

acas working
for everyone

Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2022-23

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Presented to Parliament pursuant to Section
253(1) of the Trade Union

and Labour Relations (Consolidation) Act 1992.

Ordered by the House of Commons to be
printed 13 July 2023



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ISBN 978-1-5286-4074-9

E02901855 24/05

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

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Foreword from the Chair and Chief Executive

Acas has over 125 years of experience in dispute resolution and the promotion of strong industrial relations practices. With the cost of conflict in Britain calculated to be over £28.5bn a year, Acas is a critical national asset providing proven, profound expertise in improving organisations, working life and productivity.

Over the past year we have resolved more individual disputes at an earlier stage than ever before in our history, which has avoided costly employment tribunals. We have also had a significant increase in the demand for our collective dispute resolution services with high inflation, the cost-of-living crisis and labour shortages leading to tensions in many workplace relationships and large-scale disputes across many sectors.

This report shows the excellent performance delivered by Acas throughout 2022-23. We met or exceeded all our key performance indicators (KPIs) which are designed to measure the positive impact of our work on employers, employees and the wider economy.

While there have been large scale disputes across the country our expertise, impartiality and independence have been key in getting parties talking and exploring solutions. During the year, we have been formally

involved in 621 collective disputes, predominantly in the private sector, and our intervention was key to achieving a resolution in 91% of these. We have helped to reduce the cost of conflict on the wider economy and have limited the number of days lost through strike action. Nevertheless, the country has experienced a sharp increase in industrial action, particularly in the public sector, and we have continued to promote the value of dialogue to all parties.

We are equipping Acas to respond quicker and more effectively to the current challenges in the economy and labour market – including making our Individual Dispute Resolution an exemplar service. We are doing this by embracing digital opportunities to make the service even more efficient and accessible. We are resolving disputes more quickly and are reducing the number of cases progressing to an employment tribunal. Out of the 105,000 early conciliation (EC) notifications we received, we helped over 72,000 find an early resolution to their issue, avoiding the need to proceed with a tribunal claim. This reduced demands on employment tribunals and delivered up to £100m savings to the taxpayer.

Our advice services are helping to prevent conflict from developing in the first instance and are supporting businesses to upskill and grow. Through our website, helpline and training services we have helped millions of employees and businesses over the year. The cost-of-living crisis has made it a particularly challenging year for low paid workers and small and medium businesses and

we have expanded the way we deliver our services to best meet their needs. We have explored new ways of interacting and have provided more digital advice and training products that better align with their needs and availability.

As we finish this year, we firmly believe that Acas is stronger and more resilient as a result of the once-in-a-century challenges of recent years.

Our colleagues at Acas have been at the heart of everything we have achieved. We want to thank them for their expert work and commitment. We also thank our Council members who provide invaluable insight and support, our partners who have helped us raise awareness of our services and the Department for Business Energy & Industrial Strategy (BEIS)(now Department for Business and Trade (DBT)) for their support.



Clare Chapman
Chair



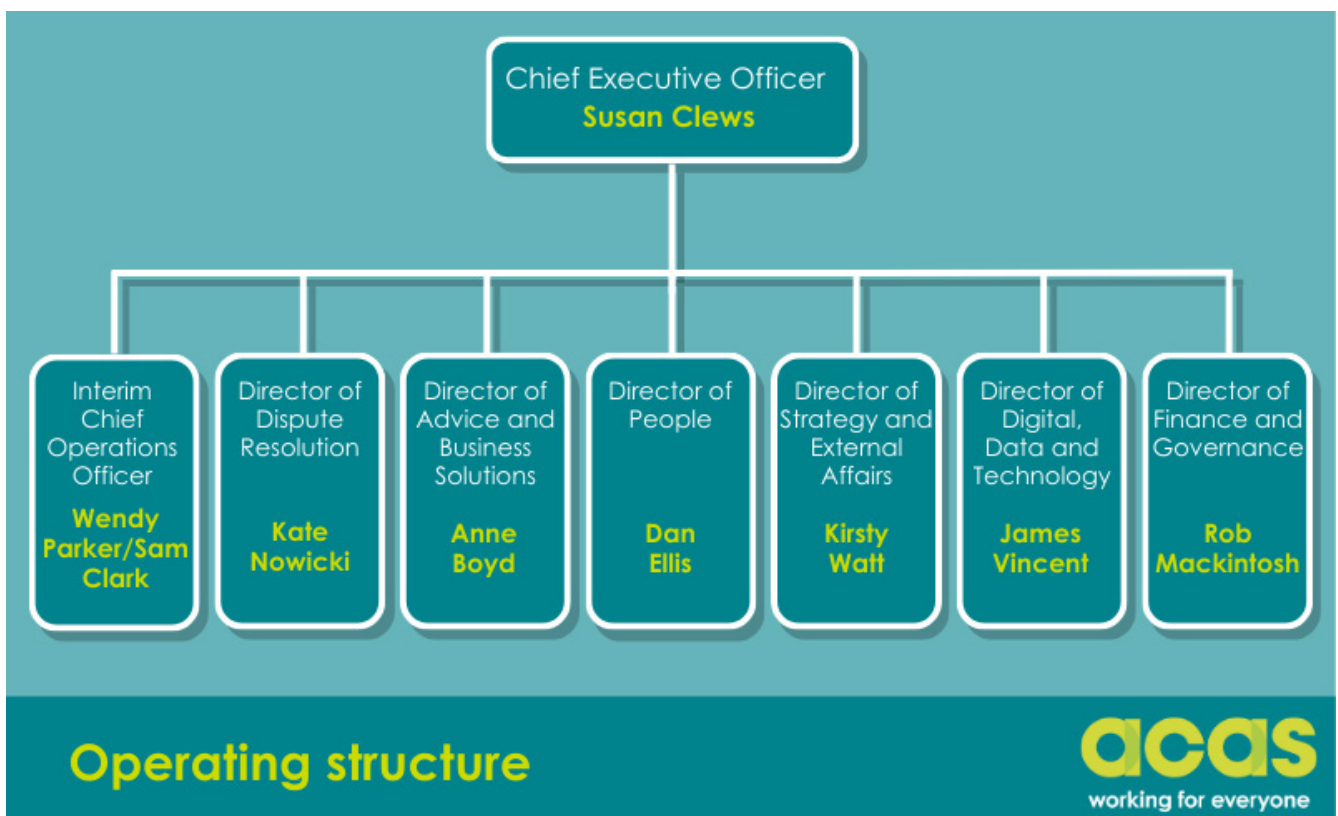
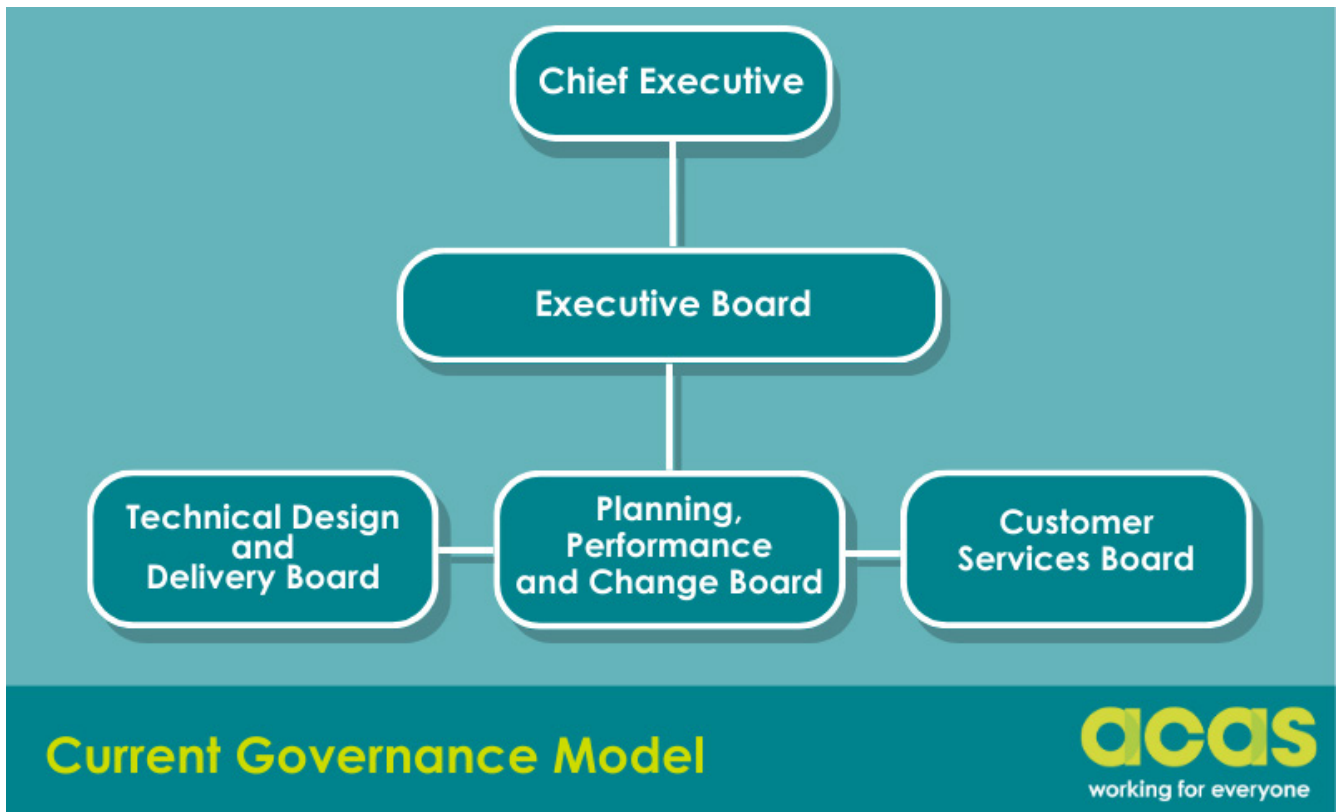
Susan Clews
Chief Executive

Performance Report

Performance Overview

Who we are

Our structure





Current Governance Model



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.

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.

Neil Carberry (Acas Council since July 2014)

Neil Carberry is the Chief Executive of the Recruitment and Employment Confederation. He is a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD). He serves as a board member of the WEC, TP Group and a Primary Academy Trust in Oxfordshire.

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.

Jayne Haines (Acas Council since April 2018)

Jayne is Head of Talent at Rio Tinto, focused on employee experience, engagement and the future of work. She has worked at the European Commission, and Royal Mail and GlaxoSmithKline. 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 recently stepped down as Chair of the charitable organisation, Women in Sport and is now the Chair of Berkshire Cricket. She is a Member of the Employers' Board of the Kings College Global Institute for Women's Leadership.

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.

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.

Our purpose

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

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

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

Our Strategic Objectives

We are currently mid-way through our 4-year strategy running from 2021-25 that is based around Making Working Life Better for Everyone in Britain and is built around the delivery of 4 ambitions.

Ambition 1 – Growing 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 all over the country.

Ambition 2 – Resolving disputes more quickly and effectively

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

Ambition 3 – Forging 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.

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.

Our year in numbers



14.4m
website
sessions



£100m
potential
savings to the
taxpayer



649,000
helpline calls
answered



41,000
delegates
trained



£60.3m
budget
1011 people



Over **600**
collective
conciliations
handled



105,000
early conciliation
notifications



23,000
joined an
Acas webinar

acas working
for everyone

Highlights of 2022-23

Despite a challenging labour market and an increase in demand on our services this has been a truly successful year for Acas. We have made solid progress against our ambitious strategy, and we have met or exceeded all our Key Performance Indicators. Our key highlights include:

1. We settled 91% of the 621 collective disputes where our services were requested.
2. We reduced the average time it takes for a case to reach a conciliator to begin EC from 5 days to 1 day, a significant service improvement.
3. Out of the 105,000 EC notifications we received, we helped over 72,000 find an early resolution to their issue, avoiding the need to proceed with a tribunal claim. This reduced demands on employment tribunals and delivered up to £100m savings to the taxpayer.
4. Of those cases which progressed to a claim, we helped 77% reach a resolution which means that overall, only 9% of the EC notifications we received progressed to an employment tribunal hearing.
5. Our website continues to be highly popular for employers and employees seeking advice on employment rights, with over 14.4 million sessions in 2022-23.

6. We answered over 649,000 helpline calls from employers and employees across Great Britain and 87% of helpline customers were able to take clear action following their call.
7. We trained over 41,000 people and met both our KPIs, with 92% of workplace delegates reporting the course met its intended objective and 83% of Open Access & Webinar customers reporting that the training met their learning needs. Our good practice services reached around 5,000 more customers.
8. We shared our in-depth knowledge and insight by responding to 5 public consultations, taking a leading role in the government's flexible working taskforce and supporting the further development of good work charters across Britain.
9. We designed a new operating model for Acas and began to transition to our new design structure.
10. An accessibility audit of our services found that we offer a range of accessible options by default and that there are no significant identifiable gaps in our service offer.

Future Plans

In 2023-24, we will build on our successes of the last year and continue to adapt our services to meet the increasing demands on our resources. We will focus our work through our 4 strategic ambitions:

Ambition 1: Growing our reach and access

We will:

- Improve the position of Acas as a business support provider.
- Help employers get the basics right to get ahead and tackle the issues that drive disputes.

Ambition 2: Resolving disputes more quickly & effectively

We will increase settlement rates through:

- Better use of technology.
- Upskilling our teams.
- Increasing Acas's visibility and reputation as experts in workplace dispute resolution.

Ambition 3: Forging consensus on the biggest challenges facing work and working life

We will:

- Publish Acas data to bring our unique insight to workplace relations.
- Bring partners together and use our insight to raise standards for a better world of work (Good Work Charters, the Environment, Social and Governance (ESG) agenda).
- Improve understanding of and capability in workplace conflict and dispute resolution to reduce the cost of conflict in Great Britain.

Ambition 4: Embracing difference, increasing inclusion, creating fairness

We will:

- Take action to increase our service accessibility to better meet customer needs as well as be legally compliant.
- Establish workplace good practice guidance and products on mental health workplace adjustments.
- Take action to further promote equality, diversity and inclusion in Acas.

Risk Summary

The principle risks faced by Acas are as follows:

- Significantly high inflation continues in the medium term, adversely impacting future year budgets, especially at the end of the Spending Review period.
- The uncertainty of multiple change programmes both within and on Acas that could have a negative impact on Employee Engagement in Acas.
- Changes to employment regulations and future uncertainty are causing tension in industrial relations and the ability to plan for Acas and the wider business environment.

Going Concern

The Executive Board have reviewed Acas' presumption of preparing the Annual Report and Accounts on a going concern basis and have concluded that it is correct to do so. The primary consideration remains that Acas' functions are statutory under the Trade Union and Labour Relations (Consolidation) Act 1992. There is no indication that this legislation is to be repealed.

On 7th February 2023, the Prime Minister announced a major machinery of government change which redistributed the activities of several existing government departments, including BEIS, and created three new departments, the Department for Business and Trade, the Department for Digital, Science, Innovation and

Technology, and the Department for Energy Security and Net Zero. Acas has been designated to the Department for Business and Trade (DBT) with accounting officer responsibilities formally transferred from 1st April 2023.

BEIS have issued an indicative Allocation Letter for 2023-24 and 2024-25 with additional funding to 'relieve upstream 'pressures'. This points to the funding of Acas in the longer term.

Performance Analysis

Delivery against our strategic objectives

This section details the organisation's performance against its strategic ambitions in 2022-23.

Ambition 1 Growing our reach and access

We have sought to reach out and provide more tailored support to those vulnerable workers, small and medium sized employers, and sectors that have historically not been aware of our advice and the support we can provide. We have focused our resources on:

Designing our services to deliver more effectively and more efficiently

During 2022-23 we completed several research and discovery projects to better understand our customers and assist us in designing our services to best meet their needs.

A key project looked at the design of our services and the journeys customers take to access them. It mapped out how our services are currently used and identified the potential pain points for our users and our staff. The data and insight gathered has led to the adoption of key

principles that our services will follow and identified several projects to make our services more user-centred, efficient, and joined up – so that users can move more easily from our dispute resolution team to our advice services for example.

We also audited our services to assess how accessible they are. While we have a requirement via the Public Sector Equality Duty (PSED) to remove barriers that people might face when using our services, we want to go beyond our legal obligations and are using the audit to make sure our customers receive a great experience, regardless of their needs and the service they are using.

The audit confirmed that we are already performing well, that we offer a range of accessible options by default to customers and that there are no significant identifiable gaps in our service offer. We have implemented some changes to accessibility to ensure we keep improving our services further.

Helping more small and medium sized businesses

We have used our data and insights to identify where our work will have the biggest impact and have adapted our services accordingly. We are particularly keen to help more small and medium sized businesses. We are changing our approach to provide more tailored advice and support through digital channels, which we have

found better meets their needs, allowing access at the most convenient time for them and their business.

We doubled the number of webinars for customers (21 in 2021-22 to 42 2022-23). Our webinars attracted over 23,500 people to attend live or watch at a later point (a 120% increase compared to 2021-22). We have been alert to market changes and customer needs and balanced our core topics on areas such as absence, discipline and grievance with new offerings such as – ‘Business support: managing in difficult times’, which provided advice on how employers can support their staff during the cost-of-living crisis.

We introduced a new 1 hour ‘bitesize’ training product, specifically designed for micro, small and medium sized businesses, who lack time to attend longer events. Over the course of the year, we ran 17 events, which attracted 628 delegates. Feedback has been extremely positive and has led to many delegates attending more in-depth training after a ‘bitesize’ session. We intend to continue and expand our offer next year.

Growing our network of partners

As part of our partnership programme, we have worked with priority partners to extend our reach to employers, including working with the Federation of Small Businesses (FSB). We have worked closely with Companies House, who have shared our content across a huge audience through their newsletter. Additionally, we partnered with professional networks who provide

support to small businesses, for example the Chartered Institute of Payroll Professionals (CIPP) and Institute of Chartered Accountants in England and Wales (ICAEW) on conferences, signposting across their websites.

Acas staff, including the CEO and Chair spoke at 66 external events, sharing our insight and expertise on a range of issues. Events included the – HRtechX: HR Conference (1,000+ delegates) Companies House: Directors' Responsibility Webinar (650 delegates) CIPP: Annual Conference and Exhibition (350 delegates) and Trade Union Congress (TUC): Disability discrimination and reasonable adjustments webinar (1,200 delegates).

Ambition 2: Resolving disputes more quickly and effectively

We have explored new ways and processes to resolve disputes more quickly and effectively to reduce the cost of conflict on individuals and the wider economy. Despite our dispute services being in high demand throughout the year, we were still able to focus resources on:

Delivering a stronger customer experience

We have continued our Smarter Resolution Programme in individual dispute resolution and have invested significantly in our people, our processes and our technology. Much of this investment has been jointly funded with the Ministry of Justice (MoJ) and BEIS.

We have changed and improved our EC notification process, making it more accessible and easier to use, gathering relevant information quickly so that we can rapidly get the case to a conciliator. This means that we can start discussions on how the issue might be resolved quicker than ever before.

We have automated some of our internal processes to reduce the time that cases are waiting to be allocated to a conciliator. This includes improvements in how we handle large groups of individual claims against single employers so that we can now more readily recognise cases that are part of the same dispute, getting the cases

to the right person to deal with them as quickly as possible. We are now able to get 70% of our cases to a conciliator within 1 day of notification compared to an average of around 5 days previously.

We have also improved our web content and have introduced new videos that help users understand our service, their claim, and the relevant law.

Reducing the volume of ET cases in the system

We have worked closely with MoJ and His Majesty's Courts & Tribunal Service (HMCTS) to support them in reducing the volume of ET cases in the court system. We established a specialist team, funded by additional resource from the BEIS, to focus on resolving ET cases. This extra resource targeted cases with longer hearings and has delivered significant results. The resolution rate for these cases this year is 82%, which is 6% higher than for comparable cases. It means we are freeing up valuable time in the ET and reducing costs for parties.

Intensifying engagement with parties to support early resolution

We have strengthened our relationships with employers, employer bodies and trade unions, particularly in collective disputes and where the potential impact of threatened or actual industrial action is high. This has enabled us to build trust and provide a confidential safe

space to explore options and to promote the values of dialogue and early resolution.

We have encouraged parties to think beyond the limits of current disputes and are working with parties to build more resilient post-dispute relationships that will reduce the risk of future disputes.

We have raised the profile of Acas's role in resolving collective dispute resolution through television, radio, and online media. This has enabled us to use national platforms to promote our role as impartial experts in dispute resolution and to advocate for the benefits of early dialogue.

Ambition 3: Forging consensus on the future of work

Acas has a unique vantage point as an independent and impartial workplace expert to provide insight that shapes and informs the future of work for the benefit of employers, workers, and the economy. Our evidence and experience inform public policy thinking, and provides insights on how workplace practices promote productive, fair, and healthy workplaces.

Our Ambition breaks down into four workstreams:

Accelerating Acas as an evidential authority

Economic challenges have driven demand for our insight – particularly on pay; collective dispute resolution; redundancy; wellbeing and mental health.

The extensive data we have through our helpline for example has brought insight to key challenges nationally and regionally. This includes supporting the Low Pay Commission (LPC) by providing evidence to inform their report on the underpayment of the National Minimum Wage in the textiles sector in Leicester.

Raising standards through convening

We have continued to bring together employer and employee organisations to find solutions to key workplace issues, including organisations who support employees,

such as the TUC, Citizen’s Advice and third sector bodies, and employer representative groups, such as the Chambers of Commerce and FSB. We have provided practical workplace insight to a range of government departments and agencies, as well as other influential groups, including the CIPD, academics and the Civil Mediation Council.

We continued to support the development of good work charters across Britain. Notably this year, Acas has contributed to the Greater London Authority’s development of toolkits to create a skilled and inclusive workforce and events including the Good Employment Summit that brought together leaders from across the North of England.

We also began a partnership with CIPD and the Royal Society of Arts (RSA) to explore the role of boards and investors around the ‘Social’ aspects of Environmental, Social Governance (ESG). The work will provide us with the opportunity to engage with investors and shareholders who have significant influence over long term trends in company practice and culture.

Developing our authority as conflict experts

Our authority as the conflict expert was pushed up the agenda this year with industrial disputes featuring in mainstream news and Acas spokespeople appearing across all forms of the media.

Our research programme on conflict management and dispute resolution has brought fresh insight and delivered change. We published the findings of a qualitative study by the National Centre for Social Research exploring contemporary experiences of dispute resolution procedures inside small and medium-sized workplaces. We worked with the Universities of Westminster and Central Lancashire on an in-depth case study assessing an innovative approach to conflict resolution at an acute National Health Service (NHS) Trust.

Together with the Universities of Sheffield and Westminster, we developed ‘Skilled Managers – Productive Workplaces’, an innovative approach to training managers in conflict management.

Strengthen our policy position as practical experts

We have been in high demand this year as practical experts on workplace relations within a busy policy environment. We contributed to a number of public consultations including on disability workforce reporting, calculating holiday entitlement for part-year and irregular hours workers, increasing the use of mediation in the civil justice system and a new 10-year mental health and wellbeing plan for England.

Flexible working has been a key focus following the government’s decision to make the right to request flexible work available from the first day of employment. Over the coming months we will be developing our plans

to respond to the request from the Government to update our statutory code of practice to reflect the new legislative environment. We are also a member of the government's Flexible Working Taskforce, co-chaired by BEIS and CIPD, which seeks to promote high-quality flexible work across the country.

Ambition 4: Embracing difference, increasing inclusion and, creating fairness

We are committed to providing services that are accessible and effective for those who need to use them, irrespective of place, sector, and individual circumstances. We want to be an organisation that fully reflects the diversity of the communities that we serve.

Promoting equality, diversity and inclusion

We have updated the advice on our website around equality and discrimination to better meet the needs of employers and employees, providing clarity on their rights, responsibilities and the good practice that creates an inclusive workplace. We have expanded our advice covering all the characteristics and updated our advice on the specific protections related to disability and race. We intend to have guidance that covers each protected characteristic by the end of 2023-24.

In October, we launched a campaign to raise awareness of menopause, which included advice for employers on how to manage the effects of menopause, the current law and good practice in supporting staff with links to other Acas articles and helpline services.

We partnered with a number of organisations to raise awareness and share our insight and expertise. We partnered with TUC to discuss disability at work which

reached 1,200 delegates. We also partnered with Equality Advisory Support Service (EASS) on workplace discrimination and with Equality and Human Rights Commission (EHRC) on gender pay gap. In total, we spoke at 31 partner events or webinars on Equality, Diversity & Inclusion.

While we are committed to helping employers and employees across the country make their workplaces inclusive and fair, we have also been looking at how we can improve as an organisation ourselves. As part of the accessibility audit (mentioned in Ambition 1), we looked at the accessibility of our internal communications for Acas staff and identified actions to take forward to ensure Acas staff can access the same information in the right way and at the right time.

We have sought to identify and resolve the barriers at Acas to creating a fully diverse and inclusive workforce. We carried out a deep dive of our recruitment processes and have started to act on the recommendations it identified. We are improving our people data and are continuing to encourage our people to disclose their disability status, along with ethnicity, sexual orientation and religion or belief. We also have a Race Equality Action plan and we are proud of the progress made over the year, which has included the implementation of positive action programmes and supporting our Race Equality Network.

In October we launched a menopause policy, along with a suite of resources for Acas staff and managers. We provided training for our Human Resource team and line managers, and further training that was open to all staff. More recently we have hosted a General Practitioner (GP)-led seminar focusing on Hormone Replacement Therapy (HRT) and other treatments.

Promoting positive mental health in the workplace

We have continued to advise employers and managers on supporting mental health in the workplace through conferences, training programmes and other advisory services. We have worked closely with external stakeholders particularly on promoting the prevention of work-related stress and creating a wellbeing culture through campaigns, podcasts, external speaking events and our expert advice on advisory boards. In total, we spoke at 21 partner events or webinars promoting positive mental health in the workplace.

We ran a campaign on mental health throughout the year, supporting themes on loneliness and awareness events, including ‘Time to Talk Day’, Stress Awareness Month and Mental Health Awareness Week. Our mental health and wellbeing campaign proved to be popular with over 12,000 total engagements on social media (doubling the engagement figure in 2021-22 of around 6,000).

We developed and published evidenced-based guidance to support the use of workplace adjustments for mental health. This included case studies to showcase how different organisations have helped staff with such adjustments. We also created new guidance on work-related stress.

To help us better meet the needs of our customers who call the helpline about issues relating to mental health and neurodiversity, we developed a new training package for our advisers.

We have continued to build on our internal mental health and wellbeing strategy, which aims to ensure our employees thrive and feel supported at work. We invited an external evaluation of our strategy, and the Accountability Report provides more background on some of the key highlights from this evaluation as well as more detail on how we have supported our people.

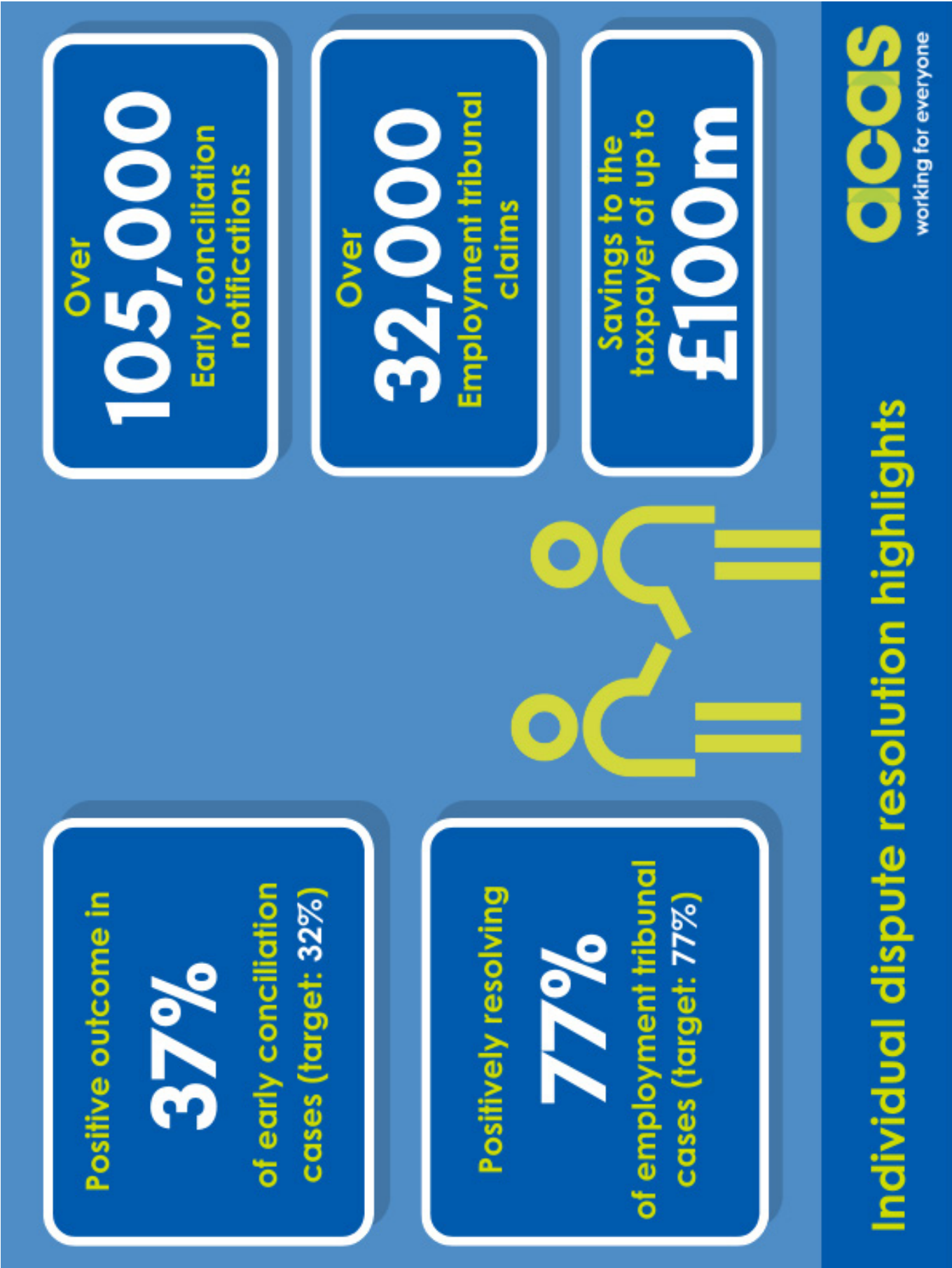
Performance of our services

Dispute resolution service

The work of Acas is key to preventing and resolving harmful and costly workplace disputes. The economic pressures in 2022-23 have fuelled wage disputes and we have seen a steep increase in days lost to industrial action, particularly in the public sector. Individual disputes impact on workplaces too. Our 2021 research estimated the annual cost of workplace conflict to business is £28.5 billion¹. 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.

While we do seek to prevent disputes from arising in the first instance, not all conflict can be avoided and when it does arise, we help employers, employees, and trade unions to resolve it as early as possible. Over the year we have resolved more individual and collective disputes, reducing the cost of conflict.

1. <https://www.acas.org.uk/costs-of-conflict>



The infographic features a central illustration of two stylized human figures in yellow, one slightly behind the other, representing a pair of people. The background is a solid blue color. The statistics are presented in white and yellow text within rounded rectangular boxes. The Acas logo is positioned at the bottom right of the infographic area.

Metric	Value	Target
Positive outcome in early conciliation cases	37%	32%
Positively resolving employment tribunal cases	77%	77%
Early conciliation notifications	Over 105,000	-
Employment tribunal claims	Over 32,000	-
Savings to the taxpayer	£100m	-

Individual dispute resolution highlights

acas working for everyone

Individual dispute resolution

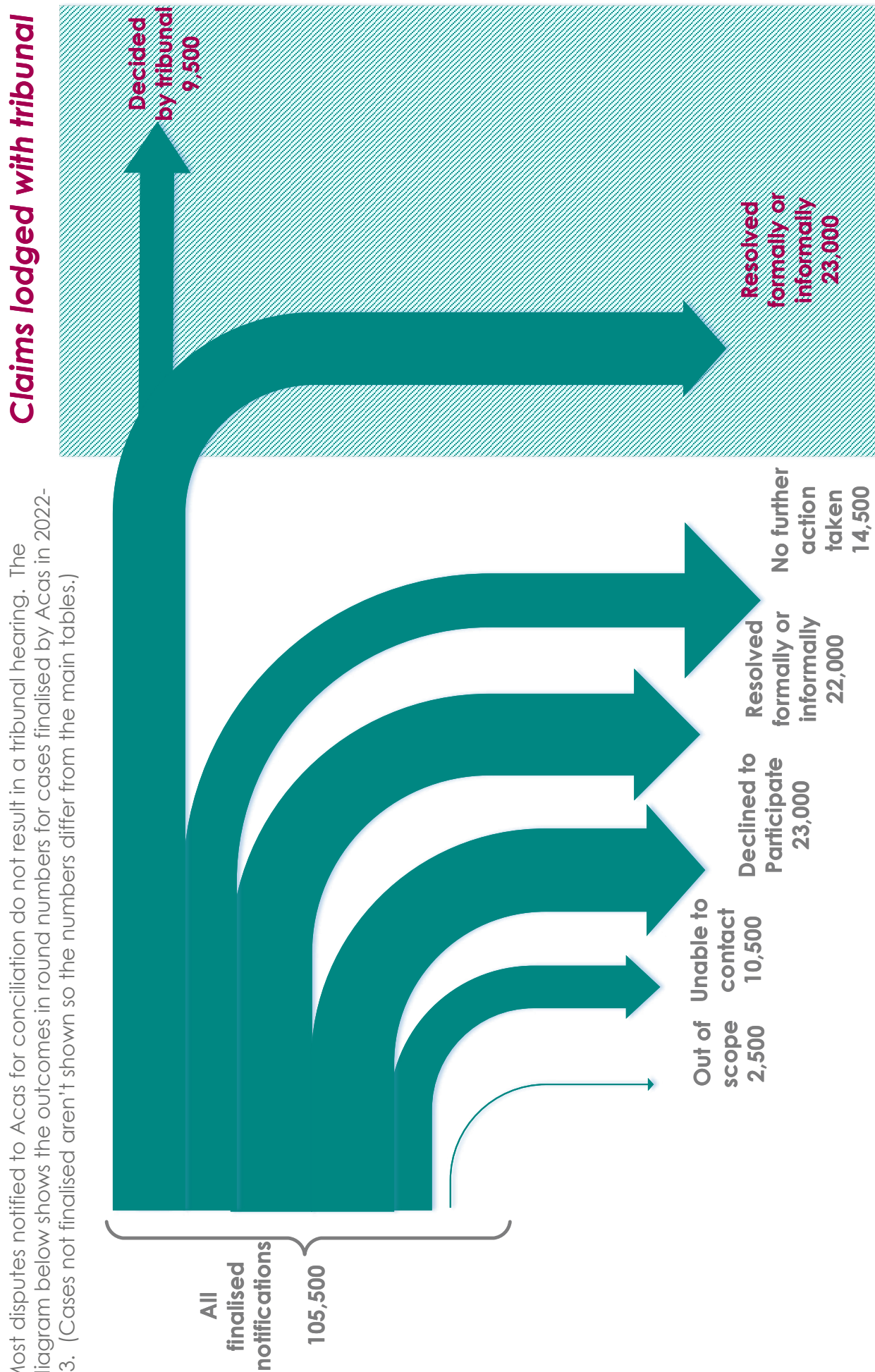
Acas has a statutory duty to prevent individual workplace disputes from reaching the ET where possible. We offer our free and impartial individual dispute resolution (IDR) service in an attempt to settle matters, without the costs and stress associated with judicial determinations. Our intervention resolves the majority of individual disputes notified to us, keeping most claims out of the ET.

In 2022-23, we received over 105,000 EC notifications and around 32,000 ET claims. Despite a rise in case receipts when compared to 2021-22, we met both our KPIs. We achieved a positive outcome in 37% of EC notifications (against a target of 32%) and the higher proportion of cases resolved means that we delivered additional savings of up to £8m to the taxpayer. We also positively resolved 77% of ET claims (against a target of 77%), which means that overall, only 9% of the EC notifications we received progressed to an ET hearing. The strong performance of our service reduced demands on the ET service and delivered up to £100m savings to the taxpayer.

We have also increased our efficiency in case handling. A case resolved by Acas in 2022-23 cost approximately £227, compared to £248 in 2021-22).

Outcomes of conciliation cases 2022-23

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 2022-23. (Cases not finalised aren't shown so the numbers differ from the main tables.)



Collective dispute resolution

Acas has a statutory role in offering conciliation in collective disputes where there is a dispute between an employer and a group of employees. In a number of cases the employees will be represented by a Trade Union (TU), and we also conciliate in disputes where there is no formal TU recognition or mechanism for resolving disputes. Our collective dispute resolution work is wide-ranging, often attracting media attention. Our role is impartial, and we work confidentially with parties, who are able to discuss their differences openly. We provide a safe space and expert skills to help parties better understand one another's positions, and to find mutually acceptable solutions and sustainable outcomes for all.

2022-23 was particularly challenging for many businesses and their workforces. The economic climate contributed to a sharp increase in demand for our collective dispute resolution services. In year we received 621 requests for formal collective dispute resolution (an increase of 22% compared to 2021-22). Despite this, we successfully met our KPI, settling or progressing the dispute towards a settlement in 91% of cases (against a target of 85%), helping to reduce the cost of conflict, including days lost to industrial action. This is in addition to 126 cases where we engaged in pre-conciliation talks, helping parties to consider other options for resolution or progress towards formal talks. In the year over 72% of disputes were directly linked to pay or pay plus other

changes. Economic conditions and other market factors have proved challenging for parties to find solutions that not only resolve disputes but also protect businesses and services into the future, but with Acas support creative solutions have been accomplished.

As part of our suite of resolution tools Acas offers collective arbitration and mediation, which can be a quick and pragmatic route to resolution in some situations. Through this service over 18,000 employees benefitted from a speedier resolution to their situation.

Mediation

Our mediation service helps employers, and their employees find solutions to workplace conflict between individuals, heading off escalation from conflict to dispute. This constructive approach supports trust and engagement and averts some of the cost of conflict associated with more formal processes. There were 220 requests for mediation this year, which is slightly lower than anticipated. For 2023-24, we have plans in place to increase the number of requests to help parties achieve resolution even earlier in the dispute resolution process.

Advice and information services

While some disputes cannot be avoided, our advice services prevent many from arising in the first instance. We are the experts in good employment relations and our website, helpline and training services are popular and high performing. They provide clarity to employers and employees on their rights and their responsibilities, while promoting approaches that encourage healthy working relationships and addressing issues in the workplace early and before they escalate.

Online advice and guidance

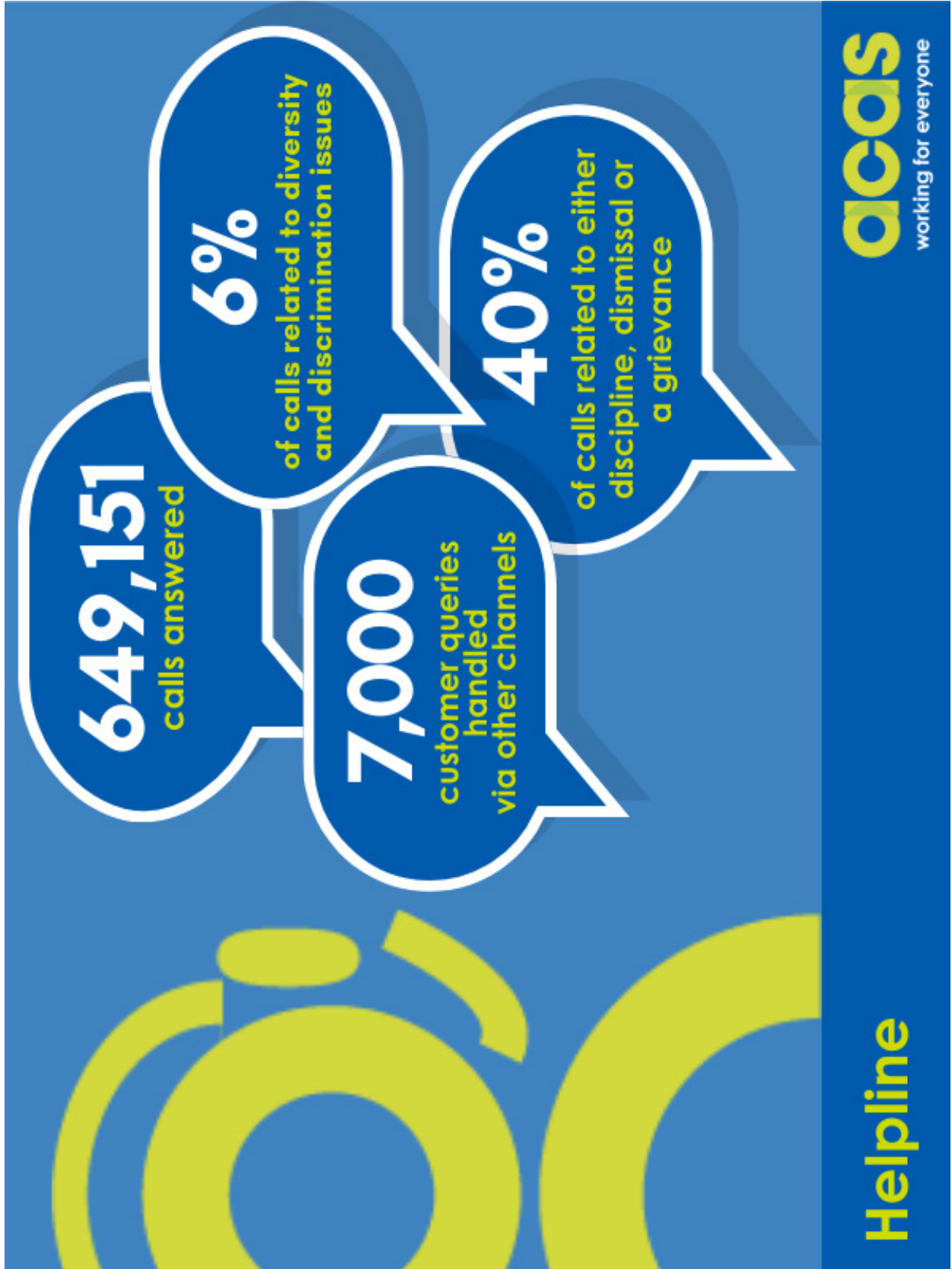
Our website is the first place most customers access Acas advice and guidance and provides us with our greatest reach. Demand for the service has remained high, attracting over 14.4 million sessions in 2022-23, equating to around 40,000 individual sessions every day. It provides information and good 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 easy to understand. The service also met its KPI of 90% of users positively engaging with the website (against a target of 90%).

We developed 14 new advice guides on a range of important employment areas including issues linked to the pandemic such as vaccination and wider topics such as fire and rehire, menopause, bereavement, suspension

disability and race discrimination. We also developed 4 new letter templates covering flexible working, suspension, and references.

We continue to improve accessibility and converted more than 30 pages and documents into more accessible formats available from the site.

Helpline



Our helpline is an invaluable service to employees and employers 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 EC notification being made.

As employees continue to struggle with the cost-of living crisis, our advisers have noted a sharp increase in the number of distressed callers and calls from workers with long term mental health issues who are ringing our service for advice and support. However, the service has continued to perform strongly with extremely positive customer feedback. The service met its KPI with 87% of users knowing what they planned to do next following their call to Acas (against a target of 85%).

Overall, we answered 649,151 calls, a slight increase from 2021-22 (644,153). Around 40% of calls we received related to either discipline, dismissal, or a grievance, which is as high as we have recorded.

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.

Training and in-depth support

We adapted and expanded our training service in acknowledgement of the changing needs of our customers post-pandemic. We have benefitted from digital opportunities to deliver more high-quality support through interactive online training, alongside webinars and e-learning, which allows customers to undertake learning in a way that is more convenient to them and their business. We extended our workshop and conference capacity and designed cost-effective solutions like our ‘Bitesize’ range, previously commercially unviable as a face-to-face service.

Face-to-face training remains an important service offer and accounted for around 25% of all training delivered. In response to increasing customer demands we developed new courses on long covid and the workplace and managing long term sickness absence.

Our high impact Certification in Workplace Mediation course has been delivered both face-to-face and virtually. In total, we ran 31 training events (200+ delegates) and a further 12 in-house training events (100+ delegates) with organisations that recognise the need to proactively manage conflict and address challenges within their own organisations.

We ran 12 conferences this year on a range of key issues including good employment relations, mental health in the workplace and flexible working.

We also provided over 1,000 in-house bespoke training events for larger businesses to raise awareness and upskill staff on a range of issues including managing people, discipline and grievance, and Equality, Diversity & Inclusion.

Customer feedback of all our courses is high, seeing us meet both our KPIs, with 92% of workplace delegates reporting the course met its intended objective (against a target of 90%) and 83% of Open Access & Webinar customers reporting that the training met their learning needs (against a target of 82%). This reinforces the importance of our blended training offer that can be adapted to suit customer preferences.

We set ourselves challenging targets for 2022-23 and are delighted to end the year in such a strong position. In total, we trained over 41,000 people (an increase of 12% compared to 2021-22) and achieved an income of over £4.3 million (an increase of 16% compared to 2021-22).

Performance against key indicators

Key performance indicators for the service level agreement

	2022-23		2021-22		2020-21	
	Target	Outturn	Target	Outturn	Target	Outturn
Conciliation in collective disputes:						
The promotion of a settlement in disputes in which Acas were involved	85%	91%	85%	94%	85%	92%
Individual disputes referred for conciliation:						
Percentage of early conciliation notifications which result in a conciliated settlement between parties	n/a	n/a	19%	23%	18%	22%
Percentage of early conciliation notifications which result in a conciliated settlement between parties or other positive outcome	32%	37%	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	n/a	n/a	55%	53%	55%	58%
Percentage of employment tribunal cases which are positively resolved following Acas conciliation	77%	77%	75%	77%	70%	79%
Acas training services:						
Percentage of open access customers reporting they were satisfied with the course	95%	n/a	95%	95%	97%	96%
Percentage of workplace training customers reporting they were satisfied with the course	90%	n/a	95%	96%	97%	97%
Percentage of open access customers reporting that the training met their learning needs*	90%	n/a	90%	82%	90%	83%
Percentage of webinar customers reporting they were satisfied with the session	90%	n/a	90%	95%	90%	95%
Telephone helpline advice on workplace problems:						

	2022-23		2021-22		2020-21	
	Target	Outturn	Target	Outturn	Target	Outturn
The percentage of users who were able to take clear action following their call to the Acas Helpline	85%	87%	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)	90%	90%	85%	92%	85%	92%
Acas training services:						
% of Workplace training customers reporting the course met its intended objective	90%	92%	90%	93%	n/a	n/a
% of Open Access & Webinar customers reporting that the training met their learning needs	82%	83%	82%	83%	n/a	n/a

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

Volume indicators

	2022-23	2021-22	2020-21
Number of EC notifications	105,754	90,811	114,533
Number of ET1s** received	32,058	31,198	35,274
Number of re-employments	238	202	199
Number of collective conciliation requests received	621	510	504
Number of workplace projects started	74	81	61
Number of requests for trade dispute arbitration	12	13	20
Number of calls answered by National Helpline	649,179	644,153	711,488
Number of Helpline Online user sessions*	0	0	80,546
Number of advisory visits and in-depth phone calls	2,478	3,505	3,883
Number of training sessions delivered	1,908	1,709	1,726
Number of website sessions	14.4 m	14.5m	18.6m
Number of digital advice sessions	10.5m	10.9m	13.2m

* Helpline Online was discontinued in February 2021.

Cost of key services

	2022-23	2021-22	2020-21
Cost of a Helpline enquiry (voice or webchat answered)	£9.59	£10.48	£9.58
Cost of processing an Individual Conciliation case*	£227	£248	£169
Cost of a Collective Conciliation case	£1,443	£1,193	£1,241
Cost of an Arbitration hearing case	£4,107	£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 thousands of claimants in total.

**ET1 – the form to make a claim to an employment tribunal if an employee feels they have been unfairly treated by an employer, potential employer or trade union.

Our performance 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

		2022-23		2021-22		2020-21	
		Volume	%	Volume	%	Volume	%
Employee notifications	No track identified	23,579	23.2%	17,025	19.4%	18,669	16.9%
	Fast track	31,324	30.8%	26,773	30.5%	35,900	32.5%
	Standard track	17,082	16.8%	17,837	20.3%	26,335	23.9%
	Open track	29,744	29.3%	26,064	29.7%	29,419	26.7%
	Total	101,639		87,699		110,323	
Employer notifications	No track identified	3	0.1%	5	0.2%	20	0.5%
	Fast track	928	22.6%	444	14.3%	590	14.0%
	Standard track	2,436	59.2%	1,922	61.8%	3,034	72.1%
	Open track	748	18.2%	741	23.8%	566	13.4%
	Total	4,115		3,112		4,210	
Total notifications		105,754		90,811		114,533	

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

		2022-23		2021-22		2020-21	
		Volume	%	Volume	%	Volume	%
ET1s received following EC notification	Fast track	7,519	25.6%	6,849	23.1%	7,723	22.7%
	Standard track	7,974	27.1%	8,786	29.6%	11,982	35.2%
	Open track	13,931	47.4%	14,042	47.3%	14,321	42.1%
	Total	29,424		29,677		34,026	
ET1s received without prior EC notification	Fast track	882	33.5%	445	29.2%	409	32.8%
	Standard track	618	23.5%	344	22.6%	368	29.5%
	Open track	1,134	43.1%	731	47.9%	471	37.7%
	Total	2,634		1,521		1,248	
Total Cases		32,058		31,198		35,274	

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					
		2022-23		2021-22		2020-21	
		Volume	% of forms	Volume	% of forms	Volume	% of forms
Major jurisdictions by volume	Wages Act	32,545	31%	27,950	31%	32,987	29%
	Unfair dismissal	21,744	21%	21,370	24%	34,643	30%
	Disability Discrimination	14,018	13%	10,991	12%	12,988	11%
	Working Time (Annual Leave)	13,881	13%	13,514	15%	17,851	16%
	Breach of Contract	7,829	7%	5,779	6%	9,445	8%
	Sex Discrimination	7,075	7%	5,348	6%	7,499	7%
	Race Discrimination	6,392	6%	5,123	6%	6,564	6%
	Age Discrimination	3,083	3%	2,504	3%	4,032	4%
	Public Interest Disclosure	2,844	3%	2,271	3%	3,640	3%
	Redundancy Pay	2,679	3%	2,296	2%	3,782	11%
	Other	15,599		12,167		18,377	
	Total jurisdictions	127,689		109,313		149,510	
Total notifications	105,754		90,811		114,533		

The jurisdictions reported against Early Conciliation notifications differ from those reported in cases received for conciliation from the employment tribunal 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					
		2022-23		2021-22		2020-21	
		Volume	% of cases	Volume	% of cases	Volume	% of cases
Major jurisdictions by volume	Unfair dismissal	14,314	45%	14,747	47%	18,320	52%
	Wages Act	12,891	40%	11,472	37%	11,718	33%
	Breach of contract	8,439	26%	7,834	25%	9,972	28%
	Working Time (Annual Leave)	8,163	25%	7,523	24%	8,270	23%
	Disability discrimination	7,361	23%	6,545	21%	6,356	18%
	Race discrimination	3,720	12%	3,489	11%	3,329	9%
	Sex Discrimination	3,590	11%	3,410	11%	3,277	9%
	Redundancy Pay	2,648	8%	2,414	8%	3,782	11%
	Public Interest Disclosure	2,613	8%	2,569	8%	2,698	8%
	Age Discrimination	1,776	6%	1,817	6%	2,076	6%
	Other	8,316		8,622		8,532	
	Total jurisdictions	73,831		70,442		77,968	
	Total cases	32,058		31,198		35,274	

Take-up of employee-led Early Conciliation

Employee Notifications	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
Out of scope for conciliation	2,798	2.8%	2,514	2.9%	2,365	2.1%
Employee cannot be contacted	8,627	8.5%	9,399	10.7%	14,508	13.3%
Employee declines conciliation	25,235	24.8%	20,338	23.2%	27,189	24.6%
Employer declines conciliation	9,130	9.0%	9,140	10.4%	11,988	10.9%
Matter proceeds to conciliation	55,849	54.9%	46,308	52.8%	54,273	49.2%
Total	101,639		87,699		110,323	

Early Conciliation notification outcomes

Final status of Early Conciliation Notifications	EC notifications received					
	Jan 22-Dec22		Jan 21-Dec 21		Jan 20-Dec 20	
	Volume	%	Volume	%	Volume	%
No Track						
COT3 settlement	0	0%	0	0%	0	0%
Did not progress to tribunal claim	19,369	78%	13,000	72%	14,139	76%
Dispute progressed to tribunal claim	5,574	22%	5,137	28%	4,379	24%
Total	24,943		18,137		18,518	
Fast track						
COT3 settlement	4,300	14%	4,085	13%	4,909	12%
Did not progress to tribunal claim	19,907	64%	21,021	68%	24,875	61%
Dispute progressed to tribunal claim	7,006	22%	6,015	19%	10,735	27%
Total	31,213		31,121		40,519	
Standard track						
COT3 settlement	2,905	16%	3,511	15%	6,925	24%
Did not progress to tribunal claim	8,993	51%	12,801	56%	12,691	44%
Dispute progressed to tribunal claim	5,723	32%	6,707	29%	9,288	32%
Total	17,621		23,019		28,904	
Open track						
COT3 settlement	4,578	16%	4,123	13%	4,406	14%
Did not progress to tribunal claim	13,336	46%	16,864	53%	15,104	49%
Dispute progressed to tribunal claim	11,037	38%	10,674	34%	11,221	37%
Total	28,951		31,661		30,731	
All tracks						
COT3 settlement	11,783	11%	11,719	11%	16,240	14%
Did not progress to tribunal claim	61,605	60%	63,686	61%	66,809	56%
Dispute progressed to tribunal claim	29,340	29%	28,533	27%	35,623	30%
Total	102,728		103,938		118,672	

In order for these statistics to accurately represent the final outcome of early conciliation 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 2022.

ET1 conciliation case outcomes

		2022-23		2021-22		2020-21	
		Volume	%	Volume	%	Volume	%
Fast track	Struck out	660	7.7%	652	7.3%	520	6.6%
	Settled	3,067	36.0%	2,962	33.2%	2,964	37.3%
	Withdrawn	1,955	22.9%	2,356	26.4%	1,724	21.7%
	Default judgment	1,163	13.6%	1,221	13.7%	1,174	14.8%
	Heard	1,681	19.7%	1,733	19.4%	1,556	19.6%
	Total	8,526		8,924		7,938	
	Resolution rate		63.8%		64.3%		63.2%
Standard track	Struck out	739	7.8%	918	8.0%	657	6.5%
	Settled	4,680	49.6%	5,414	47.0%	5,540	55.1%
	Withdrawn	1,804	19.1%	2,038	17.7%	1,812	18.0%
	Default judgment	450	4.8%	884	7.7%	523	5.2%
	Heard	1,761	18.7%	2,274	19.7%	1,519	15.1%
	Total	9,434		11,528		10,051	
	Resolution rate		74.6%		70.2%		78.3%
Open track	Struck out	1,208	8.1%	1,165	7.9%	835	6.8%
	Settled	8,516	57.1%	8,183	55.4%	7,625	61.8%
	Withdrawn	3,105	20.8%	3,137	21.2%	2,423	19.6%
	Default judgment	182	1.2%	184	1.2%	207	1.7%
	Heard	1,904	12.8%	2,113	14.3%	1,254	10.2%
	Total	14,915		14,782		12,344	
	Resolution rate		84.8%		83.1%		87.3%
Overall	Struck out	2,607	7.9%	2,735	7.8%	2,012	6.6%
	Settled	16,263	49.5%	16,559	47.0%	16,129	53.2%
	Withdrawn	6,864	20.9%	7,531	21.4%	5,959	19.6%
	Default judgment	1,795	5.5%	2,289	6.5%	1,904	6.3%
	Heard	5,346	16.3%	6,120	17.4%	4,329	14.3%
	Total	32,875		35,234		30,333	
	Resolution rate		76.4%		74.1%		78.0%

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

Individual Mediation

		2022-23	2021-22	2020-21
New cases started in year		229	269	224
Cases closed by outcome	Settled	118	116	122
	Progress Made	49	61	38
	Unresolved	11	36	19
	Unprogressed	37	58	28
	Total	215	271	207
Success rate		94%	83%	89%

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	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
Acas National	34	5.5%	17	3.3%	13	2.6%
London	103	16.6%	95	18.6%	75	14.9%
South East	39	6.3%	33	6.5%	32	6.3%
East of England	23	3.7%	21	4.1%	27	5.4%
East Midlands	25	4.0%	31	6.1%	34	6.7%
West Midlands	48	7.7%	34	6.7%	57	11.3%
North East	32	5.2%	18	3.5%	17	3.4%
Yorkshire and Humber	50	8.1%	28	5.5%	22	4.4%
North West	76	12.2%	70	13.7%	66	13.1%
Scotland	148	23.8%	119	23.3%	131	26.0%
South West	23	3.7%	19	3.7%	14	2.8%
Wales	20	3.2%	25	4.9%	16	3.2%
Total	621		510		504	

Collective disputes received for conciliation by dispute cause

Dispute cause	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
General pay claim	276	39.7%	167	28.8%	62	12.3%
Other pay / conditions of employment	171	24.6%	173	29.8%	197	39.1%
Changes in working practices	50	7.2%	46	7.9%	51	10.1%
Recognition	95	13.6%	81	14.0%	65	12.9%
Other TU matters	42	6.0%	37	6.4%	62	12.3%
Dismissal / discipline	21	3.0%	22	3.8%	16	3.2%
Redundancy	16	2.3%	17	2.9%	67	13.3%
Other	25	3.6%	37	6.4%	33	6.5%
Total dispute causes	696		580		553	
Total collective cases received	621		510		504	

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	2022-23	2021-22	2020-21
Successfully completed	467	374	421
Unsuccessfully completed	45	35	41
All completed cases	512	409	462
Cases withdrawn	60	141	50
Total	572	550	512

Collective disputes received by source of request

Source of request	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
Employer	187	30.1%	127	25.0%	100	19.8%
Trade Union	221	35.6%	209	41.0%	219	43.5%
Joint	116	18.7%	94	18.0%	108	21.4%
Acas Initiative	97	15.6%	80	16.0%	77	15.3%
Total	621		510		504	

Cases referred to collective arbitration and dispute mediation

Case type	2022-23	2021-22	2020-21
Single Arbitration	8	9	12
Single Mediation	4	4	8
Other	0	0	0
Total	12	13	20

Issues referred to collective arbitration and dispute mediation

Issue	2022-23	2021-22	2020-21
Annual pay	8	8	9
Other pay and conditions of employment	1	2	3
Dismissal and discipline	2	2	3
Grading	0	0	0
Other	1	1	5
Total	12	13	20

Joint problem-solving activities by topic

Topic	2022-23	2021-22	2020-21
Absence and stress management	1	0	1
Bullying and harassment	1	1	2
Collective bargaining and trade union issues	25	30	19
Conflict, mediation and change management	21	23	17
Discipline and grievance	0	1	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	3
Managing people	0	0	0
Payment and grading arrangements	0	1	0
Recruitment and employing people	0	0	0
Redundancy	0	0	1
Other	0	0	0
Total	51	59	43

Advisory services

Acas helpline contacts

	2022-23	2021-22	2020-21
Voice Calls Answered			
Helpline advice delivered over the telephone.	649,179	644,153	711,488
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.	81,870	72,310	63,719
Helpline Online Sessions			
Helpline Online is an interactive database of frequently asked questions written by Helpline advisers.	0	0	80,546
Facebook Advice Sessions			
The Acas Helpline provides advice to customers via the Acas Facebook page.	1,904	2,508	3,386
Other Contacts			
Responding to webinar questions and customer letters	5,117	0	0
Webchat Sessions			
Webchat allows real time text-based conversation with Helpline advisers.	0	0	690
Total Contacts	738,070	718,971	859,829

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	2022-23	2021-22	2020-21
	% of calls	% of calls	% of calls
Discipline, Dismissal and Grievance	38.7%	36.7%	30.9%
Contracts	17.9%	17.2%	16.6%
Wages and NMW/NLW	15.3%	15.2%	11.8%
Absences, Sickness and Stress	11.4%	11.5%	9.3%
Diversity and Discrimination	10.8%	9.1%	7.4%
Redundancies, Lay Offs and Business Transfers	10.6%	9.9%	21.4%
Others	9.5%	9.2%	10.4%
Holiday and Working Time	8.8%	9.8%	9.6%
Maternity, Paternity and Adoption	3.3%	2.9%	3.0%
Hot Topics	0.5%	0%	0%
Family Friendly Policies	0%	2.0%	1.5%

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

April 2022 changes to topics within DCS – Family Friendly redistributed and Hot Topics introduced.

In-depth advisory meetings by topic

Topic*	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	15	4.5%	31	6.7%	22	8.4%
Bullying and harassment	13	3.9%	13	2.8%	2	0.8%
Collective bargaining and trade union issues	11	3.3%	35	7.5%	20	7.7%
Conflict, mediation and change management	75	22.7%	123	26.5%	68	26.1%
Discipline and grievance	34	10.3%	60	12.9%	21	8.0%
Employment law	8	2.4%	8	1.7%	4	1.5%
Equality, diversity and inclusivity	27	8.2%	24	5.2%	14	5.4%
Flexible working arrangements	9	2.7%	8	1.7%	7	2.7%
Information and consultation	29	8.8%	42	9.1%	18	6.9%
Managing people	63	19.1%	54	11.6%	18	6.9%
Payment and grading arrangements	6	1.8%	14	3.0%	9	3.4%
Recruitment and employing people	26	7.9%	31	6.7%	10	3.8%
Redundancy	9	2.7%	13	2.8%	28	10.7%
TUPE	3	0.9%	3	0.6%	1	0.4%
Acas employee feedback survey	2	0.6%	1	0.2%	1	0.4%
Coronavirus	0	0.0%	4	0.9%	18	6.9%
Other	0	0.0%	0	0.0%	0	0.0%
Total	330		464		261	

*Includes charged advice

In-depth advisory telephone calls by topic

Topic	2022-23		2021-22		2020-21	
	Volume	%	Volume	%	Volume	%
Absence management and mental health	129	6.0%	182	6.0%	245	6.8%
Bullying and harassment	73	3.4%	80	2.6%	110	3.0%
Collective bargaining and trade union issues	69	3.2%	60	2.0%	86	2.4%
Conflict, mediation and change management	449	20.9%	577	19.0%	603	16.6%
Discipline and grievance	510	23.7%	772	25.4%	662	18.3%
Employment law	39	1.8%	41	1.3%	59	1.6%
Equality, diversity and inclusivity	160	7.4%	178	5.9%	190	5.2%
Flexible working arrangements	64	3.0%	66	2.2%	175	4.8%
Information and consultation	87	4.1%	119	3.9%	166	4.6%
Managing people	282	13.1%	275	9.0%	218	6.0%
Payment and grading arrangements	20	0.9%	59	1.9%	114	3.1%
Recruitment and employing people	182	8.5%	479	15.8%	415	11.5%
Redundancy	58	2.7%	66	2.2%	488	13.5%
TUPE	20	0.9%	38	1.2%	84	2.3%
Acas employee feedback survey	0	0.0%	2	0.1%	0	0.0%
Coronavirus	4	0.2%	44	1.4%	0	0.0%
Other	2	0.1%	3	0.1%	7	0.2%
Total	2,148		3,041		3,622	

Charged workplace projects by topic

Topic	2022-23	2021-22	2020-21
Absence management and mental health	0	1	0
Bullying and harassment	0	3	2
Collective bargaining and trade union issues	0	2	0
Conflict, mediation and change management	14	6	9
Discipline and grievance	1	1	0
Employment law	0	0	0
Equality, diversity and inclusivity	3	1	1
Flexible working arrangements	0	0	0
Information and consultation	1	2	0
Managing people	1	3	0
Payment and grading arrangements	0	1	3
Recruitment and employing people	1	0	1
Redundancy	0	0	2
Acas employee feedback survey	1	1	0
Other	1	1	0
Total	23	22	18

Certificate in internal Workplace Mediation (CIWM) training

Type	2022-23		2021-22		2020-21	
	Courses	Delegates	Courses	Delegates	Courses	Delegates
In-house CIWM	12	109	10	71	2	8
Open access CIWM	31	202	29	185	1	6
Total	43	311	39	256	3	14

Workplace training by topic

Subject of training	2022-23				2021-22				2020-21			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Absence management and mental health	66	6.1%	961	6.1%	61	6.5%	876	8.1%	162	12.5%	1,245	12.6%
Bullying and harassment	44	4.1%	844	5.4%	36	3.8%	411	3.8%	60	4.6%	550	5.6%
Collective bargaining and trade union issues	9	0.8%	114	0.7%	4	0.4%	40	0.4%	8	0.6%	53	0.5%
Conflict, mediation and change management	68	6.3%	718	4.6%	78	8.3%	744	6.9%	83	6.4%	930	9.4%
Discipline and grievance	261	24.2%	3,499	22.3%	226	23.9%	2,615	24.1%	285	22.0%	1,774	18.0%
Employment law	20	1.9%	391	2.5%	19	2.0%	254	2.3%	24	1.9%	260	2.6%
Equality, diversity and inclusivity	125	11.6%	2,496	15.9%	114	12.1%	1,497	13.8%	173	13.4%	1,453	14.7%
Flexible working arrangements	3	0.3%	63	0.4%	0	0.0%	0	0.0%	4	0.3%	44	0.4%
Information and consultation	98	9.1%	1,040	6.6%	119	12.6%	1,200	11.1%	143	11.0%	1,302	13.2%
Managing people	362	33.6%	5,325	34.0%	251	26.6%	2,841	26.2%	265	20.5%	1,485	15.1%
Payment and grading arrangements	2	0.2%	11	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Recruitment and employing people	9	0.8%	125	0.8%	12	1.3%	156	1.4%	13	1.0%	180	1.8%
Redundancy	2	0.2%	9	0.1%	10	1.1%	74	0.7%	61	4.7%	528	5.4%

Subject of training	2022-23				2021-22				2020-21			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
TUPE	8	0.7%	77	0.5%	14	1.5%	131	1.2%	10	0.8%	41	0.4%
Acas employee feedback survey	0	0.0%	0	0.0%	1	0.1%	7	0.1%	0	0.0%	0	0.0%
Coronavirus	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	0.3%	19	0.2%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1,077		15,673		945		10,846		1,295		9,864	

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	2022-23						2021-22						2020-21					
	Events		Delegates		Events		Delegates		Events		Delegates		Events		Delegates			
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%		
Absence management and mental health	51	6.1%	936	10.3%	56	7.3%	538	6.7%	57	13.2%	649	11.5%						
Bullying and harassment	26	3.1%	177	1.9%	24	3.1%	176	2.2%	16	3.7%	88	1.6%						
Collective bargaining and trade union issues	1	0.1%	5	0.1%	1	0.1%	5	0.1%	0	0.0%	0	0.0%						
Conflict, mediation and change management	83	10.0%	1467	16.1%	83	10.9%	1419	17.6%	33	7.7%	1634	29.1%						
Discipline and grievance	156	18.8%	1495	16.4%	137	17.9%	1341	16.6%	93	21.6%	868	15.4%						
Employment law	26	3.1%	175	1.9%	23	3.0%	180	2.2%	5	1.2%	20	0.4%						
Equality, diversity and inclusivity	63	7.6%	552	6.1%	55	7.2%	656	8.1%	21	4.9%	158	2.8%						
Flexible working arrangements	11	1.3%	222	2.4%	20	2.6%	354	4.4%	4	0.9%	21	0.4%						
Information and consultation	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%						
Managing people	352	42.4%	3280	36.0%	286	37.4%	2592	32.1%	96	22.3%	941	16.7%						
Payment and grading arrangements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%						
Recruitment and employing people	33	4.0%	370	4.1%	36	4.7%	240	3.0%	44	10.2%	297	5.3%						
Redundancy	15	1.8%	229	2.5%	20	2.6%	162	2.0%	55	12.8%	503	8.9%						

Subject of training	2022-23						2021-22						2020-21					
	Events		Delegates		Events		Delegates		Events		Delegates		Events		Delegates			
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%		
TUPE	14	1.7%	208	2.3%	17	2.2%	238	2.9%	6	1.4%	390	6.9%						
Acas employee feedback survey	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%						
Coronavirus	0	0.0%	0	0.0%	5	0.7%	52	0.6%	0	0.0%	0	0.0%						
Other	0	0.0%	0	0.0%	1	0.1%	125	1.5%	1	0.2%	52	0.9%						
Total	831		9,116		764		8,078		431		5,621							

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	2022-23						2021-22						2020-21					
	Events			Delegates			Events			Delegates			Events			Delegates		
	Vol	%		Vol	%		Vol	%		Vol	%		Vol	%		Vol	%	
Absence management and mental health	117	6.1%		1,897	7.7%		117	6.8%		1,414	7.5%		219	12.7%		1,894	12.2%	
Bullying and harassment	70	3.7%		1,021	4.1%		60	3.5%		587	3.1%		76	4.4%		638	4.1%	
Collective bargaining and trade union issues	10	0.5%		119	0.5%		5	0.3%		45	0.2%		8	0.5%		53	0.3%	
Conflict, mediation and change management	151	7.9%		2,185	8.8%		161	9.4%		2,163	11.4%		116	6.7%		2,564	16.6%	
Discipline and grievance	417	21.9%		4,994	20.1%		363	21.2%		3,956	20.9%		378	21.9%		2,642	17.1%	
Employment law	46	2.4%		566	2.3%		42	2.5%		434	2.3%		29	1.7%		280	1.8%	
Equality, diversity and inclusivity	188	9.9%		3,048	12.3%		169	9.9%		2,153	11.4%		194	11.2%		1,611	10.4%	
Flexible working arrangements	14	0.7%		285	1.1%		20	1.2%		354	1.9%		8	0.5%		65	0.4%	
Information and consultation	98	5.1%		1,040	4.2%		119	7.0%		1,200	6.3%		143	8.3%		1,302	8.4%	
Managing people	714	37.4%		8,605	34.7%		537	31.4%		5,433	28.7%		361	20.9%		2,426	15.7%	
Payment and grading arrangements	2	0.1%		11	0.0%		0	0.0%		0	0.0%		0	0.0%		0	0.0%	
Recruitment and employing people	42	2.2%		495	2.0%		48	2.8%		396	2.1%		57	3.3%		477	3.1%	
Redundancy	17	0.9%		238	1.0%		30	1.8%		236	1.2%		116	6.7%		1,031	6.7%	
TUPE	22	1.2%		285	1.1%		31	1.8%		369	1.9%		16	0.9%		431	2.8%	

Subject of training	2022-23				2021-22				2020-21			
	Events		Delegates		Events		Delegates		Events		Delegates	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Acas employee feedback survey	0	0.0%	0	0.0%	1	0.1%	7	0.0%	0	0.0%	0	0.0%
Coronavirus	0	0.0%	0	0.0%	5	0.3%	52	0.3%	4	0.2%	19	0.1%
Other	0	0.0%	0	0.0%	1	0.1%	125	0.7%	1	0.1%	52	0.3%
Total	1,908		24,789		1,709		18,924		1,726		15,485	

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.

Key Risks and Mitigations

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.

Acas's activities were monitored through quarterly reporting to our Executive Board, BEIS and the Acas Council, using a Strategic Risk Register.

The key risks at the end of the operational year 2022-23, and the mitigations in place to manage these are as follows:

Medium Term Inflation:

- **Risk:** Significantly high inflation continues in the medium term, adversely impacting future year budgets, especially at the end of the (2025) Spending Review period.
- **Impact:** Medium and long-term planning remains difficult, as inflation impacts on costs in different ways.
- **Action Taken:** Further developing the medium-term planning, with a view to identifying cost savings by the mid-point of the 2023-24 financial year.
- **Planned Action:** Ensure monies spent/invested in 2023-24 will deliver expected benefits realisation in the future.

Delay in appointment of new Council members and reappointment of the Acas Chair:

- **Risk:** The delay in appointment of new Council members and reappointment of the Acas Chair means that Council continues to have a gap in skills and experience and carries a potential significant leadership vacuum. This risks placing additional burden on those in post and reduces corporate governance capability.
- **Impact:** Failure to meet statutory requirement of tripartite oversight (balance between employer, employee, and independent Council members) for codes, guidance and policy input.
- **Action Taken:** A range of actions have been taken since 2020 centred on clear conversations with BEIS and escalation to ministerial level.
- **Planned Action:** Continue liaising with DBT (formerly BEIS) over current and future Public Appointments and process to address and mitigate against a repeat situation in the future.

Acas Good Practice Services fail to deliver for 2023-24

- **Risk:** Acas Good Practice Service is negatively impacted due to the transitioning of the Operating Model and fails to deliver the plan for the operational year 2023-24, including income, compromised service delivery, and achieving of Ambition 1.

- **Impact:** Lack of focus on delivering against ambitions & reduced productivity amongst teams
- **Action Taken:** Specialist training has commenced and are continuing to build business development, diagnostic and customer service skills to maximise income opportunities is on-going.
- **Planned Action:** Develop a clear succession plan approach to shorten current time lag from initial Solution Lead & Trainer role appointment to becoming fully operational.

Financial Review

The majority of Acas's funding is through Grant in Aid from BEIS. Acas's resource allocation for 2022-23 was £60.3million and expenditure was £62 million (£58.8 million, 2021-22). In addition, Acas charges customers for some of our services, and in 2022-23 this generated £4.3 million (2021-22 £3.7 million). The resource allocation funds Acas's day-to-day activities, including the delivery of frontline services and back-office costs.

The capital allocation, for assets, was £2.9 million (which includes £1.7 million for leases captured under IFRS16) and total capital expenditure was £1.7million.

	Acas Outturn (£'000)	BEIS Allocation (£'000)
Income	(4,291)	–
Resource	59,674	57,010
Depreciation ¹	2,364	3,300
Capital ¹	1,673	2,900

¹ Includes both the allocation for IFRS16 expenditure and 'business as usual' activities.

The resource underspend is therefore £2.6m (4.3%). The main drivers for this underspend were unplanned and relate to estates credits of c£1.5million and a reduced depreciation requirement as a result of lease renewals on properties accounted for under IFRS 16.

We continue to return towards pre-covid levels of income, but also have been responsive to increasing customer demand for non-face-to-face training options, such as webinars.

An average pay increase of 3% was awarded and was a major factor in the increase in salary costs, coupled with the temporary increase in National Insurance contributions to fund Health and Social Care (c£1.9million). A small, targeted Voluntary Exit Scheme (c£1m) also contributed to this increase.

Accommodation costs fell because more leased properties were caught under IFRS 16 due to lease renewals. Travel costs increased as post-Covid there was a return to more face-to-face activities. Other expenditure increased mainly because of the Smarter Resolution programme which aimed to deliver enhanced Individual Dispute Resolution (this included additional Research

and Development costs as well as professional fees). Additional training and development costs increased as we undertook a programme of development for Executive Board colleagues and for all staff following the roll-out of the Operating Model. Legal costs have been driven up by the number of cases and the increased complexity of these cases which required greater intervention. All other movements were as a result of normal business activities.

The movements on the balance sheet are driven in the main by the changes to accounting disclosures as a result of accounting under IFRS16. 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.

Regularity of Expenditure

Expenditure is reviewed throughout the year, with transactions over £250 checked to ensure that our funding is used for the purposes it was intended for and offers value for money.

Auditor's Remuneration

The external auditor of Acas is the Comptroller and Auditor General. The annual audit fee was £63,000. No non-audit services were provided.

Charging regime

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 pages 196.

Consultancy and Contingent Labour

During the year, Acas's expenditure on consultancy and contingent labour was £1.2 million (2021-22, £2.5million). Reduction in spend on consultants and contingent labour was as a result of the increased use of managed services in the Smarter Resolution programme.

Matters of Public Interest

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.

There were no identified cases of actual or attempted fraud, bribery or corruption in 2022-23.

Sustainability statement

We have a small but determined team looking at Sustainability in the organisation which includes our Executive Board Green Champion, James Vincent. We agreed an Executive Board Pledge in 2021-22 and this was formally signed off by Board members this year. In-fitting with their pledge, Executive Board signed off the roll out of Carbon Literacy training. We are currently working towards getting Acas staff trained up to deliver this training internally (peer-to-peer training) and currently have 2 members of staff who are certified Carbon Literate. Sustainability continues to be included within the organisation's Performance Tracker which is discussed at Executive Board each quarter.

We have continued to make progress against our Sustainability Strategy which covers the period from 2021-22 to 2025-26. This strategy is aligned to that of BEIS (to be DBT), our sponsor Department. The work carried out against the Strategy over the year has mirrored the direction of the organisation in general because of the implementation of the new Operating Model: we have been taking the time to position ourselves so that we can utilise the organisation's new structure to move forward with the Strategy in the most effective way possible. See the Looking Forward section, below for more details of our plan.

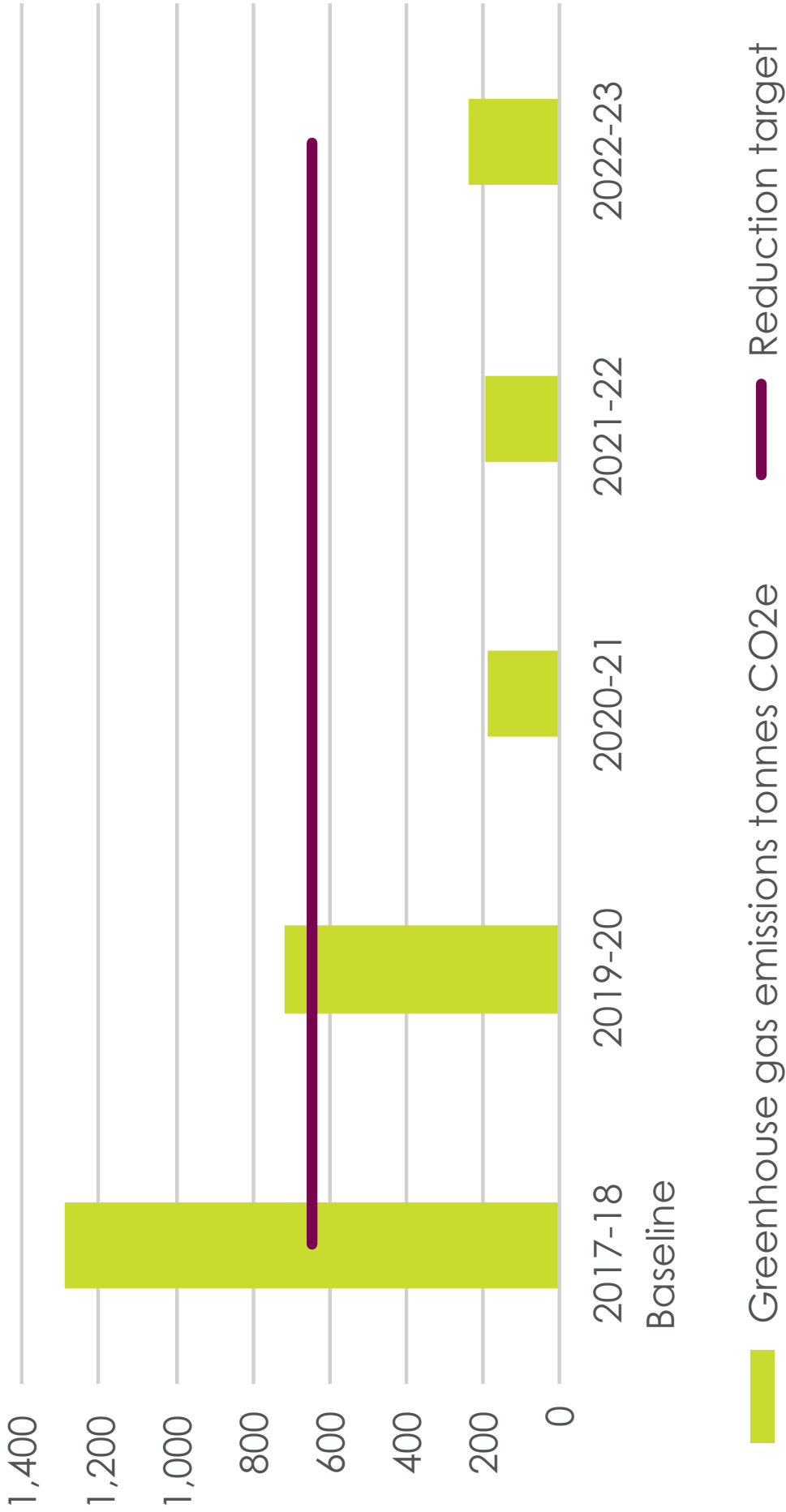
- Whilst the focus has been on repositioning, we have still made some small but important changes over the

year. We have been making better use of current systems we have in place;

- We have trialled using iTrent to capture engine size data on staff vehicles used for business travel which will help us get more accurate emissions data for our fleet mileage when we roll this out fully; and
- We have continued to work on our Travel & Subsistence forms to best capture public transport mileage to try and ensure we are capturing a complete picture of our emissions landscape. We have also provided staff training which covered the changes to the forms to aid in acceptance of the new requirements.

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 have our 2025 target from BEIS which we are currently on track to surpass.

GGC 2025 progress¹



¹ The emissions disclosed during GGC reporting are actually lower than the above as some of our estates-based emissions are disclosed by other organisations for GGC purposes. We disclose emissions for all sites which we receive information on in our annual report.

Whilst our emissions are increasing year on year as a result of the slow return to face-to-face meetings and training post pandemic, we remain under our 2017-18 baseline, and within our target reduction. We envisage that we should be hitting a new steady state soon. Our Estates Strategy has been essential in meeting our target as we re-size our requirements to maximise efficient usage of our space in light of the new hybrid ways of working.

Acas offices

We continuously work to improve data capturing processes and have quarterly discussions with Government Property Agency (GPA) around our usage data. We also collect other non-financial information to help us understand our usage and our estate. This helps us better target problem areas. For instance, we know that a range of waste recycling options are made available across our offices and that water use is monitored but work on installing LED lighting is on-going.

We are working closely with GPA who manage the estate to consider how to review new building leases and ensure all buildings meet high environmental standards.

Internally, we continue to promote our policies around smarter working, including digital by default, smarter use of our office space and the reduction of paper. We use a desk booking system across all Acas offices to ensure we can capture the numbers using our space to ensure it is the right size for requirements. We also use this data in

making estimates for waste where there are gaps in the data from landlords.

Collaboration

As we do not own any of our offices, our power to make sustainable improvements is limited, however, this year we have supported Fleet Council in their electric vehicle charging point installation project. In addition, we have engaged in conversations with GPA's Net Zero team to keep us informed on other projects for sustainable improvement impacting our estate, which is resulting in a large project being undertaken for our Bristol office.

Whilst we continue to work on understanding and then reducing our emissions, we have again made use of carbon offsetting via our carbon offsetting partner. We offset over 350 tonnes of CO₂e which also acknowledges that part of our emissions has been transferred to staff under the hybrid working policy, and thus, are not captured by the organisation.

Travel

Our level of travel is moving towards a new normal and has thus increased post-pandemic. We do not anticipate the rate of increase to continue indefinitely as we start to reach a new steady state, and we do not anticipate reaching the levels of travel from pre-pandemic. This is due to our Smarter Working principles and the development of digital Good Practice Service products.

No internal flights were taken in breach of our ‘train first’ policy. Most flights this year were again to and 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. There was an additional increase in flights due to train strikes, but these were in line with our policy which allows for extenuating circumstances.

Green Network

The Acas Green Network continues to gain great engagement from staff, sharing information on relevant events, new technologies to make our homes more power efficient, and articles, including one that covered progress being made against climate crisis, as sometimes the topic can be upsetting and scary. One member shares their thoughts on the network:

“Sustainability is a crucial issue for all of society including workplaces. It’s great to see the progress being made so far through the network and beyond at Acas.”

The Network has continued to encourage the use of the Cycle to Work scheme which has seen a 150% increase on uptake from the prior year. The upper limit for Cycle to Work was updated in the prior year to enable the purchase of electric bikes.

We have also continued to work on our sustainability intranet pages to ensure staff can access information on

the progress we are making towards our sustainability strategy and emissions targets.

Look forward

As we identified our main single use plastic purchases following the last couple of years of data collection, we can now effectively target reductions in these areas. Acas continues to plan for a Waste Warriors scheme which is due to be run in 2023-24. We plan to start the formal roll out of Carbon Literacy training following its trial in the current year. There are two sustainability related sessions on the agenda for the Acas' 2023-24 Learning at Work Week.

Sustainable procurement

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 all of its redundant IT equipment is recycled and that contracts adhere to legal and sustainable timber procurement rules.

We work with small and medium-sized enterprises (SMEs) wherever possible, and at least 33% of our contracts were with SME's this year.

Social sustainability

Acas has a commitment to social as well as environmental sustainability, evidenced in our external work with customer and our internal policies and procedures referred to throughout this report. Our significant external programmes on fair and inclusive work, equality, diversity and inclusion and mental health and wellbeing are set out in this report in the Performance Analysis under Ambitions 3 and 4. Internal programmes and key metrics, including gender and ethnicity pay gap reporting are set out in the Staff Report under 'Public Sector Equality Duty'.

Highlights of the year include:

- Supporting vulnerable customers: Acas advisers have been trained to ensure vulnerable customers are well supported and we have provided extensive signposting to organisations who can help with additional needs;
- Increasing accessibility: we run audits on our external website, external services and internal communications;
- Modern Slavery: Acas works with the Gangmasters and Labour Abuse Authority (GLAA) to address modern slavery, providing advice, referrals and, for example, working to address regional issues in the Leicestershire textile sector;

- **Financial inclusion:** we supported our customers facing cost of living pressures this year by providing authoritative advice on the National Minimum Wage and other pay issues. We additionally signposted helpline callers to suitable support on debt, food and utilities costs and supported our call handlers to support callers in distress; and
- **Health and safety:** we introduced a lone workers policy to reduce health and safety risks to staff in a hybrid environment. Lone workers who travel for work also have access to a smartphone safety app which allows them to stay in touch with their line manager digitally and to summon help in an emergency.

Environmental sustainability

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

Greening Government Commitments

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 Baseline
Greenhouse gas emissions tonnes CO₂e²						
Scope 1	–	–	–	–	–	–
Scope 2 and Scope 3	240	193	189	715	–	1,291
Related energy consumption^{3,4}						
Electricity, MWh	414	388	379	–	–	1,560
Natural gas, MWh	373	430	457	–	–	1,228
Solid fuels, MWh	8	10	1	–	–	–
Business flights						
Total number of domestic flights	17	24	–	–	–	512
Total number of international flights	27	–	–	–	–	4
Travel						
Public transport (including flights), km	612,699	100,413	4,693	–	–	2,063,111
Grey fleet/hire car, km	352,330	116,175	9,847	–	–	1,199,301
Waste^{3,4}						
Recycled externally, tonnes	27	25	33	–	–	134
Landfill, tonnes	3	3	–	–	–	250
Water^{3,4} and paper						
Water consumption, m ₃	2,132	1,426	1,526	–	–	7,864
Paper procured, A4 reams	383	396	228	–	–	5,261
Single use plastic, individual items purchased directly	31,968	13,113	–	–	–	–
Related costs £'000	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Business mileage	123	31	3	230	238	274
Public transport and flights	173	24	–	551	634	582
Utilities ⁵	109	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 Scope 1: direct emissions from sources owned or controlled. Scope 2: indirect emissions from consumption of purchased electricity or sources of energy generated upstream. Scope 3: other indirect emissions occurring as a consequence of Acas' operations, but not directly controlled or owned by Acas.

- 3 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.
- 4 Some of our estates-based emissions are disclosed by other organisations for GGC purposes however we disclose emissions for all sites which we receive information on in our annual report.
- 5 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.

A handwritten signature in black ink that reads "Susan Clews". The signature is written in a cursive, flowing style.

Susan Clews
Accounting Officer
Acas
04 July 2023

Accountability Report

The Accountability report sets out how Acas meets its key accountability requirements.

It comprises of the four reports below:

- The Corporate Governance Report
- The Staff Report
- The Remuneration Report
- The Certificate and Report of the Comptroller and Auditor General

Corporate Governance Report

Statement of Accounting Officer's Responsibility

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 cash flows for the year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and 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 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 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 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.

Directors' Report

In 2022-23, the membership of the Acas Executive Board consisted of:

- Susan Clews, Chief Executive and Accounting Officer
- Anne Boyd, Director of Advice and Business Solutions (from September 2022).
- Sam Clark, interim Chief Operations Officer (June to December 2022)
- Tony Cooper, Chief Operations Officer (to June 2022)
- Daniel Ellis, Director of People
- Robert Mackintosh, Director of Finance and Governance
- Kate Nowicki, Director of Strategy (to September 2022) and Director of Dispute Resolution (from September 2022)
- Wendy Parker, interim Chief Operations Officer (to June 2022)
- James Vincent, Director of Digital Data and Technology
- Kirsty Watt, Director of Strategy (from September 2022)

No conflicts of interest were disclosed in year.

Governance Statement

Scope of responsibility

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 Government Internal Audit Agency (GIAA) for additional assurance.

As Accounting Officer, I have received the training needed for me to fulfil the duties of this role.

The purpose of the Governance Statement

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 2022-23.

Acas's governance structure

Acas is a non-departmental public body which is governed by the Acas Council. It was established under the Employment Protection Act 1975 and continues in existence under the Trade Union and Labour Relations

(Consolidation) Act 1992. The Council (formed of publicly appointed non-executive directors) is responsible for determining Acas's strategic direction and priorities, and for ensuring that statutory duties are carried out effectively. Day-to-day operations are managed by a management board (the Executive Board).

Acas is sponsored and mainly funded by the Department for Business and Trade (DBT) (previously the Department for Business, Energy and Industrial Strategy (BEIS) until the Machinery of Government changes in February 2023), 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 DBT with regular performance updates through the Organisational Performance Dashboard and Strategic Risk Register as well as financial management information. The respective roles of Acas and the Secretary of State for DBT (formerly BEIS) are set out in Acas's Framework Document.

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.

The system of internal controls reflects good practice. It is designed to identify and prioritise the risks to achieving Acas's policies, aims and objectives; to evaluate the likelihood of those risks being realised and their impact; and to manage them efficiently, effectively and economically. These controls have been in place throughout the year ending 31 March 2023 and up to the date of approval of the annual report and accounts, and accord with HM Treasury guidance.

Review of Governance

The Executive Board began a review of its governance structure as a consequence of the Operating Model. In convening to consider how it can enhance its governance structure, the Board have agreed the vision, principles and success factors for good governance to bring about clear accountabilities, efficiency and a greater strategic alignment across the organisation. It is anticipated that the new governance structure will be implemented in September 2023.

The Acas Council

The Acas Council consists of a publicly appointed Chair, currently held by Clare Chapman, and 11 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.

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.

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; and
- Ensuring that the Service operates sound environmental policies and practices in accordance with relevant Government guidance.

The Acas Council has two sub-committees, which report back to the Council: the Audit, Risk and Assurance Committee (Audit Committee) and the People and Remuneration Committee (P&Remco).

Immediately before this line add- Attendance at Council is discussed in member appraisals and we have enabled members to join remotely where possible to mitigate the impact of, for example, unexpected absence, emergencies and illness

Council members' attendance at Council meetings for 2022-23 was as follows:

- Neil Carberry (5/6)
- Clare Chapman (6/6)
- Mike Clancy (6/6)

- Jayne Haines (5/6)
- Simon Lewis (6/6)
- Christina McAnea (2/6)
- Ijeoma Omambala (4/6)
- Matthew Percival (6/6)
- Roy Rickhuss (6/6)
- Ben Summerskill (6/6)

The Council held a strategic planning day in January 2023. Council tested the strategic ambitions set out in our 2021-25 Strategy, looked at progress, priorities, risks and opportunities; and discussed how our people, processes and systems can position us to achieve our strategy by 2025.

This has been a stable year for the Acas Council. Five re-appointments were approved in May 2022 (Neil Carberry, Jayne Haines, Christina McAnea, Ben Summerskill and Mike Clancy). However, we continue to await confirmation of two further Council member positions, which have been vacant since May and October 2021. Acas continues to work closely with the department to resolve the challenges. Acas is aware that during 2024 many members come to the end of their term of office and are working with DBT to put effective succession planning in place.

Assessment of Council effectiveness

In May 2022 Council members were surveyed on the effectiveness of processes and operations. The results of the survey showed that members felt strongly that meetings were chaired so that everyone can contribute and that Council papers and presentations are circulated in a timely manner and is sufficiently detailed to enable contributions and monitoring of the progress of key projects and initiatives. Council was reassured it was operating effectively and fulfilling its terms of reference.

The Council reviewed the results at the September Council meeting and discussed potential ways to improve Council effectiveness which included more opportunities to meet staff from across the organisation. This will enhance how the Council operates and engages, within their terms of reference.

The Audit Committee

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. They are supported by an independent financial expert to provide an external perspective, technical advice and guidance. Meetings are attended by members of the Acas Executive, internal and external

auditors, and BEIS officials who lead the Department's relationship with Acas. Both external (NAO) and internal auditors engage as required with the Audit Committee Chair and members.

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; and
- Consider assurances relating to the corporate governance requirements for Acas.

The Audit Committee met four times in 2022-23 both in person and remotely.

- Ben Summerskill, Chair (4/4)
- Roy Rickhuss (3/4)
- Jayne Haines (4/4)
- Ann Beasley, Independent Financial Expert (to November 2022) (3/3)
- Martin Veale, Independent Financial Expert (from March 2023) (1/1)

The Committee's Terms of Reference were reviewed in year and no changes were required.

A self-assessment exercise for the Audit Committee was commissioned in November 2022 and National Audit Office reported back in the May 2023 meeting.

The Committee was found to be working effectively in the four areas tested (Skills, Role and Scope, Communications and Reporting, and Membership, Independence, Objectivity and Understanding).

An action plan will be drawn up to implement the feedback from the Committee's members during summer 2023.

The People and Remuneration Committee

The People and Remuneration sub-Committee of the Council is chaired by the Chair of Acas and comprises three members of the Acas Council.

This year we expanded the remit of the Committee to incorporate Acas people issues and new terms of reference were agreed.

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 Senior Civil Servant (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; and
- Provide oversight for any changes to the pay arrangements of Council members within the parameters set by BEIS.

The People and Remuneration Committee met twice in 2022-23. Its members and attendance are as follows:

- Clare Chapman, Chair (2/2)
- Neil Carberry (2/2)
- Mike Clancy (2/2)
- Ijeoma Omambala (2/2)

The Executive Board

The Executive board met thirteen times in 2022-23 both in person and remotely.

In 2022-23, the membership of the Acas Executive Board consisted of:

- Susan Clews, Chief Executive and Accounting Officer
- Anne Boyd, Director of Advice and Business Solutions (from September 2022)
- Sam Clark, interim Chief Operations Officer (June to December 2022)
- Tony Cooper, Chief Operations Officer (to June 2022)
- Daniel Ellis, Director of People
- Robert Mackintosh, Director of Finance and Governance
- Kate Nowicki, Director of Strategy (to September 2022) and Director of Dispute Resolution (from September 2022)

- Wendy Parker, interim Chief Operations Officer (to June 2022)
- James Vincent, Director of Digital Data and Technology
- Kirsty Watt, Director of Strategy (from September 2022)

The Executive Board is responsible for the 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.

Non-classified papers of the Executive Board are made available to staff via the intranet.

Board members are committed to raising visibility of the Board and its work to all staff. At each Executive Board meeting, one Directorate, region or team are invited to attend for an hour, and challenge Board members on issues of their choosing. The Executive Board hold meetings at locations around the country, which allows staff to conduct the Q&A sessions face to face and gives greater visibility of Board to our staff.

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.

The terms of reference for the Executive Board are to:

- Support the Council in setting the direction of Acas and developing the Acas strategic plan 2021 to 2025 and for future years;
- Oversee the implementation of Acas's strategic plan;
- Ensure effective communication on the strategic direction and objectives of Acas both internally and externally;
- Set the annual business plan, outlining activities across all business areas, and agreeing and reviewing policies to enable appropriate and efficient delivery plans;
- Ensure appropriate processes and controls are maintained, including thorough 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 DBT;
- 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; and
- Oversee the systematic identification and management of organisational risk.

The Executive Board has oversight of Health and Safety matters and ensures there is an effective relationship with our staff and Trades Unions.

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 until November 2022 and co-chaired by the Director of Advice and Business Solutions and Director of Dispute Resolution since November 2022. The CSB met seven times in 2022-23. It reviews and manages Acas's external services;
- Technical Design and Delivery Board (TDDB): chaired by the Director of Digital Data and Technology. The TDDB met nine times in 2022-23. It oversees and manages Acas's digital and technical portfolio; and

- **Planning, Performance and Change Board (PPCB):** chaired by the Director of Finance and Governance. The PPCB met ten times in 2022-23. It oversees how Acas performs against its agreed measures, the key milestones on the single view of change and wider projects and programmes.

Assessment of Board effectiveness

An internal effectiveness review was carried out in May 2022. It found that overall Boards were performing well, with appropriate agendas being set and members able to actively contribute and challenge at meetings. The review did identify some areas for improvement such as better succession planning. The feedback provided is being used as part of our governance review that will be completed in 2023.

Acas has joined a pan-government network for improving Board reports and will seek to use the shared insight to better report to Executive Board.

The risk and internal control framework

Acas Council retains oversight of the management of risk in Acas. At least quarterly, 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.

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.

The overall risk appetite remains as ‘Open’, though within each business area, certain activities take a more cautious approach to risk management.

The Executive Board regularly assesses and monitors key strategic risks, reviewing the current status of the risks, including the risks’ trajectory and all Executive Board papers include a risk assessment of the issue under consideration. The Strategic Risk Register is underpinned by local, sub-boards and project risk registers from which significant risks are escalated to the Strategic Risk Register 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.

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.

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.

Acas also maintains a separate Fraud and Error Risk Register, which is reviewed annually. Acas participates in the Counter-Fraud Network, a body that brings together Partner Organisations from across the DBT family to share good practice in reducing and mitigating the risk of fraud and error.

Acas has completed the Annual Assurance self-assessment to measure compliance around governance and management actions, which reflects the Cabinet Office Sponsorship Code of Good Practice.

Review of organisational effectiveness

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; and
- 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 Performance Tracker in conjunction with the Strategic Risk Register, to measure in-year organisational performance;
- A systematic review of compliance with internal control procedures and governance arrangements;
- A high level assurance mapping of controls; and
- Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

Corporate Governance Challenge Panel

The annual Corporate Governance Challenge Panel sat in May 2023 to consider the individual corporate governance returns of three members of the Executive team. The purpose of this exercise is to provide assurance to the Committee that the assurances made in the Accounting Officer's Governance Statement are robust. The Director of Finance, Estates and Procurement, the Director of People and the Regional Director of South West, East, London and South East

were challenged by the Chair of the Committee, supported by the Independent Financial Expert and the Head of Internal Audit.

Key themes identified in their statements were discussed; these focused on the response to the challenges of implementing the Operating Model, staffing resources and the impact of this on delivery of services, and local risk management.

No issues were raised that would undermine the assurance that a sound system of corporate governance is being maintained.

Embedding our capacity to change

Project and change management principles have been developed and published to assist the business in improving project and change management practise.

Our new organisational structure has recognised a need to increase our capability and capacity further in both project and change management by including additional roles in the Change Management Office (CMO), these are currently being recruited, though a permanent Head of Strategic Portfolio and Change has been appointed.

The CMO will continue the work to increase capability and capacity of robust project and change management across the organisation.

Operating Model

We have reviewed the ‘as-is’ and designed the ‘to-be’ Acas Operating Model to ensure we have the right capabilities to deliver against the strategic ambitions.

The identified Operating Model changes provide a range of benefits for the organisation to increase strategic alignment, accountability, efficiency and clarity.

The final design was approved by Executive Board following an organisational wide consultation on the design proposal. We are currently finalising the implementation of the new design.

General Data Protection Regulations

GDPR practices continue to be embedded in the business. Regular reviews of data breach causes have been reported to Executive Board and Council during 2022-23 outlining governance measures to be put in place. Mandatory GDPR awareness training is carried out by all staff every eighteen months and was last completed in October 2021, with the next training to be commissioned in July 2023.

Internal Compliance Reviews

The annual Compliance Reviews have demonstrated that controls are working sufficiently and there have been no significant deviations from Acas’s governance and internal control procedures and processes. Feedback on the review was presented to senior managers, both on an

individual basis and to share good practice from across the organisation. There were no significant actions needed following on from the review to improve governance.

The Compliance Review was reviewed in year and enhancements made to ensure that the coverage of the review was complete. Additional questions around Cabinet Office controls, Conflict of Interest reporting, Business Continuity and Counter Fraud activities were added, with several other areas being redrafted to provide additional assurance.

Government Internal Audit Agency

The 2022-23 Internal Audit Plan covered the following areas, with the outcomes of those review noted:

- **Key Financial Controls:** The cyclical review of key financial controls that evaluates effectiveness of the processes and controls under the new finance system introduced in November 2021. The review also assessed controls and compliance put in place for management of contractors/contingent labours as per the IR 35 requirements of amended legislation effective from 06 April 2021 (Substantial Opinion);
- **Cyber Security:** Audit work to provide assurance over security governance roles and responsibilities, security training and awareness arrangements to improve the security culture and to consider the

assurance and reporting arrangements (Moderate Opinion);

- **Dispute Resolution Services:** A focus to develop the individual dispute resolution services so that Acas can deliver better outcomes for individuals, businesses and the wider economy and reduce the cost of conflict (Advisory);
- **Good Practice Services:** A review of Acas's Good Practices Services (GPS) business. GPS income fell during the Covid pandemic and Acas is now in a recovery position, with income increasing. Assurance is sought to ensure that opportunities are exploited in a consistent manner to other similar organisations (Moderate Opinion);
- **Health and Safety:** To provide assurance on the organisation's approach to Health & Safety given the geographical spread of Acas, and risks associated with remote working (Moderate Opinion); and
- **Review of HR Policies and Procedures:** A review of Acas HR Policies and Procedures to identify any potential gaps and to learn, where possible, from organisations of a similar size and structure to Acas (Advisory).

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.

In summary, there were three moderate and one substantial audit opinions from the work undertaken during the year and in addition there were two Advisory Reviews where GIAA were not tasked with providing an opinion.

In the reports, the auditors highlighted 6 'High', 14 'Medium' and 8 'Low' priority recommendations. Progress in the implementation of agreed audit recommendations is reported to the Audit Committee. At the end of the reporting year, three recommendations were not completed but we have agreed an extended implementation date for these.

Cyber security

A single Cyber Security incident was recorded in 2022-23 during a period of elevated threat. The incident impacted network connectivity in a regional office and was traced to a Denial of Service (DoS) attack emanating from South Korea. The offending connections were identified and blocked, restoring full network availability. No data or systems were compromised during this incident.

This year an in-depth Cyber Security Strategy and roadmap has been produced following a detailed assessment of the Acas Cyber Security position. Acas Cyber Security preparedness has been strengthened.

Measures taken include additional layers of monitoring and defensive tooling, improved Cyber Threat Intelligence sharing through BEIS partner organisations, security audits focussing on Cyber Security culture within Acas and mandatory Cyber training for all staff.

Estates

During the year, we worked to ensure that we provide our staff and customers with a modern fit for purpose working environment. During the summer, we acted on our Estates strategy, relocating and reducing our footprint.

The new Estates Strategy was agreed by Executive Board, in collaboration with our Trade Union. This recognised the need for cost effective modern environments, whilst aligning to wider government Estates Strategies/ initiatives.

We also have regular meetings with senior members of the Government Property Agency (GPA) management team, (as well as with the Client Manager) to ensure transparency and resolution of key issues.

Smarter Resolution

The Smarter Resolution programme was a two-year project that commenced in July 2022 and completed in March 2023 and looked at different elements of the user journey within dispute resolution, from information provided to users, how they fulfil statutory process to notify Acas of a dispute and then how that work reaches

conciliators. The aim was to reduce the number of ET claims presented too soon, help individuals understand the conciliation service and give Acas the right information first time to allocate cases to an available conciliator quickly.

The programme was governed by a programme board chaired by representative of Ministry of Justice (MoJ), with representation from the programme team in Acas, BEIS finance and sponsor team and MoJ finance and dispute resolution leads. The board met quarterly. A condition of the funding was a robust evaluation governed by the Government Evaluation Task Force. The full report is now being compiled and shows positive outcomes and is expected to be published in September 2023.

Over the course of this programme and the wider work on skills and knowledge across the conciliation workforce there has been an increase in performance leading to additional savings across the whole dispute resolution journey.

Speak Up Policy

To adopt a more positive approach to workplace culture and fit with Acas's Speak Up campaign we have changed the 'Raising a Concern – Whistleblowing' policy to the Speak Up policy. Along with this change we reviewed and amended the policy, which:

- Ensures that anyone who has a concern is aware of how to raise it and what information is needed;
- Helps staff understand what types of concerns can and can't be raised under this policy;
- Helps staff understand what whistleblowing is and how to raise concerns internally and externally;
- Covers confidentiality and protection so staff can feel safe to speak up; and
- Covers how a concern is handled.

To support this policy, three Nominated Officers were appointed in year. These act as an impartial point of contact for staff who wish to raise a concern. In 2022-23 we had one anonymous whistleblowing allegation which was investigated, and it was held that there was no case to answer.

Other issues

No recommendations were made in NAO's Management Letter as part of the 2021-22 audit that required action in year.

We answered 75 of the 76 Freedom of Information requests received within the prescribed timeframe.

Three incidents were reported to the Information Commissioner's Office (ICO), though only one was a data breach, the others a breach of TULR(C)A and one as a

precautionary measure. The ICO considered no follow-up actions were necessary.

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.

All our Executive and Non-Executive Directors complete a Conflicts of Interest declaration at least once a year. Additionally at the start of all meetings any Conflicts of Interest in relation to the matters due to be discussed are asked to be declared. No such conflicts were noted in year.

Acas has reviewed the status of contractors engaged by the business; all were found to be compliant with the new IR35 regulations.

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.

There were no breaches of Cabinet Office spend controls in year; a new process for monitoring adherence was introduced to provide assurance that Acas remains compliant.

Acas continues to publish details of individual expenditure over £250, prompt payment statistics, and organisation charts on gov.uk.

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 2022-23 the delivery focused on those newly in post.

Acas continued to work collaboratively with BEIS – now replaced by DBT as our sponsoring department – 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 was represented on several other of the former BEIS networks to consider issues across the core Department and Partner Organisations, as well as several pan-Government networks. This will continue with the new Departmental structure following the Machinery of Government changes.

Assessment of effectiveness

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 2022-23.

A handwritten signature in black ink that reads "Susan Clews". The signature is written in a cursive, flowing style.

Susan Clews

Accounting Officer

Acas

04 July 2023

Staff report

Supporting our people – diversity and inclusivity at Acas

At Acas, we are committed to creating and maintaining a non-discriminatory and respectful working environment for our staff. A range of policies to support this, such as, bullying and harassment, diversity and inclusion, and recruitment and selection are available on the staff intranet in line with the Public Sector Equality Duty (PSED).

We ensure we pay due regard to the three aims of the public sector equality duty under the Equality Act 2010, by ensuring all policies and change programmes undergo equality impact assessment.

In addition, we have completed an audit of the non-website Acas services to explore our current suite of accessibility options and seek out opportunities for where we can improve options for our customers, now and in the future. Through this we aim to further meet our requirements under the PSED, and make sure our customers receive a great experience, regardless of their needs and the service they're using.

Acas is committed to ensuring equality of opportunities for all disabled employees. This year we re-accredited as a Disability Confident Leader.

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.

Ambition 4 – Embracing difference, increasing inclusion, creating fairness

Under Ambition 4 of our Acas’s Strategy, which focuses on embracing difference, increasing inclusion, creating fairness we have made good progress on our milestones and measures during the reporting period.

Split into three packages, Ambition 4 aims to influence the state of equality, diversity, and inclusion in the workplace, through our services and in partnership with organisations across Britain; provide services that are accessible and effective for those who need to use them, irrespective of place, sector, and individual circumstances; and be an organisation that fully reflects the diversity of the communities that we serve.

As part of our aim to influence the state of Equality, Diversity and Inclusion (EDI) in the workplace, we launched a Policy ‘Discovery’ to create a new and more focused ‘Inclusive Workplaces’ policy strategy, including EDI and Mental Health and Wellbeing (MHWB). This work will look at which issues are most prevalent in disputes; on which issues do employers lack support and

how can we best align with the broader Civil Service Inclusion Strategy and deliver more impact with partners.

Our internal audit into the accessibility of internal communications, has set us on track for ensuring we provide inclusive services that are accessible to all.

Action plans with owners have been created and we are currently implementing the recommendations suggested by the audit report, ensuring colleagues can access the same information in the right way and at the right time.

Our internal focus has been around identifying the barriers to creating a diverse workforce. We have completed a deep dive of our recruitment processes and recommendations identified.

To ensure we improve our people data, we have continued to encourage our people to disclose their disability status, along with ethnicity, sexual orientation and religion or belief.

We reviewed progress on our Race Equality Action plan and are proud of the progress made around race equality, including running positive action programmes and supporting our Race Equality Network. Remaining actions now form part of our ongoing work under Acas Strategy Ambition 4.

In October we launched our menopause policy, along with a suite of resources which can be found on our People Matters menopause page. To support the policy launch we provided training from an external menopause

expert. This included specific training for our HR Team, along with line manager training and training which was open to all staff. More recently we have hosted a GP lead seminar focusing on HRT and other treatment.

Finally, our staff networks have continued to raise awareness across Acas including hosting awareness events.

Ambition 4 – future aims

We will continue to develop our inclusive workplaces policy plan along with establishing our priorities and partners in relation to influencing the state of equality, diversity, and inclusion in workplaces. We will do this by understanding the EDI and MHWB policy and stakeholder landscape and where Acas can add greatest insight; delivering new research to bring fresh perspective to EDI and MWHB issues from an Acas perspective and forming strategic partnerships to deliver change against our new priorities.

We will continue to take action to make our services as accessible to ensure we are compliant with the legislation and our services are more accessible to customers. We will do this by implementing our accessibility action plan, assigning ownership of service accessibility, and rolling out an internal training programme and awareness campaign.

We will have understood and have actions plans to address internal Equality, Diversity and Inclusion issues.

We will do this by working closely with our diversity networks to embed more consistency between them and what they deliver and how they take action; identify issues and make progress to remove barriers to increase our ethnic minority representation; establish a framework for harnessing diversity data along with increasing our declaration rates and defining our EDI targets. Finally, we will embed the MHWB maturity framework and in particular reach the mature level in the ‘speak up about health & wellbeing’ category.

Promoting positive mental health in the workplace

We have continued to advise employers and managers on supporting mental health in the workplace through our conferences, training programmes and other advisory services. We have worked closely with external stakeholders particularly on promoting the prevention of work-related stress and creating a wellbeing culture through campaigns, podcasts, external speaking events and our expert advice on advisory boards.

We have developed evidenced-based guidance to support the use of workplace adjustments for mental health, as well as case studies to showcase how different organisations have helped staff with such adjustments. We have also created new guidance on work-related stress.

To ensure we meet the current needs of our customers who call the helpline about issues relating to mental health and neurodiversity, we developed a new digital training package for our advisers on these subjects.

We have continued to build on our mental health and wellbeing strategy which aims to ensure our employees thrive and feel supported at work and mirror the good practice advice we give externally. We invited an external evaluation of our strategy and the Accountability Report, pages 91 – 175 provides more background on some of the key highlights from this evaluation as well as more detail on how we have supported our people.

Supporting our People – mental health and wellbeing

We continue to develop our wellbeing strategy which was recently independently reviewed. The strategy was highlighted as being structured, evidenced-based and a holistic approach to protecting and promoting wellbeing with a clear commitment from Acas senior management to supporting staff health, safety and wellbeing. Our ongoing consultation on mental health and wellbeing with unions, our health and safety forum and other network groups was also highlighted, as was the work we have done to help create an environment where staff feel safe to speak up about health and wellbeing.

Focusing on creating a wellbeing culture from the top, with new Board members in place has been an area of

focus and work has also begun on leadership development including a leadership behaviour framework incorporating behaviours that support wellbeing.

Equipping our staff and managers with skills to look after their own wellbeing, identify and manage stress in themselves and their teams as well as develop awareness around mental health has been a focus and we have developed four e-learning training modules to support this. We have also introduced two health and wellbeing apps for all colleagues to use which include access to evidenced-based tools to support mental health wellbeing, an in-app therapy service and lots of other resources to support wellbeing.

Specific ‘vulnerable callers’ training has been given to our helpline advisers and conciliators in recognition that they are having to support customers who are increasingly presenting with mental health difficulties themselves.

A successful staff wellbeing week focused on physical, mental, social, financial and digital wellbeing. We have also provided more targeted support on financial wellbeing through webinars and asking our staff how we can better support our them through the current financial climate through non-pay offers.

Gender Pay Reporting

The current requirement for gender pay gap reporting is that we report in a binary way rather than including non-binary or other identities.

- 59% of our workforce are women, this is the same as in 2021-22.
- 57% of our Senior Civil Servants are women. This is a 14% increase from 2022 and a 40% increase in the last 2 years.

Acas Gender Pay Gap 2022-23

- Our mean hourly pay gap is 5.7%
- Our median hourly pay gap is 0.6%

In the financial year 2022-23, overall headcount decreased from 1,028 to 1,011, a decrease of 1.7%. We have seen an increase in female representation of 2% and 14% at Grade 6/7 and SCS respectively, our senior grades.

These changes in the demographic of our workforce have resulted in some improvements in gender pay gap figures. These show an improved mean pay gap of 5.7%, down from 7.2% in 2021-22, and a large decrease in our median pay gap to 0.6%, down from 6.1% in 2021-22.

Acas Gender Bonus Gap 2022-23

In the 2022-23 financial year, Acas paid an equal rate reward payment to all eligible staff. This approach explains the annual change in the proportion of people receiving bonuses and the 0% median bonus pay gap.

The figure is not 100% as there have been new starters since the award was paid who did not qualify for this payment.

- 95.5% of women were awarded a bonus
- 95.2% of men were awarded a bonus
- The mean bonus pay gap is 12.1%
- The median bonus pay gap is 0%

Pay by Quartile

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, where the split is more even.

Proportion of male and female employees in each quartile

Quartile	Female %	Male %
Lower quartile	60	40
Lower middle quartile	62	38
Upper middle quartile	63	37
Upper quartile	49	51

Steps we are taking to address our gender pay gap

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:

- Continuing to offer flexibility by default utilising a hybrid working model, allowing colleagues to work from home or other suitable locations more frequently;
- 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 as well as shared parental leave;
- 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 reward and recognition system allowing us to focus on the opportunities all staff will have to demonstrate their contributions ensuring fairness 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;
- Continuing to use recruitment panels which are diverse in terms of gender and ethnicity;
- Focus on different recruitment processes, in line with Civil Service Principles, that allows those with limited

employment history to actively demonstrate their skills at interview; and

- Helping women progress in their careers through clear conversations focused on performance and development, which encourages line managers to have an open ongoing dialogue with staff on career opportunities and progression.

Ethnicity Pay Reporting

As part of our Strategic Ambition to promote diversity and inclusion in Britain's workplaces and ensure our own reflect the values and diversity of modern Britain, we have voluntarily published our ethnicity pay gap. We believe this transparency demonstrates our commitment and provides an opportunity to identify any existing pay disparities among different ethnic groups within Acas. With this data we can carry out meaningful analysis to provide insights into the factors contributing to the pay gap and develop strategies to address them effectively.

The ethnicity pay gap is the percentage difference in the average hourly rate of pay of white and black, Asian and minority ethnic employees. We calculate our ethnicity pay gap using the same methodology set out in the Government regulations for calculating our gender pay gap.

Ethnicity representation in Acas

At the time of reporting on 31 March 2023, we had a total number of 1,011 employees. 827 of our employees have

openly disclosed their ethnicity and this represents 81.8% of the workforce. Of those who have disclosed, 720 (71.2%) are white and 107 (10.6%) are from an ethnic minority background.

Throughout 2022-23, we have continued our efforts to create an inclusive and diverse organisation. Black, Asian and minority ethnic employees made up 10.6% of our organisation. However, it remains less than the UK black, Asian and minority ethnic working population of 19.3%.

The figures show below that we still don't have 100% disclosure on ethnicity data, and we are working hard to improve this.

Overall representation

- 10.6% of our workforce identify as black, Asian or minority ethnic
- 71.2% of our workforce identify as white
- 4.8% of our workforce have preferred not to state their ethnicity
- 13.4% of our workforce have yet to disclose their ethnicity

Acas Ethnicity Pay Gap

We look at both the mean (average) and median (middle) for pay gap reporting. The mean pay gap is the difference in average hourly pay; adding all pay rates together and dividing by the total number of employees. The median

pay gap is the difference in hourly pay between the middle paid (the person at the mid-point if you were to line all employees up from low to high pay) white employees and middle paid black, Asian or minority ethnic employees.

Looking at staff who are eligible to be included in the calculation (staff who are not receiving full pay are excluded):

	Number of staff	Proportion (%)
All staff	993	100
Black, Asian and minority ethnic	102	10.3
Prefer not to say (PNTS)	49	4.9
Unknown / Not declared	132	13.3
White	710	71.5

This gives us a mean and median ethnicity pay gap between colleagues who identify as white and those who identify as Black, Asian and minority ethnic of:

- Our mean (average) hourly pay gap for ethnic minority staff is (1.63)% (Black, Asian and minority ethnic colleagues earn a mean of 1.63% more than white colleagues)
- Our median hourly pay gap is 0% (Black, Asian and minority ethnic and white staff earn the same median pay)

These show an improved mean pay gap of (1.63)%, down from (1.67)% in 2021-22, and a large decrease in our median pay gap to 0%, down from (3.03)% in 2021-22.

Pay by Quartile

The table below show which quartiles staff in each ethnicity group fall into. It shows that black, Asian and minority ethnic staff are proportionally more in the highest earning quartile (Q4). There are proportionally more staff who identify as white in the lowest paid quartile (Q1) than those in the Black, Asian and minority ethnic groups.

The data also shows we have many staff in the higher quartile who prefer not to disclose their ethnicity and a large proportion of colleagues in the lower quartile who have not yet disclosed. This lack of information makes it difficult for us to understand the disparities and inequalities that may exist within our workforce and therefore we are focussing on fostering inclusion and transparency to cultivate more disclosure from staff.

Quartile	Q1 (%)	Q2 (%)	Q3 (%)	Q4 (%)
Black, Asian and minority ethnic (BAME)	6.02	12.90	10.08	12.10
Prefer not to say (PNTS)	2.01	2.82	8.47	6.45
Unknown / Not declared	29.32	14.52	4.03	5.24
White	62.65	69.76	77.42	76.21

Acas Ethnicity Bonus Gap

In the 2022-23 financial year Acas paid an equal rate reward payment to all eligible staff. This approach explains the annual change in the proportion of people receiving bonuses and the 0% median bonus pay gap is likely because staff received one equal payment.

- The mean bonus pay gap is 12.4% (White colleagues earn a mean of 12.4% more than black, Asian and minority ethnic colleagues in bonuses) This is largely driven by SCS colleagues being on a different reward and recognition platform.
- The median bonus pay gap is 0% (This is due to all eligible staff receiving an equal share of the bonus pot in the FY 2022-23).

Pay gap without senior civil servants

Note that if we remove SCS from the dataset, the mean pay gap changes increasingly more in favour of ethnic minority staff at (3.31)% and the median pay gap remains at 0%.

With SCS removed we can see that Black, Asian and minority ethnic colleagues earn a mean of just over 3.3% higher than white colleagues, almost double that with the senior civil servants included, suggesting that senior civil servants are bringing the white mean pay up quite a bit. The median pay difference is the same as the median value is little affected by outliers.

Steps we are taking to address our ethnicity pay gap

Acas senior leadership team are committed to fair pay irrespective of ethnicity. We will continue to build on actions and initiatives aimed at eradicating the ethnicity pay gap, including:

- Continue to foster an inclusive and open environment that encourages employees to disclose their ethnicity. At present we have 81% disclosure rate, and we will continue to run campaigns to raise awareness of the benefits of disclosing and ensuring employees feel comfortable and confident to do so;
- Creating new learning programmes specifically aimed for ethnic minority colleagues, including a dual mentoring programme that will provide ethnic minority colleagues the opportunity to be mentored by the senior leadership team;
- Progressing with our deep dives into recruitment practices, where we examine processes and policies to identify and address any biases that may contribute to the pay gap;
- Working in conjunction with our D&I forum to develop strategic actions in support of gender and ethnic minority staff and to integrate ED&I into all management processes;
- Reviewing promotion practices to ensure fairness and equal opportunities for all employees, which include providing training and leadership programs to support career progression to senior roles for employees from underrepresented ethnic groups;
- 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 reward and recognition system allowing us to focus on the opportunities all staff will have to demonstrate their contributions ensuring fairness across all grades and ethnicity;
- 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;
- Continuing to use recruitment panels which are diverse in terms of gender and ethnicity;
- Focus on different recruitment processes, in line with Civil Service Principles, that allows those with limited employment history to actively demonstrate their skills at interview;
- Helping ethnic minority employees 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.

Staff engagement

The Civil Service People Survey ran from 22 September to 31 October 2022 with 73% of staff giving their views on what it is like to work in the Civil Service and Acas. We have an engagement score of 63%, which is 4 percentage points lower than our 2021 score.

Organisational change, threats of civil service headcount cuts and the pressures of the cost of living are reflected in this engagement score, and this can be seen across the whole Civil Service. However, despite these pressures, results have shown some improvements in specific areas and reflect strong engagement from many leaders.

Trade union facility time

Acas recognises PCS and FDA Trades Unions and we value their role and contribution during 2022-23..

During the year, there were 40, or 38.5 FTE (2021-22, 48, or 45.7 FTE) employees who were relevant union officials. This equates to 4% (2021-22 5%) of the total number of permanently employed staff. The facility time (as a percentage of their working time) was:

Percentage of time	2022-23 Number of employees	2021-22 Number of employees
0%	16	18
1-50%	24	30
51-99%	0	0
100%	0	0

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

	2022-23	2021-22
Total cost of facility time	78	118
Total pay costs (£)	47,176	45,388
Percentage of total pay bill spent on facility time	0.2%	0.3%

99.8% (2021-22 98.9%) of total paid facility time hours were spent on paid trade union activities.

Sickness absence

An average of 10.3 days per person were lost to sickness absences in 2022-23 (2021-22 10.0). Mental ill health is one of the largest causes of absence and has been an area of focus over the last 12 months to provide increased support for colleagues, particularly through change.

Staff Numbers (audited)

Average number of full-time equivalents employed during the period was as per the table below. The decrease in the average number of full-time equivalent staff reflects the fact that the organisation has decided to not recruit into a number of roles whilst transitioning to the new organisational design as our new operating model has changed the type and number of roles, and, as a result, we have carried vacancies longer than normal.

Quartile	Permanently employed	Others	2022-23	2021-22
			Total	Total
Acas national	148	38	186	193
Regional offices	759	14	773	799
Certification Office and Central Arbitration Committee	14	1	15	15
Total	921	53	974	1,007

Staff turnover was 10.7% in 2021-22 and 10.9% in the current year. This is considered an improvement on the prior year as turnover has remained consistent even

whilst going through significant organisational change. Staff turnover is not subject to audit.

For staff costs, see Note 4. of the financial statements.

Compensation for loss of office (audited)

In 2022-23, no one left under efficiency dismissal terms (2021-22, 3 people left and received a total compensation payment of £107k).

14 people left under voluntary exit terms on 31 March 2023. The total compensation under this scheme was £1,061k, broken down in the table below.

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	1	1
£25k – £50k	0	2	2
£50k – £100k	0	11	11
> £100k	0	0	0
Total number of exit packages	0	14	14
Total cost (£'000)	0	1,061	1,061

In the previous year, 5 employees agreed to leave under voluntary exit terms. They received a total compensation payment of £410k which was accrued in 2021-22 and paid out in June or August 2022. These payments are broken down in the table below.

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

1 individual (2021-22 no one) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £11k.

Off payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater:

- No. of existing engagements as of 31 March 2023 12
- Of which:
 - For less than one year at the time of reporting 10
 - For between 1 and 2 years at the time of reporting 1
 - For between 2 and 3 years at the time of reporting 1
 - For between 3 and 4 years at the time of reporting 0

- For 4 and more years at the time of reporting 0

The individual working with the organisation for between 2 and 3 years has been engaged as part of the organisational restructure and is due to finish with Acas in 2023-24. The worker is not subject to the off-payroll legislation.

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater:

- Number of new engagements between 1 April 2022 and 31 March 2023 12
- Of which:
 - Not subject to off-payroll legislation 9
 - assessed as caught by IR35 0
 - assessed as not caught by IR35 3

None of the engagements that were not subject to 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.

There were no off-payroll engagements of board members or senior officials with significant financial responsibility during the year.

Remuneration Report

Subject to the provisions of the Civil Service Management Code, Acas has delegated authority from the Secretary of State for BEIS to determine the pay and grading of staff in non-Senior Civil Service (SCS) grades.

The salaries of the Acas Chair, the Certification Officer (CO), the Chair of the Central Arbitration Committee (CAC), and 10 Acas staff who are members of the Senior Civil Service are set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- Regional / local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the government's departmental expenditure limits; and
- The government's inflation target.

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.

The salaries of the Acas Council are set by BEIS.

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.

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 DBT (formerly 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

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 10 (2021-22; 7) senior civil servants at pay band 1, and 3 (2021-22; 3) senior civil servants at pay band 2.

Remuneration (salary, bonus and pensions)

	2022-23					2021-22				
	Salary ⁶ (£'000)	Bonus payments (£'000)	Pension benefits ^{4 5} (£'000)	Total (£'000)	Salary (£'000)	Bonus payments (£'000)	Pension benefits (£'000)	Total (£'000)		
C Chapman (Chair) ¹	55 – 60	0	0	55–60	55–60	0	0	55–60		
S Bedwell (Certification Officer)	135 – 140	0	53	185–190	130–135	0	52	180–185		
S Clews (Chief Executive, Acas) ²	125-130	5 – 10	-47	85–90	120–125	5–10	-9	120–125		
M Tavares (Chief Executive, CAC) ²	55 – 60	0 – 5	-9	45–50	55–60	0	21	75–80		
A Cooper (Chief Operations Officer until 30 June 2022) ³	25 – 30	0	-8	20–25	80-85	0	12	90–95		
R Mackintosh (Director, Finance, Estates, and Procurement) ²	85 – 90	0 – 5	-30	60–65	85-90	0–5	9	95–100		
J Vincent (Director, Digital, Data and Technology) ²	90 – 95	5 – 10	33	130–135	90–95	5–10	32	125–130		
I Wood (Director, Strategy until 10 December 2021) ³	0	0	0	0	60–65	0	4	65–70		
D Ellis (Director, Organisational Development and Human Resources) ²	75 – 80	5 – 10	30	115–120	70–75	5–10	28	105–110		
C Nowicki (Director of Strategy and, from 1 October 2022, Director of Dispute Resolution) ²	75 – 80	0 – 5	9	85–90	65–70	0–5	41	110–115		
W Parker (Acting Chief Operations Officer from 6 January 2022 until 31 August 2022) ³	30 – 35	0	15	45–50	15–20		15	30-35		
S Clark (Acting Chief Operations Officer from 14 June 2022 until 31 December 2022) ³	40 – 45	0	21	60-65	0	0	0	0		
K Watt (Director of Strategy & External Affairs from 1 September 2022) ³	45 – 50	0	-4	40-45	0	0	0	0		
A Boyd (Director of Advice & Business Solutions from 21 September 2022) ³	50 – 55	0	20	70-75	0	0	0	0		

- 1 C Chapman is not a member of the pension scheme.
- 2 In 2022-23, S Clews, M Tavares, R Mackintosh, J Vincent, D Ellis and C Nowicki received a non-consolidated payment relating to their performance in 2021-22.
- 3 This tables shows the amounts paid in individual's capacity of the named roles within the reporting years. In the current year: A Cooper's annual salary was in the range of £80k-£85k, W Parker's was in the range of £70k-£75k, S Clark's was in the range of £70k-£75k, K Watt's was in the range of £75k-£80k and A Boyd's was in the range of £95k-£100k. In the comparative year: I Wood's and W Parker's annual salary was in the range of £70-75k.
- 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

There were amounts paid in 2022-23 under voluntary exit of £95k for A Cooper and £95k for W Parker, these were accrued in 2021-22. See Staff report above. There were no other compensation payments for loss of office paid to senior managers in 2022-23 (£102k paid to I Wood in 2021-22).

	Accrued pension at pension age as at 31 March 2023 and related lump sum (£k)	Real increase in pension and related lump sum at pension age (£k)	CETV at 31 March 2023 (nearest £k)	CETV at 31 March 2022 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
S Bedwell (Certification Officer)	15 – 20	2.5 – 5	226	175	33
S Clews (Chief Executive, Acas)	55 – 60 plus a lump sum of 155 – 160	0 plus a lump sum of 0	1,277	1,234	-62*
M Tavares (Chief Executive, CAC)	25 – 30 plus a lump sum of 50 – 55	0 plus a lump sum of 0	478	440	-15*
A Cooper (Chief Operations Officer until 30 June 2022)	35 – 40 plus a lump sum of 80 – 85	0 plus a lump sum of 0	754	747	-10*
R Mackintosh (Director, Finance, Estates, and Procurement)	45 – 50 plus a lump sum of 105 – 110	0 plus a lump sum of 0	998	926	-44*
J Vincent (Director, Digital, Data and Technology)	15 – 20	0 – 2.5	320	280	14
D Ellis (Director, Organisational Development and Human Resources)	10 – 15	0 – 2.5	134	111	12
C Nowicki (Director of Strategy and, from 1 October 2022, Director of Dispute Resolution)	25 – 30 plus a lump sum of 65 – 70	0 – 2.5 plus a lump sum of 0	640	569	0
W Parker (Acting Chief Operations Officer from 6 January 2022 until 31 August 2022)	35 – 40 plus a lump sum of 100 – 105	0 – 2.5 plus a lump sum of 0 – 2.5	823	778	11

	Accrued pension at pension age as at 31 March 2023 and related lump sum (£k)	Real increase in pension and related lump sum at pension age (£k)	CETV at 31 March 2023 (nearest £k)	CETV at 31 March 2022 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
S Clark (Acting Chief Operations Officer from 14 June 2022 until 31 December 2022)	30 – 35 plus a lump sum of 60 – 65	0 – 2.5 plus a lump sum of 0 – 2.5	513	479	12
K Watt (Director of Strategy & External Affairs from 1 September 2022)	30 – 35 plus a lump sum of 5 – 10	0 – 2.5 plus a lump sum of 0	515	500	-10*
A Boyd (Director of Advice & Business Solutions from 21 September 2022)	0 – 5	0 – 2.5	14	0	11

* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Fair pay disclosure

There has been an increase from 2021-22 with respect to the full-time equivalent pay of the highest paid official of 3.8% which is due to pay review. There has been an average increase for employee's full time equivalent pay, excluding the highest paid official, of 5.0% largely due to the pay award. There has been no change from 2021-22 with respect to the performance pay of the highest paid official. There has been an average increase of 43.5% for employee's performance pay, excluding the highest paid

official, due to the Reward and Recognition pot being fully utilised in the year.

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. The ratios have remained consistent with those in 2021-22.

	2022-23		2021-22	
	Total Salary	Total Remuneration	Total Salary	Total Remuneration
Band of highest paid official's remuneration (£k)	135-140	135-140	130-135	130-135
25th percentile (£)	25,587	25,757	24,325	24,509
Ratio	5.2	5.2	5.5	5.4
Median (£)	32,105	32,322	30,945	31,095
Ratio	4.2	4.2	4.3	4.3
75th percentile (£)	39,363	39,531	38,673	38,673
Ratio	3.4	3.4	3.5	3.4

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.

In 2022-23, 0 (2021-22, 0) employees received remuneration in excess of the highest paid official. Remuneration within the organisation ranged from £20,000 to £25,000 to £135,000 to £140,000 (2021-22, £15,000 to £20,000 to £130,000 to 135,000).

During 2022-23, the ratio of females to males employed by Acas was 1:0.7 (2021-22, 1:0.7). At Executive Board level, this ratio was 1:0.7 (2021-22, 1:2.1). Gender ratios are not subject to audit.

Unaudited Information

Council and CAC members

	2022-23 (£)	2021-22 (£)
Annual salary	1,695	1,695
Daily rate for attendance	172	172

Acas Council members are paid an annual salary and are entitled to receive the daily rate for attending on Acas business. In 2022-23, all Acas Council members, excluding the Chair whose salary is disclosed in the table on page 149, were paid in the range of £0 – £5k. Neil Carberry received no payment in the year. Acas Council members' pay is not subject to audit.

CAC members	2022-23 (£)	2021-22 (£)
CAC deputy chairs daily rate	537	522
CAC members daily rate	306	297
Arbitrators daily rate	382	371

The CAC deputy chairs and members are reimbursed at the daily rate for attending CAC business. Acas has financial management of the CAC.

Service Contracts

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.

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.

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

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.

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.

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.

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.

Further information about the work of the Civil Service Commissioners can be found at <https://civilservicecommission.independent.gov.uk>.

Salary

'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.

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 2022-23 relate to performance in 2021-22 and the comparative bonuses reported for 2021-22 relate to performance in 2020-21.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age.

Equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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).

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.

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).

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).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

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.

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.

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.

A handwritten signature in black ink that reads "Susan Clews". The signature is written in a cursive, flowing style.

Susan Clews

Accounting Officer

Acas

04 July 2023

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 2023 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 2023;
- 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 UK adopted International Accounting Standards.

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 2023 and its net expenditure for the year then ended; and

- have been properly prepared in accordance with the requirements of HM Treasury’s Government Financial Reporting Manual and 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 Bodies in the United Kingdom* (2022). 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 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 is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. 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.

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.

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

- 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.
- In my opinion, based on the work undertaken in the course of the audit 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 Accountability Report.

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

- Adequate accounting records have not been kept by the Advisory, Conciliation & Arbitration Service returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Advisory, Conciliation & Arbitration

Service from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with the requirements of HM Treasury's Financial Reporting Manual and the Trade Unions and Labour Relations (Consolidation) Act 1992;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the requirements of HM Treasury's Financial Reporting Manual and the Trade Unions and Labour Relations (Consolidation) Act 1992; 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, I:

- considered 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.
- inquired 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 on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of 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 their compliance with the Trade Unions and Labour Relations (Consolidation) Act 1992 and Managing Public Money.

- inquired of management, the Government Internal Audit Agency and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with 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.

I obtained an understanding of the Advisory, Conciliation & Arbitration Service's framework of authority and other legal and regulatory frameworks in which the Advisory, Conciliation & Arbitration Service operates. I focused 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 the Trade Unions and Labour Relations (Consolidation) Act 1992, Managing Public Money, and relevant employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit Committee concerning actual and potential litigation and claims;
- I reviewed 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, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud 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 expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 7 July 2023

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

Financial Statements

Statement of comprehensive net expenditure

consists of:

Advisory, Conciliation and Arbitration Service Central Arbitration Committee Certification Office

		2022-23		2021-22	
	Note	£'000	£'000	£'000	£'000
Income	3		4,291		3,677
Expenditure					
Staff costs	4	(47,176)		(45,388)	
Depreciation	5	(2,364)		(2,099)	
Other expenditure	5	(12,498)		(11,349)	
			(62,038)		(58,836)
Net expenditure			(57,747)		(55,159)
Other comprehensive expenditure					
Net gain/(loss) on revaluation of property, plant and equipment and intangibles	6		119		174
Total comprehensive net expenditure for the year ended 31 March 2023			(57,628)		(54,985)

The notes on pages 183-212 form part of these accounts.

Statement of financial position

as at 31 March 2023

consists of:

Advisory, Conciliation and Arbitration Service Central Arbitration Committee Certification Office

	Note	31 March 2023		31 March 2022	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6.1	2,057		1,873	
Right of use assets	6.2	4,313		5,315	
Intangible assets	6.3	4		5	
Total non-current assets			6,374		7,193
Current assets					
Trade and other receivables	7	2,464		1,900	
Cash and cash equivalents	8	0		347	
Total current assets			2,464		2,247
Total assets			8,838		9,440
Current liabilities					
Cash and cash equivalents	8	(170)		0	
Trade and other payables	9	(5,827)		(5,669)	
Lease liabilities	10	(1,217)		(1,558)	
Provisions	11	(147)		(296)	
Total current liabilities			(7,361)		(7,523)
Total assets less current liabilities			1,477		1,917
Non-current liabilities					
Lease liabilities	10	(3,087)		(4,085)	
Provisions	11	(728)		(752)	
Total non-current liabilities			(3,815)		(4,837)
Assets less liabilities			(2,338)		(2,920)
Reserves					
General reserve			(2,761)		(3,359)
Revaluation reserve			423		439
			(2,338)		(2,920)

The notes on pages 183-212 form part of these accounts.

These accounts were approved on:

A handwritten signature in black ink that reads "Susan Clews". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Susan Clews

Accounting Officer

Acas

04 July 2023

Statement of cashflows

for the period ended 31 March 2023

consists of:

Advisory, Conciliation and Arbitration Service Central Arbitration Committee Certification Office

		2022-23	2021-22
	Note	£'000	£'000
Cash flows from operating activities			
Net operating cost		(57,747)	(55,159)
Adjustments for non-cash transactions	5	2,422	2,523
(Increase)/Decrease in trade and other receivables	7	(564)	551
Increase/(Decrease) in trade and other payables	9	158	(1,639)
Increase/(Decrease) in lease liabilities	10	(1,339)	5,643
Increase/(Decrease) in provisions	11	(173)	6
Net cash outflow from operating activities		(57,243)	(48,075)
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(837)	(196)
Cumulative catch up and purchase of right of use assets	6.2	(836)	(6,780)
Purchase of intangible assets	6.3	0	(6)
Proceeds of disposals of property, plant and equipment	6.1	0	0
Proceeds of disposals or modification of right of use assets	6.2	189	0
Proceeds of disposals of intangible assets	6.3	0	0
Net cash outflow from investing activities		(1,484)	(6,982)
Cash flows from financing arrangements			
Grants from sponsoring department		58,210	56,300
Net cash inflow from financing arrangements		58,210	56,300
Net (decrease)/increase in cash and cash equivalents in the period		(517)	1,243
Cash and cash equivalents at the beginning of the period	8	347	(896)
Cash and cash equivalents at the end of the period	8	(170)	347

The notes on pages 183-212 form part of these accounts.

Statement of changes in taxpayers' equity

for the period ended 31 March 2023

consists of:

Advisory, Conciliation and Arbitration Service Central Arbitration Committee Certification Office

	General reserve	Revaluation reserve	Total reserves
	£'000	£'000	£'000
Balance at 1 April 2021	(4,757)	522	(4,235)
Changes in taxpayers' equity 2021-22			
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)
Changes In taxpayers' equity 2022-23			
Net gain/(loss) on revaluation of property, plant and equipment	0	119	119
Transfers between reserves	135	(135)	0
Comprehensive net expenditure for the year	(57,747)	0	(57,747)
Grant from sponsoring department	58,210	0	58,210
Balance at 31 March 2023	(2,761)	423	(2,338)

Notes to the accounts

for period ended 31 March 2023

1. Statement of accounting policies

1.1 Basis of preparation

These Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Service (Acas) for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the organisation 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: £100
- 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 Leases

Under IFRS 16, Acas recognises all leases as finance leases but with exemption given to low value leases, considered to be those with a corresponding asset value of £10k or less, and short-term leases, being those with lease terms of less than 12 months.

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.

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, 0.95% after 1 January 2022 but before 31 December 2022, and 3.51% after 1 January 2023.

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.

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.

1.10 Provisions

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

Material provisions greater than one year are discounted to a value using a discount rate set by HM Treasury (currently dilapidations are discounted at a rate determined by the discounting period of 3.27%).

1.11 Operating income

Operating income is income which relates directly to the activities of Acas from its 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 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.

At the inception of a contract, Acas assess the services that have been promised and identify the performance obligation as either a distinct service or series of distinct services, i.e. where training is to be performed over multiple dates.

The transaction price is the amount to which Acas expects to be entitled in exchange for the transfer of services. Where a contract has multiple performance obligations, Acas allocates the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices.

1.12 Pensions

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

1.13 Employee benefits

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

1.14 Taxation

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

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

- irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading
- irrecoverable VAT on the purchase of an asset is included in additions, other than for right of use assets, where irrecoverable VAT is recognised in the Statement of Comprehensive Net Expenditure.

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

1.15 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 2023. They anticipate the continuation of the statutory basis of Acas's services and are content not to doubt Acas's continuing existence for 2023-24 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 2023-24 indicative 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 2023-24 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.

1.16 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.

1.17 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.

1.18 Estimation techniques used and key judgements

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

Acas reviews the individual lease terms and discuss with GPA to understand on which premises dilapidations are chargeable. For relevant premises, Acas has estimated the dilapidations provisions based on information from GPA and whether any works to premises have been undertaken in the year which might result in a dilapidations charge. See Note 11.

1.19 New IFRSs in issue but not yet effective and FReM changes 2022 to 2023

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. This standard comes into effect for annual reporting periods beginning on or after 1 January 2023, however, the implementation timetable in the public sector is being extended to 1 April 2025. 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 2022 to 2023 which would impact on Acas's future financial statements.

2. Segmental analysis

2022-23	Public services	Conciliation IC and CC	Helpline	Good practice services	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Total	0	0	0	(4,286)	(5)	(4,291)
Expenditure						
Total salaries	2,361	29,202	10,884	3,116	1,613	47,176
Total other expenditure	737	8,360	2,486	559	356	12,498
Depreciation	191	1,170	697	226	80	2,364
Total expenditure	3,289	38,732	14,067	3,901	2,049	62,038
Net expenditure	3,289	38,732	14,067	(385)	2,044	57,747

2021-22	Public services	Conciliation IC and CC	Helpline	Good practice services	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'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

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.

	2022-23			2021-22		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	4,278	5	4,283	3,662	9	3,671
Other receipts	8	0	8	6	0	6
	4,286	5	4,291	3,668	9	3,677

	2022-23	2021-22
	£'000	£'000
Receipts from fees and other operating receipts (Acas)	4,286	3,668
Total expenditure	(3,901)	(3,220)
Net surplus	385	448

Acas provides training courses on employment relations and the latest good practice for employers, HR professionals, managers and employees. In addition, tailored training for organisations is offered. These services are delivered face to face or through virtual events. Acas strives to achieve full cost recovery for charged for services. The CAC has no operating income.

4. Staff costs

The aggregate payroll costs were as follows:

	2022-23			2021-22
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Acas				
Wages and salaries	32,080	805	32,885	32,009
Social security costs	3,558	28	3,586	3,337
Other pensions costs	8,406	85	8,491	8,491
Voluntary exit scheme	1,061	0	1,061	410
Total Net Costs	45,105	918	46,023	44,247

	2022-23			2021-22
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
CO & CAC				
Wages and salaries	850	0	850	848
Social security costs	95	0	95	87
Other pensions costs	208	0	208	206
Voluntary exit scheme	0	0	0	0
Total net costs	1,153	0	1,153	1,141

	2022-23			2021-22
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Total Acas, CO & CAC				
Wages and salaries	32,930	805	33,735	32,857
Social security costs	3,653	28	3,681	3,424
Other pensions costs	8,614	85	8,699	8,697
Voluntary exit scheme	1,061	0	1,061	410
Total net costs	46,258	918	47,176	45,388

5. Other expenditure

	2022-23			2021-22		
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	973	56	1,029	2,715	32	2,747
Running costs	913	30	943	1,061	12	1,073
Contractor and consultant fees	4,623	0	4,623	2,526	0	2,526
Professional fees	1,329	6	1,335	1,545	0	1,545
Travelling and incidental expenses	407	1	408	99	9	108
Computer software	1,682	1	1,683	1,589	1	1,590
Staff training costs	716	5	721	411	2	413
Research and development costs	767	14	781	454	7	461
Legal costs	516	16	532	157	21	178
Equipment rental	29	0	29	39	0	39
Services provided by OGDs	99	58	157	94	0	94
External audit fees	63	0	63	66	0	66
Fees and expenses of arbitrators, conciliators & CAC members	15	6	21	17	5	22
Bad debts	(15)	0	(15)	4	0	4
Conference costs	0	5	5	0	4	4
Provisions for liabilities and charges – dilapidations	122	0	122	0	0	0
Change in, and unwinding of, discount rate	(46)	0	(46)	5	0	5
Finance charge	49	0	49	50	0	50
<i>Non-cash costs:</i>						
Depreciation	2,364	0	2,364	2,099	0	2,099
Revaluation	0	0	0	37	0	37
Losses, write offs and loss on disposal of property, plant and equipment	58	0	58	387	0	387
Other non-cash movements	0	0	0	0	0	0
	14,664	198	14,862	13,355	93	13,448

6.1 Property, plant and equipment

Property, plant and equipment 2022-23

	Leasehold improvements	Computer hardware, telecomms & office equip.	Furniture fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2022	2,806	5,665	1,037	9,508
Additions	20	814	3	837
Disposals	(1,500)	(1,310)	(261)	(3,071)
Revaluations	125	49	58	232
Impairment	0	0	0	0
Transfers	0	0	0	0
At 31 March 2023	1,451	5,218	837	7,506
Depreciation				
At 1 April 2022	1,793	5,056	786	7,635
Charge in year	176	456	82	714
Disposals	(1,470)	(1,298)	(246)	(3,014)
Revaluations	44	30	40	114
Adjustment	0	0	0	0
At 31 March 2023	543	4,244	662	5,449
Net book value at 31 March 2023	908	974	175	2,057
Asset financing				
Owned	908	974	175	2,057

Property, plant and equipment 2021-22

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

6.2 Right of use assets

Right of use assets 2022-23

	Buildings	Total
	£'000	£'000
Cost or valuation		
At 1 April 2022	6,780	6,780
Capitalised dilapidations provision	0	0
Additions	836	836
Disposals	0	0
Lease modifications	(189)	(189)
Revaluation	0	0
Transfers	0	0
At 31 March 2023	7,427	7,427
Depreciation		
At 1 April 2022	1,465	1,465
Charge in year	1,649	1,649
Disposals	0	0
Revaluation	0	0
At 31 March 2023	3,114	3,114
Net book value at 31 March 2023	4,313	4,313
Asset financing		
Financed	4,313	4,313

Right of use assets represent the value of leases for 12 (2021-22, 10) Acas office buildings.

Right of use assets 2021-22

	Buildings	Total
	£'000	£'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

6.3 Intangible assets

Intangible assets 2022-23

	Computer software	Total
	£'000	£'000
Cost or valuation		
At 1 April 2022	11	11
Additions	0	0
Disposals	0	0
Revaluation	0	0
Transfers	0	0
At 31 March 2023	11	11
Amortisation		
At 1 April 2022	6	6
Charge in year	1	1
Disposals	0	0
Revaluation	0	0
At 31 March 2023	7	7
Net book value at 31 March 2023	4	4
Asset financing		
Owned	4	4

Intangible assets 2021-22

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

7. Trade receivables and other current assets

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	828	528
Prepayments	1,605	1,344
VAT	7	0
Deposits and advances (staff)	24	28
	2,464	1,900

8. Cash and cash equivalents

	2023	2022
	£'000	£'000
Balance at 1 April	347	(896)
Net change in cash and cash equivalent balances	(517)	1,243
Balance at 31 March	(170)	347
The following balances at 31 March are held at:		
Government Banking Service	(170)	347

Cash balances were showing as a credit as at 31 March 2023 due to a large payment run made at the end of the month. This did not clear the bank until April 2023.

9. Trade payables and other current liabilities

	2023	2022
	£'000	£'000
Trade and staff payables	2,334	1,787
VAT	0	128
Accruals	1,814	2,446
Holiday pay	1,364	910
Deferred income	315	398
	5,827	5,669

10. Lease liabilities

	2023	2022
	Buildings	Buildings
	£'000	£'000
Obligations under operating leases		
Not later than one year	1,217	1,558
Later than one year and not later than 5 years	2,429	3,180
Later than 5 years	658	905
Present value of obligations	4,304	5,643
Amounts recognised in the SoCNE		
Interest on lease liabilities (Finance charge)	49	50
Expenses relating to short term liabilities (Accommodation costs)	82	599
Expenses relating to leases of low value (Equipment rental)	29	39

11. Provisions and contingent liabilities

11.1 Provisions for liabilities and charges 2022-23

	Dilapidations ¹	Total
	£'000	£'000
Opening provisions at 1 April 2022	1,048	1,048
In period:		
Expenditure during year	(205)	(205)
Increase in provisions	78	78
Reversed unused in the year	0	0
Change in, and unwinding of, discount rate	(46)	(46)
Closing provision at 31 March 2023	875	875
Summary of cashflow timings		
Within 1 year	147	147
Between 2 and 5 years	728	728
Beyond 5 years	0	0
Total	875	875

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

11.2 Provisions for liabilities and charges 2021-22

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

11.3 Contingent liabilities

The estimated cost of legal cases outstanding against Acas as at 31 March 2023 was £Nil (2022, £271k).

12. Capital commitments

Acas is committed to further estates moves in 2023-24 for which it is estimated £1,200k capital expenditure (2022-23, £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

	2022-23		2021-22	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Obligations under operating leases				
Not later than one year	0	11	0	14
Later than one year and not later than 5 years	0	0	0	11
Later than 5 years	0	0	0	0
	0	11	0	25

Qualifying leases are reported under IFRS 16. See Note 1.9 for further details.

14. Related party transactions

Acas is a non-departmental public body (NDPB) sponsored by DBT (formerly 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

There have been no events after the balance sheet date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements.

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

ISBN 978-1-5286-4074-9

E02901855 24/05