

**Memorandum of Understanding between the Central  
Arbitration Committee (CAC); the Advisory,  
Conciliation, and Arbitration Service (Acas); and the  
Department for Business and Trade (DBT).**

**February 2026**



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| Purposes Aims and Duties.....                | 3  |
| Purpose of document .....                    | 3  |
| Purposes of the CAC .....                    | 3  |
| Powers and Duties.....                       | 3  |
| Aims.....                                    | 5  |
| Role of the department.....                  | 6  |
| The Responsible Minister .....               | 6  |
| The Principal Accounting Officer (PAO) ..... | 6  |
| Corporate Governance .....                   | 8  |
| Reviews and winding up arrangements .....    | 13 |
| Signatories.....                             | 14 |
| List of Appendices .....                     | 15 |

# Purposes Aims and Duties

## Purpose of document

- 1.1. This Memorandum of Understanding (MoU) has been drawn up by the Department for Business and Trade (DBT) in collaboration with the Central Arbitration Committee (CAC) and the Advisory, Conciliation, and Arbitration Service (Acas). Subject to the legislation noted below, this document sets out the broad framework within which the CAC will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the CAC, DBT, and Acas. Copies of this document shall be made available to the public on the CAC's website<sup>1</sup>.

## Purposes of the CAC

- 1.2. The CAC is an independent tribunal non-departmental public body (NDPB) that is free from Ministerial direction. Its functions centre on relations between employers and unions. In particular, the CAC determines applications by a trade union to be recognised by an employer for collective bargaining purposes. The CAC also hears complaints relating to breaches of workplace legislation, such as the Information and Consultation of Employees Regulations 2004 and the European Works Council Regulations of 1999 and 2010. The CAC will also be responsible for overseeing and enforcing the statutory access framework 'Right of Access' under the Employment Rights Act 2025
- 1.3. The areas of dispute that the CAC deals with are:
  - Statutory applications for trade union recognition and de-recognition,
  - Applications under the Information and Consultation Regulations,
  - Statutory applications for Disclosure of Information for collective bargaining,
  - Disputes over the constitution and operation of European Work Councils,
  - Applications under legislation relating to European Companies where the provision continues to be applicable from 1 January 2021 for the UK Societas domestic framework.
  - Disputes about compliance with statutory access agreements.
  - Within the statutory access framework, determination of access terms where employers and unions cannot agree.
- 1.4. The CAC also has powers to provide voluntary arbitration in collective disputes, though this has been used very rarely.

## Powers and Duties

- 1.5. **Legal basis for the CAC's powers** - the CAC's powers and duties are set out in detail in Schedule A1 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA)<sup>2</sup>. **Annex A** to this Memorandum of Understanding (MoU) summarises those duties.
- 1.6. The CAC consists of a Chair, Deputy Chairs, Employer Members and Worker Members. The CAC is not a standing committee, instead, it is a pool of people

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<sup>1</sup> <https://www.gov.uk/government/organisations/central-arbitration-committee>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/1992/52/schedule/A1>

from whom individuals are drawn to make up a panel as and when the CAC is required to consider applications and complaints. Statute (Section 263A of TULRCA) requires that a panel comprises no more and no less than the CAC Chair or a Deputy Chair, one CAC Employer Member and one CAC Worker Member. This is to ensure that the panel's quasi-judicial decisions are accepted as authoritative and impartial by both the union and employer in a particular case.

- 1.7. **Statutory relationships and responsibilities** - the formal relationship between the CAC, Acas, and DBT is set out in Sections 259 - 265 of TULRCA<sup>3</sup>. Section 259 requires that there shall be a Central Arbitration Committee and that its functions shall be performed on behalf of the crown, but that the CAC will be free from any Ministerial direction in how it exercises its functions. Section 260 provides for the Secretary of State for Business and Trade to appoint the Chair, Deputy Chairs, and Members of the CAC, and shall consult Acas in advance of any appointment and may consult other persons, and any comments will be shared with Ministers prior to making the appointment.
- 1.8. Section 252 of TULRCA requires DBT to fund Acas for its activities. DBT does not fund the CAC directly, as Section 259 requires Acas to provide the CAC with staff, accommodation, equipment, and other facilities. The staff provided to the CAC are employed under Acas terms and conditions; all line management and operational direction of those staff will be from within the CAC who are provided by Acas to the CAC, up to and including the CAC CEO. The CAC CEO is appointed by Acas but will report to the CAC Chair. The arrangements for matters of finance and governance are addressed at paragraph 1.11 below.
- 1.9. **Operational delivery** - the CAC is responsible for determining the most effective means of delivery of its core business functions - its statutory duties and compliance with public sector management and administration policies - and the best use of resources to achieve these objectives.
- 1.10. The CAC provides the DBT sponsorship team with a monthly report of their activity, showing its current caseload, and meets with the DBT sponsorship team quarterly to discuss operational matters, public appointment activities, and any associated risks and issues.
- 1.11. **Finance and Governance** - The CAC is accountable to the Acas CEO (who acts as the CAC's Accounting Officer) in relation to its governance and finances. The CAC also provides formal assurance to Acas on its resource management.
- 1.12. Section 265 of TULRCA requires that Acas' annual report and accounts must show separately the amount of funds Acas has allocated to the CAC for the year.
- 1.13. Section 265 of TULRCA requires the CAC to transmit an account of its activities to Acas as soon as practicable after the end of each calendar year, and Acas will submit this to the Secretary of State on CAC's behalf.
- 1.14. Considering [and relying upon] the CAC's account of its activities referred to in para 1.13, Acas is required to submit an annual report on the activities of the CAC for the Secretary of State, who in turn is accountable to Parliament for the CAC's activities. This is transmitted by the Acas Chair, who presents the report on the CAC's activities to the Secretary of State covering the previous reporting period (1 April to 31 March). Under Parliamentary procedure, the Secretary of State is then required to write to the Chair of the Business and Trade Committee alerting them to the publication of the annual report on the CAC's activities, or make a written statement to the House, before depositing the report in the House libraries. This

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<sup>3</sup> <https://www.legislation.gov.uk/ukpga/1992/52/part/VI/crossheading/central-arbitration-committee>

is usually done in July, prior to summer recess, exceptional issues may delay publication.

## Aims

- 1.15. Although not stated in statute, the CAC's role is to promote fair and efficient arrangements in the workplace, by resolving collective disputes (in England, Scotland, and Wales) either by voluntary agreement or, if necessary, through adjudication. The areas of dispute with which the CAC currently deals are:
- applications for the statutory recognition and derecognition of trade unions,
  - applications for the disclosure of information for collective bargaining,
  - applications and complaints under the Information and Consultation Regulations,
  - disputes over the operation of European Works Councils,
  - complaints under the employee involvement provisions of regulations enacting legislation relating to European companies, where the provision will continue to be applicable from 01 January 2021 to the UKSocietas domestic framework.
  - Within the statutory access framework, determination of access terms where employers and unions cannot agree.
  - Disputes about compliance with statutory access agreements.
- 1.16. Further details can be found in **Annex A**.
- 1.17. The CAC will determine its objectives and key targets to be included in the CAC's annual operational plan; these are set out by the CAC Chair and CEO following discussions with DBT sponsors and are reported in the CAC's annual report. These objectives will be discussed between the CAC Chair and the Director, DBT Employment Rights Directorate during the annual appraisals process.
- 1.18. The CAC and its predecessors have also provided voluntary arbitration in collective disputes, though this role has not been used for some years.
- 1.19. The CAC's objectives are:
- to achieve outcomes which are practical, lawful, impartial, and where possible voluntary,
  - to give a courteous and helpful service to all who approach them,
  - to provide an efficient service, and to supply assistance and decisions as rapidly as is consistent with good standards of accuracy and thoroughness,
  - to provide good value for money to the taxpayer, through effective corporate governance and internal controls,
  - to develop a CAC secretariat with the skills, knowledge, and experience to operational objectives, valuing diversity and maintaining future capability.
  - to develop the CAC's capability in line with the changes made under the Employment Rights Act 2025 and successfully deliver against the updated recognition responsibilities, and new responsibilities under the statutory access framework.
  - Underpinning these objectives are a suite of KPI, performance against these is reported in the CAC's Annual Report – these cover
    - Proportion of applications for which notice of receipt is given and responses sought within one working day.
    - Proportion of users expressing satisfaction with administration and conduct of the case and/or the procedural guidance provided to them.
    - Proportion of written enquiries and complaints responded to within three working days.

- Proportion of Freedom of Information requests replied to within the statutory twenty working days.

## Role of the department

### The Responsible Minister

- 1.20. The Secretary of State is accountable to Parliament for the activities of the CAC, ensuring that the Annual Report on the CAC's activities is deposited in the House libraries as set out in paragraph 1.14.
- 1.21. Under Section 260 of TULCRA the Secretary of State is responsible for appointing the Chair, Deputy Chairs, and Members to the CAC, which must follow consultation with Acas and may follow consultation with any other persons<sup>4</sup>. The Secretary of State will also approve the terms and conditions of the Chair and CAC Deputy Chairs and Members.
- 1.22. The DBT sponsorship team will liaise with the DBT appointments team and CAC staff to ensure - as far as is possible - that appointments are made in good time, so that the CAC's work is not disrupted.
- 1.23. The CAC CEO is recruited using Civil Service recruitment principles, with the support of Acas HR corporate functions. The interview panel is led by the CAC Chair with the remaining panel members usually from within Acas. The CAC CEO is employed by Acas but, having regard to the distinct statutory functions of the CAC, reports on operational matters to the CAC Chair.

### The Principal Accounting Officer (PAO)

- 1.24. **The Accounting Officer responsibilities** - the DBT Permanent Secretary, as the Department's Principal Accounting Officer (PAO), is responsible for the organisation and overall management and staffing of the sponsor Department (DBT) and its Partner Organisations, including the CAC and Acas. The PAO has designated the Acas CEO as the Accounting Officer (AO) for the CAC to ensure high standards of governance and finance management are in place for the CAC. This does not otherwise extend to operational delivery of the CAC. The responsibility of the Accounting Officer is described in further detail in Chapter 3 of Managing Public Money.
- 1.25. The AO needs to ensure that they have an adequate level of awareness of the CAC's activities as governed by Managing Public Money (MPM). This is because the AO is responsible for advising the PAO:
  - That the financial and other management controls applied by Acas to the CAC are appropriate and sufficient to safeguard public funds and for ensuring that the CAC's compliance with those controls is effectively monitored.
  - That the internal controls applied by the CAC conform to the requirements of regularity, propriety, and good financial management.
  - In relation to finance and governance issues, specifically compliance with Acas' corporate governance framework, the CAC will produce a Strategic Risk Statement and share this with Acas as part of the account of its activities under Section 265 of TULCRA.
  - The Acas Director of Finance and Governance supports the AO on his or her responsibilities toward the CAC. Acas will be responsible for addressing significant problems in the CAC in relation to compliance with financial and

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<sup>4</sup> <https://www.legislation.gov.uk/ukpga/1992/52/section/260>

management controls, as well as corporate governance and budgetary issues. In relation to the latter, DBT should only intervene where Acas and the CAC cannot arrive at a resolution.

- 1.26. **The Department responsibilities** – DBT is responsible for ensuring arrangements are in place to:
- Set out an appropriate framework of objectives for the CAC and the CAC Chair; these will be agreed between the CAC Chair and the Director, DBT Employment Rights Directorate.
  - Monitor the CAC's activities on a continuing basis to establish how well the CAC is achieving its aims and objectives, and whether the CAC is delivering value for money.
- 1.27. Address any significant problems arising in the CAC in relation to performance and accountability issues, e.g., performance against objectives, conduct of CAC office holders, and shortfalls in funding due to either external developments impacting on the CAC resources or disagreements between Acas and the CAC in relation to the CAC's budget, making such interventions as are judged necessary.
- 1.28. Periodically carry out an assessment of the risks to the CAC's objectives and activities. The DBT Employment Rights Directorate Sponsorship Team is the primary contact for the CAC in relation to performance and accountability issues. The Director, DBT Employment Rights Directorate, and the CAC Chair will meet as necessary throughout the year to discuss the CAC's Strategic Risk Statement and performance issues.

## Responsibilities of the CAC CEO

- 1.29. The CAC CEO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the CAC. In addition, they should ensure that the CAC is run based on the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money; and provide assurance to Acas through the Acas Director of Finance.
- 1.30. The CAC CEO is responsible to the CAC Chair, Deputy Chairs and Members for:
- Advising the CAC on the discharge of the CAC's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time.
  - Advising the CAC on its performance compared with its aims and objectives.
  - Ensuring that key risks are identified and notified in a timely manner to Acas and the DBT sponsorship team.
  - Ensuring that all complaints about the CAC are dealt with appropriately; and the appeal process to the Parliamentary Ombudsman is clear.
  - Ensuring that financial considerations are taken fully into account by the CAC at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.
  - Acting as set out in paragraph 3.8.5 of Managing Public Money if the CAC, or its Chair, is contemplating a course of action involving a transaction which the CAC CEO considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration; efficiency or effectiveness; or would be of questionable feasibility or unethical.

# Corporate Governance

## Composition of the CAC

- 1.31. **CAC appointments – the Chair, Deputy Chair and Members** – the CAC Chair, Deputy Chairs and Members are appointed for a period of 5 years by the responsible DBT Minister. Before making an appointment, the Secretary of State will consult Acas and may consult other persons<sup>5</sup>.
- 1.32. Subject to satisfactory performance as assessed by the CAC Chair (or by the Director of the Employment Rights Directorate in the case of the CAC Chair), they may be re-appointed once only for a further 5-year term. No member of the CAC may serve for more than 10 years in total, except for those CAC members covered by the 2013 Compromise Agreement. From 2016, appointments to the CAC needed to comply with the Code of Practice of the Office of the Commissioner for Public Appointments<sup>6</sup> and the Centre for Public Appointments Guidance to departments on Making and Managing Public Appointments. Extensions beyond 10 years may be considered by Ministers under exceptional circumstances.
- 1.33. **Composition of the CAC** - the composition of the CAC explained in paragraph 1.2 of this MoU, is set out in Sections 259 – 265 of TULCRA.
- 1.34. All CAC members must demonstrate a high standard of corporate and personal conduct as set out in their appointment letters. They should particularly note the requirement to declare any conflict of interest that arises during the committee's operations and the need to declare any relevant business interests, positions of authority or other connections with commercial, public, or voluntary bodies.
- 1.35. In accordance with Section 261 of TULCRA, the Secretary of State may remove the Chair, Deputy Chairs, or Members from office if they are satisfied, they:
  - Have been adjudged bankrupt or arranged with their creditors (or, in Scotland, have had their estate sequestrated or have made a trust deed for their creditors or have made and had accepted a composition contract); or
  - Are incapacitated by physical or mental illness; or
  - Are otherwise unable or unfit to discharge the functions of office.
- 1.36. The Chair is remunerated by Acas as set out in their appointment terms. Deputy Chairs and Members are entitled to claim a fee for work on CAC business and will also be reimbursed by Acas for reasonable travel and subsistence expenses. Details of their remuneration is set out in their appointment terms.

## Duties of the CAC

- 1.37. The CAC CEO objectives are agreed with the CAC Chair and DBT Director of the Employment Rights Directorate on operational matters; The objectives for the CAC CEO are to:
  - Advise the CAC on the discharge of the CAC's responsibilities as set out in this document, and in the founding legislation.
  - Support the strategic and operational aims of the CAC by demonstrating leadership behaviours, sharing best practice, and supporting colleagues across business areas. Directing the CAC business agenda through operational planning and monitoring.

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<sup>5</sup> <https://www.legislation.gov.uk/ukpga/1992/52/section/260>

<sup>6</sup> <https://publicappointmentscommissioner.independent.gov.uk/regulating-appointments/governance-code/>

- Monitor and advice on policy priorities and stakeholder interest, through contacts with key stakeholders and monitoring developments in employment law.
- Ensure the delivery of operational work through management and support of case managers. To ensure cases are effectively managed within timescales outlined in the legislation. To advise the Chair and committee on operational policy and case work.
- Promote understanding of the CAC roles and functions by providing briefings for stakeholders, delivering external training, liaising with Acas and the Industrial Court.
- Ensure that DBT is kept informed of any operational changes / risks which are likely to impact on the CAC's aims and objectives or on the attainability of its targets, and determine the steps needed to deal with such changes.
- Ensure that Acas are kept informed of any finance, resource, or governance issues which are likely to impact on the CAC's ability to meet their statutory obligations.
- Ensure that any statutory or administrative requirements for the use of public funds are complied with; that the CAC operates within the limits of its statutory authority and any delegated authority agreed with Acas, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the CAC considers guidance issued by Acas and DBT.
- Ensure that Acas receives and reviews regular financial information concerning the management of the CAC; is informed in a timely manner about any related concerns; and provides positive assurance to Acas that appropriate action has been taken on such concerns.
- Demonstrate high standards of corporate governance at all times to help the CAC address key financial and other risks.

## Personal responsibilities of the CAC Chair

- 1.38. The Chair is responsible to the Secretary of State and has the following leadership responsibilities:
- To have overall responsibility for the CAC's work by ensuring that it carries out its statutory duties as an adjudicating body for collective employment relations under the TULRCA.
  - To set the strategic direction of the CAC by being aware of developments in employment law, reviewing the CAC's case work and its performance, and identifying risks and succession planning.
  - To have oversight of CAC CEO performance and conduct, ensuring the operational work of the CAC is carried out to a high standard and meeting all financial and governance requirements.
  - Set procedures of the CAC and where necessary recommend changes to them.
- 1.39. The CAC must transmit the CAC's annual account of its activities to the Acas Chair, so that Acas can submit the Annual Report on the CAC's activities to the Secretary of State, setting out compliance with performance standards and with Treasury requirements for the control and management of public expenditure.
- To manage the CAC's caseload by appointing three-person panels, consisting of a Deputy Chairman and two CAC members, to adjudicate on cases across all the CAC's jurisdictions.
  - To represent the CAC effectively at official and unofficial meetings with key stakeholders, including senior Government officials and Ministers, and act

impartially at all times to secure their confidence in the organisation's credibility.

- To chair the Biennial meeting and meetings of the Deputy Chairs and CAC Members.

## Appraisal

- 1.40. The CAC Chair will agree their objectives at the beginning of the reporting year (01 April - 31 March) with the Director of Employment Rights Directorate, DBT. It will be for the CAC Chair and the Director to agree between them the appraisal process, e.g., the collation of feedback on performance from stakeholders, the holding of mid-year (if deemed necessary) and end-year reviews, etc. The Director must carry out an end of year review no later than mid-July following the reporting year to which the review relates. The DBT sponsorship team will ensure that the appraisal process complies with the relevant DBT guidance on Partner Organisation Chair and CEO appraisals.
- 1.41. The CAC Chair will be responsible for the appraisals process for CAC Deputy Chairs and Members and ensuring that this is carried out. No member of the CAC will be eligible for re-appointment unless an appraisal of their performance has been carried out.
- 1.42. The CAC CEO's performance review will be led by the Acas Finance and Governance Director in line with the Acas' policies and processes; and in recognition of CAC's operational independence status from both DBT and Acas, the CAC Chair will contribute to the performance review of the CAC CEO.

## Annual Report

- 1.43. As required under Section 265 of TULCRA Acas will, taking into account the CAC's account of its activities remitted to Acas, forward an annual report on the CAC's activities to the DBT Secretary of State for publication. The annual report on the CAC's activities will be published before summer recess, unless exceptional circumstances prevent publication. This report will set out the CAC's activities for the reporting year (1 April to 31 March). The DBT sponsorship team will support the CAC and Acas through the provision of advice as necessary and ensuring that the correct DBT processes are followed, including Ministerial clearance, to enable the report to be deposited in the House Libraries. The sponsorship team will also ensure that the Minister notifies the Chair of the DBT Select Committee at the time when the report on the CAC's activities is published.

## Administration of the CAC

- 1.44. Acas and the CAC will agree on the application of the Acas corporate governance framework to the CAC. This will be the standard procedures applicable across Acas unless any variations are agreed reflecting the distinct circumstances of the CAC. The CAC will address any necessary actions to meet Acas' corporate governance requirements if required. In particular, the CAC will provide a statement of assurance on corporate governance to the Acas CEO and will cooperate fully with Acas in the publication of transparency data.
- 1.45. In bidding for resources, the CAC will provide Acas with the best information available on its resource needs.
- 1.46. Acas recognises the priority attached to the CAC's statutory functions and will approach the allocation of resources accordingly. It will reflect in its bids for resources the needs of the CAC and, unless constrained by budget decisions

- agreed by DBT, will make resources available. Acas will cooperate with the CAC to manage resource-related risks, including the maintenance of contingency arrangements to provide resources to meet additional needs of an urgent nature.
- 1.47. The CAC will conduct its business as efficiently as possible in relation to the use of resources and cooperate with Acas to minimise difficulties in the allocation of resources to the CAC.
  - 1.48. The CAC will aim to operate within the framework of Acas policies and systems for the planning allocation and management of resources, covering finance, human resources, training and development services, ICT services, accommodation, travel, health and safety, and security.
  - 1.49. To address any business risks specific to the CAC, the CAC and Acas will seek agreement on measures which as far as possible minimise departures from Acas' resource management policies. The CAC will produce a Strategic Risk Statement on an annual basis which they will share with Acas.
  - 1.50. Further clarification is provided below on specific aspects of management policies. Specifically, the CAC will:
    - Provide a case to support any budget requirement. The CAC CEO will be entitled to take part in annual and budget negotiations with DBT, if either Acas or the CAC consider this necessary. The CAC will consult DBT directly should Acas be unable to agree on the financial provision required by the CAC to carry out its business.
    - Adhere to Acas' financial management systems, following the principles of Managing Public Money and other government-wide corporate guidance and instructions. The CAC will also be subject to Acas' internal and external audit arrangements, and financial management exercises including six monthly compliance reviews which includes all aspects of finance and risk management.
    - Ensure the design and grading of posts to Acas' standards.
    - Consult in line with Acas / trade union arrangements. Acas will inform and consult the CAC as appropriate on new or amended agreements.
    - Deal with staff grievances and disciplinary matters using Acas' policies.
    - Be responsible for ensuring diversity and equality obligations are met.
  - 1.51. Acas in turn will provide the CAC with the following resources and corporate support, to ensure the CAC can meet their statutory duties, as follows:
    - HR, training and development, equality, and diversity advice.
    - Promotion of CAC postings as career development opportunities across the civil service.
    - Administrative and policy support for recruitment exercises.
    - Staff counselling and Fair Treatment Contacts (FTC).
    - Accommodation, and support for, and development of the CAC's ICT systems and telecommunications.
    - Act as the Data Processor for CAC regarding processing of personal data on resources and corporate support systems provided to them.
    - Provide the statutory Data Protection Officer (DPO) role for CAC as a shared resource.

## DBT Audit

- 1.52. The Department may carry out examinations into the accounts/finances, efficiency, and effectiveness with which the CAC has used its resources in discharging its functions.

- 1.53. The Department if it deemed necessary can access CAC's records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

## Operational Plan

- 1.54. The CAC shall submit to DBT and Acas, by the end of January each year, a copy of their operational plan for the next financial year. The plan shall reflect the CAC's statutory duties.
- 1.55. The operational plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by Acas CEO as Accounting Officer. CAC will notify Acas of any additional or significant shifts of budgetary spend included within the operational plan which might impact finance, governance, or resourcing,
- 1.56. Upon request from Acas, the CAC will submit within the agreed timescale its budget and profile for the next financial year.

## Providing monitoring information to DBT

- 1.57. The CAC will provide monthly reports on its activities to the DBT sponsorship team, including information on its caseload; and will meet with DBT sponsorship team quarterly to discuss operational matters, public appointment activities, and any associated risks and issues. The CAC will also provide their annual operations report on the CAC's activities by summer recess each year, unless exceptional circumstances prevent this happening.
- 1.58. Acas will monitor the CAC's governance, including finances. The CAC will provide information to Acas as and when required.

## Escalation routes to resolve disputes.

- 1.59. The Acas CEO will consult with the CAC CEO as needed to resolve financial or budgetary issues. A designated deputy will manage routine correspondence and seek to address emerging concerns.
- 1.60. If disputes remain unresolved, the CAC may submit a written appeal to the Acas CEO. Should the outcome still be unsatisfactory, the CAC may escalate the matter in writing to the nominated DBT Director, whose decision will be final.
- 1.61. Where disputes threaten CAC's delivery commitments, the issue must be referred to both the Acas CEO (as Accounting Officer) and the DBT Deputy Director (as Sponsoring Department). Further appeals may be made to the DBT Director General, whose decision will be final. Financial disputes ultimately escalate to DBT, given its accountability to the Public Accounts Committee.
- 1.62. For disagreements between CAC and DBT, the DBT Sponsorship Team is the initial point of contact. If unresolved, the CAC Chair may escalate to the DBT Director, and subsequently to the Director General. Disputes concerning Chair appraisals or public appointments may be appealed to the DBT Director General or the responsible Minister, respectively, whose decisions will be final.
- 1.63. If the CAC Chair's duties conflict with Managing Public Money (MPM), the Chair may raise the matter with the Acas CEO and, if necessary, the Acas Chair. The Acas Chair may refer the issue to the Acas Council and, if required, issue a direction to the Acas CEO.

# Reviews and winding up arrangements.

## Review of CAC's status

1.64. The CAC shall be subject to a Public Body review at least once every Parliament in accordance with the Cabinet Office guidance. The last review was the Tailored Review of the CAC which took place in February 2018. The date of the next review has yet to be determined.

## Arrangements in the event the CAC is wound up.

- 1.65. DBT shall put in place arrangements to ensure the orderly winding up of the CAC. To this end, the Department shall:
- Ensure that procedures are in place in the CAC to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residual body.
  - Specify the basis for the valuation and accounting treatment of the CAC's assets and liabilities.
- 1.66. The CAC shall provide DBT with full details of all agreements where the CAC or its successors have a right to share in the financial gains of developers. It should also pass to the CAC details of any other forms of claw back due to the CAC.

# Signatories

**Maverlie Tavares**  
**Chief Executive Officer**  
**Central Arbitration Committee (CAC)**

Signed by:  
  
5CD8723EEEDB142E...  
Date: 24/2/2026

**Rob Mackintosh**  
**Finance and Governance Director**  
**Advisory, Conciliation and Arbitration Service (Acas)**

DocuSigned by:  
  
8EA6C9F9BA224D5...  
Date: 26/2/2026

**Rebecca Bradfield**  
**Director**  
**Employment Rights Directorate**  
**Department for Business and Trade (DBT)**

Signed by:  
  
51646D02D2964FB...  
Date: 4/3/2026

# List of Appendices

## **ANNEX A: The CAC's Statutory Duties**

Statutory recognition and derecognition of trade unions. - Part I of Schedule A1 to the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), as inserted by Section 1 of the Employment Relations Act 1999 and amended by the Employment Relations Act 2004, provides that in certain circumstances a trade union (or trade unions) may make an application to the CAC for a declaration that it should be recognised to conduct collective bargaining regarding pay, hours and holidays on behalf of a group or groups of workers employed by an employer in a particular bargaining unit.

If the CAC receives an application from a trade union(s) under Part I, it must first decide whether or not it can accept the application. It does this by applying a number of admissibility tests laid down in Schedule A1. These tests include whether or not the trade union has 10% of the workforce in its proposed bargaining unit in membership and whether or not a majority of workers in the proposed bargaining unit would be likely to support recognition of the trade union. Where the CAC decides it can accept the application, and where the bargaining unit proposed by the trade union in its originating application has not been agreed with the employer, the CAC must next decide whether or not the proposed bargaining unit is appropriate. The CAC does this by considering primarily whether or not the proposed bargaining unit is compatible with effective management. If the CAC decides a different bargaining unit is appropriate, it must next consider whether or not the application remains valid. It does this by reapplying to the determined bargaining unit a number of the tests it applied to the bargaining unit proposed by the trade union in its originating application.

Where the CAC decides the application remains valid and over 50% of the appropriate bargaining unit are members of the applicant union(s), the CAC may declare the union(s) should be recognised. Alternatively, where the CAC is satisfied that the interests of good industrial relations require a secret ballot to be held, or for other specified reasons, the CAC may still decide to hold a ballot even though the union(s) has majority membership in the appropriate bargaining unit. If the CAC is not satisfied that the applicant union(s) has majority membership in the appropriate bargaining unit, the CAC must arrange for a ballot to be held before deciding whether or not to grant recognition. Where a ballot is held, the CAC will grant recognition where a majority of participants in the ballot, and at least 40% of the workers constituting the appropriate bargaining unit, vote in favour.

Where the CAC issues a declaration granting recognition, the parties have 30 days to negotiate and agree a bargaining procedure. If no agreement can be reached, even with CAC assistance, the CAC will determine the procedure.

Part II of Schedule A1 provides that where an agreement for recognition is made

between the parties after a request for recognition has been made by an independent trade union in accordance with the requirements of the Schedule but before the CAC has determined the application, the employer has to maintain that agreement for three years unless the union ends it before that time. If, following the conclusion of an agreement for recognition, the parties are unable to agree a bargaining procedure, an application may be made to the CAC for it to determine one in respect of the agreement.

Part III sets out a procedure to be followed by the parties and the CAC where a union was recognised through the statutory procedures and, as a result of a change in the employer's business, either the union or the employer believes the bargaining unit has changed or has ceased to exist.

Parts IV and V of the Schedule provide, in certain circumstances, for the CAC to declare a union derecognised where the employer or workers in the bargaining unit make such a request, and where recognition resulted from an earlier declaration by the CAC. Part VI provides for workers to be able to invoke the statutory derecognition procedure where an employer has voluntarily recognised a union which does not have a certificate of independence. Part VII sets out the effect of a union recognised through the statutory procedure losing its certificate of independence.

In exercising its functions under the Schedule, the CAC has to have regard to a general duty to encourage and promote fair and efficient practices and arrangements in the workplace so far as that objective is consistent with applying other provisions of the Schedule in the case concerned.

Disclosure of information for collective bargaining purposes - Section 181 of TULRCA provides that an employer who recognises a trade union for collective bargaining purposes shall disclose to trade union representatives such information in his possession as is necessary to ensure they are not impeded in carrying on collective bargaining with him, and which is in accordance with good industrial relations practice.

A trade union may in accordance with section 183 of TULRCA present a complaint to the CAC that an employer has failed to disclose necessary information or to confirm such information in writing.

Should an employer fail to disclose necessary information following a declaration by the CAC that the trade union's complaint under section 183 was well-founded, a trade union may present a further complaint to the CAC under section 184 of TULRCA, and may present to the CAC a claim in respect of one or more descriptions of employees specified in the claim that their contracts should include the terms and conditions specified in the claim. If the CAC finds such a further complaint well-founded, it may make an award that the employer shall, from a specified date, observe the terms and conditions set out in the claim or such other terms and conditions as the CAC considers appropriate.

Information and Consultation - The Information and Consultations Regulations 2004 came into force on 6 April 2005 for undertakings with at least 150 employees and were extended to undertakings with 100 or more and 50 or more employees on 6 April 2007 and 6 April 2008 respectively. The Regulations require employers to establish arrangements for informing and consulting employees by way of either a negotiated agreement or the standard provisions laid down in the Regulations. The CAC's responsibility is to resolve disputes about the establishment and operation of these arrangements.

European Works Councils (EWCs) - The Transnational Information and Consultation of Employees Regulations 1999 came into force on 15 January 2000 to give effect in the UK to the European Union (EU) directive requiring certain EU-wide undertakings to establish EWCs for the purposes of informing and consulting employees. Further changes were made to the regulations when the United Kingdom exited from the European Union effective on 1 January 2021.

Regulation 8 provides that an employee or their representative may present a claim to the CAC that the employer has failed to provide necessary information, required by Regulation 7, to assist them to determine whether or not the employer is part of an EU-wide undertaking. The CAC only has jurisdiction for this if the request for information was made prior to 1 January 2021.

If a request is received by an employer to establish an EWC, Regulation 10 provides that the central management of that employer may apply to the CAC for a declaration that it is not an EU-wide undertaking within the meaning of the Regulations, or that insufficient numbers of employees have requested that an EWC be established. Following exit day, the CAC only has jurisdiction for this if the request to establish an EWC or I&C procedures was made prior to 1 January 2021.

Regulation 15 provides that, following the establishment of a Special Negotiating Body (SNB) to agree the scope, composition, functions and term of office of an EWC, employees' representatives may complain to the CAC that the SNB arrangements are in some way defective (e.g. the number of seats allocated is incorrect). Regulation 15 also provides that either management or employee representatives may make a complaint to the CAC that a nomination to the SNB is invalid, but the CAC can only adjudicate on such complaints if the process commenced but was not concluded before 1 January 2021.

Regulations 23 provides that an employer may seek a declaration from the CAC that information provided to members of the EWC should be held in confidence by the EWC.

Regulation 24 provides that employee or employer representatives may seek a declaration from the CAC that certain information should or should not be disclosed to the EWC.

Voluntary arbitration - Section 212 of TULRCA provides that where a trade dispute exists, the parties to that dispute may request Acas to refer all or any of the matters in dispute to the CAC for settlement by way of arbitration. Before doing so, however, Acas has to consider the likelihood of the dispute being settled by conciliation and whether or not agreed procedures for settlement of disputes between the parties have been used.

The European Public Limited-Liability Company (Employee Involvement) (Great Britain) Regulations 2009 (SI 2009 No.2401 as amended by the European Public Limited-Liability Company (Amendments etc.) (EU Exit) Regulations 2018

The provisions apply to a United Kingdom Societas domestic framework. All European Public-Limited Companies registered in the UK immediately before exit day on 1 January 2021 are converted into a UK Societas on 1 January 2021. If a UK Societas is created, a system for information and consultation must be established. Disputes about setting up and running of these information and consultation arrangements can be brought to the CAC.

#### **Right of Access:**

The Employment Rights Bill formalises trade unions' right to access workplaces physically, and to communicate with workers in person and also digitally. 'Digital' access refers to communication, whether directly or indirectly, that does not involve physical access to the workplace. The ERB provides a legal framework for unions and employers to negotiate access into the workplace.

- 1.) An independent union may provide an employer with a request for access. Once an employer receives the notice of access from a union, the employer can respond to the notice to either agree access, or object to the access request.
- 2.) If both parties agree the terms of access, they will then notify the CAC to record the terms of the access agreement and proceed with the access as agreed. If no agreement can be reached within a set timeframe the union or employer can refer the case to the CAC for determination on whether access should be granted under the terms requested.
- 3.) The CAC will make their determination on whether access should be granted, in line with factors set out by the legislative framework.
- 4.) Either party can apply to the CAC to revoke or vary an access agreement, with the consent of the parties involved in the agreement.
- 5.) The CAC will also enforce access agreements once they are in place, hearing complaints about breaches of the access agreements by any party, with the power to issue fines for non-compliance or orders to ensure compliance with an access agreement.

**ANNEX B: Protocols and procedures agreed between Acas and the CAC in relation to statutory recognition cases.**

The purpose of this Annex is to clarify issues over roles and information sharing in relation to CAC applications.

The CAC will inform the relevant Collective Disputes Manager of any applications in respect of employers in his/her directorate and will contact the parties, on request, if Acas wishes to intervene. Acas and the CAC will not exchange views or other information on the merits or details of the positions of the parties in relation to a dispute in which both are or may be involved.

The CAC will ensure that the parties are aware of the availability of Acas' services and, additionally, will refer the parties to Acas, where appropriate and where a jurisdiction so provides.

When the CAC encourages the parties, or the parties wish, to approach Acas, the CAC will ensure that the parties understand the procedural and timing implications for the statutory application. The CAC will extend for a fixed period any deadline affected by an approach to Acas (renewable, if DBT appropriate, at the parties' explicit request). During this period, the CAC and Acas will share, informally, information on developments and possible effects on the CAC timetable.

If Acas conciliation is in progress when a case reaches the CAC, the CAC will encourage the parties to continue to pursue the voluntary route, as far as the need to follow the statutory procedure allows.

Acas and the CAC will ensure that the parties to Acas conciliation understand that any proceedings or outcomes will not be admissible in evidence to the CAC, unless submitted by both parties as agreed in advance.