responsible for determining Acas's strategic direction and priorities, and for ensuring that statutory duties are carried out effectively. Day-to-day operations are managed by a management board (the Executive Board).
5. Acas is sponsored and mainly funded 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 through the strategic risk register, the organisation's performance through 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, published on the Acas website.
6. The governance structure is designed to manage risk to an acceptable 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's aims and objectives. They ensure Acas has the capacity to make decisions, monitor performance and assess and manage resources and risk within our appetite.
7. The system of internal controls reflects good practice. It is designed to identify and prioritise the risks to achieving Acas's policies, aims and objectives; to evaluate the likelihood of those risks being realised and their impact; and to manage them efficiently, effectively and economically. These controls have been in place throughout the year ending 31 March 2020 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 consists of a publicly appointed chair and 11 independent members (a balanced mix of employer, trade union and others), appointed by the Secretary of State for BEIS through the Public Appointments' team within the Cabinet Office. Sir Brendan Barber has held the post of Chair since 2014. He stands down at the end of July 2020. The new Acas Chair is Clare Chapman, who formerly served as Group People Director at BT Group and prior to that, Director General of Workforce at the Department of Health.

9. The council sets the strategic direction, policies and priorities for Acas, and monitors delivery of strategic aims and objectives, key performance indicators, and statutory duties. The council aims to observe the highest standards of corporate governance and provides challenge (where applicable) in line with the provisions of HM Treasury's Corporate Governance Code. The Code of Good Practice for the Acas Council sets out the general responsibilities of members of the council.
10. Working through officials, the council is responsible for overseeing:
 - compliance with requirements for the use of public funds and financial performance
 - efficiency, effectiveness and quality of Acas services
 - external ambition and drive for broader engagement of Acas
 - external changes that are likely to impact on the strategic direction of Acas or on the attainability of its performance indicators and deciding the steps needed to deal with such changes
 - overseeing senior stakeholder relations
 - the delivery of strategic aims, objectives and performance
 - standards of corporate governance
11. Below the Acas Council sit 2 sub-committees, which both report back to the council; the Audit, Risk and Assurance Committee (the Audit Committee) and the Remuneration Committee.
12. Council members' attendance at council meetings for 2019 to 2020 was as follows:
 - Sir Brendan Barber (7/7)
 - Neil Carberry (4/7)
 - Mike Clancy (7/7)
 - Mike Gooddie (5/7)
 - Sally Hunt (7/7)
 - Jane McNeill QC (6/7)
 - Paul Nowak (6/7)
 - Christina McAnea (5/7)
 - Ben Summerskill (7/7)
 - Professor Anne Davies (6/7)
 - Susan Jordan (4/7)
 - Jayne Haines (4/7)
13. The council held a strategic planning away day in October 2019. Council members and officials considered the wider social, economic and political environment and what this means for Acas. This included hearing from Howard Covington from the Turing Institute on Technology and Artificial Intelligence. Discussions included HM Government's Industrial Strategy and Sector Deals, and proposals for new strategic ambitions and objectives that would seek to define Acas's direction for the coming years.

The audit committee

14. 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 is made up of

members of the council, including the Chair, Mike Gooddie, who has held this post since 2017. They are supported by an independent financial expert to provide an external perspective, technical advice and guidance. Meetings are attended by members of the Acas executive, internal and external auditors, and BEIS officials who lead the department's relationship with Acas. Both external (National Audit Office) and internal auditors engage as required with the audit committee chair and members.

15. The duties of the audit committee are to:

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

16. The audit committee met 4 times in 2019 to 2020. Audit committee attendance at the meetings was as follows:

- Mike Gooddie, Chair (4/4)
- Sally Hunt (1/4)
- Ben Summerskill (4/4)
- Ann Beasley (4/4)

17. The audit committee undertook a self-assessment exercise, using NAO's self-assessment checklist in 2018 to 2019. Responses to the self-assessment were generally positive, but highlighted some areas for further analysis, along with NAO's recommendations and were reported back to the committee at the May 2019 meeting. These recommendations are being or have been implemented and a new survey for the next year is being commissioned.

18. The Committee's terms of reference were reviewed in year.

The remuneration committee

19. The remuneration sub-committee of the council is chaired by the chair of Acas and comprises 3 members of the Acas Council.

20. The terms of reference for the committee are:

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

- to monitor the operation of the pay award process to ensure that it continues to be effective

Assessment of council effectiveness

21. Council members carried out a survey to review the effectiveness of the council's processes and operations. The results of the survey showed positive responses in relation to the decision making process, intelligence sharing, training and induction, secretariat support and overall effectiveness. Council was reassured it was operating effectively and meeting its terms of reference.
22. The council will review the results and seek to improve on areas highlighted throughout the 2020 to 2021 operational year. This will enhance how the council operates and engages, within their terms of reference.

The Executive Board

23. The Executive Board is responsible for the day-to-day and operational management of Acas. All major policies and decisions that affect the delivery of Acas's business objectives are considered and made by the Executive Board.
24. There are several sub-boards which cover specific areas of the business and which report to the Executive Board at each meeting so members are appraised of business in those areas, also where risks need to be escalated for action.
25. The Chief Executive's Bulletin is produced each month and communicates matters discussed and decisions made at Executive Board to all staff. Non-classified agendas, papers and minutes of the Executive Board are made available to staff via the intranet. In addition, during the coronavirus pandemic, the chief executive has provided a weekly informal and more personal perspective on events affecting Acas, which is sent to all staff by email. Board members are committed to raising visibility of the board and its work to all staff which they do by holding board meetings in Acas locations outside London, and attending staff meetings across the organisation.
26. The Executive Board uses management information to monitor 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. Unless otherwise stated, in 2019 to 2020 the membership of the Acas Executive Board consisted:
 - Susan Clews, Chief Executive and Accounting Officer
 - Tony Cooper, Chief Operations Officer
 - Robert Mackintosh, Director of Finance, Estates and Procurement
 - Ian Wood, Director of Strategy
 - James Vincent, Director of Digital Data and Technology (DDaT)
 - Daniel Ellis, Director of People (from December 2019);and
 - Kate Nowicki, Director of Strategic Planning, Performance and Change (standing invite)

In accordance with the Government Open Boards scheme, an observer also attended 2 meetings this year.
28. The terms of reference for the Executive Board are to:
 - support the council in setting the direction of Acas and developing the Acas strategic plan 2016 to 2021 and for future years
 - oversee the implementation of Acas's strategic plan

- ensure effective communication on the strategic direction and objectives of Acas both internally and externally
 - set the annual business plan, outlining activities across all business areas, and agreeing and reviewing policies to enable appropriate and efficient delivery plans
 - ensure appropriate processes and controls are maintained, including through examination of management information, evaluation data and customer feedback
 - oversee organisational change and development and ensure change management systems are effective and appropriate
 - support the accounting officer in reporting to the Acas Council and BEIS
 - 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
 - maintain the high standards of corporate governance, transparency and sustainability
 - oversee the systematic identification and management of organisational risk
29. The Executive board has several sub-boards, which report on their individual areas. Membership depends on the subject matter requirements. These are:
- **Customer Services Board (CSB)**: co-chaired by the chief operations officer and the director of strategy, the CSB reviews and manages Acas's external services
 - **Technical Design and Delivery Board (TDDB)**: chaired by the director of DDaT, the TDDB oversees and manages Acas's digital and technical portfolio
 - **Planning, Performance and Change Board (PPCB)**: co-chaired by the director of finance, estates and procurement and director of strategic planning, performance and change, the PPCB oversees how Acas performs against its agreed measures, the key milestones, and wider projects and programmes
30. There are also several working groups, which are initiated and de-commissioned as required to undertake key items of work. Over 2019 to 2020 this has included:
- COVID-19 Task Group
 - Data and Insight Group
 - EU Exit Task Group
 - Influencing and Engagement Group
 - Security and Information Assurance Group

Assessment of Executive Board effectiveness

31. A review of governance structures for the Executive Board and its sub-boards took place in 2019. This led to a restructuring of the sub-boards, in 2019 to 2020, that fed in to the Executive Board. As a result 3 sub-boards were decommissioned, one sub-board's remit was extended, and a new sub-board was created.
32. Monitoring of the changes to the sub-boards continues, to ensure in particular that the sub-boards are now able to effectively support the Executive Board.

The risk and internal control framework

33. 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. The purpose of this is to monitor Acas's processes for assessing, reporting and mitigating business risk. A member of the executive is allocated responsibility for each identified risk so that its management can be explored in detail. The chair of the audit committee reports back to the council at regular intervals.
34. The identification and assessment of risk is embedded within the Acas executive management arrangements. The Acas risk management policy defines how risk is managed and is explicit on the roles and responsibilities of all staff. The risk management policy, which has been reviewed in year, and risk awareness guidance incorporating good practice is accessible to all staff on the intranet.
35. The Executive Board has discussed the organisation's risk appetite, 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 informs risk appetite discussions at a local level.
36. The Executive Board agreed that the risk appetite should remain set at 'Open' for all operational and other activities.
37. 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. Local risk registers are reviewed at least quarterly and project registers at each project board meeting. Assurance has been gained on this as part of the annual compliance review process.
38. The strategic risk register is revised on a quarterly basis, to allow Board to review the current status of the risks and mitigations, and whether risk owners expect the risk impact and likelihood to worsen over the following 3 to 6 months.
39. Risk owners (Executive Board members) and managers (responsible for day-to-day management of the risk) provide a commentary on the risks, the impact if the risk crystallised and the likelihood of this happening with the current mitigations in place.
40. The format of the strategic risk register focusses on clearly demonstrating the current status of the risks identified and the mitigations in place to manage them. The register includes previous assessments of the risk, to allow for the monitoring of the on-going risk management and a future risk trajectory, to show the expected future risk severity in response to the actions taken to mitigate them.
41. The risk register is a live document. At the end of the reporting year, 5 high level and 6 medium level risks were identified. The high level risks for the year ahead are as follows:
 - the coronavirus pandemic has significant negative impact on Acas business, income and staff wellbeing, which in turn impacts our ability to deliver a service
 - Acas remains under significant and sustained financial pressure and our formal BEIS financial allocation does not contain the funding we require to effectively manage demand
 - increasing pressure on the Individual Dispute Resolution Service, with no further resource, leads to a reduction in service
 - failing to procure and introduce a new helpline solution for automatic call distribution and workforce management system will leave us unable to answer calls from customers

- the new London office does not fully meet our requirements which affects the ability of staff to carry out their roles
42. Acas also maintains a separate fraud and error risk register, which is annually 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

43. As accounting officer, I am responsible for conducting an annual review of the effectiveness 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 examinations of a sample of these
 - the in-year operation of the risks and control framework
 - observations made by the external auditors in their management letter and other reports
44. 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's 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
 - data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded

Corporate governance challenge panel

45. The 2019 to 2020 corporate governance challenge panel consisted of the chief executive, 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 Scotland, the chief operations officer and the people director.

46. Key themes identified in their statements were discussed, with a focus on how these are managed locally. These included the People Strategy, estates in Scotland and service delivery in the challenging circumstances caused by coronavirus.
47. No issues were raised that would undermine the assurance that a sound system of corporate governance is being maintained.
48. The panel did not identify any significant issues of internal control.

Embedding our capacity to change

49. The Transformation Programme formally closed on 30th May 2019 after 3 years of work. We have significantly changed our structure and increased our capacity and capability to meet the changing needs of our customers and the demands on our services. All project and programme work identified in the Transformation Programme is now complete.
50. The Project Management Office (PMO), initially established for the Transformation Programme, is now embedded in our Change Management Office and continues to build a rigorous approach to change and project management. The Transformation Programme Board has closed and is replaced by the Planning, Performance and Change Board (PPCB) which now has oversight of all key projects and significant change activity in Acas, offering assurance to the Executive Board on progress.

General Data Protection Regulations

51. The Government Internal Audit Agency (GIAA) undertook a further advisory audit on Acas's compliance of the General Data Protection Regulations (GDPR) and made a number of recommendations. These have been addressed through the GDPR Improvement Plan and included the production, updating and implementation of key policies and procedures related to accountability and data subject request handling. All staff and new starters undertook GDPR awareness training, and some teams (for example, marketing and research) have had additional bespoke training. Existing procedures continue to be reviewed to ensure they comply with GDPR.

Internal compliance reviews

52. The annual compliance reviews have demonstrated that controls are working sufficiently and there have been no significant deviations from Acas's governance and internal control procedures and processes. Feedback on the review was presented to senior managers, both on an individual basis and to share good practice from across the organisation. There were no significant actions needed following on from the review to improve governance.

Government Internal Audit Agency

53. The 2019 to 2020 Internal Audit Plan reviewed the following areas:
 - **cyber security:** to provide assurance that the organisation is able to prevent future cyber attacks, following an incident in 2018 to 2019
 - **change management:** external advice on how change has been embedded into business as usual
 - **diversity and inclusion:** assurance on how Acas is creating an inclusive and co-operative workforce environment
 - **management information:** an assessment to ensure that the Executive Board is receiving the right strategic information from governance boards
 - **provision of advice to customers:** to test that advice is being delivered to customers and the quality assurance processes around that delivery

- **strategic planning:** external advice on improving the effectiveness of business planning
 - **financial controls:** a review of financial controls around government procurement cards and other financial processing
 - **GDPR compliance:** to ensure compliance with the recommendations made in the 2018 to 2019 review
54. Overall, Internal Audit gave a 'Moderate' assurance opinion on the control and governance framework. Some improvements are required to enhance the adequacy and effectiveness of governance, risk management and control. Appropriate action has been agreed and new procedures introduced to address recommendations for improvement.
55. In summary, there was one limited, 3 moderate and 1 substantial audit opinions from the work undertaken during the year. The limited assurance report related to the review of General Data Protection Compliance (GDPR). In this instance, the auditors have worked with the business to make improvements, which were discussed at the January 2020 audit committee meeting. Further work will be undertaken in 2020 to 2021 to confirm that controls are working now effectively.
56. In the reports, the auditors highlighted 3 'High', 18 'Medium' and 12 'Low' priority recommendations. Progress in the implementation of agreed audit recommendations is reported to the audit committee. Overall, the auditors confirm that agreed recommendations have been implemented promptly.

Coronavirus pandemic

57. We continue to track the financial cost to Acas associated with the coronavirus pandemic, including income lost and additional expenditure incurred to, for example, facilitate homeworking.
58. We are seeing significant upturns in service demand as a result of the pandemic, and expect in particular an impact on our conciliation functions over the coming year. We are reviewing our face to face delivered services to enable digital alternatives where possible (for example, online training, virtual business and in-house support, and using online channels for conciliation).

Cyber security

59. There were no cyber security incidents in 2019 to 2020. Work continued on the Acas Cyber Security Action Plan over the course of the year, and several improvements were made to improve Acas's cyber security preparedness. These included, but were not limited to, enhanced governance and reporting, new policies and processes, system hardening and staff training.

EU exit

60. Preparation for the UK's exit from the European Union continued throughout 2019 to 2020. We reviewed the impact on our services and the economy and undertook modelling for potential scenarios. Two risks were identified:
- the triggering of an economic downturn, leading to increases in demand for Acas's services
 - a measure of disruption as businesses and their employees adapt to new workplace arrangements, again, increasing service demand
61. To mitigate against these risks, we sought to redeploy resources to meet any spike in demand.
62. Throughout the year we remained in touch with BEIS, appraising them of the actions taken to mitigate these risks.

Estates

63. During the year, a project was started to find a new London office for Acas, ahead of the end of the lease at Euston Tower on 25 December 2020. Although a preferred property option had emerged, final decisions and move plans have had to be put on hold until coronavirus restrictions are lifted. When able, we will continue our search for suitable London office accommodation to meet current and future business needs.
64. The Government Property Agency (GPA) is now used for all estates services. There are a number of outstanding concerns which we have raised and are working to resolve with the contractor, including:
 - the need for accurate forecasting of likely future estates costs
 - assurance concerning the accuracy of some of the recharges
 - more comprehensive environmental impact reporting
 - effective and consistent communications of outstanding issues
 - active management of contractors to ensure a prompt and value for money service

Other issues

65. The recommendations made as part of NAO's audit of the 2018 to 2019 Annual Report and Accounts were implemented.
66. Acas's whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise their concerns about behaviours and practices within Acas. This is supported by detailed guidance on the concerns and has been made available to all staff. No issues were raised under the formal whistle-blowing arrangements during 2019 to 2020.
67. We answered 59 of the 64 Freedom of Information requests received within the prescribed timeframe.
68. Seven data breaches were notified to the Information Commissioner's Office (ICO). No action was taken by ICO.
69. In accordance with best practice, Acas considered its quality assurance processes, and determined that these were at a level appropriate for the nature of the organisation.
70. Acas has reviewed the status of contractors engaged by the business; all were found to be compliant with the new IR35 regulations.
71. 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's objectives.
72. Acas continues to publish details of individual expenditure over £250, prompt payment statistics, and organisation charts on gov.uk.
73. The majority of senior managers and staff with financial management duties were provided with tailored financial and corporate governance training, in small groups or a one-to-one basis. This covered the fundamentals of their roles in ensuring financial and governance compliance.
74. 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. Acas is represented on a number of other BEIS groupings to consider issues across the core department and partner organisations, as well as several pan-government networks.

Assessment of effectiveness

75. 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 2019 to 2020.

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 (SCS) grades.
2. The salaries of the Acas Chair, the certification officer (CO), the chair of the central arbitration committee (CAC), and 6 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
 - 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 the Acas, CAC and CO. There were 5 (2018 to 2019 4) senior civil servants at pay band 1, and 1 (2018 to 2019 1) senior civil servant at pay band 2.

Remuneration (salary, bonus and pensions)

	2019-20				2018-19			
	Salary (£'000)	Bonus payments (£'000)	Pension benefits ⁵ (£'000)	Total (£'000)	Salary (£'000)	Bonus payments (£'000)	Pension benefits (£'000)	Total (£'000)
Sir B Barber (Chair) ¹	85-90	0	0	85 – 90	80-85	0	0	80-85
S Bedwell (Certification Officer)	125-130	0	51	180-185	125-130	0	49	170-175
S Clews (Chief Executive, Acas) ²	120-125	5-10	269	395-400	90-95	0-5	131	225 -230
A Sharp (Chief Executive, Acas, to November 2018)	0	0	0	0	75-80	0-5	-6	70-75
J Jacob (Chief Executive, CAC, until 29th February 2020) ³	45-50	0	4	50-55	50-55	0	6	55-60
A Cooper (Chief Operations Officer) ^{2,4}	80-85	0-5	136	215-220	20-25	0	54	75-80
R Mackintosh (Director, Finance, Estates, and Procurement)	85-90	0	34	115-120	80-85	0-5	54	140-145
J Vincent (Director, Digital, Data and Technology) ²	85-90	0-5	32	120-125	15-20	0-5	54	140-145
P Dowse (Interim Director, Digital, Data and Technology, from April 2018 to December 2018)	0	0	0	0	65-70	0-5	62	130-135
K Pile (Director, Digital Technology, to April 2018)	0	0	0	0	0-5	0	0	0-5
I Wood (Director, Strategy)	70-75	0	14	85-90	65-70	0-5	8	80-85
D Ellis (Director, Organisational Development and Human Resources, from 1st December 2019) ³	20-25	0	9	30-35	0	0	0	0

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

2 In 2019 to 2020 S Clews, A Cooper and J Vincent received a non-consolidated payment relating to their performance in 2018 to 2019.

3 This table shows the amount paid to J Jacob and D Ellis in the reporting year, in their capacity as Board members. J Jacob's annual salary was in the range of £50,000 to £55,000; D Ellis's was in the range of £70,000 to £75,000.

4 A Cooper's 2018 to 2019 pension benefit was recalculated to £54,000. In the 2018 to 2019 Annual Report and Accounts, £42,000 was disclosed.

5 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

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 2019 to 2020 (2018 to 2019 nil).

	Real increase in pension and related lump sum at pension age (£k)	Accrued pension at pension age as at 31 March 2020 and related lump sum (£k)	CETV at 31 March 2019 (nearest £k)	CETV at 31 March 2020 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
S Bedwell (Certification Officer)	5-10	2.5-5	46	87	29
S Clews (Chief Executive, Acas)	45 - 50 plus a lump sum of 140 – 145	10 - 12.5 plus a lump sum of 35 - 37.5	794	1108	271
J Jacob (Chief Executive, CAC, until 29th February 2020)	25 - 30 plus a lump sum of 75 – 80	0 - 2.5 plus a lump sum of 0 - 2.5	580	597	5
A Cooper (Chief Operations Officer) ¹	30 - 35 plus a lump sum of 80 – 85	5 - 7.5 plus a lump sum of 12.5 - 15	515	654	112
R Mackintosh (Director, Finance, Estates, and Procurement)	35 - 40 plus a lump sum of 100 – 105	0 - 2.5 plus a lump sum of 0 - 2.5	751	813	21
J Vincent (Director, Digital, Data and Technology)	15 - 20	0 – 2.5	190	218	12
I Wood (Director, Strategy)	30 - 35 plus a lump sum of 95 – 100	0 - 2.5 plus a lump sum of 2.5 - 5	661	714	13
D Ellis (Director, Organisational Development and Human Resources, from 1st December 2019)	05 – 10	0 - 2.5	69	74	3

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

	Permanently employed	Others	2019 to 2020	2018 to 2019
			Total	Total
Acas national	155	31	186	170
Regional offices	659	51	710	699
Certification Office and Central Arbitration Committee	15	1	16	19
Total	829	83	912	888

Fair pay disclosure

10. Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2019 to 2020	2018 to 2019
Band of highest paid director's total remuneration (£'000)	125-130	125-130
Median total	29,241	29,699
Ratio	4.36	4.29

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 2019 to 2020, 0 (2018 to 2019, 0) employee(s) received remuneration in excess of the highest paid director. Remuneration ranged from £15,000 to £20,000 to £125,000 to £130,000 (2018 to 2019, £15,000 to £20,000 to £125,000 to 130,000).
13. During 2019 to 2020, the ratio of females to males employed by Acas was 1:0.7 (2018 to 2019, 1:0.7). At Executive Board level, this ratio was 1:5 (2018 to 2019, 1:4).

Council and CAC members

Acas Council members	2019 to 2020 (£)	2018 to 2019 (£)
Annual salary	1,695	1,695
Daily rate for attendance	172	172
CAC deputy chairs daily rate	512	502
CAC members daily rate	291	285
Arbitrators daily rate	364	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 2019 to 2020, 2 (2018 to 2019, 0) people left under efficiency dismissal terms and received a total compensation payment of £105,000.
16. In both the reporting, and comparative, year, nobody left under voluntary exit terms.

Sickness absence

17. An average of 10.9 days per person were lost to sickness absences in 2019 to 2020 (2018 to 2019, 8.6). This increase is attributed to a greater number of long term cases.

Unaudited information

Service Contracts:

18. 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.
19. 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 3 months' notice period.
20. Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk>
21. Sir Brendan Barber's contract was extended and is due to end in July 2020. Clare Chapman has been appointed as the new chair, and her contract is due to start in July 2020.
22. 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.

23. The current appointment period for the chair of the CAC is for 5 years with a discretionary further 5 years. Any member can only work until the 31 March following their 70th birthday.
24. 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.
25. 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, FEP and OD&HR are subject to annual assessment in line with the prevailing rules for the SCS. During his term as chief executive of the CAC, J Jacob's assessment is informed by the CAC chair's comments.
26. Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioner.independent.gov.uk.

Salary:

27. 'Salary' includes gross salary; 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 accrued payments made by the service and thus recorded in these accounts.
28. Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019 to 2020 relate to performance in 2019 to 2020 and the comparative bonuses reported for 2018 to 2019 relate to the performance in 2018 to 2019.

Gender pay reporting:

29. Acas has published its gender pay gap and bonus pay gap data. The gender pay gap shows a mean pay gap of 6.8% in favour of men and 12.2% in favour of men in the median calculation.²
30. Acas operates a reward and recognition scheme based upon performance. This shows a gap of 2.2% in favour of men in the mean award made to staff and a 11.1% gap in favour of men when using the median calculation for cash rewards.
31. 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 EHRC Working Forward initiative, which looks at how we can better support new parents, pregnant women and parents on leave within the workplace

² Acas has identified a discrepancy in our gender pay reporting figures for 2018 and 2019. We have taken steps to understand how this error was made and to ensure that it will not be repeated. The reason our median pay gap increased in 2018 was due to bulk recruitment at lower grades to respond to service demand. The correct data should read as follows:

	Reported		Actual	
	Mean	Median	Mean	Median
2018	4.4%	0%	6.4%	10.1%
2019	7.4%	0%	7.4%	12.3%

- 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 was the first agency to join the Civil Service Jobshare website (outside of the main Whitehall departments), which will enable more people to find potential roles across the wider Civil Service
 - 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
32. 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:

33. 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 4 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.
34. 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 2 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).
35. 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 3

years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated 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.

36. 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 the appointed provider - Legal & General. 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).
37. 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 2 schemes, but note that part of that pension may be payable from different ages).
38. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values:

39. 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.
40. 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.
41. This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Off payroll engagements:

42. As of 31 March 2020, the number and status of off-payroll engagements, for more than £245 per day and lasting for longer than 6 months are disclosed below:

Number of existing engagements as of 31 March 2020 that had existed:	1
Of which...	
for less than one year at the time of reporting	0
for between 1 and 2 years at the time of reporting	0
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	0
for between 4 and more years at the time of reporting	0

43. All new off-payroll engagements, or those that reached 6 months in duration, between 1st April 2019 and 31 March 2020, for more than £245 per day and that last for longer than 6 months are disclosed below:

Number of new engagements, or those that reached 6 months in duration, between 1 April 2019 and 31 March 2020	2
Of which.....	
assessed as caught by IR35	0
assessed as not caught by IR35	2
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:

44. Acas recognises PCS and FDA Trades Unions.

45. There were 27 (FTE 26.7) employees who were relevant union officials during the year, this being 3% of the total number of staff permanently employed by the organisation, and their facility time (as a percentage of their working time) was:

Percentage of time	Number of Employees
0%	6
1-50%	19
51-99%	2
100%	0

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

	£000
Total cost of facility time	154
Total pay costs	40,777
Percentage of total pay bill spent on facility time	0.4%



Susan Clews

Accounting Officer

Acas

30 June 2020

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Advisory, Conciliation & Arbitration Service for the year ended 31 March 2020 under the Trade Unions and Labour Relations (Consolidation) Act 1992. The financial statements comprise: the statements of comprehensive net expenditure, financial position, cash flows, changes in taxpayers' equity and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the accountability report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Advisory, Conciliation and Arbitration Service's affairs as at 31 March 2020 and of net expenditure for the year then ended
- 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 opinion

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 and 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Advisory, Conciliation and Arbitration Service's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate
- the Advisory, Conciliation and Arbitration Service have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Advisory, Conciliation and Arbitration Service's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Responsibilities of the board and accounting officer 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 and Arbitration Service's internal control
- evaluate the appropriateness of the 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
- conclude on the appropriateness of the Advisory, Conciliation and Arbitration Service'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 and Arbitration Service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 report. However, future events or conditions may cause Advisory, Conciliation and Arbitration Service to cease to continue as a going concern.

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 and 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
- the financial statements and the parts of the accountability report to be audited are not in agreement with the accounting records and returns
- I have not received all of the information and explanations I require for my audit
- 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 : 9 July 2020

Comptroller and Auditor General

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

Statement of comprehensive net expenditure

for the period ended 31 March 2020

	Note	2019 to 2020		2018 to 2019	
		£'000	£'000	£'000	£'000
Income	3		5,651		5,604
Expenditure					
Staff costs	4	(40,777)		(38,424)	
Depreciation	5	(915)		(1,431)	
Other expenditure	5	(14,028)		(16,334)	
			(55,720)		(56,189)
Net expenditure			(50,069)		(50,585)
Other comprehensive expenditure					
Net gain/(loss) on revaluation of property, plant and equipment and intangibles	6		8		30
Total comprehensive net expenditure for the year ended 31 March 2020			(50,061)		(50,555)

The notes on pages 68 to 81 form part of these accounts.

Statement of financial position

as at 31 March 2020

consists of:

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

		31 March 2020		31 March 2019	
		£'000		£'000	£'000
Non-current assets					
Property, plant and equipment	6.1	2,324		2,192	
Intangible assets	6.3	28		64	
Total non-current assets		2,352			2,256
Current assets					
Trade and other receivables	7	2,438		2,843	
Cash and cash equivalents	8	3,450		405	
Total current assets		5,888			3,248
Total assets		8,240			5,504
Current liabilities					
Trade and other payables	9	(7,962)		(7,652)	
Provisions	10	(518)		(112)	
Total current liabilities		(8,480)			(7,764)
Total assets less current liabilities		(240)			(2,260)
Non-current liabilities					
Provisions	10	(822)		(785)	
Total non-current liabilities		(822)			(785)
Assets less liabilities		(1,062)			(3,045)
Reserves					
General reserve			(1,589)		(3,594)
Revaluation reserve			527		549
			(1,062)		(3,045)

The notes on pages 68 to 81 form part of these accounts.

These accounts were approved on:



Susan Clews
Accounting Officer
Acas
30 June 2020

Statement of cashflows

for the period ended 31 March 2020

consists of:

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

	Note	2019 to 2020 £'000	2018 to 2019 £'000
Cash flows from operating activities			
Net operating cost		(50,069)	(50,585)
Adjustments for non-cash transactions	5 & 6.1	1,190	1,439
(Increase)/Decrease in trade and other receivables	7	405	(941)
Increase/(Decrease) in trade and other payables	9	310	925
Increase/(Decrease) in provisions	10	443	(18)
Net cash outflow from operating activities		(47,721)	(49,180)
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(1,278)	(1,028)
Purchase of intangible assets	6.3	0	(1)
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals of intangible assets	6.3	0	0
Net cash outflow from investing activities		(1,278)	(1,029)
Cash flows from financing arrangements			
Grants from sponsoring department		52,044	49,550
Net financing		52,044	49,550
Net (decrease)/increase in cash and cash equivalents in the period		3,045	(659)
Cash and cash equivalents at the beginning of the period	8	405	1,064
Cash and cash equivalents at the end of the period	8	3,450	405

The notes on pages 68 to 81 form part of these accounts.

Statement of changes in taxpayers' equity

for the period ended 31 March 2020

	General reserve £'000	Reval reserve £'000	Total reserves £'000
Balance at 1 April 2018	1,319	793	2,112
Changes in taxpayers' equity for 2018-19			
Net gain/(loss) on revaluation of property, plant and equipment	0	30	30
Adjustments for intangible assets	0	1	1
Transfers between reserves	128	(128)	0
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)
Changes in taxpayers' equity for 2019-20			
Net gain/(loss) on revaluation of property, plant and equipment	0	8	8
Transfers between reserves	30	(30)	0
Comprehensive net expenditure for the year	(50,069)	0	(50,069)
Grant from sponsoring department	52,044	0	52,044
Balance at 31 March 2020	(1,589)	527	(1,062)

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's 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 5 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
- 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 0.51% 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 3). Operating income is income that relates directly to the operating activities of Acas and is recognised to the extent that it is probable that the economic benefits will flow to Acas and can be reliably measured. Income is recognised in the period it is generated.

1.12 Pensions

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

In addition, the Service has to meet the retirement benefits for 2 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 to 2010, this will be revalued upon the death of a member or their spouse.

1.13 Employee benefits

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

1.14 Taxation

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

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

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

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

1.15 Leases

Leases are recognised in accordance with IAS 17 Leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases, all leases held by the Service 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 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 2020, giving consideration to the impact of the coronavirus pandemic and the anticipated continuation of the statutory basis of Acas's services, and are content not to doubt Acas's continuing existence for 2020 to 2021 and beyond.

On 20 May 2020 HMT issued revised guidelines around the consideration of going concern and whether there are any material uncertainties in this area. Acas considers there are no such material uncertainties as our funding is statutory and there are no consultations on changing the existence, nature or funding of Acas. BEIS have agreed Acas's 2020 to 2021 budget. There is no reason to believe that future approvals will not be forthcoming. Acas has assumed that funding will continue beyond the financial year 2020 to 2021 in line with current levels.

The primary consideration remains that many of Acas's functions are statutory and to terminate these would require a change in legislation.

1.17 Financial Instruments

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

Financial instruments play a very limited role in managing risk. Acas's exposure to financial instrument risk is detailed in Note 14 to the Accounts.

1.18 Segmental analysis

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

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

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

1.19 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 in Note 9. Acas also applies estimation techniques in the calculation of depreciation and provisions, details of which are in Notes 6 and 10.

1.20 New IFRSs in issue but not yet effective and FReM changes 2019 to 2020

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

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

The new standard has an implementation date of 1 April 2021.

There are no other major changes to FReM in 2019 to 2020 which would impact on Acas's future financial statements.

2. Segmental analysis

2019 to 2020	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'000	Total £'000
Income						
Total	0	0	0	(5,645)	(6)	(5,651)
Expenditure						
Total salaries	2,439	22,310	10,861	3,689	1,478	40,777
Total GAE	1,199	7,133	4,075	1,183	438	14,028
Overhead allocation	72	464	264	86	30	915
Total expenditure	3,710	29,907	15,200	4,958	1,946	55,720
Net expenditure	3,710	29,907	15,200	(687)	1,940	50,069

2018 to 19	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'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	16,334
Overhead allocation	113	725	412	134	47	1,431
Total expenditure	4,162	27,801	17,313	4,747	2,165	56,189
Net expenditure	4,162	27,801	17,313	(851)	2,159	50,585

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's 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's financial systems.

Included in overhead allocation are other expenditure and non cash costs included in Note 4 to the Account.

3. 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.

	2019 to 2020			2018 to 2019		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	5,645	6	5,651	5,598	6	5,604
Other receipts	0	0	0	0	0	0
	5,645	6	5,651	5,598	6	5,604

	2019 to 2020	2018 to 2019
	£'000	£'000
Receipts from fees and other operating receipts (Acas)	5,645	5,598
Total expenditure	(4,958)	(4,747)
Net surplus	687	851

The CAC has no operating income.

4. Staff costs

The aggregate payroll costs were as follows:

Acas	Permanently employed	Others	2019 to 2020	2018 to 2019
			Total	Total
			£'000	£'000
Wages and salaries	28,175	1,376	29,551	29,276
Social security costs	2,865	42	2,907	2,722
Other pensions costs	7,111	111	7,222	5,346
Total Net Costs	38,151	1,529	39,680	37,344

CO & CAC	Permanently employed	Others	2019 to 2020	2018 to 2019
			Total	Total
			£'000	£'000
Wages and salaries	819	0	819	830
Social security costs	83	0	83	86
Other pensions costs	195	0	195	164
Total net costs	1,097	0	1,097	1,080

Total Acas, CO & CAC	Permanently employed	Others	2019 to 2020	2018 to 2019
			Total	Total
			£'000	£'000
Wages and salaries	28,994	1,376	30,370	30,106
Social security costs	2,948	42	2,990	2,808
Other pensions costs	7,306	111	7,417	5,510
Total net costs	39,248	1,529	40,777	38,424

5. Other expenditure

	2019 to 2020			2018 to 2019		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	3,878	167	4,045	4,114	193	4,307
Running costs	846	22	868	2,370	18	2,388
Contractor fees	1,809	0	1,809	2,318	0	2,318
Professional fees	1,677	13	1,690	1,691	29	1,720
Travelling and incidental expenses	1,326	6	1,332	1,458	10	1,468
Computer software	1,746	0	1,746	1,433	0	1,433
Staff training costs	900	8	908	907	18	925
Research and development costs	843	0	843	815	0	815
Legal costs	5	48	53	439	58	497
Rentals under operating leases	97	1	98	145	1	146
Services provided by OGDs	51	0	51	72	0	72
External audit fees	50	0	50	49	0	49
Fees and expenses of arbitrators, conciliators & CAC members	15	18	33	3	6	9
Bad debts	18	0	18	8	0	8
Conference costs	0	10	10	0	7	7
Provisions for liabilities and charges – Dilapidations	461	0	461	(1)	0	(1)
<i>Non-cash costs:</i>						
Depreciation	915	0	915	1,431	0	1,431
Revaluation	5	0	5	0	0	0
Losses, write offs and loss on disposal of property, plant and equipment	8	0	8	17	0	17
Other non cash movements	0	0	0	164	0	164
Change in discount rate	10	0	10	0	0	0
Unwinding of discount	(10)	0	(10)	(8)	0	(8)
	14,650	293	14,943	17,425	340	17,765

6.1 Property, plant and equipment 2018 to 2019

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'000	Furniture fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2019	262	5,147	7,283	972	13,664
Additions	0	663	420	195	1,278
Disposals	(262)	0	(168)	(23)	(453)
Revaluations	0	(20)	18	(4)	(6)
Impairment	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2020	0	5,790	7,553	1,140	14,483
Depreciation					
At 1 April 2019	0	4,824	5,993	655	11,472
Charge in year	0	211	577	92	880
Disposals	0	0	(162)	(22)	(184)
Revaluations	0	(17)	10	(2)	(9)
Adjustment	0	0	0	0	0
At 31 March 2020	0	5,018	6,418	723	12,159
Net book value at 31 March 2020	0	772	1,135	417	2,324
Asset financing					
Owned	0	772	1,135	417	2,324

6.2 Property, plant and equipment 2018 to 2019

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'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)
Revaluations	0	107	27	0	134
Impairment	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2019	262	5,147	7,283	972	13,664
Depreciation					
At 1 April 2018	0	4,105	5,548	630	10,283
Charge in year	0	645	639	72	1,356
Disposals	0	(18)	(207)	(47)	(272)
Revaluations	0	92	13	0	105
Impairment	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

6.3 Intangible assets 2019 to 2020

	Assets under construction £'000	Computer software £'000	Total £'000
Cost or valuation			
At 1 April 2019	0	9,675	9,675
Additions	0	0	0
Disposals	0	0	0
Revaluation	0	1	1
Transfers	0	0	0
At 31 March 2020	0	9,676	9,676
Amortisation			
At 1 April 2019	0	9,611	9,611
Charge in year	0	36	36
Disposals	0	0	0
Revaluation	0	1	1
At 31 March 2020	0	9,648	9,648
Net book value at 31 March 2020	0	28	28
Asset financing			
Owned	0	28	28

6.4 Intangible fixed assets 2018 to 2019

	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
Transfers	0	0	0
At 31 March 2019	0	9,675	9,675
Amortisation			
At 1 April 2018	0	9,534	9,534
Charge in year	0	75	75
Disposals	0	0	0
Revaluation	0	2	2
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

7. Trade receivables and other current assets

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	884	1,282
Prepayments	1,306	615
VAT receivables	175	838
Deposits and advances (staff)	72	107
	2,437	2,842
Amounts falling due after more than one year:		
Deposits and advances (staff)	1	1
	2,438	2,843

8. Cash and cash equivalents

	2020	2019
	£'000	£'000
Balance at 1 April	405	1,064
Net change in cash and cash equivalent balances	3,045	(659)
Balance at 31 March	3,450	405
The following balances at 31 March are held at:		
Government Banking Service	3,450	405

9. Trade payables and other current liabilities

	2020	2019
	£'000	£'000
Trade and staff payables	1,491	1,067
Accruals	4,684	4,646
Holiday pay	1,481	1,496
Deferred income	306	443
	7,962	7,652

10. Provisions and contingent liabilities

10.1 Provisions for liabilities and charges 2019 to 2020

	Future pensions ¹ £'000	Dilapidations ² £'000	Total £'000
Opening provisions at 1 April 2019	29	868	897
In period:			
Expenditure during year	(18)	0	(18)
Increase in provisions	0	461	461
Reversed unused in the year	0	0	0
Change in discount rate	0	10	10
Unwinding of discount	0	(10)	(10)
Closing provision at 31 March 2020	11	1,329	1,340
Summary of cashflow timings			
Within 1 year	11	507	518
Between 2 and 5 years	0	484	484
Beyond 5 years	0	338	338
Total	11	1,329	1,340

10.2 Provisions for liabilities and charges 2018 to 2019

	Future pensions ¹ £'000	Dilapidations ² £'000	Total £'000
Opening provisions at 1 April 2018	47	877	924
In period:			
Expenditure during year	(18)	0	(18)
Increase in provisions	0	0	0
Reversed unused in the year	0	(1)	(1)
Unwinding of discount	0	(8)	(8)
Closing provision 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

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

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

10.3 Contingent liabilities

The estimated cost of cases outstanding against Acas as at 31 March 2020 was £442,000 (2019, £193,000). The expected timings of these payments remains uncertain given the stages we are at with proceedings.

11. Capital commitments

Acas is committed to further estates moves in 2020 to 2021 for which it is estimated £1,217,000 capital expenditure (2019 to 2020, £1,100,000) will be incurred.

12. Commitments under operating leases

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

	2019 to 2020		2018 to 2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under operating leases				
Not later than one year	1,708	23	1,655	48
Later than one year and not later than 5 years	3,412	3	2,154	25
Later than 5 years	168	0	255	0
	5,288	26	4,064	73

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

Trade and Other Receivables are measured at fair value (Note 7) and Trade and Other Payables are measured at nominal value (Note 9).

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.

