

acas working
for everyone

Advisory, Conciliation
and Arbitration Service
(Acas)

Annual Report and Accounts 2021-22



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Annual Report and Accounts 2021-22

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Our year in numbers



£12
benefit for every
£1 spent on
Acas
services



14.5m
website sessions



10.9m
digital advice
sessions



644,000
helpline calls
answered



37,000
e-learning
sessions



£62.5m
budget
1007 people



Over **500**
collective
conciliations
handled



91,000
early conciliation
notifications
covering **156,000**
individuals in
dispute



11,000
joined an
Acas webinar

acas working
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Foreword from the Chair and Chief Executive

Employers often come to us at their most difficult moments, and employees at their lowest ebb. Throughout 2021-22, we have provided advice and support to help people make effective decisions at work, translating our expertise to promote flourishing businesses and healthy workplace relations.

This report shows strong performance across Acas services. We exceeded most of our key performance indicators (KPIs), which are designed to measure the positive impact our work is having on employers and employees up and down the country, as well as the wider economy.

We increased the proportion of individual disputes which reached a settlement without the need for a tribunal hearing so that 7,000 fewer cases entered the Employment Tribunal (ET) Service, and of those that did, a further 600 cases avoided a hearing. This results in a net saving to taxpayers of over £11.5 million, and reduces the ET backlog. We also increased the number of collective disputes which we settled by 9%.

Our advice services help to prevent conflict from developing. During the last year our website advice was accessed 14.7 million times. 37,000 people took part in our e-learning programmes and 11,000 attended our webinars. We have continued to share Acas insight in response to challenges created by COVID-19 on the world of work, to better understand the causes of conflict and share our insight with Government.

Our helpline again showed its value to people calling with workplace problems – 88% of callers reported they were able to take clear action following their call to Acas.

We launched our new, ambitious strategy in 2021, which drives us to do even more to make working life better for everyone in Britain. It will drive actions to resolve disputes early, reducing the financial and emotional cost of workplace conflict. It will bring about fairer and more inclusive workplaces led by engaged and capable leaders. And with conflict better channelled, it will mean businesses and employees are able to focus on what they do best: innovating and contributing to an economy that builds back better.

The Acas Council has gone through a transformation in membership. Several valuable members' terms have come to an end and new members have been appointed. We want to thank all our Council members, past and present for their work and insight this year. Finally, we wish to thank the brilliant and expert teams in Acas, our partners and the Department for Business, Energy & Industrial Strategy (BEIS) for their support.



Clare Chapman
Chair



Susan Clews
Chief Executive

Our purpose

At 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 fulfilment 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 unions and business leaders.

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



Hybrid working at Acas

Highlights of 2021-22

This has been a successful operational year for Acas. We have delivered strong outcomes for customers and stakeholders, guided by our strategy. We have met or exceeded the majority of our KPIs, and have a clear understanding on why we missed two and what we will do about it. We have made solid steps in delivery of all areas of our ambitious strategy.

Ambition 1 – Growing our Reach and Access

- We answered 644,000 helpline calls from employers and employees across Great Britain. 88% of helpline customers were able to take clear action following their call.
- Over 9,000 people attended one of our open access training courses, 20% more than last year, with 96% of people reporting high satisfaction rates.
- Nearly 11,000 delegates attended an Acas webinar, 96% reported a high level of satisfaction with the session.
- Our website continues to be highly popular for employers and employees seeking advice on employment rights, with over 14.7million sessions in 2021-22. Users reported our advice was valuable, impartial and easily understandable.

Ambition 2 – Resolving disputes more quickly and effectively

- We received nearly 91,000 early conciliation notifications (claims), of which only 31,000 went on to lodge an Employment Tribunal (ET) claim, and only 7% resulted in a hearing.
- 36% of early conciliation and 77% of ET cases were positively resolved by Acas.
- Every 1% increase in Acas resolution rates saves the Employment Tribunal Service (ETS) £1.5 million. At early conciliation stage, we increased the percentage of cases resolved by 5% (to 36% of cases) this year.
- We were pivotal in bringing about regulatory changes that will improve customer experience and deliver a more efficient and effective service.
- We had 510 requests for collective conciliation and helped to settle 94% of these disputes.

Ambition 3 – Forging consensus on the future of work

- We published evidence on the cost of individual conflict to businesses in Great Britain.
- We undertook a fact-finding exercise on dismissal and re-engagement practices (known as 'fire and rehire') and published new guidance. BEIS have announced they are planning a statutory Code to address this issue.
- We were active participants in the Government Taskforce and published guidance on flexible and hybrid working.
- We worked with partners to provide guidance around COVID-19, including working with the NHS and the Department for Health and Social Care on vaccinations; and Equality and Human Rights Commission (EHRC) and The Federation of Small Businesses (FSB) on Long Covid.

Ambition 4 – Embracing difference, increasing inclusion, creating fairness

- All Acas digital events and e-Learning are now compliant with 2018 Accessibility Regulations, with captions on webinars.
- We published the Acas Equality Information Report and Staff Race Network Research.
- Internal disclosure of disabilities rates have increased from 30 % to 60%.
- Internally we have set up staff networks on race, gender, disability and LGBTI+ to improve Acas policies and practices.

Ambition 1

To grow our reach and access

By 2025, we will have reached twice as many small and medium sized businesses, and twice as many employees. In doing so, we will have prioritised sectors where issues are more prevalent and union representation is low, and we will have reached customers across Great Britain.

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. We want to continue to do this while also reaching out and providing more tailored support to those sectors, small and medium sized employers and vulnerable workers, who we know need our support and advice more than ever as they navigate the challenging economic landscape and uncertain world of work.

Online advice and guidance

Our website is the first place most customers find us, and has the greatest reach, with 14.7 million sessions in 2021-22, over 40,000 individual sessions every day. It provides information and good practice advice for employers and employees. A recent evaluation reported a high rate of user satisfaction, with 87% of users saying our advice was valuable, impartial and easily understandable.

While there was less demand for COVID-19 advice compared to 2020-21, it was still the most viewed topic, with 2.1 million sessions, compared to 6 million sessions in 2020-21. Unsurprisingly, the most visited advice pages were 'going to the workplace during COVID-19' (875,000 visits) and 'sick pay and self-isolation during COVID-19' (695,000 visits).

We provided valuable and up to date advice to our customers on the changing policies and practices around COVID-19 coming from the UK Government and the Devolved Administrations. We regularly reviewed our COVID-19 advice and updated it constantly throughout the year as the rules and guidelines changed.

We developed 13 new advice guides on a range of important employment areas and updated advice around 'changing an employment contract' to set out clear expectations following serious concerns around the use of dismissal and re-engagement (also known as 'fire and rehire'). The most popular non-Covid related advice pages were holiday entitlement (690,000 sessions), absence from work (665,000 sessions) and redundancy (470,000 sessions).

We improved website accessibility and findability of 7 existing and 2 new templates. The new resignation letter template published in HTML is now the most used template on the Acas website.

Customer feedback: Website

“As an HR Business Partner, I regularly use the Acas website as it is an excellent source of information, advice and support on all aspects of employment law. In particular, I have found the downloadable document templates and codes of practice to be invaluable resources.”

SME Manager

Acas helpline

Our helpline continues to be an invaluable service to employers and employees who need immediate and impartial advice, options to consider or more detailed help. It's a vital resource for supporting conflict resolution at an earlier stage, thus reducing the likelihood of an ET claim being made.

With the pandemic continuing to present new challenges to employers and employees, we worked with our partners across Government and further afield to understand the issues and provide accurate guidance that would assist our customers.

Customer feedback on the service continues to be extremely positive with over 88% of users knowing what they planned to do next following their call to Acas.

This year we answered around 644,000 calls. We have seen the number of calls we receive reduce slightly from 2020-21 (711,000 2020-21) and are carrying out work to better understand customer journeys across digital and telephone channels.

Customer feedback: Helpline

“I called the Acas Helpline as I was experiencing work related problems due to mental health issues ... The Acas adviser was amazing! she kept her professional manner throughout the call and helped me develop a plan of action for dealing with my problems – which I really appreciated”.

Employee

“I want to thank [Acas Adviser] on your telephone helpline who helped me so much today with my list of questions as a small business employer.”

SME Employer

We continue to work in partnership with enforcement bodies: HM Revenue and Customs (HMRC), the Gangmasters and Labour Abuse Authority (GLAA), the Health and Safety Executive (Working Time Regs Team) and the Employment Agency Standards Inspectorate. Where a caller to the Acas 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.

Helpline in partnership



We also work closely with the Equality Advisory and Support Service (EASS), Department of Work & Pensions (DWP) Rapid Response Service and Citizens Advice to improve customer journeys and ensure customers get the advice and support they need in a smooth streamlined manner.

Training and in-depth support

After taking the business decision at the start of the pandemic to stop all face to face activity, this year we have started to rebuild our training service in a way that is efficient and responsive. We have reintroduced face-to-face training and continued to provide virtual events – and are currently delivering around 25% of training face to face. This blended approach allows us to better meet our customers' needs and learning preferences.

We have developed new courses on hybrid working, bereavement, reasonable adjustments and neurodiversity in the workplace. We also created an event designed to help customers navigate the roadmap back to work after lockdown and have revised our training offering for both new and developing managers.

Our high impact Certification in Workplace Mediation course has been delivered both face-to-face and virtually. We trained over 180 delegates from organisations that recognise the need to proactively manage conflict and address challenges within their own organisations.

Nearly 900 delegates attended one of our series of digital conferences covering key workplace challenges, including: Mental health and work in the pandemic; Hybrid working; Demystifying mediation; Preventing, containing and resolving conflict and Menopause; Respect and understanding in the workplace.

We have also provided in-house bespoke training for larger businesses to raise awareness and upskill staff on a range of issues. We ran 945 in-house training events with the most popular topics being managing people (251 events), discipline and grievance (226 events), and information and consultation (119 events).

We set ourselves challenging targets and end the year in a strong position. In total, we were able to train nearly 19,000 delegates and achieved an income of over £3.7 million. This means that we were able to return the service to full cost recovery for the year and it puts us in a strong position to return to pre-pandemic levels in the near future.

Customer feedback: Training

"Group discussions very useful. Zoom platform worked very well, almost as good as meeting in a classroom. Online experience was well done and allows you to continue work without having to travel to/from an event."

SME Manager

"The training was really good, however the trainer was absolutely fantastic!"

"... as a result [of participating in Acas training], I have sent an email to my HR Manager, Director and Managing Director explaining that all Managers within our company would benefit from carrying out this training too. Many thanks again."

Company Director

Webinars

We continued to build on our successful and popular webinar programme. We know that webinars are popular, can be done quickly and reach those who need us most with customers who either attend live or watch a recording.

During 2021-22, we ran 21 webinars reaching 11,000 delegates (either live or via a recording). This year our webinars have covered a range of issues from Discipline and Grievance and Redundancy to Flexible Working, Neurodiversity and Menopause at work.

We have also spoken at partner webinars to support their members on a range of topics including handling the return to offices and the future of work. We partnered with HMRC to discuss common mistakes employers make regarding the National Minimum wage, which had 720 delegates; of whom 97% reported the webinar was a useful session. On the back of this success we already have several more partnership webinars planned for 2022-23 to ensure employees and employers can access information in an accessible and digestible way. In total we spoke at 90 partner events or webinars reaching a total audience of 15,000 against a target of 4,000.

Customer feedback: Webinars participants

"It was a great presentation and one hour in my day to day that I felt will make the most impact on what i do in the future in relation to mental health in the workplace."

"Content is excellent"

"Always presented well with good handouts and questions are answered during session."

"Very clear and thorough – slides and verbal presentation were some of the best I've seen/heard in terms of pace and content."

e-Learning

We strive to ensure all customers can access and use our e-Learning service creating a service that is usable by people with the widest possible range of abilities, operating within the widest possible range of situations.

During 2021-22, our e-Learning portal has continued to be popular, with 37,000 sessions taking place over the year. Equality, Diversity and Inclusion continues to be the most used module followed by Bullying and Harassment. Additionally, 40 employers downloaded packages to their own local intranets, with a potential reach of over 90,000 new users.

We converted Acas e-Learning from Flash to HTML for a better customer experience and to improve accessibility.

Podcasts

In 2021-22, we published 4 podcasts that attracted 2,000 direct listens. These covered a wide range of topics from Creating good work in Manchester to Bereavement and work.

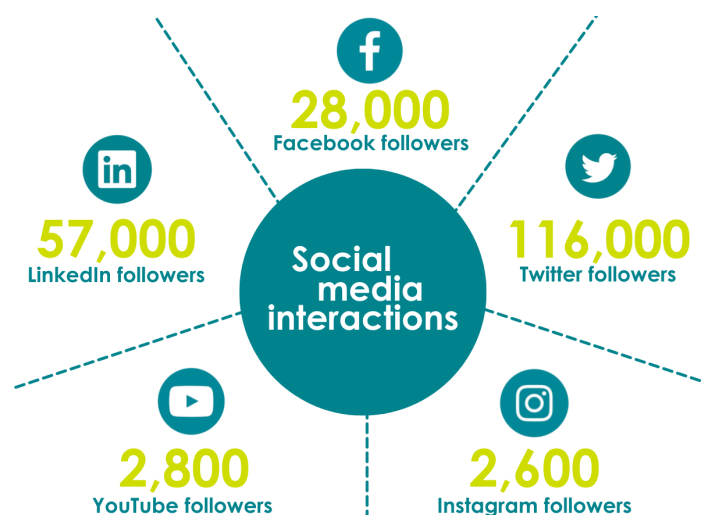
We also took part in several external podcasts, including: discussing the future of work with Union Dues; leading through change in the public sector as part of a GovX Show; and the role of Acas – a crash course in employment rights run by Gangmasters and Labour Abuse Authority (GLAA).

Social media

We use social media to share advice and information on employment issues as workplace experts, with a particular focus on small businesses and the HR networks who use our services most. This year we exceeded our targets on engagement in social media by 5%. We have a strong social media presence across the most popular channels: 28,000 Facebook followers, 116,000 Twitter followers, 2,600 Instagram followers, 57,000 LinkedIn followers and 2,800 YouTube subscribers.

Regular updates throughout the year have focused on changes at work relating to COVID-19 restrictions, 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 areas of Equality, Diversity and Inclusion.

We ran a campaign for National Inclusion Week, where we featured workshops on: 'LGBTI+ inclusion and the sports'; 'Let's talk about Race'; 'Asperger's and Returning to work after lockdown'. These proved popular and led directly to over 3,500 sessions on the Equality, Diversity & Inclusion (ED&I) advice page and 1,500 video views as well as nearly 2,500 total engagements on social media.



Ambition 2

To resolve disputes more quickly and effectively

By 2025, we will be resolving three out of every four disputes before they reach a costly employment tribunal, as a result of earlier and more effective conciliation and a fuller understanding of all the possible paths to resolution.

Acas research found that the annual cost of workplace conflict to business is £28.5 billion. This represents an average cost of around £1,000 for every employee each year, and just under £3,000 annually for each individual involved in conflict.

Acas helps to reduce that cost. We 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 the source as possible.

Resolving individual disputes

It is Acas's responsibility to prevent a dispute from reaching an employment tribunal (ET) wherever possible. We do this by offering both parties free, confidential and impartial alternative dispute resolution, in an attempt to settle the dispute quickly and effectively, without the costs and stress associated with judicial determinations.

In 2021-22 we received nearly 91,000 early conciliation notifications (claims). Of the approximately 1,750 notifications we received each week, only around 120 resulted in an ET decision; and 1,560 were settled, withdrawn or not progressed. This means that only 7% of notifications result in an ET hearing, and represents very high value for money.

Our caseload in 2021-22 was lower than anticipated as the expected surge of disputes following the end of furlough did not materialise. This meant that we were able to divert resources to resolving and closing a tranche of older cases which were sitting on our case management system at the ET stage. This has resulted in greater levels of accuracy in our reporting, and more importantly, has enabled conciliators to focus efforts on live cases, leading to higher settlement rates.

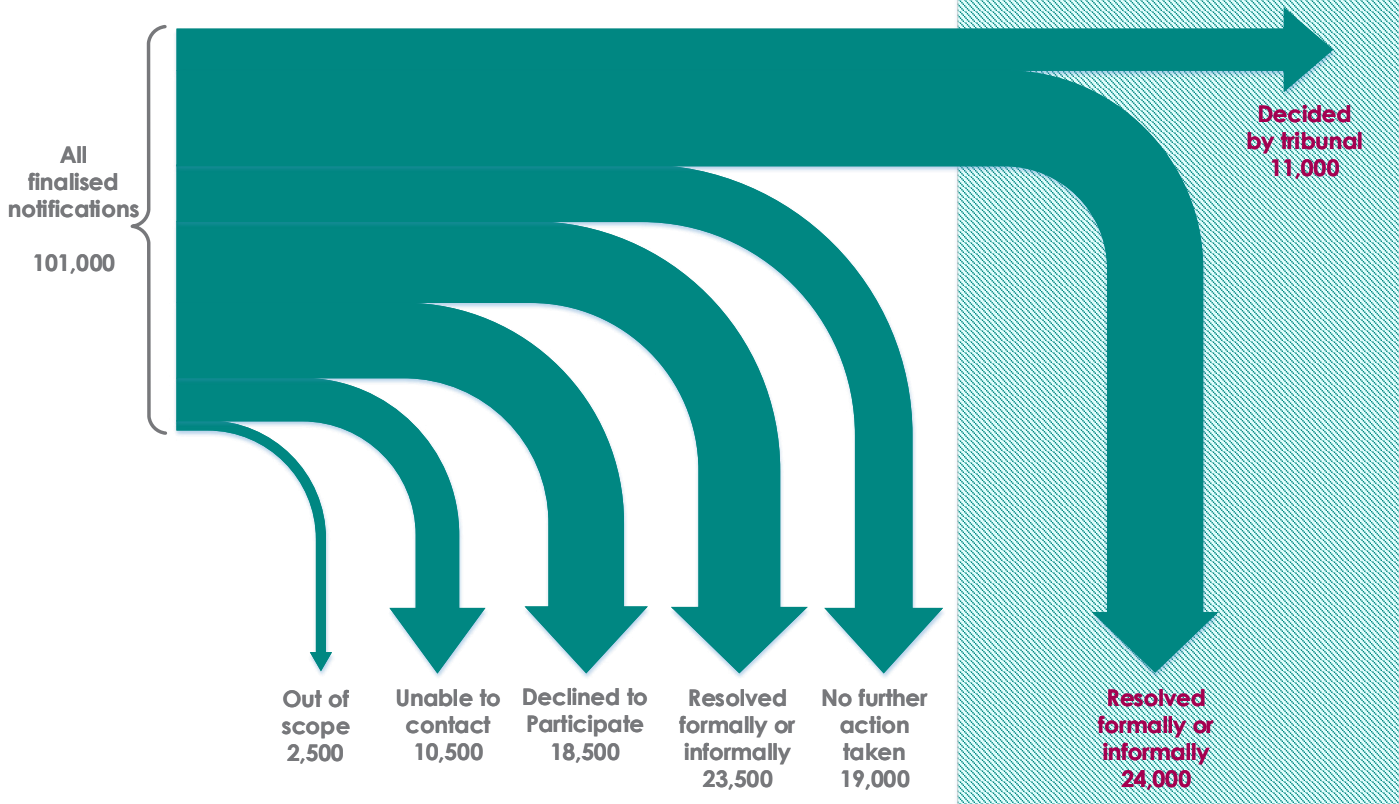
The work of the conciliation team has delivered direct taxpayer savings of £11.5 million. A case resolved by Acas early conciliation costs approximately £190; compared to approximately £1,500 for each case resolved by the employment tribunal service (ETS).

Over the last 12 months we have delivered improvements to the conciliation service: we have improved the notification process to make it simpler and more accessible for users, and have already seen reductions in the number of duplicate notifications we receive; we worked with BEIS to improve the notification form, allowing conciliators to focus on conciliation rather than unnecessary administration work; and we are developing advice to help parties engage at the right stage in early conciliation.

Internally we are making improvements to improve the speed at which notifications are delegated to the right conciliator, to increase the window in which conciliation can be successful.

Outcomes of conciliation cases 2021-22

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 2021-22. (Cases not finalised aren't shown so the numbers differ from the main tables.)



We have positively impacted the employment tribunal case backlog by introducing improvements to how we handle group claims linked to holiday pay and worker status. This has delivered greater efficiency for Acas and a better service for users.

In 2022-23, we will use the additional funding we have received from the Department for Business, Energy & Industrial Strategy (BEIS) to support the further reduction of the ET case backlog.

Customer feedback: Individual conciliation

"My conciliator was very friendly, helpful and, most importantly, effective. His intervention resulted in immediate reimbursement of the overdue payments. I am very thankful and recommend ACAS in case of similar issues."

Claimant

I couldn't be more grateful to [Acas Conciliator]. Throughout the process she has been amazing and a credit to Acas. So thank you for being so supportive, so kind and caring, particularly in relation to my mental health and anxiety. I can't fully express my gratitude."

Claimant

We recently used Acas's early conciliationservice during a dispute with a former employee. The service we received from [Acas Conciliator] was fantastic; she was in constant contact and clearly communicated the key issues. I would recommend the service; the advice is completely impartial and enabled me to evaluate all aspects of the case."

Respondent

Resolving collective disputes

Acas gets involved in collective disputes where there is a disagreement between an employer and a group of employees, usually via a trade union, although we also get involved where there is no formal trade union recognition or mechanism for resolving disputes. Our collective dispute resolution work is wide-ranging, working closely with parties to discuss emerging issues and areas of particular tension. We help them to understand one another's positions, and find solutions. We work informally behind the scenes, as well as after a ballot and before industrial action.

During 2021-22, we saw an increase in disputes in the distribution sector due to a skills shortage. Acas was fundamental in working with unions and employers to find workable solutions to avoid several national disputes and to keep supplies moving, especially in the run up to Christmas.

In 2021-22 we had 510 requests for formal collective conciliation, and we successfully settled or progressed the dispute towards a settlement in 94% of cases. There continues to exist unrest within the workplace: over 60% are pay related, and other main causes of conflict are around changes to terms and conditions and recognition agreements.

Acas also supports parties towards settlement by the appointment of an external Acas appointed Arbitrator. This year the service determined outcomes for around 16,500 employees.

For 2022-23 we have a programme of work underway to enhance early identification of disputes and address the risk of growing conflict over wage settlements in an inflationary labour market. Work is also underway to build our engagement with local and national stakeholders to ensure we are fully sighted at an earlier stage and proactive in disputes.

Mediation services

Our mediation service helps employers and their employees find solutions to workplace conflict, which can have a negative impact on employee engagement, effectiveness and attendance levels. Requests for mediation remain higher than anticipated. We started 269 mediations in 2021-22 with an 83% success rate (2020-21 207 mediations with a 77% success rate).

Ambition 3

To forge consensus on the future of work

By 2025, we will have new approaches to predict and respond to challenges in the world of work, working with partners to shape a better future. We will share our knowledge, data and insight to help us to build healthy work and prosperity for people, places and society.

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

Shaping the future of work

Acas's unique vantage point as an independent and impartial workplace expert provides insight that can help shape and inform the future of work for the benefit of employers, workers and the economy. Our evidence and experience help inform public policy, is used to ensure the ongoing relevance of Acas services and provides insights on the quality of workplace practices to promote productive, fair and healthy workplaces.

We developed a new and innovative approach to upskill managers as part of a programme of work on improving workplace productivity with the Economic and Social Research Council (ESRC) and the Universities of Sheffield and Westminster. The Skilled Managers and Productive Workplaces research project will continue to 2023 and report regularly via the ESRC funded initiative – ProPEL Hub – designed to boost productivity and wellbeing across UK workplaces.

As we emerged from COVID-19, we saw increased interest in flexible working practices, most notably in remote and hybrid working. Acas is a member of the Government/CIPD Flexible Working Taskforce, and the Taskforce commissioned Acas to research and develop guidance for employers instigating and developing hybrid working practices.

Our interests in flexibility go wider than remote working, reflecting both policy interest, and those of employers as they seek to identify the most appropriate forms of flexibility that work for business and their workforces. A new Acas paper, 'Beyond Hybrid: the current state of flexible working' was based on analysis of calls to the Acas helpline and pinpoints some underlying issues which must be addressed if flexible working arrangements are to become mainstream.



The year saw heightened interest in the use by some employers of dismissal and re-engagement practices (so called 'fire and rehire'). Following an Acas independent and impartial 'fact finding' exercise on this issue, BEIS asked Acas to produce guidance to help employers explore all other options first before considering 'fire and rehire' as a means to change workers' contracts. We published online advice on changing employment contracts for employers and workers. These emphasised that 'fire and rehire' practices are an extreme step that carried significant risks of damaging staff morale, productivity and working relations. Importantly, the guidance builds on Acas's core messages on the value of effective consultation as a means of building trust and maintaining good employment relations if considering making changes to contracts. The guidance was well received and had high levels of media coverage, as well as mentions in parliamentary debates.

We have published responses to several government consultations on diverse subjects relevant to the work of Acas and the future of work, notably: the Welsh Assembly draft Social Partnership and Public Procurement Bill, the Government's Disability Unit's consultation on disability reporting, the House of Commons Women and Equality Select committee inquiry into the menopause and workplace; BEIS consultations on default flexible working; and corporate governance reporting and a Ministry of Justice call for evidence on dispute resolution in England and Wales. These responses drew on Acas insight and the views of Acas Council.

Partnership and collaboration

We have continued to support the good work charters that are developing across Great Britain. In Manchester we hosted a 'Good Work roundtable' with local employers, CIPD and the Greater Manchester Good Employment Charter, with the aim of providing local small businesses with practical people management skills. We are now actively involved with seven good work charters across the country.

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, the Department of Health and Social Care, the Government Equalities Office and the Equality and Human Rights Commission as well as other influential groups, including the CIPD, academics and the Civil Mediation Council.

This year we have used our strong relationships with stakeholders to pursue issues of current policy relevance including:

- Liaising with the Department of Health and Social Care, Skills for Care, the Local Government Association and HSE in maintaining the most relevant advice for business and workers on COVID-19 and managing the period of mandatory vaccination in the social care sector.
- Working with BLISS, CRUSE, Humanists UK, Miscarriage Association, Sue Ryder, CIPD and BEIS in producing new on-line guidance on the sensitive issue of managing bereavement at work.
- Consulting with EHRC, GEO and a:gender to produce inclusive guidance on managing the menopause at work.
- We have also actively engaged as advisers and contributors to the Warwick University ReWAGE project, which aims to produce timely, evidence-based contributions to the policy debate around the recovery and renewal of work and employment in the UK as it tackles the economic impact of COVID-19.

Ambition 4

Embracing difference, increasing inclusion, creating fairness

By 2025, creating fair and inclusive workplaces will be at the heart of everything we do. Our services will be inclusive and accessible to all. We will be promoting diversity and inclusion in Britain's workplaces and our own will reflect the values, and diversity, of modern Britain.

Promoting Equality, diversity and inclusion

Throughout the year we actively engaged in discussions on the impact of COVID-19 on diverse groups and we worked with employers to avoid discrimination when making decisions around furlough, redundancy and access to opportunities.

We carried out work to map our customer journeys and profiles so that we better understand our customers and were able to improve accessibility and inclusivity of services. We audited our digital training events and eLearning modules to ensure they were compliant with 2018 Accessibility Regulations.



Justin Placide (left), Co-chair of the Civil Service Race Forum and the BEIS Faith and Minority Ethnic Network and Dr Maria Hudson, Senior Lecturer in Human Resource Management and Departmental Ethics Officer, Essex Business School at the launch of Acas research paper, 'Addressing Inequalities: The Role of Staff Race Networks'

We engaged in the government's disability strategy and created a new online hub in conjunction with BEIS to provide clear advice and guidance on disability employment rights for both employers and workers.

We collaborated with partners and stakeholders on equality, diversity and inclusion (ED&I) themes, and Acas staff spoke at 41 ED&I events, covering subjects including race equality, disability and LGBT+.

As part of our Race Equality Action plan we published research on staff race networks, which explored the aims and benefits of staff race networks, and will inform future planned activities.

Positive mental health in the workplace

The pandemic, and the additional pressures and stresses it caused, highlighted the importance of workplaces taking mental health seriously. We have responded by focussing on supporting organisations to implement mental health and wellbeing strategies.

We delivered 79 virtual and face to face events on mental health and ran a conference that attracted over 170 delegates. We also ran regular social media and stakeholder collaborations that supported positive mental health and highlighted the need for parity between mental health and physical health.



Through our own stakeholder engagements and through our membership of the Council for Work and Health, we have sought to understand current mental health issues impacting organisations and to influence stakeholders. We have worked with partners to deliver webinars and develop factsheets to help organisations and individuals meet the challenges posed by COVID-19 on mental health and wellbeing.

Smaller organisations have their own unique challenges which we have sought to further understand via key partnerships, and running a roundtable with SMEs and partners. We have published tailored guidance and a series of blogs on mental health to better meet their needs.



Acas ✓ @acasorguk · Mar 28

Need some tips to promote positive **mental health** in your workplace? We've thought of some things that managers and staff can do as part of your organisation's commitment to improving **#mentalhealth**.
[acas.org.uk/mental-health-...](https://www.acas.org.uk/mental-health-...)



Reflecting the values and diversity of modern Britain

We want Acas to be an exemplar employer, reflecting the values and modelling the good practice that we promote and encourage. A key pillar of our People Strategy is to increase our declaration rates across all protected characteristics, which are already well above Civil Service averages. We have seen rises in all areas of our diversity declaration rates, which means we can better monitor and improve diversity and inclusion across Acas. We have in particular increased our declaration rates for disability from 30% to 65% of staff.

We have implemented more of our Race Equality Action plan including: 'Let's Talk about Race' workshops; as well as running a 'Pathways' development programme that equips colleagues from under-represented communities to fulfil their potential and enhance the organisation.

We have also improved scores in our People survey by 5% on access to learning and development.

We have developed safe ways of working in response to COVID-19, enabling us to restart using our office space and get back together as teams. We have agreed a hybrid working model as we believe working from home is best complemented by some time and activities face to face in the office. We will be looking at how to make this work well over the coming year – giving flexibility to colleagues and ensuring that we retain high performing teams who get together to be creative, collaborate, share information and learn from each other.



We have developed and embedded a mental health and wellbeing strategy aimed at providing a culture which allows people to flourish and thrive at work and achieve their full potential for the benefit of themselves and Acas. This strategy was based on the Mental Health at Work Commitment, an evidenced based framework to support mental health at work. We have run personal resilience sessions for staff and support is further provided by mental health first aiders.

In an uncertain year we've focused on our colleagues' mental health and wellbeing - supporting everyone through the pandemic. We have seen health and wellbeing weeks taking place throughout the year, including a range of speakers and topics and the setting up of the Health and Wellbeing Hub on our intranet.

The Accountability Report provides more background on how we have supported our people on pages 42 – 45. .

The Acas Council

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. 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.

2021-22 saw the terms of several Council members come to an end and four new members join. The leaving Council members have provided invaluable insight and support throughout their terms. We look forward to working with our new members as they support and challenge us to achieve our strategic ambitions.

Clare Chapman (Acas Council Chair since 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 Carberry was appointed as Chief Executive of the REC, the UK's recruitment industry body in June 2018. He is a Chartered Fellow of the CIPD and a Fellow of the RSA. He is also on the board of the World Employment Confederation and a primary academy trust in Oxfordshire. Neil has previously held senior roles at the CBI and served on the Low Pay Commission.

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 from April 2018 until December 2021)

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 from July 2014 until July 2021)

Mike has held a number of Employee Relations and HR positions across the private, public and not for profit sectors, latterly as People Director for the Canal and River Trust. He has also held a number of non-executive and trustee board positions. His work experience extends across: energy, manufacturing, transport, media, retail and charities.

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, and Royal Mail. Jayne's non-executive roles provide her with further opportunities to lead and influence "good work" and the equity agenda in the U.K. She is chair of the charitable organisation, Women in Sport and a Member of the Employers' Board of the Kings College Global Institute for Women's Leadership.

Sally Hunt (Acas Council from March 2015 until September 2021)

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 from April 2018 until October 2021)

Sue was previously Vice President HR DHL Supply Chain. She is a Non-Executive Director of Worcestershire Local Enterprise Partnership and Employer Member of the CAC. She is a Fellow of the CIPD.

Simon Lewis (Acas Council since January 2022)

Simon is an independent barrister, specialising in employment and equality law. He sits as a part-time judge and chairs a number of regulatory panels. He is a non-executive director of an NHS trust and a board member of a national charity.

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 from July 2014 until July 2021)

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 from November 2011 until May 2021)

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.

Ijeoma Omambala (Acas Council since January 2022)

Ijeoma is a member of Gray's Inn and Old Square Chambers. She specialises in employment, equality and public law. She was appointed Queen's Counsel in 2020.

Matthew Percival (Acas Council since August 2021)

Matthew is the CBI's People and Skills Policy Director and is responsible for the CBI's policy development and campaigns on the interactions between employers and their workforce. Prior to this role, Matthew was Head of Employment Policy for four years.

Roy Rickhuss (Acas Council since August 2021)

Roy is the General Secretary of Community and represents them on the TUC General Council. He is also a member of the Executive Council of the General Federation of Trade Unions. In the 2019 New Year honours he was awarded a CBE for services to the steel industry.

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

	2021-22		2020-21	
	Target	Outturn	Target	Outturn
Conciliation in collective disputes:				
The promotion of a settlement in disputes in which Acas were involved	85%	94%	85%	92%
Individual disputes referred for conciliation:				
Percentage of Early Conciliation notifications which result in a conciliated settlement between parties	19%	23%	18%	22%
Percentage of Early Conciliation notifications which result in a conciliated settlement between parties or other positive outcome	28%	36%	26%	31%
Percentage of Employment Tribunal cases which result in a conciliated settlement disregarding those which have been struck out by the courts	55%	53%	55%	58%
Percentage of Employment Tribunal cases which are positively resolved following Acas conciliation	75%	77%	70%	79%
Acas training services:				
Percentage of open access customers reporting they were satisfied with the course	95%	95%	97%	96%
Percentage of workplace training customers reporting they were satisfied with the course	95%	96%	97%	97%
Percentage of open access customers reporting that the training met their learning needs*	90%	82%	90%	83%
Percentage of webinar customers reporting they were satisfied with the session	90%	95%	90%	95%
Telephone helpline advice on workplace problems:				
The percentage of users who were able to take clear action following their call to the Acas Helpline	85%	88%	85%	88%
Digital advice on workplace problems:				
Percentage of positive engagement of users from the website (where an individual stays longer than 10 seconds on an advice page)	85%	92%	85%	92%

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

Volume indicators

	2021-22	2020-21
Number of EC notifications	90,811	114,533
Number of ET1s received	31,198	35,274
Number of re-employments	202	199
Number of collective conciliation requests received	510	504
Number of workplace projects started	22	61
Number of requests for trade dispute arbitration	13	20
Number of calls answered by National Helpline	644,153	711,488
Number of Helpline Online user sessions*	0	80,546
Number of advisory visits and in-depth phone calls	3,505	3,883
Number of training sessions delivered	1,709	1,726
Number of website sessions	14.5m	18.6m
Number of digital advice sessions	10.9m	13.2m

* Helpline Online was discontinued in February 2021.

Cost of key services

	2021-22	2020-21
Cost of a Helpline enquiry (voice or webchat answered)	£10.48	£9.58
Cost of processing an Individual Conciliation case*	£248	£169
Cost of a Collective Conciliation case	£1,193	£1,241
Cost of an Arbitration hearing case	£4,367	£2,514

*Please note that for the purpose of this calculation a case is one notification. This includes group claims, which may represent many more claimants in total. We received 91,000 notifications which covered approximately 156,000 individuals in dispute.

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

		2021-22		2020-21		2019-20	
		Volume	%	Volume	%	Volume	%
Employee notifications	No track identified	17,025	19.4%	18,669	16.9%	18,651	13.7%
	Fast track	26,773	30.5%	35,900	32.5%	53,698	39.6%
	Standard track	17,837	20.3%	26,335	23.9%	25,197	18.6%
	Open track	26,064	29.7%	29,419	26.7%	38,128	28.1%
	Total	87,699		110,323		135,674	
Employer notifications	No track identified	5	0.2%	20	0.5%	73	2.3%
	Fast track	444	14.3%	590	14.0%	479	15.1%
	Standard track	1,922	61.8%	3,034	72.1%	1,945	61.5%
	Open track	741	23.8%	566	13.4%	666	21.1%
	Total	3,112		4,210		3,163	
Total notifications		90,811		114,533		138,837	

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 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 full explanation of the changes, along with quarterly statistics on the figures is now published on our website.

ET1 conciliation cases received

		2021-22		2020-21		2019-20	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notification	Fast track	6,849	23.1%	7,723	22.7%	10,964	27.4%
	Standard track	8,786	29.6%	11,982	35.2%	12,558	31.4%
	Open track	14,042	47.3%	14,321	42.1%	16,503	41.2%
	Total	29,677		34,026		40,025	
ET1s received without prior EC notification	Fast track	445	29.2%	409	32.8%	309	32.4%
	Standard track	344	22.6%	368	29.5%	302	31.7%
	Open track	731	47.9%	471	37.7%	342	35.9%
	Total	1,521		1,248		953	
Total Cases		31,198		35,274		40,978	

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					
		2021-22		2020-21		2019-20	
		Volume	% of forms	Volume	% of forms	Volume	% of forms
Major jurisdictions by volume	Wages Act	27,950	31%	32,987	29%	36,778	26%
	Unfair dismissal	21,370	24%	34,643	30%	31,857	23%
	Working Time (Annual Leave)	13,514	15%	17,851	16%	22,970	17%
	Disability Discrimination	10,991	12%	12,988	11%	15,371	11%
	Breach of Contract	5,779	6%	9,445	8%	11,229	8%
	Sex Discrimination	5,348	6%	7,499	7%	8,780	6%
	Race Discrimination	5,123	6%	6,564	6%	7,001	5%
	Age Discrimination	2,504	3%	4,032	4%	3,455	2%
	Public Interest Disclosure	2,271	3%	3,640	3%	3,669	3%
	FWP	2,178	2%	1,484	1%	2,057	1%
	Other	12,167		18,377		25,447	
		Total jurisdictions	109,195		149,510		168,614
	Total notifications	90,811		114,533		138,837	

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					
		2021-22		2020-21		2019-20	
		Volume	% of cases	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	14,747	47%	18,320	52%	17,397	42%
	Wages Act	11,472	37%	11,718	33%	14,464	35%
	Breach of contract	7,834	25%	9,972	28%	11,633	28%
	Working Time (Annual Leave)	7,523	24%	8,270	23%	10,232	25%
	Disability discrimination	6,545	21%	6,356	18%	7,474	18%
	Race discrimination	3,489	11%	3,329	9%	4,012	10%
	Sex Discrimination	3,410	11%	3,277	9%	4,329	11%
	Public Interest Disclosure	2,569	8%	2,698	8%	2,796	7%
	Redundancy pay	2,414	8%	3,782	11%	3,761	9%
	Age Discrimination	1,817	6%	2,076	6%	2,286	6%
	Other	8,622		8,532		10,357	
		Total jurisdictions	70,442		77,968		88,741
	Total cases	31,198		35,274		40,978	

Take-up of employee-led early conciliation

Employee notifications	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	2,514	2.9%	2,365	2.1%	774	0.6%
Employee cannot be contacted	9,399	10.7%	14,508	13.3%	16,873	12.4%
Employee declines conciliation	20,338	23.2%	27,189	24.6%	38,156	28.1%
Employer declines conciliation	9,140	10.4%	11,988	10.9%	10,657	7.9%
Matter proceeds to conciliation	46,308	52.8%	54,273	49.2%	69,214	51.0%
Total	87,699		110,323		135,674	

Early conciliation notification outcomes

Final status of early conciliation notifications	EC notifications received					
	Jan 21-Dec 21		Jan 20-Dec 20		Jan 19-Dec 19	
	Volume	%	Volume	%	Volume	%
No track						
COT3 settlement	0	0%	0	0%	0	0%
Did not progress to tribunal claim	13,000	72%	14,139	76%	10,830	83%
Dispute progressed to tribunal claim	5,137	28%	4,379	24%	2,299	18%
Total	18,137		18,518		13,129	
Fast track						
COT3 settlement	4,085	13%	4,909	12%	5,718	11%
Did not progress to tribunal claim	21,021	68%	24,875	61%	34,468	67%
Dispute progressed to tribunal claim	6,015	19%	10,735	27%	11,652	23%
Total	31,121		40,519		51,838	
Standard track						
COT3 settlement	3,511	15%	6,925	24%	3,821	14%
Did not progress to tribunal claim	12,801	56%	12,691	44%	13,829	52%
Dispute progressed to tribunal claim	6,707	29%	9,288	32%	8,860	33%
Total	23,019		28,904		26,510	
Open track						
COT3 settlement	4,123	13%	4,406	14%	3,996	10%
Did not progress to tribunal claim	16,864	53%	15,104	49%	23,521	61%
Dispute progressed to tribunal claim	10,674	34%	11,221	37%	11,332	29%
Total	31,661		30,731		38,849	
All tracks						
COT3 settlement	11,719	11%	16,240	14%	13,535	10%
Did not progress to tribunal claim	63,686	61%	66,809	56%	82,648	63%
Dispute progressed to tribunal claim	28,533	27%	35,623	30%	34,143	26%
Total	103,938		118,672		130,326	

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 2021.

ET1 conciliation case outcomes

		2021-22		2020-21		2019-20	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	652	7.3%	520	6.6%	235	3.8%
	Settled	2,962	33.2%	2,964	37.3%	2,589	42.2%
	Withdrawn	2,356	26.4%	1,724	21.7%	1,142	18.6%
	Default judgment	1,221	13.7%	1,174	14.8%	819	13.3%
	Heard	1,733	19.4%	1,556	19.6%	1,350	22.0%
	Total	8,924		7,938		6,135	
	Resolution rate		64.3%		63.2%		63.2%
Standard track	Struck out	918	8.0%	657	6.5%	310	5.1%
	Settled	5,414	47.0%	5,540	55.1%	3,558	59.1%
	Withdrawn	2,038	17.7%	1,812	18.0%	1,033	17.2%
	Default judgment	884	7.7%	523	5.2%	192	3.2%
	Heard	2,274	19.7%	1,519	15.1%	928	15.4%
	Total	11,528		10,051		6,021	
	Resolution rate		70.2%		78.3%		80.4%
Open track	Struck out	1,165	7.9%	835	6.8%	327	5.4%
	Settled	8,183	55.4%	7,625	61.8%	3,912	64.1%
	Withdrawn	3,137	21.2%	2,423	19.6%	1,353	22.2%
	Default judgment	184	1.2%	207	1.7%	51	0.8%
	Heard	2,113	14.3%	1,254	10.2%	460	7.5%
	Total	14,782		12,344		6,103	
	Resolution rate		83.1%		87.3%		91.2%
Overall	Struck out	2,735	7.8%	2,012	6.6%	872	4.8%
	Settled	16,559	47.0%	16,129	53.2%	10,059	55.1%
	Withdrawn	7,531	21.4%	5,959	19.6%	3,528	19.3%
	Default judgment	2,289	6.5%	1,904	6.3%	1,062	5.8%
	Heard	6,120	17.4%	4,329	14.3%	2,738	15.0%
	Total	35,234		30,333		18,259	
	Resolution rate		74.1%		78.0%		78.1%

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

Individual mediation

		2021-22	2020-21	2019-20
New cases started in year		269	224	275
Cases closed by outcome	Settled	116	122	143
	Progress Made	61	38	52
	Unresolved	36	19	26
	Unprogressed	58	28	37
	Total	271	207	258
	Success rate	83%	89%	88%

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	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
Acas National	17	3.3%	13	2.6%	9	1.6%
London	95	18.6%	75	14.9%	79	14.0%
South East	33	6.5%	32	6.3%	28	4.9%
East of England	21	4.1%	27	5.4%	18	3.2%
East Midlands	31	6.1%	34	6.7%	50	8.8%
West Midlands	34	6.7%	57	11.3%	18	3.2%
North East	18	3.5%	17	3.4%	27	4.8%
Yorkshire and Humber	28	5.5%	22	4.4%	28	4.9%
North West	70	13.7%	66	13.1%	112	19.8%
Scotland	119	23.3%	131	26.0%	152	26.9%
South West	19	3.7%	14	2.8%	16	2.8%
Wales	25	4.9%	16	3.2%	29	5.1%
Total	510		504		566	

Collective disputes received for conciliation by dispute cause

Dispute cause	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
General pay claim	167	28.8%	62	12.3%	139	24.6%
Other pay/conditions of employment	173	29.8%	197	39.1%	186	32.9%
Changes in working practices	46	7.9%	51	10.1%	52	9.2%
Recognition	81	14.0%	65	12.9%	75	13.3%
Other TU matters	37	6.4%	62	12.3%	77	13.6%
Dismissal/discipline	22	3.8%	16	3.2%	23	4.1%
Redundancy	17	2.9%	67	13.3%	30	5.3%
Other	37	6.4%	33	6.5%	25	4.4%
Total dispute causes	580		553		607	
Total collective cases received	510		504		566	

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	2021-22	2020-21	2019-20
Successfully completed	374	421	469
Unsuccessfully completed	35	41	26
All completed cases	409	462	495
Cases withdrawn	141	50	110
Total	550	512	605

Collective disputes received by source of request

Source of request	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
Employer	127	25.0%	100	19.8%	122	21.6%
Trade Union	209	41.0%	219	43.5%	248	43.8%
Joint	94	18.0%	108	21.4%	132	23.3%
Acas Initiative	80	16.0%	77	15.3%	64	11.3%
Total	510		504		566	

Cases referred to collective arbitration and dispute mediation

Case type	2021-22	2020-21	2019-20
Single Arbitration	9	12	10
Single Mediation	4	8	10
Other	0	0	0
Total	13	20	20

Issues referred to collective arbitration and dispute mediation

Issue	2021-22	2020-21	2019-20
Annual pay	8	9	5
Other pay and conditions of employment	2	3	4
Dismissal and discipline	2	3	3
Grading	0	0	1
Other	1	5	7
Total	13	20	20

Joint problem-solving activities by topic

Topic	2021-22	2020-21	2019-20
Absence and stress management	0	1	3
Bullying and harassment	1	2	3
Collective bargaining and trade union issues	30	19	23
Conflict, mediation and change management	23	17	30
Discipline and grievance	1	0	0
Employment law	0	0	0
Equality, diversity and discrimination	0	0	0
Implementing flexible working arrangements	0	0	0
Information and consultation	3	3	5
Managing people	0	0	1
Payment and grading arrangements	1	0	5
Recruitment and employing people	0	0	0
Redundancy	0	1	3
Other	0	0	0
Total	59	43	73

Advisory services

Acas helpline contacts

	2021-22	2020-21	2019-20
Voice calls answered			
Helpline advice delivered over the telephone.	644,153	711,488	798,552
Pre-recorded advice sessions			
Helpline callers can select pre-recorded advice regarding Minimum Wage, Holidays, Wage Deductions or P45's/P60's before being connected to an adviser.	72,310	63,719	74,536
Helpline online sessions			
Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.	0	80,546	295,612
Facebook advice sessions			
The Acas Helpline provides advice to customers via the Acas Facebook page.	2,508	3,386	2,632
Webchat sessions			
Webchat allows real time text-based conversation with Helpline advisers.	0	690	759
Total Contacts	718,971	859,829	1,172,091

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.

Note that as Helpline Online and Webchat were discontinued in February 2021 the volumes for these services do not reflect the full twelve month period for 2020-21.

Acas helpline voice call topics

Topic of enquiry	2021-22	2020-21	2019-20
	% of calls	% of calls	% of calls
Discipline, Dismissal and Grievance	36.7%	30.9%	36.4%
Contracts	17.2%	16.6%	15.9%
Wages and NMW/NLW	15.2%	11.8%	14.1%
Absences, Sickness and Stress	11.5%	9.3%	9.9%
Redundancies, Lay Offs and Business Transfers	9.9%	21.4%	13.4%
Holiday and Working Time	9.8%	9.6%	8.8%
Others	9.2%	10.4%	8.4%
Diversity and Discrimination	9.1%	7.4%	8.6%
Maternity, Paternity and Adoption	2.9%	3.0%	3.5%
Family Friendly Policies	2.0%	1.5%	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*	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	31	6.7%	22	8.4%	97	11.2%
Bullying and harassment	13	2.8%	2	0.8%	41	4.7%
Collective bargaining and trade union issues	35	7.5%	20	7.7%	38	4.4%
Conflict, mediation and change management	123	26.5%	68	26.1%	175	20.2%
Discipline and grievance	60	12.9%	21	8.0%	98	11.3%
Employment law	8	1.7%	4	1.5%	30	3.5%
Equality, diversity and inclusivity	24	5.2%	14	5.4%	62	7.2%
Flexible working arrangements	8	1.7%	7	2.7%	8	0.9%
Information and consultation	42	9.1%	18	6.9%	44	5.1%
Managing people	54	11.6%	18	6.9%	170	19.6%
Payment and grading arrangements	14	3.0%	9	3.4%	14	1.6%
Recruitment and employing people	31	6.7%	10	3.8%	50	5.8%
Redundancy	13	2.8%	28	10.7%	20	2.3%
TUPE	3	0.6%	1	0.4%	0	0.0%
Acas employee feedback survey	1	0.2%	1	0.4%	0	0.0%
Coronavirus	4	0.9%	18	6.9%	0	0.0%
Other	0	0.0%	0	0.0%	19	2.2%
Total	464		261		866	

*Includes charged advice

In-depth advisory telephone calls by topic

Topic	2021-22		2020-21		2019-20	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	182	6.0%	245	6.8%	315	10.5%
Bullying and harassment	80	2.6%	110	3.0%	155	5.2%
Collective bargaining and trade union issues	60	2.0%	86	2.4%	77	2.6%
Conflict, mediation and change management	577	19.0%	603	16.6%	591	19.7%
Discipline and grievance	772	25.4%	662	18.3%	425	14.2%
Employment law	41	1.3%	59	1.6%	204	6.8%
Equality, diversity and inclusivity	178	5.9%	190	5.2%	149	5.0%
Flexible working arrangements	66	2.2%	175	4.8%	82	2.7%
Information and consultation	119	3.9%	166	4.6%	100	3.3%
Managing people	275	9.0%	218	6.0%	335	11.2%
Payment and grading arrangements	59	1.9%	114	3.1%	75	2.5%
Recruitment and employing people	479	15.8%	415	11.5%	318	10.6%
Redundancy	66	2.2%	488	13.5%	102	3.4%
TUPE	38	1.2%	84	2.3%	0	0.0%
Acas employee feedback survey	2	0.1%	0	0.0%	0	0.0%
Coronavirus	44	1.4%	0	0.0%	0	0.0%
Other	3	0.1%	7	0.2%	66	2.2%
Total	3,041		3,622		2,994	

Charged workplace projects by topic

Topic	2021-22	2020-21	2019-20
Absence management and mental health	1	0	1
Bullying and harassment	3	2	7
Collective bargaining and trade union issues	2	0	5
Conflict, mediation and change management	6	9	30
Discipline and grievance	1	0	1
Employment law	0	0	0
Equality, diversity and inclusivity	1	1	0
Flexible working arrangements	0	0	0
Information and consultation	2	0	8
Managing people	3	0	1
Payment and grading arrangements	1	3	2
Recruitment and employing people	0	1	0
Redundancy	0	2	1
Acas employee feedback survey	1	0	0
Other	1	0	0
Total	22	18	56

Certificate in internal workplace mediation (CIWM) training

Type	2021-22		2020-21		2019-20	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	10	71	2	8	8	76
Open access CIWM	29	185	1	6	26	164
Total	39	256	3	14	34	240

Workplace training by topic

Subject of training	2021-22				2020-21				2019-20			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	61	6.5%	876	8.1%	162	12.5%	1,245	12.6%	231	13.5%	5,434	14.1%
Bullying and harassment	36	3.8%	411	3.8%	60	4.6%	550	5.6%	139	8.1%	5,149	13.4%
Collective bargaining and trade union issues	4	0.4%	40	0.4%	8	0.6%	53	0.5%	7	0.4%	117	0.3%
Conflict, mediation and change management	78	8.3%	744	6.9%	83	6.4%	930	9.4%	132	7.7%	3,042	7.9%
Discipline and grievance	226	23.9%	2,615	24.1%	285	22.0%	1,774	18.0%	342	20.0%	5,834	15.2%
Employment law	19	2.0%	254	2.3%	24	1.9%	260	2.6%	33	1.9%	595	1.5%
Equality, diversity and inclusivity	114	12.1%	1,497	13.8%	173	13.4%	1,453	14.7%	150	8.8%	4,082	10.6%
Flexible working arrangements	0	0.0%	0	0.0%	4	0.3%	44	0.4%	0	0.0%	0	0.0%
Information and consultation	119	12.6%	1,200	11.1%	143	11.0%	1,302	13.2%	152	8.9%	1,608	4.2%
Managing people	251	26.6%	2,841	26.2%	265	20.5%	1,485	15.1%	467	27.3%	11,654	30.3%
Payment and grading arrangements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.1%	28	0.1%
Recruitment and employing people	12	1.3%	156	1.4%	13	1.0%	180	1.8%	26	1.5%	435	1.1%
Redundancy	10	1.1%	74	0.7%	61	4.7%	528	5.4%	18	1.1%	238	0.6%
TUPE	14	1.5%	131	1.2%	10	0.8%	41	0.4%	0	0.0%	0	0.0%
Acas employee feedback survey	1	0.1%	7	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Coronavirus	0	0.0%	0	0.0%	4	0.3%	19	0.2%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	14	0.8%	262	0.7%
Total	945		10,846		1,295		9,864		1,713		38,478	

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	2021-22				2020-21				2019-20			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	56	7.3%	538	6.7%	57	13.2%	649	11.5%	184	13.9%	1,682	13.1%
Bullying and harassment	24	3.1%	176	2.2%	16	3.7%	88	1.6%	48	3.6%	339	2.6%
Collective bargaining and trade union issues	1	0.1%	5	0.1%	0	0.0%	0	0.0%	2	0.2%	22	0.2%
Conflict, mediation and change management	83	10.9%	1419	17.6%	33	7.7%	1634	29.1%	133	10.1%	1,539	12.0%
Discipline and grievance	137	17.9%	1341	16.6%	93	21.6%	868	15.4%	188	14.2%	1,893	14.7%
Employment law	23	3.0%	180	2.2%	5	1.2%	20	0.4%	245	18.6%	2,656	20.7%
Equality, diversity and inclusivity	55	7.2%	656	8.1%	21	4.9%	158	2.8%	81	6.1%	764	6.0%
Flexible working arrangements	20	2.6%	354	4.4%	4	0.9%	21	0.4%	6	0.5%	32	0.2%
Information and consultation	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	0.3%	37	0.3%
Managing people	286	37.4%	2592	32.1%	96	22.3%	941	16.7%	331	25.1%	2,976	23.2%
Payment and grading arrangements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.2%	8	0.1%
Recruitment and employing people	36	4.7%	240	3.0%	44	10.2%	297	5.3%	49	3.7%	328	2.6%
Redundancy	20	2.6%	162	2.0%	55	12.8%	503	8.9%	17	1.3%	146	1.1%
TUPE	17	2.2%	238	2.9%	6	1.4%	390	6.9%	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%
Coronavirus	5	0.7%	52	0.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	1	0.1%	125	1.5%	1	0.2%	52	0.9%	30	2.3%	415	3.2%
Total	764		8,078		431		5,621		1,320		12,837	

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	2021-22				2020-21				2019-20			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	117	6.8%	1,414	7.5%	219	12.7%	1,894	12.2%	415	13.7%	7,116	13.9%
Bullying and harassment	60	3.5%	587	3.1%	76	4.4%	638	4.1%	187	6.2%	5,488	10.7%
Collective bargaining and trade union issues	5	0.3%	45	0.2%	8	0.5%	53	0.3%	9	0.3%	139	0.3%
Conflict, mediation and change management	161	9.4%	2,163	11.4%	116	6.7%	2,564	16.6%	265	8.7%	4,581	8.9%
Discipline and grievance	363	21.2%	3,956	20.9%	378	21.9%	2,642	17.1%	530	17.5%	7,727	15.1%
Employment law	42	2.5%	434	2.3%	29	1.7%	280	1.8%	278	9.2%	3,251	6.3%
Equality, diversity and inclusivity	169	9.9%	2,153	11.4%	194	11.2%	1,611	10.4%	231	7.6%	4,846	9.4%
Flexible working arrangements	20	1.2%	354	1.9%	8	0.5%	65	0.4%	6	0.2%	32	0.1%
Information and consultation	119	7.0%	1,200	6.3%	143	8.3%	1,302	8.4%	156	5.1%	1,645	3.2%
Managing people	537	31.4%	5,433	28.7%	361	20.9%	2,426	15.7%	798	26.3%	14,630	28.5%
Payment and grading arrangements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	0.1%	36	0.1%
Recruitment and employing people	48	2.8%	396	2.1%	57	3.3%	477	3.1%	75	2.5%	763	1.5%
Redundancy	30	1.8%	236	1.2%	116	6.7%	1,031	6.7%	35	1.2%	384	0.7%
TUPE	31	1.8%	369	1.9%	16	0.9%	431	2.8%	0	0.0%	0	0%
Acas employee feedback survey	1	0.1%	7	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%
Coronavirus	5	0.3%	52	0.3%	4	0.2%	19	0.1%	0	0.0%	0	0%
Other	1	0.1%	125	0.7%	1	0.1%	52	0.3%	44	1.5%	677	1.3%
Total	1,709		18,924		1,726		15,485		3,033		51,315	

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 2021-22

1. Detail of Acas's performance against our strategic aims is set out at pages 6–20.
2. See pages 23–37 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 have continued to build upon progress made against our Sustainability Strategy which was launched last year by extending it to cover the period to 2025-26, aligning it to that of BEIS, our sponsor Department.
6. Key sustainability objectives, and progress against them are:
 - Continuous improvement in data collection

We have worked closely with the Government Property Agency (GPA) who manage our premises and leases to push for complete sustainability data across all sites. We still have some gaps where estimates are used, but improvements are being made. We have updated our travel claim form to specifically capture miles travelled on public transport.
 - Further staff engagement

We have increased awareness of the Green Network by creating induction materials and a dedicated intranet page on Sustainability. Some of the Network discussions have been referenced in Acas' weekly all staff bulletin. We have started to explore Carbon Literacy training, with a member of the team attending sessions with BEIS to gain accreditation.
 - Leading by example

An Executive Board Pledge on sustainability was agreed. Sustainability is now included within the organisation's Performance Tracker and discussed at Executive Board each quarter.
7. As part of our commitment to environmental sustainability, and in line with the Greening Government Commitments (GGC), Acas reports on greenhouse gas emissions, waste generated, and water and paper use (see table below). We are currently working with colleagues in BEIS to calculate our 2025-26 target.
8. The past couple of years have seen a fundamental change in how and where we work. Acas estates planning will reflect how these changes will have a positive impact on emissions.

Acas offices

9. We have recently focused on ensuring relevant data capturing processes were in place. In addition, we are now collecting other non-financial information to help us understand our emissions. This will help us better target problem areas. For instance, we learnt that one office has an energy rating lower than that of a typical office building of D-100. The Government Property Agency (GPA) have confirmed that a project to fit LED lighting has taken place, and feasibility studies for further improvements are planned to improve the DEC rating further.
10. 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. We have engaged in conversations with GPA's Net Zero team to keep us informed on other projects for sustainable improvement impacting our estate. We have also offered to partner with GPA if any future opportunities for energy efficiency measures become available.
11. Internally, we continue to promote our policies around smarter (remote or hybrid) working, including digital by default, smarter use of our office space and the reduction of paper.
12. Whilst we continue to work on reducing our emissions, we have again made use of carbon offsetting. This year we offset over 350 tonnes of CO₂e to acknowledge that part of our emissions have been transferred to staff over the pandemic.

Travel

13. Travel continues to be much reduced due to continued impact of the pandemic this year. However, our Smarter Working Principles have resulted in less need for staff to be in offices, and so less travel through commuting.
14. No internal flights were taken in breach of our 'train first' policy. The majority of the internal flights were to/from the Channel Islands. The work done in the Channel Islands is part of Acas' customer facing business. We work closely with Acas' equivalent organisations in Jersey and Guernsey and support employers that have operations both in the Islands and the United Kingdom.

Green Network

15. Our staff Green Network has remained popular through the year, sharing links to a range of events and having open discussions including on what practical changes we can all make and COP26. The Network has continued to encourage the use of the Cycle to Work scheme. We will be introducing a 'Waste Warriors' Initiative to bring down our overall waste volume.

Look forward

16. We have started capturing data on single use plastic items purchased. This will help us in phasing it out as we learn which items are most used and we can target those for sustainable replacement.
17. As more people return to the office following the pandemic, there will be increased opportunity for in-office awareness and education.

Sustainable procurement

18. 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.
19. 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

20. Our greenhouse gas, waste, water, paper and travel emissions are included in the below table.
21. We have a closed paper cycle whereby all paper is recycled for reuse.
22. Our estate is managed by the GPA, whose minimum requirements for new build projects are to achieve BREEAM¹ Excellent or equivalent, and major refurbishments are to achieve BREEAM Very Good or equivalent. BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability assessment method that is used to masterplan projects, infrastructure and buildings.

Greening Government Commitments²

	2021-22	2020-21 ³	2019-20 ⁴	2018-19	2017-18 Baseline ⁵
Greenhouse gas emissions tonnes CO₂e					
Scope 1 ⁶	–	–	–	–	–
Scope 2 ⁷ and Scope 3 ⁸	193	189	715	–	1,291
Related energy consumption					
Electricity, MWh	388	379	–	–	1,560
Natural gas, MWh	430	457	–	–	1,228
Solid fuels, MWh	10	1	–	–	–
Business flights					
Total number of domestic flights	24	–	–	–	512
Total number of international flights	–	–	–	–	4
Travel					
Public transport (including flights), km	100,413	4,693	–	–	2,063,111
Grey fleet ⁹ /hire car, km	116,175	9,847	–	–	1,199,301
Waste					
Recycled externally, tonnes	25	33	–	–	134
Landfill, tonnes	3	–	–	–	250
Water and paper					
Water consumption, m ³	1,426	1,526	–	–	7,864
Paper procured, reams	396	228	–	–	5,261
Single use plastic, individual items purchased directly ¹⁰	13,113	–	–	–	–
Related costs £'000	2021-22	2020-21	2019-20	2018-19	2017-18
Business mileage	31	3	230	238	274
Public transport and flights	24	–	551	634	582
Utilities ¹¹	72	46	61	86	84

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

² 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, have used best estimate 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 are 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 to 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. That being said, there is no way to estimate our actual usage, so we have reported our share of the building, or floor's 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.

Part of the variance in emissions is due to changes in the CO₂e factors applied year on year. The rates used are consistent with those used in GGC reporting.

³ There was minimal business travel in 2020-21 due to Covid-19 and the resulting lockdowns. All Acas offices were closed to general staff for the whole year other than in exceptional (rare) circumstances. This has partially impacted 2021-22 too, but to a lesser effect.

⁴ 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.

⁵ The 2017-18 baseline is estimated using FTE numbers and the size of our estate and applying industry averages to these metrics.

⁶ Scope 1: direct emissions from sources owned or controlled.

⁷ Scope 2: indirect emissions from consumption of purchased electricity or sources of energy generated upstream.

⁸ Scope 3: other indirect emissions occurring as a consequence of Acas' operations, but not directly controlled or owned by Acas.

⁹ We have pursued using ULEVs with our hire car provider, however, currently, there is not sufficient supply to meet the much-increased demand. As a result, we have nothing to report in this area in the current year.

¹⁰ Single use plastic reporting is a new requirement for 2021-22 and we have no reasonable way of estimating prior year consumptions. Only single use plastic items required to be collected for GGC purposes are included.

¹¹ Some of our estates related consumption costs are billed through the service charge, as such, this does not offer a full picture. We have working with GPA to gain more transparency around these costs.

Financial review

23. The majority of Acas's funding is through Grant in Aid from BEIS. Acas's gross allocation for 2021-22 was £62.5 million and expenditure was £58.8 million. Acas charges customers in order to recover costs for some of our services. In 2021-22 this generated income of £3.7 million as we recovered from the impacts of the Covid-19 pandemic when we saw income fall to £1.9 million in 2020-21.
24. 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 2021-22 through continuing to manage our Estate requirements, further improvements technological capability, and delivering procurement savings.
25. This year 79.1% of payments were made within 5 working days of receipt of an invoice.
26. A full analysis of Acas' spend can be found in the Notes to the Accounts. The notable changes in expenditure are driven by the IFRS 16 treatment of rentals on leased property (full disclosure of the impacts can be found in the Accounting Policies Note (Note 1.10, page 77) and the increased use of consultants and contingent labour (see para 6 of the Accountability Report below for further detail).
27. The movements on the balance sheet are driven in the main by the changes to accounting disclosures following the implementation of IFRS 16. Additionally, there was a material movement on the Holiday Pay Accrual, reflecting a change in pattern of annual leave being taken and the effects on our cash balance of the timings of payments to suppliers and staff at year end.
28. A full set of accounts for 2021-22, 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 72-92).



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Susan Clews
Accounting Officer
Acas
6 July 2022

Accountability Report

Corporate Governance Report

Directors' Report

Purpose of the Directors' Report

1. This report is presented in accordance with the requirements of the Government Financial Reporting Manual (FRoM).

Members of the Executive Board

2. Executive Board members during 2021-22 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, until December 2021
 - James Vincent, Director of Digital, Data and Technology (DDaT)
 - Daniel Ellis, Director of People
 - Kate Nowicki, Director of Secretariat, Planning Performance and Change and Interim Director of Strategy from November 2021
 - Wendy Parker, Acting Chief Operations Officer from January 2022
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. We have a financial objective to full cost recover for charged-for services. Full disclosure of the cost allocation and income from charged for services can be found in Note 2 to the accounts on page 83.

Consultancy and contingent labour expenditure

6. During the year, Acas's expenditure on consultancy and contingent labour was £2.5 million (2020-21, £1.9 million). The increase was driven by the Smarter Resolution and Operating Model workstreams that aim to improve the way Acas delivers its 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 46).

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. To support this, we have run Let's Talk About Race and Let's Talk About Sexism sessions with staff and senior leaders.
13. Further information about how we have further improved fairness in the organisations is set out under Ambition 4 (pages 17).
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 and well-being

15. Acas is committed to supporting our people's mental health and wellbeing. This is monitored by staff surveys such as the civil service people survey, and more frequent pulse surveys, which have helped us to ensure that we address the stresses and wellbeing needs of staff and conduct more targeted work in some areas via quarterly Health and Safety Committees and mental health steering group meetings.
16. As Acas staff have continued to adapt to new ways of working, it has been important to ensure relevant up-to-date policies and guidance are available to support them. Smarter working guidelines put together in consultation with unions and staff included resources on wellbeing, and digital wellbeing. Other policies updated include the Working at Home and Hybrid guidance (incorporating wellbeing responsibilities of managers and staff), as well as Bereavement, and Carer's guidance.
17. Much work has been done in the last year to promote an open culture around mental health. This includes:
 - Personal blogs from staff across Acas on a wide range of topics such as men's mental health, suicide, menopause, bereavement.
 - A successful wellbeing week of activities covering areas such as sleep, nutrition, financial wellbeing, mindfulness, digital wellbeing, yoga and cycling.
 - A randomised coffee chat scheme.
 - Updated health and wellbeing hub full of resources for all aspects of wellbeing.

- Wellness Action Plan (adapted to hybrid working) to aid conversations between managers and staff about what keeps them well.
- Promotion of other sources of support including Acas Mental Health First Aiders and EAP.
- Line Manager clinics to help increase organisational confidence and capability.

18. The Health and Safety and Wellbeing Committees have met quarterly throughout the year; both have representation from management and our trade unions.

Future developments

19. Acas's future developments are covered within the 'Ambitions' section of the Annual Report, starting on page 6.



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Susan Clews
Accounting Officer
Acas
6 July 2022

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 account's 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 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' 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 2021-22.

Acas' governance structure

4. Acas is a non-departmental public body which is governed by the Acas Council. It was established under the Employment Protection Act 1975 and continues in existence under the Trade Union and Labour Relations (Consolidation) Act 1992. The Council (formed of publicly appointed non-executive directors) is responsible for determining Acas's strategic direction and priorities, and for ensuring that our 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, as well as 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. This was reviewed in year, and a new Framework Document will be published in 2022.
6. The governance structure provides reasonable and not 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 achieve 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 2022 and up to the date of approval of the annual report and accounts and accord with HM Treasury guidance.

The Acas Council

8. The Acas Council consists of a publicly appointed Chair, currently held by Clare Chapman, and 11 independent members (a balance of employer, employee and independent members), appointed by the Secretary of State for BEIS. All appointments must adhere to the Governance Code on Public Appointments.

9. The Acas 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 Acas 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 that Acas (the Service) fulfils all of its statutory duties.
 - Ensuring compliance with requirement for the use of public funds.
 - Determining key policy objectives and targets of the Service.
 - Oversight of strategic planning covering areas such as: the Service's financial performance; the efficiency and effectiveness of its operations and the quality of the Acas services.
 - Monitoring and identification of any external changes that are likely to impact on the strategic direction of Acas or on the attainability of its targets, and determining the steps needed to deal with such changes.
 - Overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets.
 - Issuing, and giving appropriate publicity to, an Annual Report and full statement of Accounts.
 - Ensuring that high standards of corporate governance are always observed.
 - Ensuring that the Service operates sound environmental policies and practices in accordance with relevant Government guidance.
11. Below the Acas Council sit two sub-committees, which report back to the Council; the Audit, Risk and Assurance Committee (the Audit Committee) and the People and Remuneration Committee (P&Remco).
12. Council members' attendance at Council meetings for 2021-22 was as follows:
- | | |
|---|-------|
| • Neil Carberry | (7/7) |
| • Clare Chapman | (7/7) |
| • Mike Clancy | (6/7) |
| • Professor Anne Davies, to December 2021 | (5/5) |
| • Mike Gooddie, to July 2021 | (2/2) |
| • Jayne Haines | (6/7) |
| • Sally Hunt, to September 2021 | (3/3) |
| • Susan Jordan, to October 2021 | (4/4) |
| • Simon Lewis, from January 2022 | (2/2) |
| • Christina McAnea | (4/7) |
| • Jane McNeill QC, to July 2021 | (2/2) |
| • Ijeoma Omambala, from January 2022 | (2/2) |
| • Paul Nowak, to May 2021 | (1/1) |
| • Matt Percival, from August 2021 | (5/5) |
| • Roy Rickhuss, from August 2021 | (4/5) |
| • Ben Summerskill | (7/7) |

13. The Council held a planning away day in October 2021. Council tested the strategic ambitions set out in our 2021-25 Strategy, looked at priorities, risks and opportunities; and considered how our people, processes and systems could take us forward.
14. This has been a period of upheaval and lack of continuity for Acas Council. The tenures of six out of 11 Council members expired (Professor Anne Davies, Sally Hunt, Mike Gooddie, Sue Jordan, Jane McNeill and Paul Nowak) and a further five appointments were extended (Neil Carberry, Jayne Haines, Christina McAnea, Ben Summerskill and Mike Clancy was approved for reappointment in May 2022). We have also welcomed four new Council members (Simon Lewis, Ijeoma Omambala, Matthew Percival and Roy Rickhuss). We are currently recruiting for a final two Council members.
15. Acas officials have managed the risk with BEIS officials and Ministers. I am grateful for outgoing, ongoing and new Council members for their perseverance and resilience in unsettling times.

The Audit Committee

16. The Audit sub-Committee of the Acas Council is an advisory, rather than executive body, which supports and challenges me as Chief Executive of Acas in my responsibilities for issues of risk, control and governance, finance and associated assurance. The Committee is made up of members of the Council, including the Chair, Ben Summerskill, who has held this post since Mike Gooddie's departure in October 2021. They are supported by independent financial adviser, Ann Beasley 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.
17. 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.
18. The Audit Committee met four times in 2021-22. Audit Committee attendance at the meetings was as follows:

• Mike Gooddie, Chair to July 2021	(2/2)
• Ben Summerskill, Chair from July 2021	(3/3)
• Ann Beasley	(4/4)
• Anne Davies, from April 2021 to October 2021	(3/3)
• Jayne Haines, from October 2021	(1/2)
• Sally Hunt, to June 2021	(2/2)
• Roy Rickhuss, from October 2021	(1/2)

19. A self-assessment exercise for the Audit Committee was commissioned in year and will report back at the Autumn 2022 meeting. Any recommendations from that exercise will be enacted in year.
20. The Committee's Terms of Reference were reviewed in year.

The People and Remuneration Committee

21. The People and Remuneration sub-Committee of the Council is chaired by the Chair of Acas and comprises three members of the Acas Council.
22. This year we expanded the remit of the committee to incorporate Acas people issues and new terms of reference were agreed.
23. The role of the Committee is to:
 - Support the executive, by providing stimulus, oversight and assurance on the vision and delivery plans for Acas's people strategy.
 - Ensure that the pay of the Acas Chief Executive is awarded fairly, according to contribution, both in achievement of objectives and in development of competencies, skills and knowledge.
 - Make decisions on the distribution of performance awards to the Acas Chief Executive and their SCS direct reports, ensuring that awards are made fairly and equitably in line with current guidance and with regard to equal opportunities.
 - Provide a further mechanism for employee voice to be understood by Acas Council members.
 - Provide oversight for any changes to the pay arrangements of Council members within the parameters set by BEIS.
24. The People and Remuneration Committee met four times in 2021-22 (September, November and twice in February). Its members and attendance are as follows:

• Clare Chapman, Chair	(4/4)
• Neil Carberry	(3/3)
• Mike Clancy	(4/4)
• Anne Davies	(2/2)
• Jayne Haines	(1/1)
• Ijeoma Omambala	(1/1)

Assessment of Council effectiveness

25. Due to uncertainty around the membership of the Acas Council there was no survey carried out that assessed the effectiveness of processes and operations in 2021-22.
26. A review did take place in June 2022 and the Council will review the results and seek to address any areas highlighted throughout the 2022-23 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 to appraise Board of business and flag any risks for action.

29. Non-classified agendas, papers and minutes of the Executive Board are made available to staff via the intranet.
30. Board members are committed to raising visibility of the Board and its work to all staff. At each Executive Board meeting, one Directorate or team are invited to attend for an hour, and challenge Board members on issues of their choosing. As offices reopen, we have started to hold Executive Board meetings at locations around the country, which allows staff to conduct the Q&A sessions face to face, which improves visibility and engagement.
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 2021-22, 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 (to December 2021).
 - James Vincent, Director of Digital Data and Technology (DDaT).
 - Daniel Ellis, Director of People.
 - Kate Nowicki, Director of Strategic Planning, Performance and Change and Strategy Director from November 2021.
33. The terms of reference for the Executive Board are to:
- Support the council in setting the direction of Acas, developing the Acas strategic plan for future years and overseeing its implementation.
 - 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.
34. The Executive board has several sub-boards, which report on their individual areas. Membership depends on the subject matter requirements. These are:

- Customer Services Board (CSB): co-chaired by the Chief Operations Officer and the Director of Strategy, the CSB reviews and manages Acas's external services
 - Technical Design and Delivery Board (TDDB): chaired by the Director of DDaT, the TDDB oversees and manages Acas's digital and technical portfolio
 - Planning, Performance and Change Board (PPCB): co-chaired by the Director of Finance, Estates and Procurement and Director of Strategic Planning, Performance and Change, the PPCB oversees how Acas performs against its agreed measures, the key milestones on the single view of change and wider projects and programmes
35. There are also several working groups, which are initiated and de-commissioned as required to undertake key items of work. In 2021-22, this has included:
- Data and Insight Group
 - Security and Information Assurance Group

Assessment of Board effectiveness

36. A Government Internal Audit was conducted in February 2021 regarding the effectiveness of Acas Executive Board. This provided a questionnaire on Board effectiveness which was introduced in May 2022. Results from the survey will be taken forward as part of the governance planning under Operating Model changes.

The risk and internal control framework

37. 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' 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 following each Audit Committee meeting.
38. 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.
39. The overall risk appetite remains as 'Open', though within each business area, certain activities take a more cautious approach to risk management.
40. 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.
41. The Strategic Risk Register is revised on a monthly basis, to allow Board to review the current status of the risks and mitigations, and whether risk owners expect the risk impact and likelihood to worsen over the following three to six months.
42. 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.
43. 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.

44. The risk register is a live document. At the end of the reporting year, two high level and four medium level risks were identified. The high-level risks for the year ahead are as follows:
 - If the desired change of the Operating Model is not effectively implemented and embedded it will have a negative impact across the organisation.
 - Failure to deliver the Data Strategy will significantly impact our ability to deliver our strategic ambitions.
45. 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.
46. Acas has completed the Annual Assurance self-assessment to measure compliance around governance and management actions. This has been adapted from previous years to reflect new Cabinet Office Sponsorship Code of Good Practice.

Review of organisational effectiveness

47. 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.
 - The system of control is kept under review during the year by.
 - The Acas Executive Board meeting regularly to consider the plans, risks and strategic direction of Acas.
 - Full consideration of internal audit reports by the Acas Audit Committee, and the Committee Chair's regular reports to Acas Council.
 - Regular reports by internal audit, to standards defined in the Public Sector Internal Audit Standards, which include the Head of Internal Audit's opinion on the adequacy and effectiveness of Acas' system of internal control, together with recommendations for improvement.
 - The Corporate Governance Framework for Acas, which is published on our intranet and available to all staff.
 - Reports from Acas Directors on specific risks which are their responsibility and the steps they are taking in respect of them.
 - My review of the annual Corporate Governance returns by each of the Directors and the Corporate Governance Challenge Panel scrutiny of those returns.
 - The use of an organisation-wide Balanced Scorecard in conjunction with the Strategic Risk Register, to measure in-year organisational performance.
 - A systematic review of compliance with internal control procedures and governance arrangements.

- A high level assurance mapping of controls.
- Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

Covid-19

48. The Covid-19 Task Group managed the challenges of changing Government guidance, adapting internal policies and implementing rigorous health and safety protocols to ensure employee safety and organisational productivity. As Government guidance has relaxed and Acas has implemented its approach to hybrid working the task group was disbanded in February 2022, devolving decision making to the business within organisational guidelines.

Corporate Governance Challenge Panel

49. The 2021-22 Corporate Governance Challenge Panel consisted of the Chair of the Audit Committee, the Committee's Independent Financial Advisor, the Head of Internal Audit, the Chief Executive and representatives from Finance. It considered in detail the statements from the Regional Director for North of England, the Directors of Strategy and Digital, Data and Technology (DDaT).
50. The key themes identified in their statements were:
- Resourcing, and how the organisation manages its budget and resources to optimise delivery of its ambitions;
 - Managing change, and the implications on staff and delivery;
 - Cyber security and the increasing challenges faced by all organisations from cyber-attacks and fraud; and
 - Compliance with governance and financial management
51. The Head of Internal Audit prepared a series of questions and the Panel considered the response from the Directors to these; the themes were explored in detail. The Panel did not identify any significant issues related to gaps in the internal controls framework and were satisfied that nothing was discussed that would undermine the assurance that a sound system of corporate governance is being maintained.
52. It was noted that there was, again, an improvement in the quality of the returns, providing greater assurance that Acas' internal governance regime was being adhered to.

Embedding our capacity to change

53. 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 2021-2025 Strategy will be delivered by a portfolio of activity which will introduce change to all parts of Acas. A new Head of Portfolio will drive effective change and project management across the portfolio.
54. 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. Project management resource is targeted to the most significant change projects across the organisation whilst providing a consultative service for all other projects and programmes to access. Project management and change management principles are being developed for the organisation so that there are standards and guidance our people can access when managing change.

Operating Model

55. We have been reviewing the 'as-is' and designing the 'to-be' Acas operating model to ensure we have the right capabilities to deliver against the strategic ambitions.
56. The identified Operating Model changes provide a number of benefits for the organisation to increase strategic alignment, accountability, efficiency and clarity.
57. We have conducted an organisation wide consultation on the design proposal and are currently developing change implementation plans for the new design.

General Data Protection Regulations

58. Since the Government Internal Audit Agency (GIAA) awarded a 'Substantive' marking to Acas's compliance of the General Data Protection Regulations (GDPR) in the first quarter of 2020-21, GDPR practices continue to be embedded in the business. Regular reviews of data breach causes have been reported to Exec Board during 2021-22 outlining other governance measures to be put in place. Mandatory GDPR awareness training was carried out by all staff in October 2021.

Internal Compliance Reviews

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

Government Internal Audit Agency

60. The 2021-22 Internal Audit Plan reviewed the following areas:
 - External Complaints Process: to assess the design of the complaint management process; to provide assurance that the organisation's security policy regarding handling of personal data is effectively employed; and to evaluate the overall information security posture to ensure that customer data is protected.
 - Automated Call Distribution System/Workforce Management System Replacement Project: to provide assurance on the management of the programme of work to facilitate the transition to the new telephony system.
 - Risk Management: to give assurance that risk management is operating effectively and aligns to the organisational risk management framework; ensuring that risks are being identified, analysed and control activities developed; and where risks move outside of an agreed tolerance level, these are being raised to the appropriate body.
 - Payroll: to provide assurance on the adequacy and effectiveness of the system of controls in respect of Payroll administration.
 - Case Management System: to provide assurance that the new case management system is fit for purpose and that the organisation has realised benefits from the centralised data management, efficient resolution of cases, increased transparency and clear audit trails.
 - Key Financial Controls: annual assurance around financial processing, GPC and controls.
 - Management of Delivery of Strategic Programme: assurance on the governance, management and overall delivery of the portfolio of programmes supporting the Strategic Plans for 2021-22 and to assess whether risks, inter-dependencies and progress are being efficiently managed to ensure delivery of intended outcomes.

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. (final opinion pending from GIAA)
62. In summary, there were three moderate and four substantial audit opinions from the work undertaken during the year.
63. In the reports, the auditors highlighted 0 'High', 5 'Medium' and 10 'Low' priority recommendations. Progress in the implementation of agreed audit recommendations is reported to the Audit Committee. Overall, the auditors confirm that agreed recommendations have been implemented promptly.

Cyber security

64. There were no Cyber Security incidents in 2021-22. A new Cyber Security officer has been appointed to lead on work to strengthen Acas's resilience. Further improvements were made to improve Acas' Cyber Security preparedness over the course of the year. These included, but were not limited to, better exploiting Acas's monitoring tools, thorough security audits and staff awareness and education efforts.

Estates

65. During the year, we worked to ensure that we provide our staff and customers with a modern working environment. We moved into new Government and Council hubs in Mildenhall, Leeds and Birmingham. At the February Executive Board meeting, our new Estates Strategy was agreed. This recognised the need for a cost-effective modern environment, with the presumption of a desk to staff ratio of no more than 5:10. The strategy was agreed following consultation with the unions.
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:
 - Effective and consistent communications of outstanding issues.
 - The need for accurate forecasting of likely future estates costs.
 - Assurance concerning the accuracy of some of the recharges.
 - 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 (as well as with the Client Manager) to ensure transparency and resolution of key issues.

Other issues

68. The one recommendation made as part of NAO's audit of the 2020-21 Annual Report and Accounts was fully implemented and review and sign-off of all reconciliations is documented.
69. Acas' whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise their concerns about behaviours and practices within Acas. This is supported by detailed guidance on the concerns and has been made available to all staff. No issues were raised under the formal whistle-blowing arrangements during 2021-22.

70. Acas takes part in the annual Civil Service People Survey and had a completion rate of 78% of staff in the 2021 survey. The overall engagement score for 2021 was 67%, which has remained steady against the engagement score in 2020 of 68%, against a back drop of considerable change within the organisation. Acas scores stayed mainly consistent with significant improvements in management, learning and development and having a manageable workload. Areas of focus for improvement are leadership, change management, learning and development and career development.
71. We answered 83 of the 84 Freedom of Information requests received within the proscribed timeframe.
72. No data breaches were of a serious enough nature to be notified to the Information Commissioner's Office (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 to be implemented from April 2022 following a review during 2021-22. Assurance that no such conflicts have arisen for the Council and Executive Board is derived from the Related Parties exercise.
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' 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 have been 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. For 2021-22 the delivery focused on those newly in post.
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 2021-22.

Remuneration and Staff Report

1. Subject to the provisions of the Civil Service Management Code, Acas has delegated authority from the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) to determine the pay and grading of staff in non-Senior Civil Service (SCS) grades.
2. The salaries of the Acas Chair, the Certification Officer (CO), the Chair of the Central Arbitration Committee (CAC), and 6 Acas staff who are members of the Senior Civil Service are set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to:
 - The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.
 - Regional / local variations in labour markets and their effects on the recruitment and retention of staff.
 - Government policies for improving public services including the requirement on departments to meet the output targets for the delivery of departmental services.
 - The funds available to departments as set out in the government's departmental expenditure limits.
 - The government's inflation target.
3. The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at: www.ome.uk.com.
4. The salaries of the Acas Council are set by BEIS.
5. The Certification Officer (Sarah Bedwell) 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 7 (2020-21 5) senior civil servants at pay band 1, and 3 (2020-21 3) senior civil servants at pay band 2.

Remuneration (salary, bonus and pensions)

	2021-22				2020-21			
	Salary ⁶ (£'000)	Bonus payments (£'000)	Pension benefits ^{4,5} (£'000)	Total (£'000)	Salary (£'000)	Bonus payments (£'000)	Pension benefits (£'000)	Total (£'000)
Sir B Barber (Chair to 26 July 2020)	0	0	0	0	25–30	0	0	25–30
C Chapman (Chair) ^{1,3}	55–60	0	0	55–60	35–40	0	0	35–40
S Bedwell (Certification Officer)	130–135	0	52	180–185	130–135	0	52	180–185
S Clews (Chief Executive, Acas) ²	120–125	5–10	-9	120–125	120–125	5–10	43	170–175
M Tavares (Chief Executive, CAC) ³	55–60	0	21	75–80	50–55	0	99	150–155
A Cooper (Chief Operations Officer)	80–85	0	12	90–95	80–85	0–5	39	120–125
R Mackintosh (Director, Finance, Estates, and Procurement) ²	85–90	0–5	9	95–100	85–90	0	44	130–135
J Vincent (Director, Digital, Data and Technology) ²	90–95	5–10	32	125–130	90–95	5–10	32	130–135
I Wood (Director, Strategy until 10 December 2021) ³	60–65	0	4	65–70	70–75	0	26	95–100
D Ellis (Director of People) ²	70–75	5–10	28	105–110	70–75	0–5	28	100–105
K Nowicki (Director of People) ^{2,3}	65–70	0–5	41	110–115	65–70	0–5	45	110–115
W Parker (Acting Chief Operations Officer from 6 January 2022) ³	15–20	0	15	30–35	0	0	0	0

1 C Chapman is not a member of the pension scheme.

2 In 2021-22, S Clews, R Mackintosh, J Vincent, D Ellis and K Nowicki received a non-consolidated payment relating to their performance in 2020-21.

3 This table shows the amount paid to I Wood and W Parker in the reporting year, in their capacity as Director of Strategy and Chief Operations Officer respectively. I Wood's and W Parker's annual salary was in the range of £70-75k. In K Nowicki's capacity as Director of Strategy, her annual salary was £70-75k. For C Chapman and M Tavares the comparator shows amounts paid in their capacity as Acas Chair and Chief Executive of the CAC, respectively. C Chapman's annual salary 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 SCS salary levels are set in accordance with Civil Service pay policy.

8. There were compensation payments for loss of office paid to I Wood in 2021-22 totalling £102k (2020-21, nil to senior managers). There were additional amounts accrued for voluntary exit of £95k for A Cooper and £95k for W Parker. See section 17. – 19. below.

	Accrued pension at pension age as at 31 March 2022 and related lump sum (£k)	Real increase in pension and related lump sum at pension age (£k)	CETV at 31 March 2022 (nearest £k)	CETV at 31 March 2021 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
S Bedwell (Certification Officer)	10 – 15	2.5 – 5	175	130	31
S Clews (Chief Executive, Acas)	50 – 55 plus a lump sum of 155 – 160	0 plus a lump sum of 0	1,234	1,196	-9
M Tavares (Chief Executive, CAC)	25 – 30 plus a lump sum of 50 – 55	0 – 2.5 plus a lump sum of 0	440	406	11
A Cooper (Chief Operations Officer)	35 – 40 plus a lump sum of 80 – 85	0 – 2.5 plus a lump sum of 0	747	705	1
R Mackintosh (Director, Finance, Estates, and Procurement)	40 – 45 plus a lump sum of 105 – 110	0 – 2.5 plus a lump sum of 0	926	875	-3
J Vincent (Director, Digital, Data and Technology)	25 – 30	0 – 2.5	280	249	14
I Wood (Director, Strategy until 10 December 2021)	35 – 40 plus a lump sum of 95 – 100	0 – 2.5 plus a lump sum of 0	796	761	-3
D Ellis (Director of People)	10 – 15	0 – 2.5	111	93	11
K Nowicki (Director of Secretariat, Planning Performance and Change and Interim Director of Strategy from 30 November 2021)	25 – 30 plus a lump sum of 60 – 65	0 – 2.5 plus a lump sum of 0 – 2.5	569	505	32
W Parker (Acting Chief Operations Officer from 6 January 2022)	30 – 35 plus a lump sum of 100 – 105	0 – 2.5 plus a lump sum of 0 – 2.5	778	772	16

9. Average number of full-time equivalents employed during the period was as highlighted below. The increase in the average number of full-time equivalent staff reflects recruitment to meet demand for our services.

			2021-22	2020-21
	Permanently employed	Others	Total	Total
Acas national	170	23	193	198
Regional offices	797	2	799	768
Certification Office and Central Arbitration Committee	15	0	15	13
Total	982	25	1,007	979

10. Staff turnover has increased slightly from 9.3% in 2020-21 to 10.7% in the current year. The external job market has improved significantly this year providing greater opportunities. Our commitment to flexibility and health and wellbeing has managed to keep the increase in turn over to acceptable levels.

Fair pay disclosure

11. There has been a decrease from 2020-21 with respect to the full time equivalent pay of the highest paid official of 7.0%. This variance is due to a change in the official taking up the role. The highest paid official's remuneration for 2020-21 was adjusted so that the full time equivalent figure reflected what their annualised remuneration would have been based on a full time working pattern, rather than their part-time commitment. No such adjustment was required in 2021-22 since the highest paid official is employed on a full time working pattern.
12. Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid official in their organisation the median, and the upper and lower percentile remuneration of the organisation's workforce.

	2021-22	2020-21
Band of highest paid official's total remuneration (£k)	130-135	140-145
25th percentile	24,325	24,252
Ratio	5.5	5.9
Median	30,945	30,945
Ratio	4.3	4.6
75th percentile	38,673	38,326
Ratio	3.4	3.7

13. 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.
14. In 2021-22, 0 (2020-21, 0) employees received remuneration in excess of the highest paid official. Remuneration within the organisation ranged from £15,000 to £20,000 to £130,000 to £135,000 (2020-21, £15,000 to £20,000 to £140,000 to 145,000).
15. During 2021-22, the ratio of females to males employed by Acas was 1:0.7 (2020-21, 1:0.7). At Executive Board level, this ratio was 1:2.1 (2020-21, 1:2.5).

Council and CAC members

Acas Council members	2021-22 (£)	2020-21 (£)
Annual salary	1,695	1,695
Daily rate for attendance	172	172
CAC deputy chairs daily rate	522	522
CAC members daily rate	297	297
Arbitrators daily rate	371	371

16. 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

17. In 2021-22, 3 (2020-21, 3) people left under efficiency dismissal terms and received a total compensation payment of £107k (2020-21, £107k).
18. In addition, in the current year, 5 employees agreed to leave under voluntary exit terms. They are due to receive a total compensation payment of £410k, to be paid in 2022-23, broken down as follows:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10k	0	0	0
£10k - £25k	0	0	0
£25k - £50k	0	1	1
£50k - £100k	0	4	4
> £100k	0	0	0
Total number of exit packages	0	5	5
Total cost (£'000)	0	410	410

19. In the previous year, nobody left under voluntary exit terms.

Sickness absence

20. An average of 10.0 days per person were lost to sickness absences in 2021-22 (2020-21 7.2). We have seen some increases in stress related absence and there has been an increase in respiratory related absence in the back half of the year likely due to the higher rates of Covid.

Unaudited Information

Service Contracts

21. 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.
22. 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.
23. Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk/>.
24. 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.
25. 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.

26. 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.
27. 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, Finance, Estates and Procurement, and People 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.
28. Further information about the work of the Civil Service Commissioners can be found at <https://civilservicecommission.independent.gov.uk>.

Salary

29. '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.
30. 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 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to performance in 2019-20.

Gender Pay Reporting

31. In 2021-22, 59% of our workforce are women (2020-21 59%) and 43% of our Senior Civil Servants are women (2020-21 17%).

Acas Gender Pay Gap 2022

32. Our mean hourly pay gap is 7.2% (2020-21 7.3%) in favour of men. Our median hourly pay gap is 6.1% (2020-21 1.1%) in favour of men.
33. In the financial year 2021-22, overall headcount decreased by 2.8% from 1,058 to 1,028 (including a decrease in pay-gap-eligible employees from 1,044 to 1,012 (3.1%)). Changes in the demographic of our workforce means that we have seen some fluctuation in gender pay gap figures. The majority of starters and leavers were in grades 9 and 10, and a larger proportion of new recruits were women. There is a tendency for starters to earn less than leavers and for men to earn more at grade 9 than women which may partly explain why our median pay gap has increased. We have also seen an increase of women within SCS grades having a small effect on the mean.

Acas Gender Bonus Gap 2022

34. The mean bonus pay gap is 19.4% (2020-21 17.7%) in favour of men. The median bonus pay gap is 9.9% (2020-21 11.1%) in favour of men.
35. Excluding SCS from the dataset, the mean pay gap stays the same, but the mean bonus gap reduces to 9.5%.

Pay by Quartile

36. The table below shows the proportion of women and men in each pay quartile for Acas. It shows that there is a higher proportion of females in all quartiles except the upper pay quartile.

Proportion of male and female employees in each quartile.		
Quartile	Female %	Male %
Lower quartile	62.8	37.2
Lower middle quartile	60.9	39.1
Upper middle quartile	63.2	36.8
Upper quartile	48.2	51.8

Steps we are taking to address our gender pay gap.

37. The 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 by moving to a hybrid working model, allowing many colleagues to work from home or other suitable locations more frequently in the future.
 - Support for women returning to work through shared parental leave, job sharing, compressed hours, part-time, remote working (including working from home) and term-time only opportunities – plus, encouraging men to also take advantage of flexible working arrangements.
 - Continuing to monitor pay to identify pay differences and take targeted action where appropriate, 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 making sure full management information (mi) data is collected to ensure fairness of recognition awards across all grades and gender.
 - Continuing our approach to anonymise the job application process to reduce the potential for bias and making sure that all panel members have undergone recruitment training which includes ensuring diversity and success profiles.
 - Aiming 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

38. 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.
39. 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.
40. 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).

41. 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.
42. 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).
43. 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).
44. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

45. 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.

46. 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.
47. 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

48. Highly paid off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater:

No. of existing engagements as of 31 March 2022	9
Of which...	
For less than one year at the time of reporting	8
For between 1 and 2 years at the time of reporting	1
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 4 and more years at the time of reporting	0

49. All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater:

Number of new engagements between 1 April 2021 and 31 March 2022	14
Of which.....	
Not subject to off-payroll legislation	10
assessed as caught by IR35	0
assessed as not caught by IR35	4

50. None of the engagements that were not caught by the legislation were reassessed for assurance purposes due to the short-term nature of the engagements and the roles not changing over their term. We have not received any disputes around status determination.
51. There were no off-payroll engagements of board members or senior officials with significant financial responsibility during the year.

Trade union facility time

52. Acas recognises PCS and FDA Trades Unions.

53. During the year, there were 47 (or 44.7 FTE) employees who were relevant union officials in PCS and 1 (or 1 FTE) FDA official (total 33/ 31.9 FTE 2020-21). This equates to 5% (2020-21 4%) of the total number of permanently employed staff. The facility time (as a percentage of their working time) was:

Percentage of time	2021-22 Number of employees	2020-21 Number of employees
0%	18	22
1-50%	30	11
51-99%	0	0
100%	0	0

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

	2021-22 £000	2020-21 £000
Total cost of facility time	118	105
Total pay costs	45,388	43,907
Percentage of total pay bill spent on facility time	0.3%	0.2%

55. 99% (2020-21 97%) of total paid facility time hours were spent on paid trade union activities.



Susan Clews
Accounting Officer
Acas
6 July 2022

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 2022 under the Trade Unions and Labour Relations (Consolidation) Act 1992.

The financial statements comprise the Advisory, Conciliation & Arbitration Service's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual.

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 2022 and its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards as adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the Trade Unions and Labour Relations (Consolidation) Act 1992.

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 (UK) (ISAs UK), applicable law and Practice Note 10 Audit of *Financial Statements and Regularity 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 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 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 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 financial statements nor my auditor's certificate thereafter. The Accounting Officer is 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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the requirements of HM Treasury's Financial Reporting Manual and the Trade Unions and Labour Relations (Consolidation) Act 1992.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the requirements of HM Treasury's Financial Reporting Manual and the Trade Unions and Labour Relations (Consolidation) Act 1992; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

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 and Accountability Report.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Advisory, Conciliation & Arbitration Service 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; 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 Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error; and
- 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 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Advisory, Conciliation & Arbitration Service's accounting policies and performance incentives.
- Inquiring of management, the Government Internal Audit Agency 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 Advisory, Conciliation & Arbitration Service's compliance with the Trade Unions and Labour Relations (Consolidation) Act 1992 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Advisory, Conciliation & Arbitration Service for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Advisory, Conciliation & Arbitration Service's framework of authority as well as other legal and regulatory frameworks in which the Advisory, Conciliation & Arbitration Service operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in 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 Trade Unions and Labour Relations (Consolidation) Act 1992, Managing Public Money and relevant employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;

- 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 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. This description forms part of my certificate.

Other auditor's responsibilities

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

11 July 2022

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

Statement of comprehensive net expenditure

consists of:

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

	Note	£'000	2021-22 £'000	£'000	2020-21 £'000
Income	3		3,677		1,924
Expenditure					
Staff costs	4	(45,388)		(43,907)	
Depreciation	5	(2,099)		(882)	
Other expenditure	5	(11,349)		(11,843)	
			(58,836)		(56,632)
Net expenditure			(55,159)		(54,708)
Other comprehensive expenditure					
Net gain/(loss) on revaluation of property, plant and equipment and intangibles	6		174		35
Total comprehensive net expenditure for the year ended 31 March 2022			(54,985)		(54,673)

The notes on pages 76–92 form part of these accounts.

Statement of financial position

as at 31 March 2022

consists of:

Advisory, Conciliation and Arbitration Service
Central Arbitration Committee
Certification Office

	Note	31 March 2022		31 March 2021	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6.1	1,873		2,524	
Right of use assets	6.2	5,315		0	
Intangible assets	6.3	5		36	
Total non-current assets			7,193		2,560
Current assets					
Trade and other receivables	7	1,900		2,451	
Cash and cash equivalents	8	347		0	
Total current assets			2,247		2,451
Total assets			9,440		5,011
Current liabilities					
Cash and cash equivalents	8	0		(896)	
Trade and other payables	9	(5,669)		(7,308)	
Lease liabilities	10	(1,558)		0	
Provisions	11	(296)		(192)	
Total current liabilities			(7,523)		(8,396)
Total assets less current liabilities			1,917		(3,385)
Non-current liabilities					
Lease liabilities	10	(4,085)		0	
Provisions	11	(752)		(850)	
Total non-current liabilities			(4,837)		(850)
Assets less liabilities			(2,920)		(4,235)
Reserves					
General reserve			(3,359)		(4,757)
Revaluation reserve			439		522
			(2,920)		(4,235)

The notes on pages 76–92 form part of these accounts.

These accounts were approved on:



Susan Clews
Accounting Officer
Acas
6 July 2022

Statement of cashflows

for the period ended 31 March 2022

consists of:

Advisory, Conciliation and Arbitration Service
Central Arbitration Committee
Certification Office

	Note	2021-22 £'000	2020-21 £'000
Cash flows from operating activities			
Net operating cost		(55,159)	(54,708)
Adjustments for non-cash transactions	5	2,523	983
(Increase)/Decrease in trade and other receivables	7	551	(13)
Increase/(Decrease) in trade and other payables	9	(1,639)	(654)
Increase/(Decrease) in lease liabilities	10	5,643	0
Increase/(Decrease) in provisions	11	6	(298)
Net cash outflow from operating activities		(48,075)	(54,690)
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(196)	(1,111)
Cumulative catch up and purchase of right of use assets	6.2	(6,780)	0
Purchase of intangible assets	6.3	(6)	(45)
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals of right of use assets	6.2	0	0
Proceeds of disposals of intangible assets	6.3	0	0
Net cash outflow from investing activities		(6,982)	(1,156)
Cash flows from financing arrangements			
Grants from sponsoring department		56,300	51,500
Net cash inflow from financing arrangements		56,300	51,500
Net (decrease)/increase in cash and cash equivalents in the period		1,243	(4,346)
Cash and cash equivalents at the beginning of the period	8	(896)	3,450
Cash and cash equivalents at the end of the period	8	347	(896)

The notes on pages 76–92 form part of these accounts.

Statement of changes in taxpayers' equity for the period ended 31 March 2022

consists of:

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

	General reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2020	(1,589)	527	(1,062)
Changes in taxpayers' equity for 2020 to 2021			
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
Balance at 31 March 2021	(4,757)	522	(4,235)
Changes In taxpayers' equity for 2021 to 2022			
Net gain/(loss) on revaluation of property, plant and equipment	0	174	174
Transfers between reserves	257	(257)	0
Comprehensive net expenditure for the year	(55,159)	0	(55,159)
Grant from sponsoring department	56,300	0	56,300
Balance at 31 March 2022	(3,359)	439	(2,920)

Notes to the accounts

for period ended 31 March 2022

1. Statement of accounting policies

1.1 Basis of preparation

These Accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) 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 FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM 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.

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	term of lease
Software Licences	Life of agreement

1.9 Development expenditure

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

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

1.10 Leases

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 and in agreement with HM Treasury, Acas adopted 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 introduces 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).

Implementation and Assumptions

Acas has adopted IFRS 16 on the cumulative catch-up basis as mandated in the FReM, and therefore the comparative information has not been restated and continues to be reported under IAS 17 "Leases".

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, or any lease incentives received.

Acas has elected not to recognise right of use assets and lease liabilities for the following leases:

- intangible assets;
- non-lease components of contracts where applicable;
- low value assets (valued at less than £10k); and
- leases with a lease term of 12 months or less.

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.

Previous treatment

Leases were recognised in accordance with IAS 17 Leases up to 31 March 2021:

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.

Policy applicable from 1 April 2021

At inception of a contract, Acas assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, Acas assesses whether:

- The contract involves the use of an identified asset;
- Acas has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- Acas has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2021.

At inception or on reassessment of a contract that contains a lease component, Acas allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

Acas assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. Acas reassesses this if there are significant events or changes in circumstances that were not anticipated at inception.

Right of use assets

Acas recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets is subsequently measured at current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use (consistent with the principles for subsequent measurement of property, plant and equipment). Right of use assets are revalued upon a change in rent associated with the underlying lease.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

Acas applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (HMT). The HMT discount rates were 0.91% for leases entered into prior to 31 December 2021, or 0.95% after 1 January 2022.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the rate or if Acas changes its assessment of whether it will exercise an extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- Lease payments in an optional renewal period if Acas is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Acas is reasonably certain not to terminate early.

When the lease liability is re-measured a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

Impact on financial statements

On transition to IFRS 16, Acas recognised an additional £4,801k of right of use assets and £5,210k of lease liabilities.

When measuring lease liabilities, Acas discounted lease payments using rates using the HMT discount rate of 0.91%.

	(£'000)
Operating lease commitment at 31 March 2021	5,900
Exemptions for	
Short terms leases	(452)
Leases of low value assets	(19)
Discounted using discount rates	(219)
Lease liabilities recognised at 1 April 2021	5,210

1.11 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 0.47% to 0.70%).

1.12 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.

1.13 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.

1.14 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.

1.15 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 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.

1.16 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 2022, 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 2022 to 2023 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 2022 to 2023 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 2022 to 2023 in line with the indicative budgets supplied by the BEIS finance and sponsor teams.

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 15 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.

Holiday pay accrual

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.

Valuation of non-current assets

The value of property, plant and equipment and intangibles are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or other limits on the use of an asset. The valuation of right of use assets assumes that the discounted lease costs are an appropriate proxy for value in existing use. See Notes 6.1 – 6.3.

Extension options

At lease commencement Acas makes a decision as to whether we are reasonably certain to be exercising break clauses or extension options. This estimate determines the length of the lease term impacting the lease liabilities and right of use assets. See Notes 6.2 and 10.

Provisions

The provisions reported in Note 11 reflect judgements about the likelihood that a future transfer of economic benefits will arise as a result of past events. A provision is recognised where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty. Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed.

1.20 New IFRSs in issue but not yet effective and FReM changes 2021 to 2022

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts', which requires reporters to identify insurance contracts, and for those contracts recognise an insurance contract liability. The IASB announced the deferral of IFRS 17 until 1 January 2023 and therefore, the implementation timetable in the public sector is being extended to at least 1 April 2023. Acas has assessed the implementation of IFRS 17 and has concluded that there will be no impact from its introduction.

There are no other major changes to FReM in 2021 to 2022 which would impact on Acas's future financial statements.

2. Segmental analysis

2021-22	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'000	Total £'000
Income						
Total	0	0	0	(3,668)	(9)	(3,677)
Expenditure						
Total salaries	1,834	28,302	11,165	2,566	1,521	45,388
Total other expenditure	792	6,761	3,050	458	288	11,349
Depreciation	166	1,063	605	196	69	2,099
Total expenditure	2,792	36,126	14,820	3,220	1,878	58,836
Net expenditure	2,792	36,126	14,820	(448)	1,869	55,159

2020-21	Public services £'000	Conciliation IC and CC £'000	Helpline £'000	Good practice services £'000	CO/CAC £'000	Total £'000
Income						
Total	0	0	0	(1,917)	(7)	(1,924)
Expenditure						
Total salaries	2,044	26,789	10,654	2,981	1,439	43,907
Total other expenditure	1,110	6,007	3,935	387	404	11,843
Depreciation	70	447	254	82	29	882
Total expenditure	3,224	33,243	14,843	3,450	1,872	56,632
Net expenditure	3,224	33,243	14,843	1,533	1,865	54,708

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 fulfilment 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 accounts.

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.

	2021-22			2020-21		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	3,662	9	3,671	1,916	7	1,923
Other receipts	6	0	6	1	0	1
	3,668	9	3,677	1,917	7	1,924

	2021-22	2020-21
	£'000	£'000
Receipts from fees and other operating receipts (Acas)	3,668	1,917
Total expenditure	(3,220)	(3,450)
Net surplus	448	(1,533)

The CAC has no operating income.

4. Staff costs

The aggregate payroll costs were as follows:

Acas			2021-22	2020-21
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	31,564	445	32,009	31,780
Social security costs	3,328	9	3,337	3,136
Other pensions costs	8,464	27	8,491	7,936
Voluntary exit scheme	410	0	410	0
Total Net Costs	43,766	481	44,247	42,852

CO & CAC			2021-22	2020-21
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	770	78	848	787
Social security costs	87	0	87	82
Other pensions costs	206	0	206	186
Voluntary exit scheme	0	0	0	0
Total net costs	1,063	78	1,141	1,055

Total Acas, CO & CAC			2021-22	2020-21
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	32,334	523	32,857	32,567
Social security costs	3,415	9	3,424	3,218
Other pensions costs	8,670	27	8,697	8,122
Voluntary exit scheme	410	0	410	0
Total net costs	44,829	559	45,388	43,907

5. Other expenditure

	2021-22			2020-21		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	2,715	32	2,747	4,351	213	4,564
Running costs	1,061	12	1,073	1,497	12	1,509
Contractor and consultant fees	2,526	0	2,526	1,267	0	1,267
Professional fees	1,545	0	1,545	1,365	14	1,379
Travelling and incidental expenses	99	9	108	6	0	6
Computer software	1,589	1	1,590	1,890	1	1,891
Staff training costs	411	2	413	417	1	418
Research and development costs	454	7	461	513	6	519
Legal costs	157	21	178	159	29	188
Equipment rental	39	0	39	64	1	65
Services provided by OGDs	94	0	94	45	6	51
External audit fees	66	0	66	59	0	59
Fees and expenses of arbitrators, conciliators & CAC members	17	5	22	30	0	30
Bad debts	4	0	4	79	0	79
Conference costs	0	4	4	0	2	2
Provisions for liabilities and charges – dilapidations	0	0	0	(294)	0	(294)
Change in, and unwinding of, discount rate	5	0	5	9	0	9
Finance charge	50	0	50	0	0	0
<i>Non-cash costs:</i>						
Depreciation	2,099	0	2,099	882	0	882
Revaluation	37	0	37	10	0	10
Losses, write offs and loss on disposal of property, plant and equipment	387	0	387	91	0	91
Other non-cash movements	0	0	0	0	0	0
	13,355	93	13,448	12,440	285	12,725

6.1 Property, plant and equipment

Property, plant and equipment 2021-22

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'000	Furniture fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2021	0	2,419	7,372	1,042	10,833
Additions	0	0	194	2	196
Disposals	0	0	(1,872)	(26)	(1,898)
Revaluations	0	387	(29)	19	377
Impairment	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2022	0	2,806	5,665	1,037	9,508
Depreciation					
At 1 April 2021	0	1,383	6,212	714	8,309
Charge in year	0	165	383	84	632
Disposals	0	0	(1,525)	(24)	(1,549)
Revaluations	0	245	(14)	12	243
Adjustment	0	0	0	0	0
At 31 March 2022	0	1,793	5,056	786	7,635
Net book value at 31 March 2022	0	1,013	609	251	1,873
Asset financing					
Owned	0	1,013	609	251	1,873

Property, plant and equipment 2020-21

	Assets under construction £'000	Leasehold improvements £'000	Computer hardware, telecomms & office mach. £'000	Furniture fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 April 2020	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
At 31 March 2021	0	2,419	7,372	1,042	10,833
Depreciation					
At 1 April 2020	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
Impairment	0	0	0	0	0
At 31 March 2021	0	1,383	6,212	714	8,309
Net book value at 31 March 2021	0	1,036	1,160	328	2,524
Asset financing					
Owned	0	1,036	1,160	328	2,524

6.2 Right of use assets

Right of use assets 2021-22

	Buildings £'000	Total £'000
Cost or valuation		
At 1 April 2021	0	0
Cumulative catch up	4,801	4,801
Capitalised dilapidations provision	112	112
Additions	1,867	1,867
Disposals	0	0
Revaluation	0	0
Transfers	0	0
At 31 March 2022	6,780	6,780
Depreciation		
At 1 April 2021	0	0
Charge in year	1,465	1,465
Disposals	0	0
Revaluation	0	0
At 31 March 2022	1,465	1,465
Net book value at 31 March 2022	5,315	5,315
Asset financing		
Financed	5,315	5,315

Right of use assets represent the value of leases for 10 Acas office buildings.

6.3 Intangible assets

Intangible assets 2021-22

	Assets under construction £'000	Computer software £'000	Total £'000
Cost or valuation			
At 1 April 2021	0	9,727	9,727
Additions	0	6	6
Disposals	0	(9,721)	(9,721)
Revaluation	0	(1)	(1)
Transfers	0	0	0
At 31 March 2022	0	11	11
Amortisation			
At 1 April 2021	0	9,691	9,691
Charge in year	0	2	2
Disposals	0	(9,686)	(9,686)
Revaluation	0	(1)	(1)
At 31 March 2022	0	6	6
Net book value at 31 March 2022	0	5	5
Asset financing			
Owned	0	5	5

Intangible assets 2020-21

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

7. Trade receivables and other current assets

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade receivables	528	507
Prepayments	1,344	1,903
Deposits and advances (staff)	28	41
	1,900	2,451

8. Cash and cash equivalents

	2022 £'000	2021 £'000
Balance at 1 April	(896)	3,450
Net change in cash and cash equivalent balances	1,243	(4,346)
Balance at 31 March	347	(896)
The following balances at 31 March are held at:		
Government Banking Service	347	(896)

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

	2022 £'000	2021 £'000
Trade and staff payables	1,787	2,241
VAT	128	115
Accruals	2,446	3,144
Holiday pay	910	1,547
Deferred income	398	261
	5,669	7,308

10. Lease liabilities

	2022 Buildings £'000	2021 Buildings £'000
Obligations under operating leases		
Not later than one year	1,558	0
Later than one year and not later than 5 years	3,180	0
Later than 5 years	905	0
Present value of obligations	5,643	0

Amounts recognised in the SoCNE

Interest on lease liabilities (Finance charge)	50	0
Expenses relating to short term liabilities (Accommodation costs)	599	0
Expenses relating to leases of low value (Equipment rental)	39	0

Acas has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. See Note 1.10 Leases for further details.

11. Provisions and contingent liabilities

11.1 Provisions for liabilities and charges 2021-22

	Future pensions ¹ £'000	Dilapidations ² £'000	Total £'000
Opening provisions at 1 April 2021	0	1,042	1,042
In period:			
Expenditure during year	0	(87)	(87)
Increase in provisions	0	102	102
Reversed unused in the year	0	(14)	(14)
Change in, and unwinding of, discount rate	0	5	5
Closing provision at 31 March 2022	0	1,048	1,048
Summary of cashflow timings			
Within 1 year	0	296	296
Between 2 and 5 years	0	532	532
Beyond 5 years	0	220	220
Total	0	1,048	1,048

11.2 Provisions for liabilities and charges 2020-21

	Future pensions ¹ £'000	Dilapidations ² £'000	Total £'000
Opening provisions at 1 April 2020	11	1,328	1,339
In period:			
Expenditure during year	(11)	(1)	(12)
Increase in provisions	0	249	249
Reversed unused in the year	0	(543)	(543)
Change in, and unwinding of, discount rate	0	9	9
Closing provision at 31 March 2021	0	1,042	1,042
Summary of cashflow timings			
Within 1 year	0	192	192
Between 2 and 5 years	0	627	627
Beyond 5 years	0	223	223
Total	0	1,042	1,042

¹ Provision for future years' pensions for former chair persons. Provision fully utilised in 2020-21.

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

11.3 Contingent liabilities

The estimated cost of legal cases outstanding against Acas as at 31 March 2022 was £271k (2021, £510k). The expected timings of these payments remain uncertain given the stages we are at with proceedings.

12. Capital commitments

Acas is committed to further estates moves in 2022-23 for which it is estimated £1,200k capital expenditure (2021-22, £1,200k) will be incurred.

13. Commitments under operating leases

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

	2021-22		2020-21	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Obligations under operating leases				
Not later than one year	0	14	1,908	19
Later than one year and not later than 5 years	0	11	3,465	0
Later than 5 years	0	0	507	0
	0	25	5,880	19

Qualifying leases are reported under IFRS 16 from 1 April 2021. See note 1.10 for further details.

14. 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.

15. 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).

16. Events after the accounting period

A number of legal cases open as at 31 March 2022 were settled after the reporting date, thus, resulting in an adjusting post balance sheet event. Initially, estimated associated costs were included in Contingent liabilities, note 11.3, however, these are now included within accruals, Note 9. The total amount accrued is £37k.

There have been no other events after the balance sheet date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements. There were no non-adjusting events after the accounting period which require disclosure.

The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General's signature.

