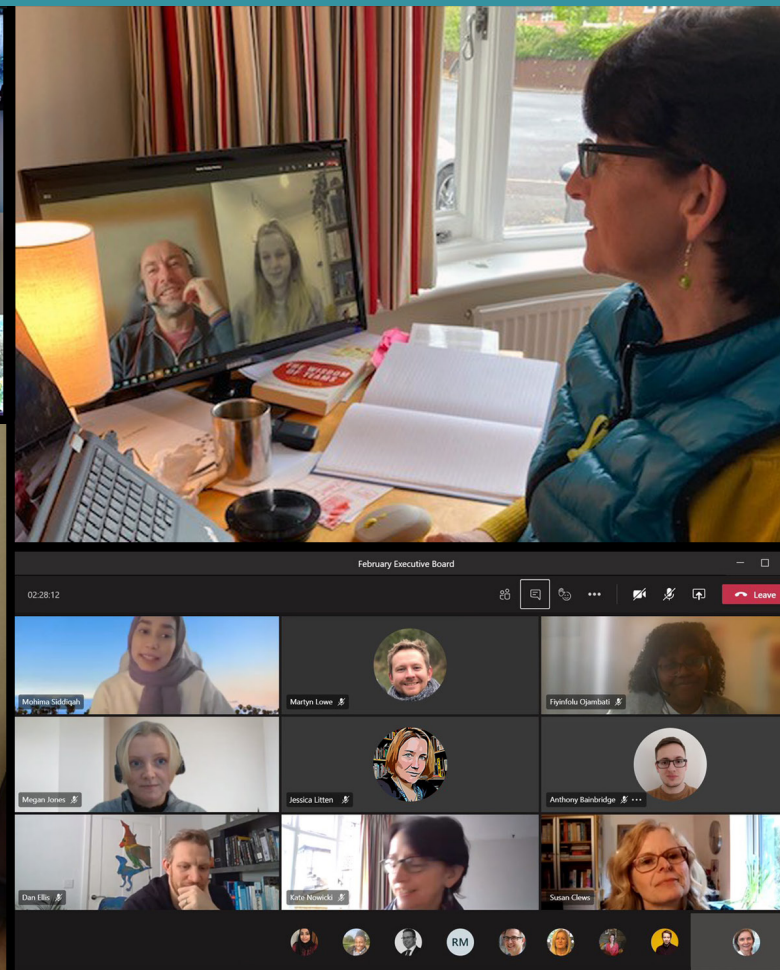


**acas** working  
for everyone

# Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2020–21





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Annual Report and Accounts 2020–21

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

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# Acas year in numbers



**£12** benefit for every **£1** spent on Acas services  
(total benefit of £644 million)




**£56.9m** budget      **1058** people



**18.6m** website sessions  
including **6m** visits to our COVID-19 advice



**Over 500**  collective conciliations handled

**115,000**  requests for individual conciliation



**710,000** helpline calls answered



**49,000** joined an Acas webinar




**39,000** e-learning sessions

**acas** working for everyone

## Foreword from the Chair and Chief Executive

Acas exists to make working life better for everyone in Britain. We believe that working relationships are critical not just to the success of workplaces and the economy, but also because they allow people to flourish and find meaning and purpose at work.

For many of us, the last year has seen fundamental changes in the way we work, where we work and how we work together. Bold experiments and new ways of working became everybody's business. Millions of employees and employers worked from home or were furloughed, while essential workers faced risks to keep others safe and supplied.

Some businesses have coped well during the pandemic, and still others are already seeing the green shoots of recovery. Many workplaces are having conversations about how they can think differently about the future – work environments, working patterns and the use of technology will impact every sector and region.

Acas has proven itself to be more essential than ever, and more able to pivot to address customer needs and respond to a fast changing world of work. When businesses and people needed clear, calm, trustworthy and impartial advice on frequent, rapid employment changes, legislation and Government support, we were there. When people were being laid off or put on furlough and needed to understand their rights, we were there. When businesses needed to restructure or introduce redundancies, we were there to advise on how to do it right. We identified the need, we responded, we iterated to ensure that even in the most difficult of circumstances people were treated with respect.

The independent, tripartite Acas Council recognised the need to respond quickly, and met weekly in spring and summer 2020 to help steer a course through uncharted waters to ensure we were responding to deliver the services that people and businesses across the country needed.

At Acas we follow our own advice. We have continued to work closely with our excellent team of people in every country and region of Britain to continue to deliver what businesses and employees need. We moved our people to home working within a week of the first lockdown; and have engaged, consulted and involved them and our trade unions in exploring new ways of working. We recognise the challenges our customers face in home working, flat-shares, slow internet and balancing home schooling and other caring responsibilities; because we recognise them in ourselves.

Like many businesses, we have had to learn quickly to do things differently to meet the needs of our customers. From virtual meetings, to virtual advice to virtual training (and even, latterly, to virtual conferences) – our services have responded. And internally, we have learnt new ways to recruit, onboard, train and build rapport with people, without ever having met face to face.

The strength of the team means that we have been able to respond to demand. In 2020-21 our services were under pressure as never before. Our digital advice services were accessed 18.6 million times. Nearly 40,000 took part in our e-learning programmes and nearly 50,000 attended our webinars. We conciliated in over 500 collective conciliation cases and nearly 115,000 requests for individual conciliation. And we have continued to share Acas insight in shaping a response to the policy and good practice agendas, and in responding to the coronavirus (COVID-19) implications for the world of work.

During this unprecedented year, we have been looking at the immediate need and responding flexibly. But we have also been looking ahead to understand our offer and the future demands of the workplace. Our new strategy sets out how, over the next four years, Acas's work will lead to fewer disputes and a reduction in the financial, emotional and operational cost of workplace conflict, to fairer and more inclusive workplaces led by engaged and capable leaders. And as our work lifts some of the burden of conflict, businesses can focus on what they do best: innovating and contributing to an economy that builds back better, for everyone in Britain.



**Clare Chapman**  
Chair



**Susan Clews**  
Chief Executive



## Our purpose

At the Advisory, Conciliation and Arbitration Service (Acas), we exist to make working life better for everyone in Britain.

Healthy working relationships are critical not just to the success of workplaces and the economy but also because they allow people to flourish and find meaning, purpose and fulfillment at work.

Where there are problems in working life, relationships suffer and there is a cost. In part, this is financial, paid for by businesses, workers, and the wider economy. But there are personal and emotional costs too, for everyone involved.

At Acas, we help people resolve these problems. We do so by thinking first about the people involved, helping them to have the open, honest conversations that are so often the solution. Whenever we can, we prevent disputes before they happen, through training and advice.

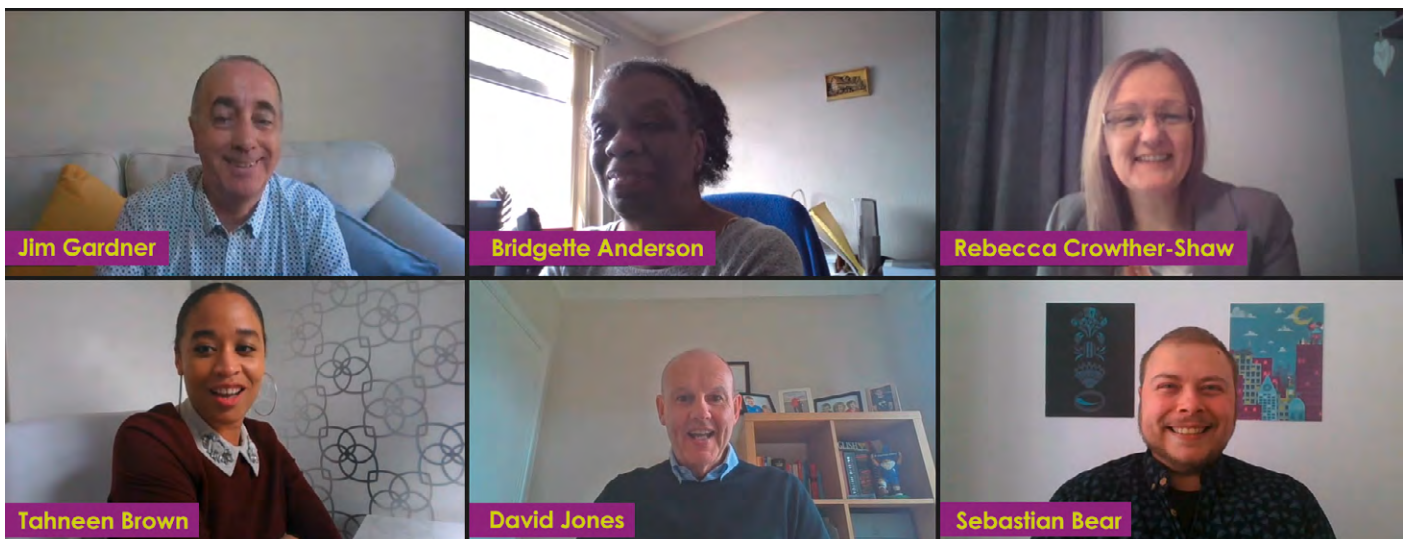
But where they cannot be avoided, we do all we can to resolve them, fulfilling our legal responsibility.

Employers often come to us in their most difficult moments and employees at their lowest ebb. Both are looking for someone they can trust. To be worthy of that trust, we are:

- **Expert.** We have been providing advice and conciliation to Britain's workplaces for over a century. While work has changed beyond recognition, our insight and experience ensure we give the most up-to-date advice. We tackle new issues with authority.
- **Impartial.** We work with all sides to help resolve conflict, treating each side equally. We can always be relied upon to give confidential advice and to be frank and honest.
- **Independent.** We are publicly funded and have been independent since 1974. We act only to promote a better future at work.
- **Fair.** A good workplace is a fair one. At Acas, inclusion is central to all we do – we respect and value difference, and aim to follow the highest standards. What we ask of others, we ask of ourselves too.

At Acas, we lead the way in promoting good work and reducing disputes. Our success relies on our people working in partnership with employees and employers, academics and policymakers, trade union and business leaders.

Together, we make working life better for everyone in Britain.



## Highlights of 2020-21

1. The response of Acas to COVID-19 has been outstanding. Our 1,058 people have shown overwhelming resilience, commitment and flexibility in the most testing of circumstances. And they have supported employers and employees facing the most difficult of challenges. Before COVID-19 hit, an independent economic impact assessment showed that Acas provides an overall benefit-cost ratio of £12 for every £1 spent on Acas services, with the total net benefit to the economy of £644 million.
2. Despite the pressures of home working, home schooling, IT challenges and increased pressures from customers who were at their most vulnerable – Acas has met or exceeded almost all of our Key Performance Indicators (see page 22).
3. We have engaged with more people than ever before – and our customers tell us about the positive impact our interventions have on their livelihoods, their workplace relationships and their ability to do their jobs.
4. But sometimes early interventions are not enough, and disputes do arise. During the year 264,000 people accessed the Acas individual dispute resolution service (compared to 170,000 last year), of which only 7% ended up at an Employment Tribunal hearing. And in the second half of the year, the number of collective disputes started to increase as different sorts of challenges emerged.
5. We saw a significant spike in demand for helpline support between March and October 2020, during a period of critical understaffing. We lost more calls and had longer wait times than we aspire to, but despite this, feedback from customers remained consistently high – when reassurance and impartial advice was needed, we were there.
6. And for more complex queries where businesses were restructuring at speed, or considering redundancies, we supported over 5,900 organisations with advice and bespoke guidance.
7. Our team focused resources to meet customers' immediate needs digitally:
  - We responded to massive customer demand for online support on issues created by the pandemic and the Government's response by more than doubling the number of webinars run and delegates reached.
  - We developed a new online training platform at speed with brand new courses to address customer need, for example on transition from lockdown and how to manage homeworkers.
  - We completed a move to a new website, rewriting all our advice pages to meet accessibility standards, this involved 12 advice guides, including on bereavement, domestic abuse, mental health and sexual harassment; 6 sets of letter templates; and daily COVID-19 updates including 40 fundamental rewrites of our advice.
8. The Acas Council showed their value as never before – providing direction for Acas, and insight from our social partners which helped us focus efforts where Acas resources were most needed.

# Aim 1

## To advise on good practice in everyday working life

We help organisations to get workplace relationships right and improve performance. We provide advice on good practice, practical tools, and expert training.

Acas is trusted by employers and workers to provide clear and impartial good practice advice to raise standards of workplace practice and help reduce the causes of conflict which can lead to disputes. This has been particularly challenging this year, as all businesses, sectors and regions had to deal with multiple lockdowns and think of new different ways to deliver their business and engage staff.

### Acas helpline

Our helpline advisers are the frontline of support for employers and employees who need immediate, impartial direct advice, options to consider or more detailed help. This year we answered more than 710,000 calls. We set up a senior adviser callback service for employers facing more challenging circumstances surrounding the pandemic so they could get expert focused support fast, providing direct advice to 5,900 businesses. Our customers tell us what a positive impact our people have in providing clarity when dealing with complex issues.

Like many others, helpline advisers were relocated to work from home, with all the personal and IT upheaval that involves. Call length increased, with many callers anxious about being furloughed or made redundant, particularly amongst more vulnerable groups. The Helpline teams and line managers' personal resilience was stretched to its limits.

Early in the pandemic, the Acas helpline saw significant spikes (from around 3,500 calls per day to 15,000 per day). This was at a time of significant understaffing, and recruitment was initially made more challenging by the COVID-19 limitations. All of this led to a backlog of phone calls, and wait times in excess of what we aspire to. We onboarded and trained new advisers as quickly as possible under the circumstances, and our average speed of answer since mid-November has been below one minute. Customer satisfaction levels have remained high throughout, and 88% of users were able to take clear action following their call to our Helpline.

### Customer feedback: Helpline

*"The lady I spoke to was so lovely and kind. She gave me clear, understandable advice and sent me in the right direction. Answered so fast too and a blessing to actually speak to someone. Assured me it was no problem to ring back if I needed more help – fabulous person – such a relief! THANK YOU!"*

(Helpline caller)



### Customer feedback: employer callback service

*“When I was really concerned about the implications for my business with [the Coronavirus Job Retention Scheme] due to end, I was delighted when an Acas adviser called me back at a time which suited me and outlined exactly what my options were in terms of redundancy and my contractual obligations. This provided clarity and support at an extremely difficult time for my business.”*

(Employer callback client)

Behind the scenes, we worked with partners across Government and further afield to understand, share and respond to the challenges being faced by employers and employees. And our knowledge team ensured advisers had the current accurate guidance they needed to assist customers.

We continue to work in partnership with enforcement bodies: HM Revenue and Customs (HMRC), the Gangmasters and Labour Abuse Authority, the Health and Safety Executive (Working Time Regs Team) and the Employment Agency Standards Inspectorate. Where a caller to the helpline wishes to make a complaint about their employer in these areas, we provide immediate advice and guidance, and where appropriate, transfer them to the relevant agency.

## Enforcement organisations



## Online advice and guidance

The Acas website provides information and good practice advice for employers and employees. At the end of the year, we successfully closed the old corporate website after transitioning 12 advice guides to the new website. We also developed 11 new advice guides and 6 new sets of letter templates.

We achieved this, whilst also responding to the immediate and urgent need to keep customers informed on the UK government's and devolved administrations' policy and practice around COVID-19. These guides were updated 40 times throughout the year as significant new information was announced.

The team updated pages and advice on a daily basis to meet demand and the need for accuracy. Our COVID-19 advice has been endorsed widely, including by the World Health Organisation, the Health and Safety Executive, Labour Relations Agency and the Employment Lawyers Association.

Overall there were 18.6 million user sessions across both websites, including 6m visits to our COVID-19 advice. This compares to 15 million sessions the year before.

## New channels for advice and learning

The team worked quickly to convert the most essential Acas products into digital offerings, and develop new training to respond to urgent customer need. These included 'How to manage homeworkers', 'Getting it Right: Redundancy' and 'Transition out of lockdown'.

## Webinars

We continued to expand the successful and popular webinar programme, which now gives us high levels of visibility to reach those who need us most, and allows us to respond directly to live issues. We quickly responded to customer need in response to the pandemic to develop new webinar content. During 2020-21, we ran 31 webinars for over 49,000 delegates (either live or who watched the recording), compared to 15 webinars to 12,000 delegates in 2019–2020. Lots of these webinars were newly developed and related to COVID-19, for example on furlough, mental health and resilience, discrimination and race inequality.

We also spoke at partner webinars to support their members in handling the impacts of COVID-19 – for example we worked with the Federation of Small Businesses and the Institute of Chartered Accountants on the issue of redundancy. Each Acas area also spoke with local employers at a coordinated set of CBI webinars; and through local enterprise partnerships (LEPs). In total we spoke at over 100 partner events or webinars.

### Customer feedback: webinars

- *"One of the best webinars I've attended. Thank you"*  
(Nicola, Senior HR Adviser)
- *"The webinar was excellent, it provided strategies that I can pass onto employers and apprentices."*  
(Christine, Tutor)
- *"Good pace, engaging speakers, useful handouts/slides/Q&A. Really impressed with the quality of the whole webinar.....especially as it was free."*  
(Anindita, Freelance)

## e-learning

During 2020-21, we had to undertake significant improvements to our e-learning portal, which meant taking it offline while upgrades were made. Nevertheless, we were able to convert 13 of the modules to the new format in January-March 2021 and successfully stabilised the platform. Nearly 39,000 user sessions took place in year, with over half of these on the incredibly popular Equality, Diversity and Inclusion e-learning package.

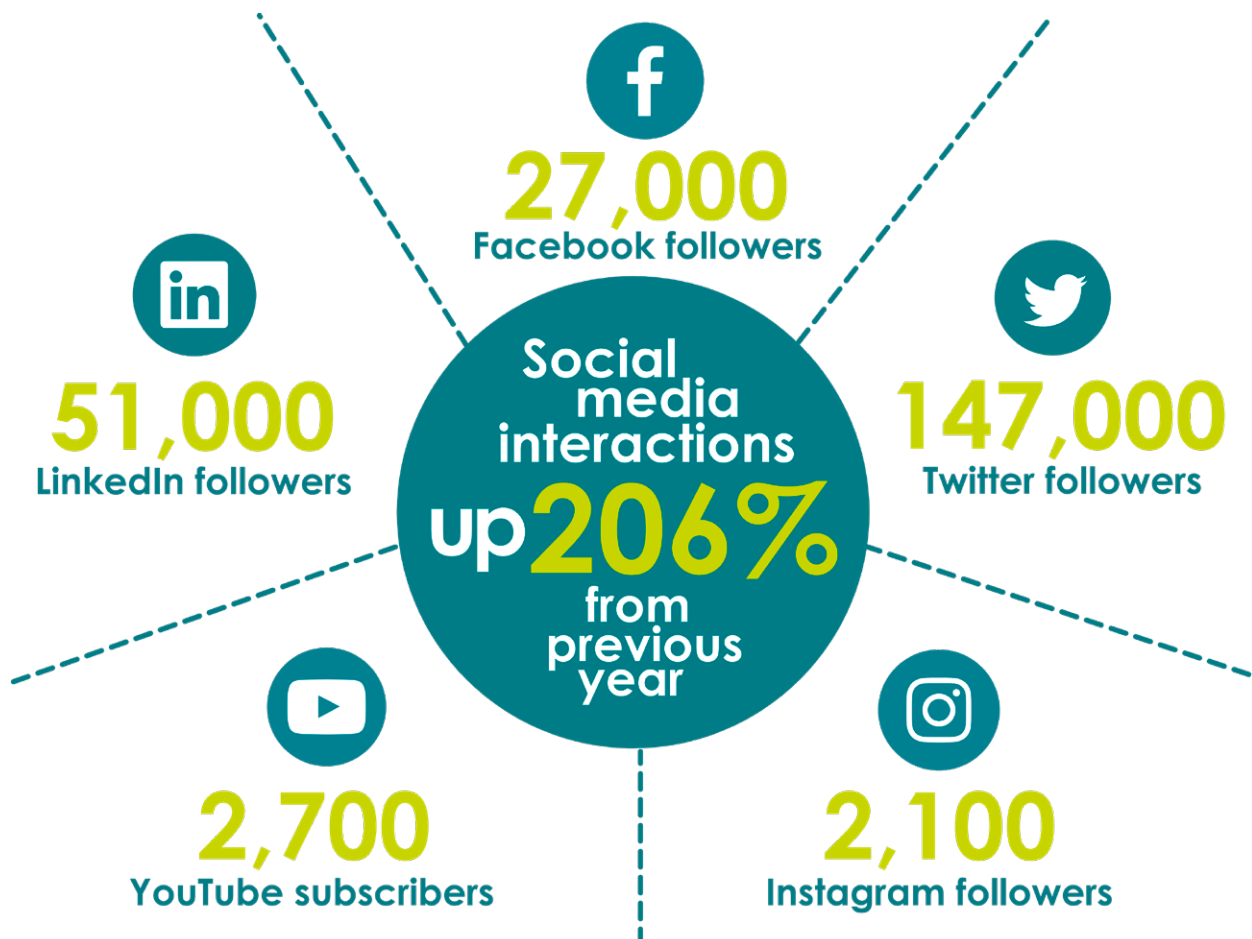
Once the new e-learning upgrades had been complete, we were again able to allow employers to download the packages onto local intranets. In February-March 2021, 9 employers downloaded packages, with a potential reach of 8,570 new users.

## Social media

We have again outperformed all our targets on engagement in social media – up 206% from the previous year. With people working from home and limited social interaction, they accessed social media to communicate and share ideas more than ever: 27,000 Facebook followers, 147,000 Twitter followers, 2,100 Instagram followers, 51,000 LinkedIn followers and 2,700 YouTube subscribers.

In addition to providing customers with regular updates on changes to furlough, the rules on staying at home and returning to work, and what the changes meant to people's livelihoods; we also used our social media platforms to comment on other critical issues of the year, including Black Lives Matter and mental health and resilience.

At the start of the pandemic, we ran weekly Twitter Q&As to allow our followers to ask questions. We had over 8,000 engagements. We also worked with LinkedIn on a range of stories, including on furlough, the job retention scheme and the Race at Work Charter (which had nearly 900 engagements).



## Podcasts

This year, we launched the Acas Podcast – a selection of Acas and guest discussions on the world of work – from practical questions on redundancy, staff engagement or employment contracts; to challenging, COVID-19 related issues such as mental health, resilience, and discrimination; to thought leadership on what good work or employee voice really looks like. In 2020-21, we published 18 podcasts and had over 13,000 listens.

## Training and in-depth support

Acas training and conferences are popular, well-attended and highly respected by the HR community and leaders of small businesses. We are also regularly invited into larger businesses to provide bespoke training and workshops on a range of issues. Recent research on the impact of this workplace training showed very high satisfaction levels, proven positive impacts on productivity levels, as well as a reduction in days lost due to absence, or loss of staff through dismissals or voluntary resignations. In 2019-20 this was wholly done face to face, and with an income of £5.6 million. On 17 March 2020, we took the hard business decision to stop all face to face activity in response to the emerging COVID-19 crisis and the imperative to protect our staff and our customers.

Due to severe spikes in demand elsewhere in our business, senior advisers and trainers were redeployed to meet customer need in our frontline services. In the background, our training policy team developed a digital training policy, considering primarily what customers needed and the best, most accessible platforms by which we could effectively meet these needs.

We created new training topics in response to COVID-19, and at the end of May, ran our first digital training event: Transition from lockdown, followed by How to manage homeworkers. We quickly converted our most popular training courses into digital offerings, prioritising courses on discipline and grievance, redundancy, changing terms and conditions and flexible working.

It was a steep learning curve. Working with customers, we considered the most appropriate group size and length of session for most effective delivery of digital training - and ensured that all training was fully accessible. We also looked at how to enable opportunities for interaction (for example, networking, group discussions and exercises around case studies).

Many of our ongoing customers were keen for our face to face support offer to continue, and at various points throughout the year have asked for Acas to return to this training model. We have had to work closely with these customers to ensure safety of our people and the delegates were maintained.

We therefore looked at alternative solutions to meet need. We ran large-scale digital Mock Tribunals and Mock Disciplinary Hearings, which were incredibly popular, reaching over 1,700 delegates; we expanded our 'Key Points' shorter sessions and trained nearly 1,800 delegates; and we ran 6 conferences for nearly 700 delegates. In total, we were able to train over 15,000 delegates by the end of the year with an income of £2 million. This is a significant success considering we started the year with no digital training platform.

Our most complex, in-depth and high impact training offering is the five-day Certification in Workplace Mediation course. This has obvious added challenges in online delivery, but evidence shows it has a significant positive impact on workplace relations. We were able to run a pilot course at the end of the year which had excellent feedback. We seek to expand on this in 2021-22.

## Customer feedback: training

- *“What was good? All of it. What really made a difference was Malcolm Phillips (tutor) knowledge and management of the course. Just brilliant!”*  
(Delegate)
- *“Overall it was what it says on the tin – HR for beginners. It suited my skill-level, needs and what I need to fulfill in my role at work. I would also like to note that I appreciated it being split over two mornings, not squeezed into one long day. Allowed for a good break, to let all the information sink in and not be away from my work emails too long to let things build up. Anna was measured, extensively knowledgeable, clear and informative. Brilliant training.”*  
(Delegate)
- *“Excellent pace, well divided up. Friendly group and trainers, made it really easy to engage even digitally. Thank you.”*  
(Delegate)



# Aim 2

## *To resolve disputes and manage conflict*

---

Workplace conflict costs the UK around £28.5 billion each year – more than £1,000 per employee. Acas are the experts in the prevention of workplace conflict through training and good practice advice. But not all conflict can be avoided – and when it does arise, we help employers, employees, and trade unions to resolve it, as early, and as close to source as possible.

### **Resolving individual disputes**

It is Acas's responsibility to take steps to prevent a dispute from reaching the Employment Tribunal (ET). We do this by offering both parties free and impartial alternative dispute resolution services in an effort to settle the dispute quickly and effectively, without the costs and stress associated with judicial determinations.

In 2020-21 we received nearly 115,000 early conciliation notifications (claims). Of the approximately 2,000 notifications we receive each week, only around 140 result in an Employment Tribunal decision; and 1,860 are settled, withdrawn or not progressed. This amounts to only 7% of disputes notified to Acas resulting in an ET hearing, and represents very high value for money.

We are able to manage a highly effective dispute resolution system when cases tend to come in steadily during the year. However, the spikes in caseload in the summer meant we were at risk of breaching our statutory duty.

The numbers of individuals accessing the Acas individual dispute resolution services substantially increased (for early conciliation from 170,000 in 2019-20 to 264,000 in 2020-21; and at the Employment Tribunal stage from 59,000 last year to 80,000 this year). This is largely because the number of group claims, and the numbers of individuals in group claims have increased in the past year (from an average group claim of 124 people in 2019-20 to 191 in 2020-21). This is linked to a number of high profile, widely reported challenges around equal pay, holiday pay and worker status.

Conciliation officers have worked incredibly hard to be available and responsive to claimants, respondents and their representatives during a period of high demand and with the added complexity of home working. Their skill and commitment has resulted in 77% of the notifications handled by Acas not resulting in an employment tribunal claim (because we supported parties to reach either a formal or informal agreement, or the claimant decided not to proceed).

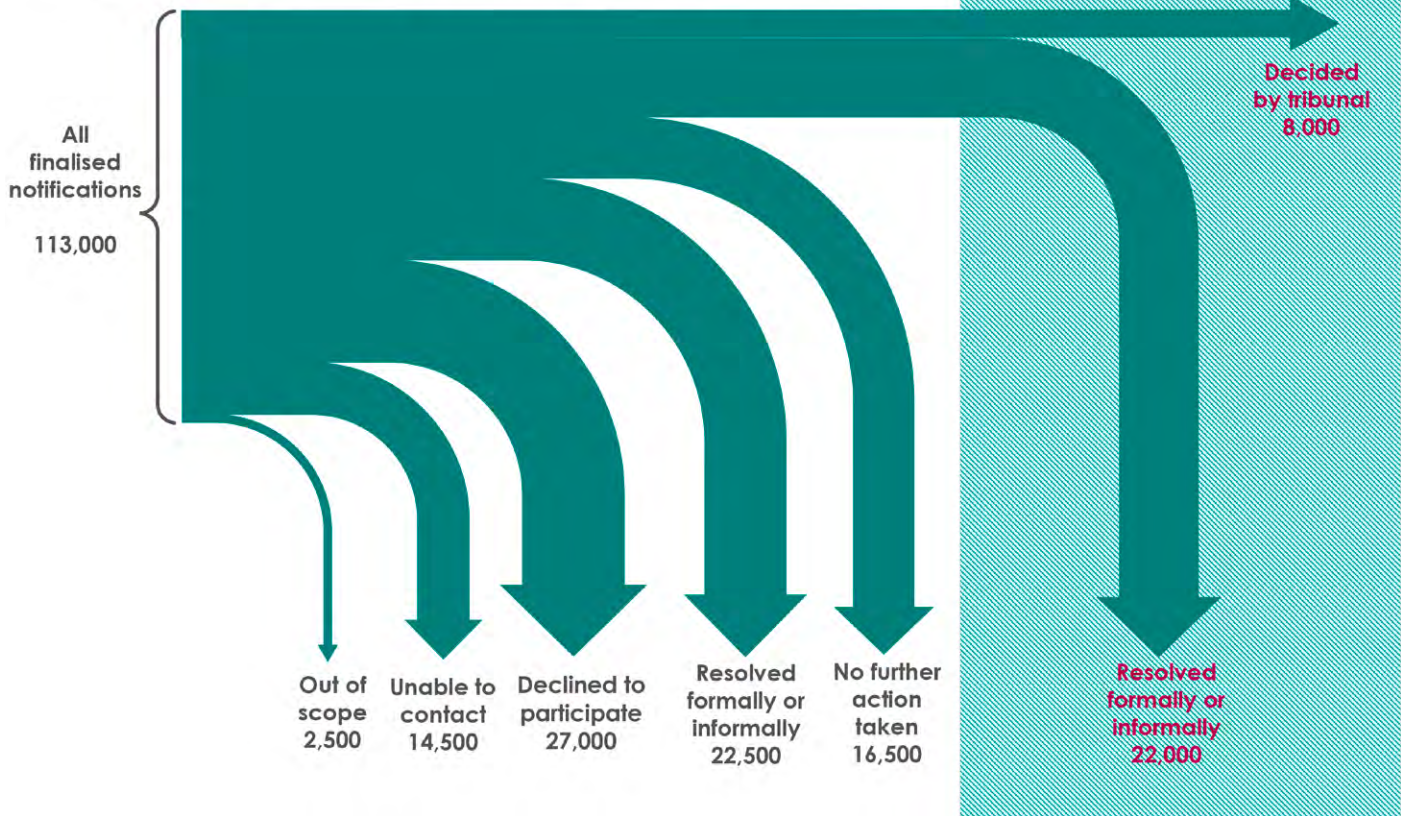
We talked to our users about some of the difficulties within the conciliation process, and worked closely with partners in the Department for Business, Energy and Industrial Strategy (BEIS) to develop new regulations, reducing the number of duplicate notifications we receive (and improving service efficiency); and increasing the time given to conciliators to resolve a case. All of these things mean that our conciliators can focus on what they do best – helping our customers to resolve their case before they end up in the Employment Tribunal.

Our services have been further improved during the year by the creation of specialist teams to increase speed and efficiency, and faster allocation of some cases to the conciliators.

We move into 2021-22 with a clear aim to build on this work and refine the regulations, processes, and delivery of the service further. Part of this will be further development of our digital platforms.

### Outcomes of conciliation cases 2020-21

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 2020-21. (Cases not finalised aren't shown so the numbers differ from the main tables.)



### Customer feedback: individual conciliation

*“Michael Ojo was clear and concise and explained how the process worked – the voice of calm in some very stressful moments. He was always available to discuss or explain the options available to us without trying to tell us which to choose or a particular way to proceed. He was helpful, informed and articulate. I am very grateful for the help and support he gave.”*

(Claimant)

*“The conciliator, Wayne Dalton, provided direct and helpful information which prevented a potential employment tribunal ... Using Acas enables you to resolve workplace problems without needing to resort to Employment Tribunal proceedings”*

(Respondent)

*“Paul Bond was extremely patient, polite and helpful. The service was stress free for my client who was heavily pregnant and even had her baby whilst in conciliation.”*

(Claimant representative)



## Resolving collective disputes

Our collective dispute resolution work is wide-ranging: from working with trade unions and employers when issues of potential conflict arise; to resolving conflict after a workforce has been balloted about potential action; to engaging workforces where there is no formal trade union recognition or formal mechanisms for resolving disputes.

In the first half of the year, we saw comparably fewer collective disputes, as employers and trade unions worked together to address the threat that was impacting all of us and our workplaces. However, in the second half of the year we saw an increase in cases for a range of reasons:

- As some employees were coming off furlough, and still others were being encouraged to return to workplaces – conflict arose over safety concerns.
- Issues which had been simmering for months were forced to a stage of resolution.
- Particular types of cases increased in visibility, such as those involving trade union recognition and changing terms and conditions or working practices, including use of so-called ‘fire and re-hire’ practices.

Acas collective dispute resolution is vital to avoid industrial action wherever possible. In 2020-21 we had over 500 requests for collective conciliation, and we successfully settled or progressed towards a settlement in 92% of cases. Behind the scenes, we work with both employers and trade unions to improve understanding of one another's' positions and intentions, to improve flexibility and willingness to find a solution and find some shared understanding of the issues, and to improve relationships for the longer term.

## Mediation services

Acas offers a successful mediation service to constructively help employers and their employees find solutions to workplace conflict, which can have a negative impact on employee engagement, effectiveness and absence rates. Of the 207 mediations Acas was involved with in 2020-21, 77% reached full or partial agreement.

## Independent experts on equal value cases

When an employee or group of employees make a claim about work of equal value to an employment tribunal, the tribunal appoints an independent expert from our panel to compare two different jobs, considering elements such as skills, effort, and decision making.

Following a Supreme Court decision in March 2021 that supermarket employees can compare themselves with employees based at offsite distribution depots for the purpose of equal pay claims, Acas independent experts are handling:

- *Asda Stores Ltd v Brierley & others* – a group claim of around 35,000 individuals.
- *Tesco Stores v Ms K Element & others* – a group claim of around 9,000 individuals.

# Aim 3

## *To influence employment policy and debate*

We work with our partners to predict and respond to the major challenges and issues in the workplace. We influence Government thinking on implementation of legislation and translate it into good practice advice, we inform the debate and we collaborate with partners to increase the reach and impact of our messages.

Acas's impartiality and independence from Government is embedded in the tripartite Acas Council, made up of leaders from the world of work, representing employers, employees, and independent academic and legal perspectives (see page 20). 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 (see page 45 to 48 of the Governance Statement for more on the work of the Acas Council and sub-committees).

### Stakeholder engagement

We are hugely grateful for the insight and support given to us by 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 the TUC and a range of 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); as well as other influential groups, including the CIPD, Investors in People, the Royal Society for the Arts (RSA), academics and the Civil Mediation Council.

### Minister Scully (BEIS) joins the Acas Council to discuss the challenges and opportunities around the future of workplaces



## Partnership and collaboration

Acas's 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. For example:

- In the summer of 2020, we identified a significant spike in our helpline call data about redundancies, from both employers and employees. Recognising that many of these calls indicated a poor understanding of both the legal process and best practice, we brought together key social partners CBI and TUC to draft a joint statement. The statement set out why redundancy should only be used as a last resort; and, when it had to be undertaken, key issues to consider. Not only did the statement receive significant public and media interest, but it also led to several other social partners seeking to work with us on similar messages for their members.
- In November 2020, the Welsh Government published its 'Workforce Rights and Responsibilities Campaign'. Designed for workers and small and medium-sized enterprises (SMEs), it provided support from experts including Acas, CBI, TUC and FSB. Throughout December 2020 and January 2021, Acas ran a series of free online events, marketed by the Welsh Government, signposting Acas support.
- BEIS ran a successful campaign aimed at vulnerable employees, those at risk of losing their job or who found their employment conditions changing, directing people to Acas employment rights advice. We saw over 600,000 page views of Acas content including advice around changes to employment contracts and employee rights during redundancy. The campaign also featured mental health guidance and advice on how to raise problems at work: [www.acas.org.uk/rights-at-work](http://www.acas.org.uk/rights-at-work)
- We continue to promote workplace good practice with the Greater Manchester Good Employment Charter. Over 200 organisations are involved, covering over 200,000 employees. Also in the North West, the Liverpool City Region launched its Fair Employment Charter this year and we will be actively supporting them with its development.



## 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.

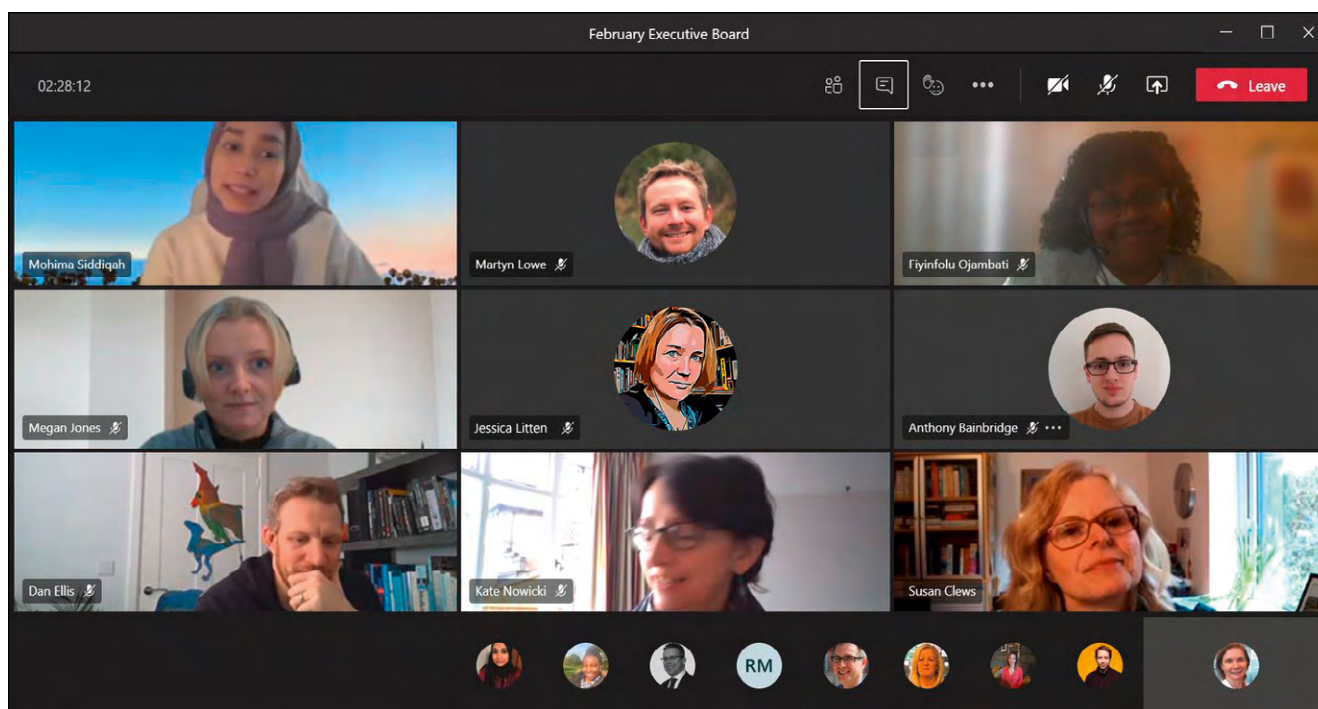
Major areas of work included:

- We were approached by BEIS to investigate the prevalence and nature of 'fire and re-hire' practices (where employers were dismissing staff and re-engaging them on lower terms and conditions with the threat of dismissal). In addition to insight from Acas senior advisers, we spoke to organisations representing a range of stakeholders – from employer bodies, to trade unions, to professional and advisory bodies covering HR, accountants, lawyers and payroll. This report was submitted to BEIS in February 2021, and was published on 8 June.

- We published a policy paper which captured some of the lessons learned about working life during the pandemic and called for the creation of a new 'workplace contract' that reflects our shifting values, new working practices and business priorities as we work towards economic recovery.
- We have responded to Government consultations on carer's leave, workplace support for victims of domestic abuse, and contributed evidence to Parliamentary Select Committee inquiries into post-pandemic economic growth and life beyond COVID-19.
- We have appeared at Select Committees and submitted written evidence on the pressures facing the employment tribunal system.
- We have published articles in trade press and national media on issues from mental health and resilience (see below) to contracts to why domestic abuse is a workplace issue.
- We have spoken at conferences, webinars and podcasts run by partners – FSB, CBI, Institute of Chartered Accountants, Banking Standards Board, Chartered Management Institute and many more. Topics have included bullying and harassment, redundancy, employee voice and menopause.

### Positive mental health in the workplace

There has been a renewed focus on positive mental health and resilience during the pandemic, and increasing acceptance that it should be put on a par with physical health. Acas was already visible in this space, but enhanced our offering with a new mental health webpage with resources for employers, managers and individuals. The guidance has been shared widely, including within the United Nations family and by business leaders. We have spoken at virtual events covering how to manage homeworking, managing stress and establishing a mentally healthy workforce; have published 5 podcasts giving practical tips on mental wellbeing, featuring employer case studies (Fujitsu and the Ministry of Defence); and we have run regular social media and stakeholder collaborations on supporting positive mental health.



**Each month the Executive Board invite a different team to join them for a Q&A session**

## Equality and discrimination

During the course of the year our Head of Diversity and Inclusion has taken an active role in the debate on the impact of COVID-19 on diverse groups, worked with employers to ensure they avoid discrimination when making decisions around furlough, redundancy and access to opportunity, and has given a particular focus on race equality, including in our blog and podcast programmes.

We have continued working with partners on tackling sexual harassment, which has included new guidance around impacts on same-sex harassment in line with the Government's LGBT Action Plan and Diversity and Inclusion Essentials training.

## Return to work and building the recovery

Throughout the pandemic, we have focused our support on three areas:

- What businesses and employees needed during lockdown – calm, authoritative reassurance on how to do things right. Covering mental health, equality, flexible work and how to effectively manage remotely.
- Returning to work, despite the uncertainty of when this would take place. We contributed to the Government's Back to Work advice in summer 2020, as well as guides written by the Society of Occupational Medicine and the Global Alliance of Recruitment Agencies. And as we follow the Government's roadmap to 'normal' in summer 2021, are publishing a range of products and tools.
- Informing and steering the recovery to shape a better world of work – where there are fewer disputes, where workplaces are fairer, safer and more productive.

During the year, we have worked closely with our Council, our sponsor Department BEIS and key partners in developing our new strategy, which presents an historic opportunity to shape a better world of work, better workplaces, better working life, and to reduce the huge financial and emotional costs associated with conflict. The next period will be one of economic and workplace uncertainty alongside opportunities to re-imagine where we work and workplace relationships. But there are some constants: how we work together, communicate and make decisions is more important than ever.

Acas has a vital role in using our expertise and influence to shape a better world of work and enable the country to build back better. We are developing our channel strategy to enable us to reach more businesses and people disproportionately impacted by COVID-19; we are improving the pathways to dispute resolution and reducing the cost of conflict in the workplace; and we are working with partners to forge consensus on the big workplace challenges – including recovery, growth, wellbeing and productivity. The outcome will be fairer, more productive workplaces, which work for all.

## The Acas Council

### **Clare Chapman (Acas Council Chair from 27 July 2020)**

Clare is also a Non-Executive Director and Remuneration Chair at M&G and the Weir Group and is Co-Chair of The Purposeful Company. Clare previously served as Group People Director at BT Group and before that, Director General of Workforce at the Department of Health. Clare is also a Trustee of the Reconciling Leaders Network, part of the Archbishop of Canterbury's commitment to mobilise a generation to live out roles as peacemakers and reconcilers.

### **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. Neil is a member of the Low Pay Commission and a Chartered Fellow of the CIPD. He sits on the boards of the World Employment Confederation board and 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 in the Faculty of Law at the University of Oxford and 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. She is also a member of the Advisory Panel to the Welsh Language Commissioner.

### **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 and employee relations roles in a variety of sectors including energy, rail and air transport, logistics, media, retail and not for profit. In addition he has served in various non executive and Trustee positions.

### **Jayne Haines (Acas Council since April 2018)**

Jayne is Senior Vice President of 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 Taskforce, 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 was elected General Secretary of Unison in January 2021. She has held senior positions across the union, negotiating on behalf of public service staff working in local government, police forces, schools, universities and colleges, private and voluntary sectors and the NHS.

**Jane McNeill (Acas Council since July 2014)**

Jane is an honorary member and former Head of Old Square Chambers. She has been involved in many important and test cases in the fields of employment and discrimination law. 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 now works as mediator and independent investigator.

**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

	2020-21		2019-20	
	Target	Outturn	Target	Outturn
<b>Conciliation in collective disputes:</b>				
The promotion of a settlement in disputes in which Acas were involved	85%	92%	80%	95%
<b>Individual disputes referred for conciliation:</b>				
Percentage of Early Conciliation notifications which result in a conciliated settlement between parties	18%	22%	20%	17%
Percentage of Early Conciliation notifications which result in a conciliated settlement between parties or other positive outcome	26%	31%	30%	26%
Percentage of Employment Tribunal cases which result in a conciliated settlement disregarding those which have been struck out by the courts	55%	58%	55%	59%
Percentage of Employment Tribunal cases which are positively resolved following Acas conciliation	70%	79%	70%	80%
<b>Acas training services:</b>				
Percentage of open access customers reporting they were satisfied with the course	97%	96%	97%	99%
Percentage of workplace training customers reporting they were satisfied with the course	97%	97%	97%	99%
Percentage of open access customers reporting that the training met their learning needs*	90%	83%	90%	86%
Percentage of webinar customers reporting they were satisfied with the session**	90%	95%	n/a	n/a
<b>Telephone helpline advice on workplace problems:</b>				
The percentage of users who were able to take clear action following their call to the Acas Helpline	85%	88%	85%	89%
<b>Digital advice on workplace problems:</b>				
Percentage of individuals who have engaged with digital advice before proceeding with their online notification***	80%	n/a	n/a	n/a
Percentage of positive engagement of users from the website (where an individual stays longer than 10 seconds on an advice page)**	85%	92%	n/a	n/a

\*Please note that this metric is calculated by multiplying service user volumes against the latest impact evaluation survey results.

\*\*This is a new measure hence there was no target or outturn for the previous year.

\*\*\*This measure has been discontinued as it did not prove technically possible to collect reliable data to support it.

## Volume indicators

	2020-21	2019-20
Number of EC notifications	114,533	138,837
Number of ETIs received	35,274	40,978
Number of re-employments	199	101
Number of collective conciliation requests received	504	566
Number of workplace projects started	61	131
Number of requests for trade dispute arbitration	20	20
Number of calls answered by National Helpline	711,488	798,552
Number of Helpline Online user sessions	80,546	295,612
Number of advisory visits and in-depth phone calls	3,883	5,090
Number of training sessions delivered	1,726	3,033
Number of website sessions	18.6m	14.4m
Number of digital advice sessions*	13.2m	n/a

\*Service went live December 2019 so earlier data unavailable

## Cost of key services

	2020-21	2019-20
Cost of a Helpline enquiry (voice or webchat answered)	£9.58	£8.91
Cost of processing an Individual Conciliation case*	£169	£114
Cost of a Collective Conciliation case	£1,241	£1,220
Cost of an Arbitration hearing case	£2,514	£2,327

\*Please note that during 2020-21 there was a substantial increase in the average size of group claims thus the figure here takes account of the cost of the increased resource necessary to handle these.

## 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 last three years have been provided (where available)

### Individual disputes

#### Early conciliation notifications received

		2020-21		2019-20		2018-19	
		Volume	%	Volume	%	Volume	%
Employee notifications	No track identified	18,669	16.9%	18,651	13.7%	9,047	7.0%
	Fast track	35,900	32.5%	53,698	39.6%	57,105	44.3%
	Standard track	26,335	23.9%	25,197	18.6%	26,697	20.7%
	Open track	29,419	26.7%	38,128	28.1%	36,057	28.0%
	<b>Total</b>	<b>110,323</b>		<b>135,674</b>		<b>128,906</b>	
Employer notifications	No track identified	20	0.5%	73	2.3%	57	1.5%
	Fast track	590	14.0%	479	15.1%	987	25.9%
	Standard track	3,034	72.1%	1,945	61.5%	2,177	57.2%
	Open track	566	13.4%	666	21.1%	584	15.4%
	<b>Total</b>	<b>4,210</b>		<b>3,163</b>		<b>3,805</b>	
<b>Total notifications</b>		<b>114,533</b>		<b>138,837</b>		<b>132,711</b>	

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 receives several thousand group notifications annually for Early Conciliation in addition to the individual notifications.

Following a change in case management system between 2018 and 2019, we have been able to make progressive refinements which have implications for the way that we count cases. This means that the counting of cases is now more accurate and group cases can be more easily identified. Due to this, figures presented for EC notification numbers, group cases and employment tribunal cases are not able to be directly compared between the previous and current case management systems. A more full explanation of the changes, along with quarterly statistics on the figures is now published on our website and will be published quarterly under the new system.

#### ET1 conciliation cases received

		2020-21		2019-20		2018-19	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notification	Fast track	7,723	22.7%	10,964	27.4%	9,767	27.5%
	Standard track	11,982	35.2%	12,558	31.4%	11,546	32.5%
	Open track	14,321	42.1%	16,503	41.2%	14,223	40.0%
	<b>Total</b>	<b>34,026</b>		<b>40,025</b>		<b>35,536</b>	
ET1s received without prior EC notification	Fast track	409	32.8%	309	32.4%	327	32.9%
	Standard track	368	29.5%	302	31.7%	274	27.5%
	Open track	471	37.7%	342	35.9%	394	39.6%
	<b>Total</b>	<b>1,248</b>		<b>953</b>		<b>995</b>	
<b>Total Cases</b>		<b>35,274</b>		<b>40,978</b>		<b>36,531</b>	

The 'ET1s received without prior EC notification' section details those cases which are exempt from notification under the Employment Tribunals (Early Conciliation: Exemptions and Rules of Procedure) Regulations 2014.

## Early conciliation notification forms received by all grounds of complaint

	Indicative jurisdictions	Early conciliation					
		2020-21		2019-20		2018-19	
		Volume	% of forms	Volume	% of forms	Volume	% of forms
Major jurisdictions by volume	Unfair dismissal	34,643	30%	31,857	23%	34,624	26%
	Wages Act	32,987	29%	36,778	26%	33,945	26%
	Working Time (annual leave)	17,851	16%	22,970	17%	15,340	12%
	Disability discrimination	12,988	11%	15,371	11%	13,820	10%
	Breach of contract	9,445	8%	11,229	8%	11,674	9%
	Sex discrimination	7,499	7%	8,780	6%	8,264	6%
	Race discrimination	6,564	6%	7,001	5%	6,153	5%
	Redundancy pay	5,604	5%	4,230	3%	4,278	3%
	Age discrimination	4,032	4%	3,455	2%	2,575	2%
	Public Interest Disclosure	3,640	3%	3,669	3%	4,154	3%
	Other	14,257		23,274		24,204	
	<b>Total jurisdictions</b>		<b>149,510</b>		<b>168,614</b>		<b>159,031</b>
<b>Total notifications</b>		<b>114,533</b>		<b>138,837</b>		<b>132,711</b>	

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

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

	Jurisdictions	ET1					
		2020-21		2019-20		2018-19	
		Volume	% of cases	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	18,320	52%	17,397	42%	18,571	26%
	Wages Act	11,718	33%	14,464	35%	14,809	26%
	Breach of contract	9,972	28%	11,633	28%	12,200	12%
	Working Time (annual leave)	8,270	23%	10,232	25%	9,490	10%
	Disability discrimination	6,356	18%	7,474	18%	7,119	9%
	Redundancy pay	3,782	11%	3,761	9%	3,618	6%
	Race discrimination	3,329	9%	4,012	10%	3,514	5%
	Sex discrimination	3,277	9%	4,329	11%	3,841	3%
	Public Interest Disclosure	2,698	8%	2,796	7%	2,543	2%
	Age discrimination	2,076	6%	2,286	6%	1,633	3%
	Other	8,532		10,357		9,041	
	<b>Total jurisdictions</b>		<b>77,968</b>		<b>88,741</b>		<b>86,379</b>
<b>Total cases</b>		<b>35,274</b>		<b>40,978</b>		<b>36,531</b>	

## Take-up of employee-led early conciliation

Employee notifications	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	2,365	2.1%	774	0.6%	523	0.4%
Employee cannot be contacted	14,508	13.3%	16,873	12.4%	9,294	7.2%
Employee declines conciliation	27,189	24.6%	38,156	28.1%	36,809	28.7%
Employer declines conciliation	11,988	10.9%	10,657	7.9%	12,565	9.8%
Matter proceeds to conciliation	54,273	49.2%	69,214	51.0%	69,137	53.9%
<b>Total</b>	<b>110,323</b>		<b>135,674</b>		<b>128,328</b>	

## Early conciliation notification outcomes

Final status of early conciliation notifications	EC notifications received					
	Jan 20-Dec 20		Jan 19-Dec 19		Jan 18-Dec 18	
	Volume	%	Volume	%	Volume	%
<b>No track</b>						
COT3 settlement	0	0%	0	0%	0	0%
Did not progress to tribunal claim	14,139	76%	10,830	83%	7,706	84%
Dispute progressed to tribunal claim	4,379	24%	2,299	18%	1,484	16%
<b>Total</b>	<b>18,518</b>		<b>13,129</b>		<b>9,190</b>	
<b>Fast track</b>						
COT3 settlement	4,909	12%	5,718	11%	4,340	7%
Did not progress to tribunal claim	24,875	61%	34,468	67%	41,255	70%
Dispute progressed to tribunal claim	10,735	27%	11,652	23%	13,217	22%
<b>Total</b>	<b>40,519</b>		<b>51,838</b>		<b>58,812</b>	
<b>Standard track</b>						
COT3 settlement	6,925	24%	3,821	14%	4,247	17%
Did not progress to tribunal claim	12,691	44%	13,829	52%	12,077	47%
Dispute progressed to tribunal claim	9,288	32%	8,860	33%	9,385	37%
<b>Total</b>	<b>28,904</b>		<b>26,510</b>		<b>25,709</b>	
<b>Open track</b>						
COT3 settlement	4,406	14%	3,996	10%	3,910	12%
Did not progress to tribunal claim	15,104	49%	23,521	61%	18,363	57%
Dispute progressed to tribunal claim	11,221	37%	11,332	29%	9,991	31%
<b>Total</b>	<b>30,731</b>		<b>38,849</b>		<b>32,264</b>	
<b>All tracks</b>						
COT3 settlement	16,240	14%	13,535	10%	12,497	10%
Did not progress to tribunal claim	66,809	56%	82,648	63%	79,401	63%
Dispute progressed to tribunal claim	35,623	30%	34,143	26%	34,077	27%
<b>Total</b>	<b>118,672</b>		<b>130,326</b>		<b>125,975</b>	

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 2020.

## ET1 conciliation case outcomes

		2020-21		2019-20		2018-19	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	520	6.6%	235	3.8%	292	3.6%
	Settled	2,964	37.3%	2,589	42.2%	3,177	38.9%
	Withdrawn	1,724	21.7%	1,142	18.6%	1,362	16.7%
	Default judgment	1,174	14.8%	819	13.3%	795	9.7%
	Heard	1,556	19.6%	1,350	22.0%	2,543	31.1%
	<b>Total</b>	<b>7,938</b>			<b>6,135</b>		<b>8,169</b>
	<b>Resolution rate</b>		<b>63.2%</b>		<b>63.2%</b>		<b>57.6%</b>
Standard track	Struck out	657	6.5%	310	5.1%	519	5.2%
	Settled	5,540	55.1%	3,558	59.1%	5,247	52.1%
	Withdrawn	1,812	18.0%	1,033	17.2%	1,722	17.1%
	Default judgment	523	5.2%	192	3.2%	226	2.2%
	Heard	1,519	15.1%	928	15.4%	2,364	23.5%
	<b>Total</b>	<b>10,051</b>			<b>6,021</b>		<b>10,078</b>
	<b>Resolution rate</b>		<b>78.3%</b>		<b>80.4%</b>		<b>72.9%</b>
Open track	Struck out	835	6.8%	327	5.4%	603	5.8%
	Settled	7,625	61.8%	3,912	64.1%	6,241	59.7%
	Withdrawn	2,423	19.6%	1,353	22.2%	2,046	19.6%
	Default judgment	207	1.7%	51	0.8%	51	0.5%
	Heard	1,254	10.2%	460	7.5%	1,512	14.5%
	<b>Total</b>	<b>12,344</b>			<b>6,103</b>		<b>10,453</b>
	<b>Resolution rate</b>		<b>87.3%</b>		<b>91.2%</b>		<b>84.1%</b>
Overall	Struck out	2,012	6.6%	872	4.8%	1,414	4.9%
	Settled	16,129	53.2%	10,059	55.1%	14,665	51.1%
	Withdrawn	5,959	19.6%	3,528	19.3%	5,130	17.9%
	Default judgment	1,904	6.3%	1,062	5.8%	1,072	3.7%
	Heard	4,329	14.3%	2,738	15.0%	6,419	22.4%
	<b>Total</b>	<b>30,333</b>			<b>18,259</b>		<b>28,700</b>
	<b>Resolution rate</b>		<b>78.0%</b>		<b>78.1%</b>		<b>72.6%</b>

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

## Individual mediation

		2020-21	2019-20	2018-19
<b>New cases started in year</b>		<b>224</b>	<b>275</b>	<b>272</b>
<b>Cases closed by outcome</b>	Settled	122	143	162
	Progress made	38	52	45
	Unresolved	19	26	25
	Unprogressed	28	37	28
	<b>Total</b>	<b>207</b>	<b>258</b>	<b>260</b>
	<b>Success rate</b>	<b>89%</b>	<b>88%</b>	<b>89%</b>

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	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
Acas national	13	2.6%	9	1.6%	23	3.8%
London	75	14.9%	79	14.0%	62	10.2%
South east	32	6.3%	28	4.9%	33	5.4%
East of England	27	5.4%	18	3.2%	17	2.8%
East Midlands	34	6.7%	50	8.8%	26	4.3%
West Midlands	57	11.3%	18	3.2%	41	6.8%
North east	17	3.4%	27	4.8%	22	3.6%
Yorkshire and Humber	22	4.4%	28	4.9%	44	7.2%
North west	66	13.1%	112	19.8%	153	25.2%
Scotland	131	26.0%	152	26.9%	150	24.7%
South west	14	2.8%	16	2.8%	11	1.8%
Wales	16	3.2%	29	5.1%	25	4.1%
<b>Total</b>	<b>504</b>		<b>566</b>		<b>607</b>	

### Collective disputes received for conciliation by dispute cause

Dispute cause	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
General pay claim	62	12.3%	139	24.6%	167	27.5%
Other pay / conditions of employment	197	39.1%	186	32.9%	160	26.4%
Changes in working practices	51	10.1%	52	9.2%	58	9.6%
Recognition	65	12.9%	75	13.3%	72	11.9%
Other TU matters	62	12.3%	77	13.6%	71	11.7%
Dismissal / discipline	16	3.2%	23	4.1%	38	6.3%
Redundancy	67	13.3%	30	5.3%	25	4.1%
Other	33	6.5%	25	4.4%	47	7.7%
<b>Total dispute causes</b>	<b>553</b>		<b>607</b>		<b>638</b>	
<b>Total collective cases received</b>	<b>504</b>		<b>566</b>		<b>607</b>	

Since a collective case can have multiple dispute causes, the sum of the percentages in this table exceeds 100%.



## Collective disputes closed by outcome

Dispute outcome	2020-21	2019-20	2018-19
Successfully completed	421	469	554
Unsuccessfully completed	41	26	49
<b>All completed cases</b>	<b>462</b>	<b>495</b>	<b>603</b>
Cases withdrawn	50	110	53
<b>Total</b>	<b>512</b>	<b>605</b>	<b>656</b>

## Collective disputes received by source of request

Source of request	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
Employer	100	19.8%	122	21.6%	108	17.8%
Trade Union	219	43.5%	248	43.8%	255	42.0%
Joint	108	21.4%	132	23.3%	167	27.5%
Acas initiative	77	15.3%	64	11.3%	77	12.7%
<b>Total</b>	<b>504</b>		<b>566</b>		<b>607</b>	

## Cases referred to collective arbitration and dispute mediation

Case type	2020-21	2019-20	2018-19
Single arbitration	12	10	8
Single mediation	8	10	8
Other	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>16</b>

## Issues referred to collective arbitration and dispute mediation

Issue	2020-21	2019-20	2018-19
Annual pay	9	5	5
Other pay and conditions of employment	3	4	5
Dismissal and discipline	3	3	3
Grading	0	1	0
Other	5	7	3
<b>Total</b>	<b>20</b>	<b>20</b>	<b>16</b>

## Joint problem-solving activities by topic

Topic	2020-21	2019-20	2018-19
Absence and stress management	1	3	2
Bullying and harassment	2	3	2
Collective bargaining and trade union issues	19	23	27
Conflict, mediation and change management	17	30	26
Discipline and grievance	0	0	3
Employment law	0	0	0
Equality, diversity and inclusion	0	0	3
Implementing flexible working arrangements	0	0	1
Information and consultation	3	5	13
Managing people	0	1	4
Payment and grading arrangements	0	5	4
Recruitment and employing people	0	0	0
Redundancy	1	3	0
Other	0	0	0
<b>Total</b>	<b>43</b>	<b>73</b>	<b>85</b>

## Advisory services

### Acas helpline contacts

	2020-21	2019-20	2018-19
<b>Voice calls answered</b>			
Helpline advice delivered over the telephone.	711,488	798,552	730,550
<b>Pre-recorded advice sessions</b>			
Helpline callers can select pre-recorded advice regarding minimum wage, holidays, wage deductions or P45s/P60s before being connected to an adviser.	63,719	74,536	85,093
<b>Helpline online sessions</b>			
Helpline online is an interactive database of frequently asked questions written by helpline advisers.	80,546	295,612	417,258
<b>Facebook advice sessions</b>			
The Acas helpline provides advice to customers via the Acas Facebook page.	3,386	2,632	2,976
<b>Webchat sessions</b>			
Webchat allows real time text-based conversation with Helpline advisers.	690	759	1,368
<b>Total Contacts</b>	<b>859,829</b>	<b>1,172,091</b>	<b>1,237,245</b>

Approximately 2% of the pre-recorded advice figures are estimates for the first part of 2019-20, reflecting systematic omissions in call logging which have since been rectified.

As Helpline Online and Webchat were discontinued during 2020-21 the volumes for these services do not reflect the full twelve month period.

### Acas helpline voice call topics

Topic of enquiry	2020-21 % of calls	2019-20 % of calls	2018-19 % of calls
Discipline, dismissal and grievance	30.9%	36.4%	38.1%
Redundancies, lay offs and business transfers	21.4%	13.4%	12.8%
Contracts	16.6%	15.9%	16.3%
Wages and NMW/NLW	11.8%	14.1%	14.8%
Others	10.4%	8.4%	7.4%
Holiday and working time	9.6%	8.8%	9.2%
Absences, sickness and stress	9.3%	9.9%	9.5%
Diversity and discrimination	7.4%	8.6%	8.3%
Maternity, paternity and adoption	3.0%	3.5%	4.1%
Family friendly policies	1.5%	1.8%	1.8%

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	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	22	8.4%	97	11.2%	91	8.1%
Bullying and harassment	2	0.8%	41	4.7%	54	4.8%
Collective bargaining and trade union issues	20	7.7%	38	4.4%	43	3.8%
Conflict, mediation and change management	68	26.1%	175	20.2%	208	18.4%
Discipline and grievance	21	8.0%	98	11.3%	101	8.9%
Employment law	4	1.5%	30	3.5%	139	12.3%
Equality, diversity and inclusion	14	5.4%	62	7.2%	72	6.4%
Flexible working arrangements	7	2.7%	8	0.9%	7	0.6%
Information and consultation	18	6.9%	44	5.1%	67	5.9%
Managing people	18	6.9%	170	19.6%	170	15.0%
Payment and grading arrangements	9	3.4%	14	1.6%	48	4.2%
Recruitment and employing people	10	3.8%	50	5.8%	85	7.5%
Redundancy	28	10.7%	20	2.3%	24	2.1%
TUPE	1	0.4%	0	0.0%	0	0.0%
Acas employee feedback survey	1	0.4%	0	0.0%	0	0.0%
COVID-19	18	6.9%	0	0.0%	0	0.0%
Other	0	0.0%	19	2.2%	21	1.9%
<b>Total</b>	<b>261</b>		<b>866</b>		<b>1,130</b>	

## In-depth advisory telephone calls by topic

Topic	2020-21		2019-20		2018-19	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	245	6.8%	315	10.5%	269	8.4%
Bullying and harassment	110	3.0%	155	5.2%	136	4.2%
Collective bargaining and trade union issues	86	2.4%	77	2.6%	82	2.6%
Conflict, mediation and change management	603	16.6%	591	19.7%	607	18.9%
Discipline and grievance	662	18.3%	425	14.2%	393	12.2%
Employment law	59	1.6%	204	6.8%	377	11.7%
Equality, diversity and inclusion	190	5.2%	149	5.0%	203	6.3%
Flexible working arrangements	175	4.8%	82	2.7%	91	2.8%
Information and consultation	166	4.6%	100	3.3%	158	4.9%
Managing people	218	6.0%	335	11.2%	231	7.2%
Payment and grading arrangements	114	3.1%	75	2.5%	51	1.6%
Recruitment and employing people	415	11.5%	318	10.6%	422	13.1%
Redundancy	488	13.5%	102	3.4%	96	3.0%
TUPE	84	2.3%	0	0.0%	0	0.0%
Acas employee feedback survey	0	0.0%	0	0.0%	0	0.0%
COVID-19	0	0.0%	0	0.0%	0	0.0%
Other	7	0.2%	66	2.2%	94	2.9%
<b>Total</b>	<b>3,622</b>		<b>2,994</b>		<b>3,210</b>	

## Charged workplace projects by topic

Topic	2020-21	2019-20	2018-19
Absence management and mental health	0	1	2
Bullying and harassment	2	7	8
Collective bargaining and trade union issues	0	5	7
Conflict, mediation and change management	9	30	35
Discipline and grievance	0	1	2
Employment law	0	0	0
Equality, diversity and inclusion	1	0	2
Flexible working arrangements	0	0	0
Information and consultation	0	8	14
Managing people	0	1	0
Payment and grading arrangements	3	2	11
Recruitment and employing people	1	0	2
Redundancy	2	1	1
Other	0	0	6
<b>Total</b>	<b>18</b>	<b>56</b>	<b>90</b>

## Certificate in internal workplace mediation (CIWM) training

Type	2020-21		2019-20		2018-19	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	2	8	8	76	17	155
Open access CIWM	1	6	26	164	25	174
<b>Total</b>	<b>3</b>	<b>14</b>	<b>34</b>	<b>240</b>	<b>42</b>	<b>329</b>

## Workplace training by topic

Subject of training	2020-21				2019-20				2018-19			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	162	12.5%	1,245	12.6%	231	13.5%	5,434	14.1%	158	10.0%	3,667	10.7%
Bullying and harassment	60	4.6%	550	5.6%	139	8.1%	5,149	13.4%	113	7.1%	3,029	8.9%
Collective bargaining and trade union issues	8	0.6%	53	0.5%	7	0.4%	117	0.3%	14	0.9%	144	0.4%
Conflict, mediation and change management	83	6.4%	930	9.4%	132	7.7%	3,042	7.9%	134	8.4%	2,306	6.7%
Discipline and grievance	285	22.0%	1,774	18.0%	342	20.0%	5,834	15.2%	356	22.4%	7,015	20.5%
Employment law	24	1.9%	260	2.6%	33	1.9%	595	1.5%	69	4.3%	1,824	5.3%
Equality, diversity and inclusion	173	13.4%	1,453	14.7%	150	8.8%	4,082	10.6%	144	9.1%	4,590	13.4%
Flexible working arrangements	4	0.3%	44	0.4%	0	0.0%	0	0.0%	1	0.1%	12	0.0%
Information and consultation	143	11.0%	1,302	13.2%	152	8.9%	1,608	4.2%	163	10.3%	2,010	5.9%
Managing people	265	20.5%	1,485	15.1%	467	27.3%	11,654	30.3%	367	23.1%	8,230	24.1%
Payment and grading arrangements	0	0.0%	0	0.0%	2	0.1%	28	0.1%	24	1.5%	657	1.9%
Recruitment and employing people	13	1.0%	180	1.8%	26	1.5%	435	1.1%	1	0.1%	12	0.0%
Redundancy	61	4.7%	528	5.4%	18	1.1%	238	0.6%	28	1.8%	522	1.5%
TUPE	10	0.8%	41	0.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Acas employee feedback survey	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
COVID-19	4	0.3%	19	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%	14	0.8%	262	0.7%	15	0.9%	159	0.5%
<b>Total</b>	<b>1,295</b>		<b>9,864</b>		<b>1,713</b>		<b>38,478</b>		<b>1,587</b>		<b>34,177</b>	

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

## Open access training by topic

Subject of training	2020-21				2019-20				2018-19			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	57	13.2%	649	11.5%	184	13.9%	1,682	13.1%	212	15.5%	3101	22.4%
Bullying and harassment	16	3.7%	88	1.6%	48	3.6%	339	2.6%	54	3.9%	415	3.0%
Collective bargaining and trade union issues	0	0.0%	0	0.0%	2	0.2%	22	0.2%	2	0.1%	14	0.1%
Conflict, mediation and change management	33	7.7%	1634	29.1%	133	10.1%	1,539	12.0%	138	10.1%	1299	9.4%
Discipline and grievance	93	21.6%	868	15.4%	188	14.2%	1,893	14.7%	224	16.4%	4602	33.2%
Employment law	5	1.2%	20	0.4%	245	18.6%	2,656	20.7%	270	19.7%	182	1.3%
Equality, diversity and inclusion	21	4.9%	158	2.8%	81	6.1%	764	6.0%	36	2.6%	105	0.8%
Flexible working arrangements	4	0.9%	21	0.4%	6	0.5%	32	0.2%	9	0.7%	82	0.6%
Information and consultation	0	0.0%	0	0.0%	4	0.3%	37	0.3%	2	0.1%	1390	10.0%
Managing people	96	22.3%	941	16.7%	331	25.1%	2,976	23.2%	290	21.2%	1094	7.9%
Payment and grading arrangements	0	0.0%	0	0.0%	2	0.2%	8	0.1%	8	0.6%	264	1.9%
Recruitment and employing people	44	10.2%	297	5.3%	49	3.7%	328	2.6%	74	5.4%	485	3.5%
Redundancy	55	12.8%	503	8.9%	17	1.3%	146	1.1%	17	1.2%	114	0.8%
TUPE	6	1.4%	390	6.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Acas employee feedback survey	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
COVID-19	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	1	0.2%	52	0.9%	30	2.3%	415	3.2%	32	2.3%	698	5.0%
<b>Total</b>	<b>431</b>		<b>5,621</b>		<b>1,320</b>		<b>12,837</b>		<b>1,368</b>		<b>13,845</b>	

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

Total delegates includes events delivered with partner organisations.

## Total training by topic

Subject of training	2020-21				2019-20				2018-19			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	219	12.7%	1,894	12.2%	415	13.7%	7,116	13.9%	370	12.5%	6,768	14.1%
Bullying and harassment	76	4.4%	638	4.1%	187	6.2%	5,488	10.7%	167	10.7%	3,444	10.7%
Collective bargaining and trade union issues	8	0.5%	53	0.3%	9	0.3%	139	0.3%	16	0.3%	158	0.3%
Conflict, mediation and change management	116	6.7%	2,564	16.6%	265	8.7%	4,581	8.9%	272	8.9%	3,605	8.9%
Discipline and grievance	378	21.9%	2,642	17.1%	530	17.5%	7,727	15.1%	580	15.1%	11,617	15.1%
Employment law	29	1.7%	280	1.8%	278	9.2%	3,251	6.3%	339	6.3%	2,006	6.3%
Equality, diversity and inclusivity	194	11.2%	1,611	10.4%	231	7.6%	4,846	9.4%	180	9.4%	4,695	9.4%
Flexible working arrangements	8	0.5%	65	0.4%	6	0.2%	32	0.1%	10	0.1%	94	0.1%
Information and consultation	143	8.3%	1,302	8.4%	156	5.1%	1,645	3.2%	165	3.2%	3,400	3.2%
Managing people	361	20.9%	2,426	15.7%	798	26.3%	14,630	28.5%	657	28.5%	9,324	28.5%
Payment and grading arrangements	0	0.0%	0	0.0%	4	0.1%	36	0.1%	32	0.1%	921	0.1%
Recruitment and employing people	57	3.3%	477	3.1%	75	2.5%	763	1.5%	75	1.5%	497	1.5%
Redundancy	116	6.7%	1,031	6.7%	35	1.2%	384	0.7%	45	0.7%	636	0.7%
TUPE	16	0.9%	431	2.8%	0	0.0%	0	0%	0	0%	0	0%
Acas employee feedback survey	0	0.0%	0	0.0%	0	0.0%	0	0%	0	0%	0	0%
COVID-19	4	0.2%	19	0.1%	0	0.0%	0	0%	0	0%	0	0%
Other	1	0.1%	52	0.3%	44	1.5%	677	1.3%	47	1.3%	857	1.3%
<b>Total</b>	<b>1,726</b>		<b>15,485</b>		<b>3,033</b>		<b>51,315</b>		<b>2,955</b>		<b>48,022</b>	

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

Total delegates includes events delivered with partner organisations.



# Performance report

## Business performance in 2020 to 2021

1. Detail of Acas's performance against our strategic aims is set out at pages 7 to 19.
2. See pages 22 - 36 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 our 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.

## Acas sustainability statement

5. We still have a long way to travel in our sustainability journey, but good progress has been made against the Acas Sustainability Strategy in 2020-21. Key objectives for the year were:
  - To implement sustainable data collection processes.
  - To ensure that 3<sup>rd</sup> party providers provide us this data, including the Government Property Agency (GPA) to gather usage data from our estate.
6. As part of our commitment to environmental sustainability, and in line with the Greening Government Commitments (GGC), Acas reports on our greenhouse gas emissions, waste generated, and water and paper use (see table below). We are currently working with colleagues in BEIS to calculate our 2025 target.
7. While we have made progress against our strategy, and are entirely committed to the green agenda, we face several key challenges. Not least the difficulty of capturing relevant data, which would allow us to set meaningful targets. Accordingly, sustainability will be added to the Strategic Risk Register, given both the short term data collection issues and the long term environmental impacts of climate change.
8. The majority of Acas emissions are generated through our estate. We are working closely with GPA who manage the estate to consider how to review new building leases and ensure all buildings meet high environmental standards. Internally, we are developing policies around smarter (remote or hybrid) working, including digital by default, smarter use of our office space and the reduction of paper.
9. The second largest cause of emissions is staff travel. These have been negligible in 2020-21 due to coronavirus (COVID-19). However, in the next financial year, our Smarter Working Principles will result in less need for staff to be in offices, and so less travel. We also hope to see the benefits from our revised travel policy which was signed off during the year, where internal flights will not be possible except in exceptional circumstances and hire car providers will be asked for hybrid vehicles wherever possible.
10. Although workplace emissions have been significantly less this year due to COVID-19, we recognise that homeworking also has an impact on overall emissions which we cannot measure. Therefore, the emissions reduction to the organisation as a result of the pandemic will not represent an accurate emission saving. To ensure we are meeting our targets, we have carbon offset at the same level as in 2019-20.

11. Our staff Green Network has increased in popularity through the year, sharing links to a range of events and having open discussions including on reducing dependency on motor vehicles and sustainability at Christmas. The Network has also encouraged use of the Cycle to Work scheme. We will be introducing a 'Waste Warriors' Initiative on our return to the office to bring down our overall waste volume.
12. The past year has seen a fundamental change in how and where we work. Acas planning for the next period will reflect how these changes will have a positive impact on emissions.

### Sustainable procurement

13. Acas uses government frameworks to procure goods and services (primarily Crown Commercial Services, although other frameworks are used where they offer best fit and value for money). All Acas contracts require that the supplier must use reasonable endeavours to meet the applicable Government Sustainable Procurement Buying Standards. In particular, Acas ensures that contracts adhere to legal and sustainable timber procurement rules.
14. We work with small and medium-sized enterprises (SMEs) wherever possible, and at least 33% of our contracts were with SMEs this year.

### Environmental sustainability

15. Our greenhouse gas, waste, water, paper and travel emissions are included in the below table.
16. We have a closed paper cycle whereby all paper is recycled for reuse.
17. Our estate is managed by the GPA, whose minimum requirements for new build projects are to achieve BREEAM<sup>1</sup> Excellent or equivalent, and major refurbishments are to achieve BREEAM Very Good or equivalent.

<sup>1</sup> BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability assessment method that is used to masterplan projects, infrastructure and buildings.

## Greening Government Commitments<sup>2</sup>

	2020-21	2019-20 <sup>3</sup>	2018-19	2017-18 Baseline <sup>4</sup>
<b>Greenhouse gas emissions tonnes CO<sub>2</sub>e</b>				
Scope 1 <sup>5</sup>	–	–	–	–
Scope 2 <sup>6</sup> and Scope 3 <sup>7</sup>	189	715	–	1,291
<b>Related energy consumption</b>				
Electricity, MWh	379	–	–	1,560
Natural gas, MWh	457	–	–	1,228
Solid fuels, MWh	1	–	–	–
<b>Business flights</b>				
Total number of domestic flights	–	–	–	512
Total number of international flights	–	–	–	4
<b>Waste<sup>8</sup></b>				
Recycled externally, tonnes	33	–	–	134
Landfill, tonnes	–	–	–	250
<b>Water and paper</b>				
Water consumption, m <sup>3</sup>	1,526	–	–	7,864
Paper procured, reams	228	–	–	5,261
<b>Related costs £'000</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Business mileage <sup>9</sup>	3	230	238	274
Public transport and flights	–	551	634	582
Utilities <sup>10</sup>	46	61	86	84

## Financial review

18. The majority of Acas's funding is through Grant in Aid from BEIS. Acas's gross allocation for 2020 to 2021 was £56.9 million and expenditure was £56.6 million. Acas charges customers in order to recover costs for some of our services. In 2020 to 2021 this generated income of £1.9 million, down from £5.6 million in the previous year (due to the impact of the COVID-19 pandemic).
19. 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 2020 to 2021 through a range of activities, including effective management of our estates, improving technological capability, and delivering procurement savings.
20. This year 88.4% of payments were made within 5 working days of receipt of an invoice.

<sup>2</sup> GPA have provided Acas with the estates-based emissions data which they receive from the end landlord. They have not done any independent reviews of this data. However, they have used best estimates for any gaps in the data, or when inconsistent information was provided. It's very hard to validate the data given the non-standard usage as a result of COVID-19.

Our mains, gas and water usage data is an apportionment of the building total as we do not have separate meters for the space we occupy. In a normal year this may not cause too much of a variance from reality, however, in the current year, due to the pandemic, Acas staff have been working from home (other than in rare circumstances where office space was required). As such, our personal usage of water, gas and electricity would be minimal. We have reported our share of the building or floor total.

The methodology for presenting this data is consistent with GGC, however, per our GGC we do not disclose 2 sites as they are presented in other organisations' returns. The above data includes the sites in order to give a full picture of our emissions.

<sup>3</sup> The 2019-20 data was estimated by an external consultant due to the gaps in our data for this and earlier periods. As a result, we do not have the granular breakdown for all categories for this year. We do not have sufficient data to report on earlier periods.

<sup>4</sup> The 2017-18 baseline is estimated using FTE numbers and the size of our estate and applying industry averages to these metrics.

<sup>5</sup> Scope 1: direct emissions from sources owned or controlled

<sup>6</sup> Scope 2: indirect emissions from consumption of purchased electricity or sources of energy generated upstream

<sup>7</sup> Scope 3: other indirect emissions occurring as a consequence of Acas's operations, but not directly controlled or owned by Acas

<sup>8</sup> GPA have not been able to collect waste data for our estate due to the suppliers used in this area not having sufficient data collection processes in place. We hope to improve this. The data disclosed is from internal contracts around office moves and paper waste collection.

<sup>9</sup> There was minimal business travel in the year due to COVID-19 and the resultant lockdowns. All Acas offices were closed to general staff for the whole year other than in exceptional (rare) circumstances.

<sup>10</sup> Some of our estates related consumption costs are billed through the service charge, as such, this does not offer a full picture. We are working with GPA to gain more transparency around these costs going forward.

21. A full set of accounts for 2020 to 2021, 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 69 to 72).

*Susan Clews*

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**Susan Clews**  
Accounting Officer  
Acas  
7 July 2021

# ACCOUNTABILITY REPORT

## Corporate Governance Report

### Directors' Report

#### Purpose of the Directors' Report

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

#### Members of the Executive Board

2. Executive Board members during 2020 to 2021 were as follows:
  - 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
  - Kate Nowicki, Director of Strategic Planning, Performance and Change
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 £59,000. 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 79.

#### Consultancy and contingent labour expenditure

6. During the year, Acas's expenditure on consultancy and contingent labour was £1.2 million (2019 to 2020, £3 million). The decrease resulted as a number of projects ended in 2020. This year's spend was again focussed on the development of individual dispute resolution services.

#### Regularity of expenditure

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

#### Personal data related incidents

8. There were no incidents of data loss; further details are disclosed in the governance statement (page 45).

## Matters of public interest

9. 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.
10. There were no identified cases of actual or attempted fraud, bribery or corruption this year.

## Supporting our people – diversity and inclusivity at Acas

11. 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.
12. 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. More recently we have updated our Diversity hub on our HR intranet pages.
13. Acas's Diversity and Inclusion Strategy, which runs alongside our People Strategy 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 senior leaders to be diversity champions for disability, gender, LGBTI+ and race. We have also refocused our approach on race, producing a race equality action plan.
14. 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.

## Supporting our people – mental health

15. Like so many of our customers, our staff have had their own personal struggles in the last year. Remote working suits some, but not all; and most people have faced challenges of adapting to new ways of working and technology, shared spaces, child and other caring responsibilities. All in the wider context of an incredibly challenging environment of fear and uncertainty. And our frontline staff have had to deal with and respond to the emotional pressures felt by our customers.
16. We already had a strong mental health support network – with trained mental health first aiders and a well established Employee Assistance Programme. In addition:
  - We trained 207 managers (98%) on 'managing mental health in the current climate'; and we ran 6 manager support clinics, resilience workshops for 186 staff, 8 'time to talk' staff support sessions, and 13 mental health roadshows on 'top tips for resilience'.
  - We encouraged staff to get involved in Acas events for wellbeing week (113 attendees), the 'Get Active' challenge (135 attendees) and men's mental health week (79 attendees).
  - We ran a mental health survey for staff which informed our plans for wellbeing and a return to the workplace.
17. The Health and Safety and Wellbeing Committees have met quarterly throughout the year; both have representation from management and our trades unions.

## Future developments

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

*Susan Clews*

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**Susan Clews**

Accounting Officer

Acas

7 July 2021

## 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 I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



# Governance Statement

## Scope of responsibility

1. As Accounting Officer, I am responsible for maintaining sound governance and internal controls that support the achievement of Acas'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 (GIAA) 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 2020-21.

## Acas's 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 governance and policy issues, and to whom we provide insights on the labour market from our frontline functions. Acas provides BEIS with regular performance updates through the Strategic Risk Register and performance tracker, as well as financial management information. The respective roles of Acas and the Secretary of State for BEIS are set out in a Framework Document, which is currently under review for 2021-22.
6. The governance structure provides reasonable as opposed to absolute assurance, as it is designed to manage risk to an acceptable level in order to provide flexibility to deliver on our services, aims and objectives. It provides clarity and accountability in managing the delivery of Acas's aims and objectives, and ensures 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 2021 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; all appointments must adhere to the Governance Code on Public Appointments. Clare Chapman has held the post of Chair since July 2020. Prior to that, Sir Brendan Barber was the Acas Chair, a post he had held since 2014.

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 observes 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. 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 2020 to 2021 was as follows:
  - Sir Brendan Barber (2/2) left in July
  - Clare Chapman (5/5) started in July
  - Neil Carberry (6/7)
  - Mike Clancy (7/7)
  - Professor Anne Davies (7/7)
  - Mike Gooddie (7/7)
  - Jayne Haines (7/7)
  - Sally Hunt (7/7)
  - Susan Jordan (7/7)
  - Christina McAnea (4/7)
  - Jane McNeill QC (6/7)
  - Paul Nowak (7/7)
  - Ben Summerskill (5/5)
13. During the height of the coronavirus (COVID-19) pandemic in March – June 2020, Council met weekly to assess how Acas was responding and set priority actions to ensure the right support was available to customers.
14. The Council held a digital strategic planning away day in October 2020. Council members reviewed early proposals for an ambitious new strategy for 2021-25, with far reaching ambitions and goals. Council members also took the time to reflect on the impacts of COVID-19 and other labour market issues for this year and the years ahead and the role of Acas in addressing these challenges.

15. Between March and October 2021, the tenures of 10 out of 11 Council members are due to expire, which presents a risk to governance and would result in gaps in the Council and the potential for an imbalance of partners, in an already challenging operational year. Some Council members have had their terms of office extended, as we await decisions on re-appointments from the Secretary of State for BEIS.
16. In January-April 2021, BEIS ran a recruitment campaign to identify new Council members, and we are anticipating some new appointments to be made. There is a continuing risk that vacant Council positions may remain and a further recruitment campaign will be necessary. I am grateful to Anne Davies for stepping into Audit Committee meetings to support scrutiny and approval of the Annual Report and Accounts.
17. The risk is well flagged with BEIS officials and Ministers, and I am updating Council members regularly.

## The Audit Committee

18. 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 Mike Gooddie, who has chaired the committee 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 (NAO) and internal auditors engage as required with the Audit Committee Chair and members.
19. 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.
20. The Audit Committee met four times in 2020-21. Audit Committee attendance at the meetings was as follows:
 

• Mike Gooddie, Chair	(4/4)
• Sally Hunt	(3/4)
• Ben Summerskill	(4/4)
• Ann Beasley	(4/4)
21. The Audit Committee last undertook a self-assessment exercise, using NAO's Self-Assessment Checklist in 2018-19. The recommendations from that exercise have been implemented, and include a new induction for members of the Committee. The next self-assessment will be commissioned once the recruitment process has concluded and new members are in post.
22. The Committee's Terms of Reference were reviewed in year.

## The Remuneration Committee

23. The Remuneration sub-Committee of the Council is chaired by the Chair of Acas and comprises three members of the Acas Council. It meets twice a year, or more if the Chair or other Committee members deem it is necessary.
24. 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

25. Council members carried out a survey to review the effectiveness of Council 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.
26. The Council will review the results and seek to improve on areas highlighted throughout the 2021-22 operational year. This will enhance how the Council operates and engages, within their terms of reference.

## The Executive Board

27. 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.
28. There are several sub-boards which cover specific areas of the business and which report to the Executive Board at each meeting so the Executive team is updated on activity, impacts and any risks which need to be escalated for action.
29. Non-classified agendas, papers and minutes of the Executive Board are published on the staff intranet and shared with our trade unions for transparency. In addition, since the start of the COVID-19 pandemic, the Chief Executive has provided a weekly informal and more personal perspective on events affecting Acas, sent to all staff by email.
30. Board members are committed to raising visibility of the Board and its work to all staff. This year we have introduced an Executive Board Q&A where representatives from one or more teams are invited to attend Executive Board and grill Board members on issues of their choosing. Questions range from operational or decision making challenge, to horizon scanning, to the Cycle to Work Scheme.
31. 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.

32. In 2020-21, the membership of the Acas Executive Board consisted of:
- 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.
  - Kate Nowicki, Director of Strategic Planning, Performance and Change.
33. In accordance with the Government Open Boards scheme, an observer also attended 10 meetings this year.
34. The terms of reference for the Executive Board are to:
- Support the Council in setting the direction of Acas.
  - 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.
35. The Executive Board took an active role in enabling Acas to respond to the pandemic. It established a COVID-19 Taskgroup, made up of key people in the senior team to address key challenges for our services and staff. It also established a rapid response Subject Matter Expert Group, made up of staff from all disciplines, which met weekly and provided external insight and horizon scanning from all our frontline and comms services; identified new and emerging issues; and collaborated to respond quickly to customer needs.
36. 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, and the key milestones on change projects and programmes.
37. There are also several working groups, which are initiated and de-commissioned as required to undertake key items of work. In 2020 to 2021 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 Board effectiveness**

38. A survey and assessment are underway to highlight improvements and recommendations to consider in 2021-22.

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

39. 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.
40. Members of the Executive Board review the Strategic Register monthly. 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.
41. At the May 2020 Audit Committee, the Executive was asked to review the process for setting organisational risk appetite, to ensure a more granular approach to aid transparency. The Executive Board consequentially 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.
42. The overall risk appetite remains as 'Open', though within each business area, certain activities take a more cautious approach to risk management.
43. 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.

44. The Strategic Risk Register is revised on a monthly basis (previously quarterly), to allow Board to review the current status of the risks and mitigations, and whether risk owners expect the risk impact and likelihood to increase or reduce over the following three to six months.
45. 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.
46. 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.
47. The risk register is a live document. At the end of the reporting year, three high level and six medium level risks were identified. The high level risks were:
  - 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.
  - If recruitment, reappointments and extensions do not lead to a full Council being appointed, there is a risk to effective governance arrangements.
  - The Individual Conciliation Service comes under increased and significant pressure, potentially leading to a reduced, less effective service for users.
48. 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.
49. Acas has completed the Annual Assurance self-assessment to measure compliance against the Government Functional Standard GovS13. We await the outcome of the review, which is expected early in the first half of the 2021-22 operational year.

## Review of organisational effectiveness

50. 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.
51. 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 performance tracker 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

52. The 2020-21 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 the Midlands and Wales, the Directors of Finance, Estates and Procurement and Strategic Planning, Performance and Change.
53. The statements encompassed the key themes of governance, risk and financial management and staff capacity and capability, with discussion and challenge focussed on how these were managed at an operational level. The conversation also centred on the impact of the pandemic, and included Acas's plan to build resilience, tackle increasing workloads, and ensure improved staff wellbeing.
54. The Panel did not identify any significant issues of internal control and were satisfied that nothing was discussed that would undermine the assurance that a sound system of corporate governance is being maintained.

### Embedding our capacity to change

55. The Planning, Performance and Change Board is now an established part of our governance and provides assurance to Executive Board for the management of large scale change projects. The Change Management Office is a small team which supports good change management practice in key projects. The strategy for 2021-2025 will be delivered by a portfolio of activity which will support the organisation to develop what we do and how we do it to meet the changing workplace challenges.
56. A small cross-functional team, led by the Change Management Office and the Learning and Development team, is developing plans to increase change management and leadership capability across Acas.

### General Data Protection Regulations (GDPR)

57. Acas has a GDPR Plan to maintain the revision and implementation of key policies and procedures related to accountability and data subject request handling, as well as a systemic review of data breach causes reported to Executive Board and other governance measures.
58. All new starters undertake mandatory GDPR awareness training, and plans are in place to repeat roll-out of this for all staff in October 2021. Additional bespoke training is provided by the



Knowledge and Information Management (KIM) Team. Existing procedures are reviewed to ensure they continue to comply with UK GDPR legislation.

## Internal Compliance Reviews

59. 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 the review to improve governance.

## Government Internal Audit Agency

60. The 2020-21 Internal Audit Plan reviewed the following areas:

- GDPR: to ensure continued compliance with the regulations and to assess how it is being embedded across the organisation.
- The new Acas website: assurance over management of the new website, ensuring that it is fit for purpose, and that effective controls are in place to ensure that content is accurate and appropriate.
- Business planning: assurance on Acas's ability to effectively convert strategic decisions to operational activities.
- Business continuity and resilience: objective assurance over the adequacy and effectiveness of the initial response to COVID-19.
- Delivery of frontline services: an assessment of the effectiveness of Acas's digital programme arrangements in response to COVID-19.
- Key financial controls: annual assurance around financial processing, use of the Government Procurement Card and other controls.
- Payroll: a high level review of payroll processes and policies.
- Governance effectiveness: advisory support activity, partnering Acas management in 2020-21 to help ensure the organisation's on-going governance arrangements are effectively designed.

61. 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.

62. In summary, there were no limited, four moderate and three substantial audit opinions from the work undertaken during the year.

63. In the reports, the auditors highlighted 2 'High', 14 'Medium' and 13 'Low' priority recommendations. Progress in the implementation of agreed audit recommendations is reported to the Audit Committee. Overall, the auditors confirm that agreed the recommendations have been implemented promptly.

## Cyber security

64. There were no cyber security incidents in 2020-21. Work continued on the 2020 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 monitoring and diagnostic tools and a new digital staff training package, which was also rolled out to non-executive directors.

## Estates

65. During the year, the London office move was completed. Having secured all the necessary approvals, we moved out of Euston Tower before the end of 2020 and moved to Windsor House on Victoria Street. However, due to COVID-19 restrictions, we have yet to fully occupy this building.
66. The Government Property Agency (GPA) is used for all our estates services. We are working with the GPA to resolve some service delivery issues. These include:
  - 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.
67. We have regular meetings with senior members of the GPA management team, and this has ensured both transparency of the key issues and an improvement in service delivery over the last twelve months.

## Other issues

68. The single recommendation regarding the bank reconciliation process made in NAO's audit of the 2019-20 Annual Report and Accounts was implemented.
69. 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 2020-21.
70. Acas takes part in the annual Civil Service Staff Survey. The overall engagement score increased by 5% to 68%, with higher levels of completion in comparison to the previous year. In 8 out of 9 areas of the report, feedback either improved or remained static. Whilst we have some key areas to focus on, results were positive, demonstrating staff are clear about Acas's purpose and that we have a supportive team culture.
71. We answered 81 of the 84 Freedom of Information requests received within the prescribed timeframe.
72. Three data breaches were notified to the Information Commissioner's Office (ICO). No action was taken by ICO.
73. 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.
74. A new Conflicts of Interest policy is currently under review. Assurance that no such conflicts have arisen for the Council and Executive Board is in place.
75. Acas has reviewed the status of contractors engaged by the business; all were found to be compliant with the new IR35 regulations.
76. 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.
77. Acas continues to publish details of individual expenditure over £250, prompt payment statistics, and organisation charts on gov.uk.

78. 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.
79. 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**

80. There have been no 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 2020-21.

## 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](http://www.ome.uk.com).
4. The salaries of the Acas Council are set by BEIS.
5. The Certification Officer is a member of the Principal Civil Service Pension Scheme (PCSPS). No pension contributions are made in respect of the Acas Chair and Acas Council members.
6. The Chair of the Central Arbitration Committee (Stephen Redmond) was appointed by the Secretary of State for BEIS and his fee for one day a week is set by BEIS. The members of the CAC committee (deputy chairs and members) are appointed by the Secretary of State for BEIS. Their rates are set by the Ministry of Justice and are set out below.

### Audited information

7. The following sections provide details of the remuneration and pension interests of the most senior management (i.e. Board members) of Acas, CAC and CO. There were 5 (2019 to 2020 5) senior civil servants at pay band 1, and 3 (2019 to 2020 3) senior civil servants at pay band 2 and 1 person below SCS.

## Remuneration (salary, bonus and pensions)

	2020-21				2019-20			
	Salary <sup>7</sup> (£'000)	Bonus payments (£'000)	Pension benefits <sup>4,5</sup> (£'000)	Total (£'000)	Salary (£'000)	Bonus payments (£'000)	Pension benefits (£'000)	Total (£'000)
<b>Sir B Barber</b> (Chair to 26 July 2020) <sup>1,3</sup>	25 - 30	0	0	25 - 30	85 - 90	0	0	85 - 90
<b>C Chapman</b> (Chair from 27 July 2020) <sup>1,3</sup>	35 - 40	0	0	35 - 40				
<b>S Bedwell</b> (Certification Officer)	130 - 135	0	52	180 - 185	125-130	0	51	180-185
<b>S Clews</b> (Chief Executive, Acas) <sup>2</sup>	120-125	5 - 10	43	170 - 175	120-125	5-10	269	395-400
<b>J Jacob</b> (Chief Executive, CAC, to 29 February 2020)					45-50	0	4	50-55
<b>M Tavares</b> (Chief Executive, CAC, from 1 May 2020) <sup>3</sup>	50 - 55	0	99	150 - 155				
<b>A Cooper</b> (Chief Operations Officer) <sup>2, 6</sup>	80-85	0-5	39	120 - 125	80-85	0-5	136	220-225
<b>R Mackintosh</b> (Director, Finance, Estates, and Procurement)	85-90	0	44	130 - 135	85-90	0	34	115-120
<b>J Vincent</b> (Director, Digital, Data and Technology) <sup>2</sup>	90 - 95	5 - 10	32	130 - 135	85-90	0-5	32	120-125
<b>I Wood</b> (Director, Strategy)	70-75	0	26	95 - 100	70-75	0	14	85-90
<b>D Ellis</b> (Director, Organisational Development and Human Resources) <sup>2</sup>	70 - 75	0 - 5	28	100 - 105	20-25	0	9	30-35
<b>C Nowicki</b> (Director of Secretariat, Planning Performance and Change from 1 April 2020) <sup>2</sup>	65 - 70	0 - 5	45	110 - 115	0	0	0	0

1 Sir B Barber and C Chapman were not members of the pension scheme.

2 In 2020-21, S Clews, A Cooper, J Vincent and D Ellis received a non-consolidated payment relating to their performance in 2019-20. C Nowicki's bonus payment was made under the Acas recognition scheme which is available to all non-SCS staff.

3 This table shows the amount paid to Sir B Barber, C Chapman and M Tavares in the reporting year, in their capacity as Acas Chair and Chief Executive of the CAC, respectively. Sir B Barber's annual salary was in the range of £80-85k; C Chapman's was in the range of £55-60k; M Tavares' annual salary was in the range £55-60k.

4 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.

5 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.

6 2019-20 salary for A Cooper has been restated to include taxable travel allowances. The only change is to the total with the prior year report noting £215-220k.

7. SCS salary levels are set in accordance with Civil Service pay policy.

8. There were no compensation payments for loss of office to senior managers in 2020 to 2021 (2019 to 2020, nil).

	Accrued pension at pension age as at 31 March 2021 and related lump sum (£k)	Real increase in pension and related lump sum at pension age (£k)	CETV at 31 March 2021 (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)
<b>S Bedwell</b> (Certification Officer)	5 – 10	2.5 – 5	130	87	30
<b>S Clews</b> (Chief Executive, Acas) <sup>1</sup>	50 – 55 plus a lump sum of 150 – 155	0 – 2.5 plus a lump sum of 5 – 7.5	1,196	1,110	45
<b>M Tavares</b> (Chief Executive, CAC, from 1 May 2020)	20 – 25 plus a lump sum of 50 – 55	2.5 – 5 plus a lump sum of 10 – 12.5	406	316	77
<b>A Cooper</b> (Chief Operations Officer)	35 – 40 plus a lump sum of 80 – 85	0 – 2.5 plus a lump sum of 0 – 2.5	705	654	25
<b>R Mackintosh</b> (Director, Finance, Estates, and Procurement)	40 – 45 plus a lump sum of 105 – 110	0 – 2.5 plus a lump sum of 0 – 2.5	875	813	32
<b>J Vincent</b> (Director, Digital, Data and Technology)	20 – 25	0 – 2.5	249	218	13
<b>I Wood</b> (Director, Strategy) <sup>1</sup>	30 – 35 plus a lump sum of 95 – 100	0 – 2.5 plus a lump sum of 0 – 2.5	761	716	16
<b>D Ellis</b> (Director, Organisational Development and Human Resources)	5 – 10	0 – 2.5	93	74	10
<b>C Nowicki</b> (Director of Secretariat, Planning Performance and Change from 1 April 2020)	20 – 25 plus a lump sum of 55 – 60	0 – 2.5 plus a lump sum of 0 – 2.5	505	451	36

<sup>1</sup> MyCSP have provided an updated CETV as at 31 March 2020. For S Clews, the amount disclosed in the 2019-20 report was £1,108k and for I Wood, £714k.

9. Average number of full time equivalents employed during the period was as below. This has seen an increase due to recruitment of additional conciliation resource.

	Permanently employed	Others	2020 to 2021	2019 to 2020
			Total	Total
Acas national	162	36	198	186
Regional offices	737	31	768	710
Certification Office and Central Arbitration Committee	13	0	13	16
<b>Total</b>	<b>912</b>	<b>67</b>	<b>979</b>	<b>912</b>

10. Staff turnover has decreased from 12.3% in 2019-20 to 9.3% in the current year. This is attributed to the greater degree of flexible working provided to staff through the pandemic response and the instability created in the external job market.

## Fair pay disclosure

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

	2020 to 2021	2019 to 2020 <sup>1</sup>
Band of highest paid official's total remuneration (£'000)	140-145	140-145
Median total	30,945	30,152
Ratio	4.60	4.73

<sup>1</sup> The prior year disclosure was updated to include the allowance and the correct highest paid official.

12. 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.
13. In 2020 to 2021, 0 (2019 to 2020, 0) employees received remuneration in excess of the highest paid official. Remuneration within the organisation ranged from £15,000 to £20,000 to £140,000 to £145,000 (2019 to 2020, £15,000 to £20,000 to £140,000 to 145,000).
14. During 2020 to 2021, the ratio of females to males employed by Acas was 1:0.7 (2019 to 2020, 1:0.7). At Executive Board level, this ratio was 1:2.5 (2019 to 2020, 1:5).

## Council and CAC members

Acas Council members	2020 to 2021 (£)	2019 to 2020 (£)
Annual salary	1,695	1,695
Daily rate for attendance	172	172
CAC deputy chairs daily rate	522	512
CAC members daily rate	297	291
Arbitrators daily rate	371	364

15. 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

16. In 2020 to 2021, 3 (2019 to 2020, 2) people left under efficiency dismissal terms and received a total compensation payment of £107k (2019 to 2020, £105k).
17. In both the reporting, and comparative, year, nobody left under voluntary exit terms.

## Sickness absence

18. An average of 7.2 days per person were lost to sickness absences in 2020 to 2021 (2019 to 2020, 10.9). Throughout the pandemic response we have increased our flexible working practices to support our employees which has positively impacted absence rates.

## Unaudited Information

### Service Contracts

19. 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.
20. 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.
21. Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk/>.
22. Sir Brendan Barber's contract ended in July 2020. Clare Chapman's appointment as the new chair commenced in the same month.
23. 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.
24. 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 31 March, following their 70th birthday.
25. 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.
26. The Chair's performance is reviewed by the sponsor Department 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 her term as Chief Executive of the CAC, M Tavares's assessment is informed by the CAC Chair's comments.
27. Further information about the work of the Civil Service Commissioners can be found at <https://civilservicecommission.independent.gov.uk/>.

### Salary

28. 'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; travel 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.
29. 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 2020 to 2021 relate to performance in 2020 to 2021 and the comparative bonuses reported for 2019 to 2020 relate to performance in that year.



## Gender Pay Reporting

30. At Acas, 59% of our workforce, and 17% of our Senior Civil Servants are women. During 2020 to 2021, headcount increased from 957 to 1058, an increase of 11%. The majority of recruitment was within our lower grades, and in this intake, there was an increased proportion of men recruited.
31. Acas has published its gender pay gap and bonus pay gap data.
32. The above changes in demographic of our workforce mean that we have seen some fluctuation in 2020-21 gender pay gap figures. These show a mean pay gap of 7.3% in favour of men (2019-20 6.8%); and 1.1% pay gap in favour of men (2019-20 12.2%) in the median calculation, which is significantly lower.
33. Acas operates a reward and recognition scheme based upon performance. This shows a gap of 17.7% 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.
34. 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:
  - Adopting a flexibility by default principle around working patterns, to enable many colleagues to work from home or other suitable locations more frequently in the future.
  - Continuing to support our 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. Plus, encouraging men to take advantage of flexible working arrangements.
  - Continuing to monitor pay to identify anomalies and take targeted action to reduce differences between upper and lower quartiles, within civil service pay controls.
  - Taking a more proactive approach towards monitoring our bonus pay in the future, this includes reviewing our recognition programme and effectively collecting data to ensure fairness across all grades and gender.
  - Continuing our approach to anonymise the application process to reduce the potential for bias and ensuring that all panel members have undergone recruitment training which incorporates diversity and success profiles.
  - 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.
  - Helping women progress in their careers through a clear conversation approach towards performance management, which encourages line managers to have an open ongoing dialogue with staff on career development and progression.

## Civil Service Pensions

35. 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.

36. 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. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report. 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).
37. 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 uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.
38. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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).
39. 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).
40. Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

## Cash Equivalent Transfer Values

41. 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.
42. 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.
43. 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

44. As of 31 March 2021, the number and status of off-payroll engagements, for more than £245 per day and lasting longer than 6 months are disclosed below.
45. All highly paid off-payroll workers engaged at any point during the year ended 31 March 2021:
- |   |   |
|---|---|
| For less than one year at the time of reporting       | 7 |
| For between 1 and 2 years at the time of reporting    | 0 |
| For between 2 and 3 years at the time of reporting    | 0 |
| For between 3 and 4 years at the time of reporting    | 0 |
| For between 4 and more years at the time of reporting | 0 |
46. Number of highly paid off-payroll worker engagements as at 31 March 2021, that had existed:
- |  |    |
|--|----|
| Number of engagements 1 April 2020 and 31 March 2021 | 17 |
| Of which.....  |    |
| Not subject to off-payroll legislation               | 13 |
| assessed as caught by IR35                           | 1  |
| assessed as not caught by IR35                       | 3  |
47. All of the engagements that were either caught or not caught by the legislation were not reassessed for assurance purposes due to the short term nature of the engagements. We have not received any disputes around status determination.
48. There were no off-payroll engagements of board members or senior officials with significant financial responsibility during the year.

## Trade union facility time

49. Acas recognises PCS and FDA Trades Unions.

50. During the year, there were 33 (31.9 FTE) employees who were relevant union officials in PCS and FDA (27/ 26.7 FTE 2019-20), 4% (2019-20 3%) of the total number of permanently employed staff, and their facility time (as a percentage of their working time) was:

Percentage of time	2020-21 Number of employees	2019-20 Number of employees
0%	22	6
1-50%	11	19
51-99%	0	2
100%	0	0

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

	2020-21 £000	2019-20 £000
Total cost of facility time	105	154
Total pay costs	43,907	40,777
Percentage of total pay bill spent on facility time	0.2%	0.4%

52. 97% (2019-20, 96%) of total paid facility time hours were spent on paid trade union activities.

*Susan Clews*

**Susan Clews**

Accounting Officer

Acas

7 July 2021

# 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 2021 under the Trade Unions and Labour Relations (Consolidation) Act 1992. The financial statements comprise: 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. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- Give a true and fair view of the state of the Advisory, Conciliation & Arbitration Service's affairs as at 31 March 2021 and of the net expenditure for the year then ended;
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Advisory, Conciliation & Arbitration Service in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the Advisory, Conciliation & Arbitration Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Advisory, Conciliation & Arbitration Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Advisory, Conciliation & Arbitration Service is adopted in consideration of the requirements set out in applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## 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. The Board and the Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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; and
- The information given in the Performance Report and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Advisory, Conciliation & Arbitration Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- The financial statements and the parts of the accountability report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of remuneration specified by HM Treasury's government financial reporting manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- The governance Statement does not reflect compliance with HM Treasury's guidance.

## 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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- Internal controls as the Board and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- Assessing the Advisory, Conciliation & Arbitration Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer anticipates that the services provided by the Advisory, Conciliation & Arbitration Service will not continue to be provided in the future.

## 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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Advisory, Conciliation & Arbitration Service's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Advisory, Conciliation & Arbitration Service's policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Advisory, Conciliation & Arbitration Service's controls relating to the Trade Unions and Labour Relations (Consolidation) Act 1992.
- Discussing among the engagement team and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, i identified potential for fraud in the following area: revenue recognition and posting of unusual journals;
- Obtaining an understanding of the Advisory, Conciliation & Arbitration Service's framework of authority as well as other legal and regulatory frameworks that the Advisory, Conciliation & Arbitration Service operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of

the Advisory, Conciliation & Arbitration Service. The key laws and regulations I considered in this context included the Trade Unions and Labour Relations (Consolidation) Act 1992, Managing Public Money, and relevant employment law and tax legislation; and assessing the susceptibility of the Advisory, Conciliation & Arbitration Service's financial statements to material misstatement, including through fraud, by understanding the potential incentives and pressures for management to manipulate the financial statements, and performing risk assessment procedures to understand the areas in which this would most likely arise.

In addition to the above, my procedures to respond to identified risks included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- Enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and the Board; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

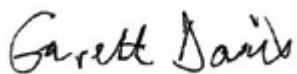
A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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.

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.

## Report

I have no observations to make on these financial statements.



**Gareth Davies**  
**Comptroller and Auditor General**

Date: 9 July 2021

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



## Statement of comprehensive net expenditure

	Note	2020 to 2021		2019 to 2020	
		£'000	£'000	£'000	£'000
<b>Income</b>	<b>3</b>		1,924		5,651
<b>Expenditure</b>					
Staff costs	4	(43,907)		(40,777)	
Depreciation	5	(882)		(915)	
Other expenditure	5	(11,843)		(14,028)	
			(56,632)		(55,720)
<b>Net expenditure</b>			<b>(54,708)</b>		<b>(50,069)</b>
<b>Other comprehensive expenditure</b>					
Net gain/(loss) on revaluation of property, plant and equipment and intangibles	6		35		8
<b>Total comprehensive net expenditure for the year ended 31 March 2021</b>			<b>(54,673)</b>		<b>(50,061)</b>

The notes on pages 73 to 87 form part of these accounts.

# Statement of financial position

## as at 31 March 2021

consists of:

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

	Note	31 March 2021		31 March 2020	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	6.1	2,524		2,324	
Intangible assets	6.3	36		28	
<b>Total non-current assets</b>			<b>2,560</b>		<b>2,352</b>
<b>Current assets</b>					
Trade and other receivables	7	2,451		2,438	
Cash and cash equivalents	8	0		3,450	
<b>Total current assets</b>			<b>2,451</b>		<b>5,888</b>
<b>Total assets</b>			<b>5,011</b>		<b>8,240</b>
<b>Current liabilities</b>					
Cash and cash equivalents	8	(896)		0	
Trade and other payables	9	(7,308)		(7,962)	
Provisions	10	(192)		(518)	
<b>Total current liabilities</b>			<b>(8,396)</b>		<b>(8,480)</b>
<b>Total assets less current liabilities</b>			<b>(3,385)</b>		<b>(240)</b>
<b>Non-current liabilities</b>					
Provisions	10	(850)		(822)	
<b>Total non-current liabilities</b>			<b>(850)</b>		<b>(822)</b>
<b>Assets less liabilities</b>			<b>(4,235)</b>		<b>(1,062)</b>
<b>Reserves</b>					
General reserve			(4,757)		(1,589)
Revaluation reserve			522		527
			<b>(4,235)</b>		<b>(1,062)</b>

The notes on pages 73 to 87 form part of these accounts.

These accounts were approved on:



**Susan Clews**  
 Accounting Officer  
 Acas  
 7 July 2021

# Statement of cashflows

## for the period ended 31 March 2021

consists of:

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

	Note	2020 to 2021 £'000	2019 to 2020 £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(54,708)	(50,069)
Adjustments for non-cash transactions	5 & 6.1	983	1,190
(Increase)/Decrease in trade and other receivables	7	(13)	405
Increase/(Decrease) in trade and other payables	9	(654)	310
Increase/(Decrease) in provisions	10	(298)	443
<b>Net cash outflow from operating activities</b>		<b>(54,690)</b>	<b>(47,721)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6.1	(1,111)	(1,278)
Purchase of intangible assets	6.3	(45)	0
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals of intangible assets	6.3	0	0
<b>Net cash outflow from investing activities</b>		<b>(1,156)</b>	<b>(1,278)</b>
<b>Cash flows from financing arrangements</b>			
Grants from sponsoring department		51,500	52,044
<b>Net cash inflow from financing arrangements'</b>		<b>51,500</b>	<b>52,044</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(4,346)</b>	<b>3,045</b>
<b>Cash and cash equivalents at the beginning of the period</b>	8	<b>3,450</b>	<b>405</b>
<b>Cash and cash equivalents at the end of the period</b>	8	<b>(896)</b>	<b>3,450</b>

The notes on pages 73 to 87 form part of these accounts.

## Statement of changes in taxpayers' equity

for the period ended 31 March 2021

	General reserve £'000	Revaluation reserve £'000	Total reserves £'000
<b>Balance at 1 April 2019</b>	<b>(3,594)</b>	<b>549</b>	<b>(3,045)</b>
<b>Changes in taxpayers' equity for 2019 to 2020</b>			
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
<b>Balance at 31 March 2020</b>	<b>(1,589)</b>	<b>527</b>	<b>(1,062)</b>
<b>Changes In taxpayers' equity for 2020 to 2021</b>			
Net gain/(loss) on revaluation of property, plant and equipment	0	35	35
Transfers between reserves	40	(40)	0
Comprehensive net expenditure for the year	(54,708)	0	(54,708)
Grant from sponsoring department	51,500	0	51,500
<b>Balance at 31 March 2021</b>	<b>(4,757)</b>	<b>522</b>	<b>(4,235)</b>

# Notes to the accounts

## for period ended 31 March 2021

### 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 0.02% to 0.18%).

### 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).

The terms and conditions associated with the operating income have the following characteristics:

- the parties to the agreement have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the services to be performed can be identified;
- the payment terms for the services to be performed can be identified;
- the agreement has commercial substance; and
- it is probable that Acas will collect the consideration to which it will be entitled in exchange for the services that will be performed.

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 had to meet the retirement benefits for 2 former chairs of Acas and one former chair of the CAC. The costs of these benefits were met from the annual Grant-in-Aid and were disclosed in the staff costs note. A provision for the expected costs of future benefits had 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. The provision became fully utilised within the year.

### 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.

See 1.20 for future the impact of early adoption of IFRS 16 from 1 April 2021.

### 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 2021, giving consideration to the continuing impact of the COVID-19 pandemic and the anticipated continuation of the statutory basis of Acas's services, and are content not to doubt Acas's continuing existence for 2021 to 2022 and beyond.

Acas considers there are no material uncertainties in respect of its status as our funding is statutory and there are no consultations on changing the existence, nature or funding of Acas. BEIS have agreed Acas's 2021 to 2022 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 2021 to 2022 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 2020 to 2021**

IFRS 16 'Leases' supersedes IAS 17 'Leases' and is generally effective for periods beginning on or after 1 January 2019. Implementation of IFRS 16 in the public sector has been delayed, Government departments are required to adopt IFRS 16 from 1 April 2022 in accordance with the *FReM*. However, departments can elect to early adopt. In line with Acas's parent Department, Acas will adopt IFRS 16 from 1 April 2021.

IFRS 16 represents a significant change in lessee accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introducing a single lessee accounting model. IFRS 16 requires the recognition of all leases as finance leases with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. This will result in the recognition of a right of use asset, measured at the present value of future lease payments, and a matching liability in the Statement of Financial Position (SoFP).

Acas is adopting IFRS 16 on the cumulative catch-up basis as mandated in the *FReM*, and therefore the cumulative impact on previous years' results will be recognised within equity at the beginning of the period. Under the 'grandfathering' rules mandated in the *FReM* for the initial transition to IFRS 16, a right of use asset and lease liability will be recognised for all relevant leases not previously recognised as finance leases for accounting purposes under IAS 17. The initial value of the right of use asset will consist of the present value of the minimum lease payments adjusted for any lease payments made prior to the commencement of the lease, any lease incentives received less accruals and prepayments associated with the lease.

### **Impact of the new IFRS 16 standard**

Acas has assessed the impact of IFRS 16 on the Statement of Comprehensive Net Expenditure for the financial year ending 31 March 2021 and on the Statement of Financial Position at that date. The figures below are for leases that have commenced as at 31 March 2021 with residual asset values and lease periods at that date in excess of the Department's 'low value' de minimis threshold of £10,000 and twelve months respectively. Acas applies the HM Treasury central internal rate of borrowing which, on transition to IFRS 16, is 0.91%.

On leases transitioning, IFRS 16 is expected to increase total expenditure in 2021-22 by approximately £18k. The value of leased assets is expected to increase by approximately £4,801k whilst associated lease liabilities will increase by approximately £5,210k.

## SoCNE impacts arising from IFRS 16

	2020-21 (£'000)	2021-22 expected (£'000)	Increase/ (decrease) expected (£'000)
Asset depreciation	–	1,315	1,315
Interest expense on discount lease liability	–	42	42
IAS 17 basis rental payments	1,339	–	(1,339)
Total	1,339	1,357	18

## SoFP impacts arising from IFRS 16

	31 March 2021 (£'000)	1 April 2021 expected (£'000)	Increase/ (decrease) expected (£'000)
Right of use assets commenced at 1 April 2021	–	4,801	4,801
Lease liabilities commenced at 1 April 2021	–	5,210	5,210

The difference between operating commitments disclosed applying IAS 17 and lease liabilities recognised at the date of initial application is £670k. This is due to the practical expedients mandated by FReM and listed below.

### Practical expedients on transition

Acas has elected to adopt the following practical expedients on transition:

- To not reassess whether existing contracts contain a lease or not as mandated in the FReM.
- To apply the 'cumulative catch-up' approach for adopting IFRS 16 as mandated in the FReM.
- To recognise an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application (IFRS 16 C8bii), as mandated in the FReM.
- To not make any adjustments for leases for which the underlying asset is of a low value as mandated in the FReM.
- To not recognise short-term leases as right-of-use assets as mandated in the FReM.
- To use hindsight to determine the lease terms in contracts which contain options to extend or terminate as mandated in the FReM.

There are no other major changes to FReM in 2020 to 2021 which would impact on Acas's future financial statements.

## 2. Segmental analysis

2020 to 2021	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'000	Total £'000
<b>Income</b>						
Total	0	0	0	(1,917)	(7)	(1,924)
<b>Expenditure</b>						
Total salaries	2,044	26,789	10,654	2,981	1,439	43,907
Total GAE	1,110	6,007	3,935	387	404	11,843
Overhead allocation	70	447	254	82	29	882
Total expenditure	3,224	33,243	14,843	3,450	1,872	56,632
<b>Net expenditure</b>	<b>3,224</b>	<b>33,243</b>	<b>14,843</b>	<b>1,533</b>	<b>1,865</b>	<b>54,708</b>

2019 to 20	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'000	Total £'000
<b>Income</b>						
Total	0	0	0	(5,645)	(6)	(5,651)
<b>Expenditure</b>						
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
<b>Net expenditure</b>	<b>3,710</b>	<b>29,907</b>	<b>15,200</b>	<b>(687)</b>	<b>1,940</b>	<b>50,069</b>

The business segments have been identified for Acas as follows and reflect the main activities of the Service's business, which are economically distinct from each other:

### Public services

This covers a range of activities including supporting the Acas Council, employment relations policy development and strategy, knowledge transfer, research and evaluation, information, publications, 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.

	2020 to 2021			2019 to 2020		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	1,916	7	1,923	5,645	6	5,651
Other receipts	1	0	1	0	0	0
	<b>1,917</b>	<b>7</b>	<b>1,924</b>	<b>5,645</b>	<b>6</b>	<b>5,651</b>

	2020 to 2021	2019 to 2020
	£'000	£'000
Receipts from fees and other operating receipts (Acas)	1,917	5,645
<b>Total expenditure</b>	<b>(3,450)</b>	<b>(4,958)</b>
Net surplus	(1,533)	687

The CAC has no operating income.

## 4. Staff costs

The aggregate payroll costs were as follows:

Acas			2020 to 2021	2019 to 2020
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	30,731	1,049	31,780	29,551
Social security costs	3,121	15	3,136	2,907
Other pensions costs	7,901	35	7,936	7,222
<b>Total Net Costs</b>	<b>41,753</b>	<b>1,099</b>	<b>42,852</b>	<b>39,680</b>

CO & CAC			2020 to 2021	2019 to 2020
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	787	0	787	819
Social security costs	82	0	82	83
Other pensions costs	186	0	186	195
<b>Total net costs</b>	<b>1,055</b>	<b>0</b>	<b>1,055</b>	<b>1,097</b>

Total Acas, CO & CAC			2020 to 2021	2019 to 2020
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	31,518	1,049	32,567	30,370
Social security costs	3,203	15	3,218	2,990
Other pensions costs	8,087	35	8,122	7,417
<b>Total net costs</b>	<b>42,808</b>	<b>1,099</b>	<b>43,907</b>	<b>40,777</b>

## 5. Other expenditure

	2020 to 2021			2019 to 2020		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	4,351	213	4,564	3,878	167	4,045
Running costs	1,497	12	1,509	846	22	868
Contractor and consultant fees	1,267	0	1,267	1,809	0	1,809
Professional fees	1,365	14	1,379	1,677	13	1,690
Travelling and incidental expenses	6	0	6	1,326	6	1,332
Computer software	1,890	1	1,891	1,746	0	1,746
Staff training costs	417	1	418	900	8	908
Research and development costs	513	6	519	843	0	843
Legal costs	159	29	188	5	48	53
Rentals under operating leases	64	1	65	97	1	98
Services provided by OGDs	45	6	51	51	0	51
External audit fees	59	0	59	50	0	50
Fees and expenses of arbitrators, conciliators & CAC members	30	0	30	15	18	33
Bad debts	79	0	79	18	0	18
Conference costs	0	2	2	0	10	10
Provisions for liabilities and charges – dilapidations	-294	0	-294	461	0	461
<i>Non-cash costs:</i>						
Depreciation	882	0	882	915	0	915
Revaluation	10	0	10	5	0	5
Losses, write offs and loss on disposal of property, plant and equipment	91	0	91	8	0	8
Other non cash movements	0	0	0	0	0	0
Change in discount rate	18	0	18	10	0	10
Unwinding of discount	-9	0	-9	(10)	0	(10)
	<b>12,440</b>	<b>285</b>	<b>12,725</b>	<b>14,650</b>	<b>293</b>	<b>14,943</b>

## 6.1 Property, plant and equipment 2020 to 2021

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'000	Furniture fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>					
<b>At 1 April 2020</b>	0	5,790	7,553	1,140	14,483
Additions	0	439	631	41	1,111
Disposals	0	(3,795)	(858)	(141)	(4,794)
Revaluations	0	(15)	46	2	33
Impairment	0	0	0	0	0
Transfers	0	0	0	0	0
<b>At 31 March 2021</b>	0	2,419	7,372	1,042	10,833
<b>Depreciation</b>					
<b>At 1 April 2020</b>	0	5,018	6,418	723	12,159
Charge in year	0	168	584	91	843
Disposals	0	(3,795)	(808)	(100)	(4,703)
Revaluations	0	(8)	18	0	10
Adjustment	0	0	0	0	0
<b>At 31 March 2021</b>	0	1,383	6,212	714	8,309
<b>Net book value at 31 March 2021</b>	0	1,036	1,160	328	2,524
<b>Asset financing</b>					
<b>Owned</b>	0	1,036	1,160	328	2,524

## 6.2 Property, plant and equipment 2019 to 2020

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'000	Furniture fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>					
<b>At 1 April 2019</b>	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
<b>At 31 March 2020</b>	0	5,790	7,553	1,140	14,483
<b>Depreciation</b>					
<b>At 1 April 2019</b>	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)
Impairment	0	0	0	0	0
<b>At 31 March 2020</b>	0	5,018	6,418	723	12,159
<b>Net book value at 31 March 2020</b>	0	772	1,135	417	2,324
<b>Asset financing</b>					
<b>Owned</b>	0	772	1,135	417	2,324

## 6.3 Intangible assets 2020 to 2021

	Assets under construction £'000	Computer software £'000	Total £'000
<b>Cost or valuation</b>			
<b>At 1 April 2020</b>	0	9,676	9,676
Additions	0	45	45
Disposals	0	0	0
Revaluation	0	6	6
Transfers	0	0	0
<b>At 31 March 2021</b>	<b>0</b>	<b>9,727</b>	<b>9,727</b>
<b>Amortisation</b>			
<b>At 1 April 2020</b>	0	9,648	9,648
Charge in year	0	39	39
Disposals	0	0	0
Revaluation	0	4	4
<b>At 31 March 2021</b>	<b>0</b>	<b>9,691</b>	<b>9,691</b>
<b>Net book value at 31 March 2021</b>	<b>0</b>	<b>36</b>	<b>36</b>
<b>Asset financing</b>			
<b>Owned</b>	<b>0</b>	<b>36</b>	<b>36</b>

## 6.4 Intangible fixed assets 2019 to 2020

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



## 7. Trade receivables and other current assets

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	507	884
Prepayments	1,903	1,306
VAT receivables	0	175
Deposits and advances (staff)	41	72
	<b>2,451</b>	<b>2,437</b>
<b>Amounts falling due after more than one year:</b>		
Deposits and advances (staff)	0	1
	<b>2,451</b>	<b>2,438</b>

## 8. Cash and cash equivalents

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	3,450	405
Net change in cash and cash equivalent balances	(4,346)	3,045
<b>Balance at 31 March</b>	<b>(896)</b>	<b>3,450</b>
The following balances at 31 March are held at:		
Government Banking Service	(896)	3,450

Cash balances were showing as a credit as at 31 March 2021 due to a large payment run on that date. This did not clear the bank until April 2021.

## 9. Trade payables and other current liabilities

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade and staff payables	2,241	1,491
VAT	115	0
Accruals	3,144	4,684
Holiday pay	1,547	1,481
Deferred income	261	306
	<b>7,308</b>	<b>7,962</b>

## 10. Provisions and contingent liabilities

### 10.1 Provisions for liabilities and charges 2020 to 2021

	Future pensions <sup>1</sup> £'000	Dilapidations <sup>2</sup> £'000	Total £'000
<b>Opening provisions at 1 April 2020</b>	11	1,329	1,340
<b>In period:</b>			
Expenditure during year	(11)	(1)	(12)
Increase in provisions	0	249	249
Reversed unused in the year	0	(543)	(543)
Change in discount rate	0	18	18
Unwinding of discount	0	(9)	(9)
<b>Closing provision at 31 March 2021</b>	<b>0</b>	<b>1,043</b>	<b>1,043</b>
<b>Summary of cashflow timings</b>			
Within 1 year	0	192	192
Between 2 and 5 years	0	628	627
Beyond 5 years	0	223	223
<b>Total</b>	<b>0</b>	<b>1,043</b>	<b>1,043</b>

### 10.2 Provisions for liabilities and charges 2019 to 2020

	Future pensions <sup>1</sup> £'000	Dilapidations <sup>2</sup> £'000	Total £'000
<b>Opening provisions at 1 April 2019</b>	29	868	897
<b>In period:</b>			
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)
<b>Closing provision at 31 March 2020</b>	<b>11</b>	<b>1,329</b>	<b>1,340</b>
<b>Summary of cashflow timings</b>			
Within 1 year	11	507	518
Between 2 and 5 years	0	484	484
Beyond 5 years	0	338	338
<b>Total</b>	<b>11</b>	<b>1,329</b>	<b>1,340</b>

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

<sup>2</sup> 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 2021 was £510k (2020, £442k). 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 2021 to 2022 for which it is estimated £1,200k capital expenditure (2020 to 2021, £1,217k) 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:

	2020 to 2021		2019 to 2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Obligations under operating leases</b>				
Not later than one year	1,908	19	1,708	23
Later than one year and not later than 5 years	3,465	0	3,412	3
Later than 5 years	507	0	168	0
	<b>5,880</b>	<b>19</b>	<b>5,288</b>	<b>26</b>

## 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. Most of these transactions had been with HMRC, Cabinet Office and Government Legal Department.

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.





