acas working for everyone

Advisory, Conciliation and Arbitration Service (Acas)

Annual Report and Accounts 2025–26

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

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Performance Report

Foreword from the Chair of Acas

Clare Chapman Chair

Acas was recently described in the *Financial Times* as 'an unsung hero quietly keeping the whole thing from falling over. This organisation of around 1,000 staff stands between the 34m-strong labour market and the complete overwhelm of the employment tribunal system'. It's been the greatest privilege of my working life to chair that organisation for the last six years.

As Acas marks 50 years in its current form, the last year has been challenging across the entire labour market. Consequently, demand for Acas services has risen significantly across early conciliation, our national helpline and our workplace training services. However, colleagues have shown exceptional agility and commitment throughout in responding to these pressures. We've prioritised delivery in areas most closely aligned to our statutory responsibilities and to the outcomes that matter most for employers, workers and the economy.

We've also delivered strongly against the ambitions we set ourselves in our 2021–25 strategic plan. In that time, we've doubled the reach of our services, leading to millions more people, both employees and employers, using Acas to reduce the duration of conflict. Conciliation results are at an all-time high with 9 in 10 early conciliation cases resolved without the need to go to an employment tribunal, saving time, money and further stress for all parties. We've also sustained record settlement rates in our collective conciliation services, now at 93% of cases brought to us between trade unions and employers. Awareness of Acas support for small and medium-sized businesses has also increased, from 83% to 90%, and among individuals from 56% to 77% by 2025.

The Employment Rights Act and preparatory work for the government's Make Work Pay programme represent both a major legislative shift and a significant change for the labour market. The transformation goals we've set for ourselves at Acas, simpler services, better use of data, strengthened digital guidance, and a more coherent experience for users are entirely designed to help us provide trusted, accessible support at this time when employment rights, enforcement frameworks and workplace expectations are evolving so rapidly.

Looking ahead, I believe we're at a pivotal moment when a national reset in industrial relations is possible. The 1960s Donovan Commission, which led to the establishment of Acas in its current form, concluded that sustainable labour relations required not just legislation, but trusted institutions and mechanisms for dialogue and problem-solving.

If, based on cooperation between employers, employees and unions – we can help build those frameworks in the years ahead, while also dealing with labour market disruptors such as AI and technology, we should be able to provide Acas's own important contribution to the government's ambitious goals for improvements in growth and productivity.

Acas's trusted voice, its ability to convene partners across the labour market, and our deep expertise in dispute resolution will

remain vital. Our new 5-year ambitions to grow the reach of our online content by 50%, modernise our services and deepen our preventative impact position us to deliver even greater public value.

None of the progress made by Acas in the last year would have been possible without the huge commitment and dedication of our staff, our partners across the labour market, Department for Business and Trade, and our Council members. In a year of such high demand, I express my sincere thanks to all of them.

As I hand over to my successor, Maggie Jones, I know that she shares my optimism that we enter our next strategic phase with confidence, transparency and a shared belief in the difference Acas makes every day to millions of employers and workers and the wider labour market.

Clare Chapman CBE
Chair, Acas

CEO Introduction

Niall Mackenzie Chief Executive Officer

2025-26 has been a year of rising demand for our services, legislative change and continued innovation in how we work and deliver for our customers.

Only 7% of Employment Tribunal cases closed in 2025-26 that touched Acas resulted in a court hearing. This was because we resolved 36% of early conciliation notifications despite a 27% increase in volume. We resolved a further 80% of cases that came to us following an employment tribunal application. We have successfully resolved 93% of the collective disputes we were involved in. We also successfully handled 584,000 helpline calls which is in line with 2024-25.

We have successfully continued to help employers prevent and manage conflict through our training services, reaching over 417,000 people both in person and online. We ambitiously raised our target for course satisfaction this year from 90% to 93% and narrowly missed this, reaching 92%. While stretching targets are important, they should not lead to diversion away from the priority of our core conciliation services.

Alongside strong operational service delivery, Acas has remained a key contributor to the wider debate on best practice in reducing workplace conflict. This year we published significant research on the cost and prevalence of conflict[1], played an active role in the government's Dispute Resolution Task Force, and shared insights with the government, trade unions and employers through our regular private dialogue.

Acas is committed to being swifter, simpler and more efficient. This includes a shorter annual report. We are committed to full transparency. So, this Annual Report sets out the key information with links to the expanded data on our website.

In the year ahead, Acas will continue to innovate our services with further risk-managed experiments with Artificial Intelligence tools, changed Acas processes, and moving from offering universal services to focusing on where we can make the greatest impact. This will build on what we did this year. This year we are improving our data gathering so that we can substantially revise our Key Performance Indicators in 2027-28 and beyond.

This is my first Annual Report as Acas Chief Executive. I would like to thank the Chair, Council and my Executive team. I am grateful to colleagues across Acas for their commitment to innovate and improve productivity while maintaining the high quality of our services.

I look forward to leading Acas in the year ahead as we continue to adapt our services and help reduce workplace conflict as the statutory changes of the Employment Rights Act come into force.

Niall Mackenzie CBE
Chief Executive Officer

1. For further information visit: https://www.acas.org.uk/research-and-commentary

Performance Overview

Who we are

The Advisory, Conciliation and Arbitration Service (Acas) was established under the Employment Protection Act 1975 and given a broader role under the Trade Union and Labour Relations (Consolidation) Act 1992 Section 209.1 (TULRCA).

We have a general duty, set out in TULRCA (s209s 247–265,) to promote the improvement of industrial relations. We fulfil this role through the powers and duties set out in that Act.

Acas is a non-departmental public body funded by the Department for Business and Trade (DBT) providing expert and impartial services for businesses and employees, to prevent, manage and resolve workplace conflict.

We are governed by an independent Council of experts and practitioners in employment relations. The Council has employer, worker and independent members appointed by the Secretary of State for Business and Trade. The Council is central to establishing new standards for workplace practices, founded on social partnership. They shape our strategic direction, policies and priorities, and oversee how we work effectively to meet our objectives and targets.

Our purpose

At Acas, we exist to make working life better for everyone in Britain.

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

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

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

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

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

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

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

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

Our structure

Overall accountability for the governance of Acas rests with the Acas Council.

The Acas Council is accountable for setting the strategic direction of Acas and for providing governance and assurance on the organisation's fulfilment of its statutory duties. During 2025–26, the Council continued to play this role by providing effective oversight, constructive challenge, and support to the Executive team, helping to ensure that Acas remained well governed and focused on delivering on its statutory duties and responsibilities.

Acas Chair
Clare Chapman

Independent Council Member Representative
Ben Summerskill

Employee Council Member Representative
Christina McAnea

Chief Executive, NHS Employers
Danny Mortimer

General Secretary, FDA
Dave Penman

Barrister
Ijeoma Omambala KC

Employer Council Member Representative
Jayne Haines

Chair, Federation of Small Businesses (FSB)
Martin McTague

Future of Work & Skills Director, Confederation of British Industry (CBI)
Matthew Percival

Director of Policy, Trade Union Congress (TUC)
Nicola Smith

General Secretary, Community
Roy Rickhuss CBE

Independent Council Member Representative
Simon Lewis

Acas Council

The Acas Executive Board is responsible for the day-to-day leadership and operational management of the organisation. Working closely with the Council, the Executive Board contributes to setting the strategic direction of Acas and is accountable for organisational performance. Its remit includes oversight of delivery against the strategic and business plans, stewardship of resources and capability, and the management of organisational risk.

Chief Executive
Niall Mackenzie

Director of Advice and Business Solutions
Angela Gowthorpe

Director of Digital, Data and Technology
James Vincent

Director of Dispute Resolution
Kevin Rowan

Director of Strategy and External Affairs
Kirsty Watt

Director of Finance and Governance
Rob Mackintosh

Director of People
Sian Kimber

Further information about the Acas governance structure is set out in the Governance Statement on page 31.

The Central Arbitration Committee and Certification Office are funded through Acas but are statutorily operationally independent. The Acas Chief Executive is the Accounting Officer responsible for the proper use of public funds by both organisations.

Performance Analysis

2025/26

Key achievements

Over 150,000
early conciliation notifications received

Over 40,000
employment tribunal cases received

401
collective conciliations handled

Over 584,000
helpline calls answered

18.5 million
web visits

11.2 million
digital advice sessions

Over 1,650
training sessions delivered

£72.3 million
expenditure

£13.45
cost of a helpline enquiry

£128
cost of processing an individual conciliation case

£2,780
cost of a collective conciliation case

£1,053
cost of an arbitration hearing case

Delivery of our 2021–25 strategic objectives

Acas's 2021–25 strategy was ambitious – increasing our reach, resolving disputes, forging consensus on the future of work and increasing inclusion and fairness. We developed and delivered this strategy during the height of the pandemic: when employers and employees faced some of their hardest moments, Acas was there to provide support. In July 2025 we reported that we delivered results against all our long-term ambitions:

- Over this period Acas helped resolve 9 out of 10 early conciliation cases without the need to go to employment tribunal.
- We closed our strategy with just 7% of early conciliation notifications resulting in a tribunal hearing – saving time, money and further stress for all parties.
- We increased our resolution rate for collective disputes to 93%.
- The Acas website reached twice as many people – web sessions recorded on the website more than doubled, from 9 to 20 million over the period.
- Use of Acas advice and training doubled, to over a quarter of a million interactions.
- We increased awareness of Acas support among small and medium-sized businesses from 83% to 90%, and among individuals from 56% to 77%.

While we have successfully delivered much, there is much still to do and we published in 2025 our new strategy, which sets out our ambition for the next 5 years.

Our strategy for 2025–30

Our 2025–30 strategy sets out how we will make working life better for everyone in Britain by helping employers, workers and their representatives **prevent, manage and resolve conflict at work**. The strategy is deliberately outcome-focused and is structured around 3 clear ambitions, supported by a small number of measurable outcomes.

Acas 2025-30 Strategy: Transforming Workplace Relations

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working for everyone

Ambition 1: Prevent

Acas has a critical role to help employers, workers and their representatives prevent conflict arising in the first place.

By 2030, we will:

- grow the reach of Acas's content online by 50% – from 286 million appearances in search results in 2024 to 430 million in 2030
- strengthen our offer to all employers on *how* to create healthy employment relations, led by evidence and metrics of what works
- make Acas swifter, simpler and more efficient: target the sectors where prevention is most likely to prevent conflict and dispute

Ambition 2: Manage

If conflict can't be prevented, Acas will be there to help employers, workers and their representatives manage it. We will help Britain disagree well by building conflict management confidence and capability.

By 2030, we will:

- have at least 90% of customers – both employers and workers - saying Acas improved their ability to manage conflict
- double the number of small and medium-sized businesses Acas equips to better manage conflict, led by evidence and metrics of what works
- Reduce the average cost-per-query for our helpline service by 20%

Ambition 3: Resolve

If individual or collective conflict continues, Acas will help parties resolve disputes quickly and fairly, reducing stress, duration and cost.

By 2030, we will:

- sustain our record high settlement rates of above 70% for individual and 90% for collective conciliation, even as demand rises
- use our expert voice to support labour market reform, including improvements to employment relations and dispute resolution mechanisms
- reduce the average cost per individual dispute resolution case by 20%

We will be swifter, simpler, more efficient

With demand for Acas services rising, we must be effective, agile and adaptable over the next five years.

By 2030 we will:

- ensure Acas operations and corporate services are swift, simple and efficient
- improve our use of technology so expert staff can focus on resolving complex cases
- target the sectors where there is greatest need to prevent, manage and resolve conflict

Accessible, inclusive

Our continuing commitment to create more inclusive workplaces runs throughout our strategy: we will make our services - and the employment relations system - more accessible to all.

Ambition 1: Prevent

In 2025–26, the first full year of our 2025-30 strategy, Acas strengthened its role in preventing workplace conflict before it arises, helping employers, workers and their representatives to build healthier employment relations and reducing the risk of escalation into formal dispute.

What we delivered

Over the year, Acas expanded its reach, influence and preventative impact by:

- extending the reach of our online advice and guidance, increasing appearances in search results by 38%, from 286 million in 2024–25 to 395 million in 2025–26 and achieving over 1 million social media impressions in the last quarter of the year alone;
- providing leadership on healthy employment relations, publishing authoritative reports on business responsibility, social partnership and conflict at work;
- targeting prevention activity where it has greatest impact, working with trade bodies and partners to focus on sectors at higher risk of conflict;
- supporting over 319,000 business customers via webinars, live and recorded, representing an increase of over 200% compared with the previous year and helping employers and workers to navigate the Employment Rights Act via webinars viewed over 236,000 times;
- reaching customers through the media with around 10,000 pieces of coverage and average reach of 80% of UK adults;
- successfully launching a new telephony and workforce management system; and
- providing a seamless service in collaboration with enforcement bodies, including HM Revenue and Customs and the Gangmasters and Labour Abuse Authority (GLAA).

Accessible and inclusive support

Ensuring that our services are accessible and inclusive is fundamental. During the year we:

- improved the accessibility of the Acas website, making it easier for users with different needs to find and use our advice;
- delivered 6 neuro-inclusion masterclasses for small businesses, with Department for Work and Pensions funding, reaching over 1,800 attendees, helping employers build more inclusive workplaces; and
- launched an on-demand British Sign Language translation service for our helpline.

The difference we made

- A larger group of employers, workers and their representatives could access Acas advice how, where and when they needed it, including through AI-enabled search and social media channels.
- We showed that good employment relations are integral to business success through our research reports.

Service demand

- We answered 584,000 telephone calls from employers and workers.
- We responded to c.10,000 additional contacts through alternative channels, principally email.

Insight

- We commissioned the largest dedicated workplace conflict survey in well over a decade and found that 44% of working age adults experienced workplace conflict in the previous 12 months – this is higher than all previous broadly comparable estimates and confirms Acas's critical role in addressing the wider trend of rising conflict.

Ambition 2: Manage

In 2025–26, Acas also supported employers, workers and their representatives to manage workplace conflict constructively and fairly, helping Britain to 'disagree well' and reducing the risk of issues escalating into formal dispute.

What we delivered

Over the year, Acas strengthened conflict management capability across workplaces by:

- training over 700 medium-sized businesses to better manage conflict, equipping managers and HR professionals with practical skills to address issues early and effectively;
- In 2025–26, the direct cost per query rose to £13.45, from £11.50, reflecting the increased complexity of queries handled. Costs are forecast to reduce over the remainder of the strategic period as efficiency improvements are embedded.
- expanding support for small businesses at risk of conflict, offering free and accessible learning through 69,500 active eLearning users and 319,000 webinar delegates and recording views;
- providing trusted, practical guidance on managing workplace issues, including discipline, grievance, investigations and line management skills; and
- supporting employers and representatives to navigate change, including new employment rights, through high-impact webinars and learning products.

Accessible and inclusive services

Ensuring that learning and support are accessible to all is key to Acas's approach. In 2025–26 we:

- redeveloped our eLearning offer to meet accessibility standards, introducing subtitles, closed captions, transcripts, compatibility with screen readers and keyboard-only navigation; and
- maintained a blended delivery model, continuing to offer both face-to-face and digital training so customers could access support in ways that worked for them.

The difference we made

As a result of our work to improve how conflict is managed:

- we supported a wide range of sectors, strengthening capability and workplace relationships;
- more organisations were able to manage issues internally, reducing disputes and supporting improved staff wellbeing; and
- employers, workers and their representatives became more confident, skilled and inclusive in how they handle workplace issues.

Service demand

Demand for Acas training and advice remained strong throughout the year. In 2025–26:

- nearly 29,000 delegates attended Acas training;
- HR for Beginners, Management Training for New Managers and Conducting Investigations continued to be among the most popular courses;
- 91% of customers attending open access training felt the course met its objectives, exceeding the 2025–26 target by 6% points;
- over 65,000 users accessed redeveloped eLearning courses; and
- Acas exceeded its first-year small and medium-sized enterprises (SME) support target, surpassing the 2025–26 profile by over 500 SMEs and making strong progress towards the longer-term ambition to double the number of SMEs supported.

Insight

- We launched external product panels with customers to identify gaps in customer knowledge and gained valuable insights into products customers would like to see.

Ambition 3: Resolve

We have seen an increased prevalence of parties taking workplace issues to formal processes, evidenced in our prevalence in 2024-25 of conflict report and the increased volume of conciliation cases we have received. Acas has adapted at pace and maintain a good service to workers and employers.

In the collective space, Acas has seen its role embedded in dispute resolution mechanisms in the Adult Social Care Fair Pay Agreement and in a Fair Work Agreement established by the Department for Energy Security and Net Zero to cover parties engaging in the emerging offshore wind sector. These provide institutional examples of Acas's ambition to support early resolution of collective conflict and prevent prolonged disputes.

What we delivered

- We achieved a record high settlement rate of 80% for individual and 93% for collective conciliation, even as demand rises.
- We used our expert voice to support labour market reform, including improvements to employment relations and dispute resolution mechanisms.
- We completed foundational work to reduce the average cost per individual dispute resolution case by 20%, with a 27% reduction in 2025–26, exceeding the target in the first year of the Strategy.
- We revised digital guidance to give clearer advice on why, when and how best to use statutory dispute resolution services.
- We worked with the government, the Dispute Resolution System Taskforce and partners to inform recommendations to shape more effective dispute resolution from workplace to employment tribunal.
- We helped the public sector resolve disputes earlier by strengthening our work with public sector employers and embedding teams to resolve these disputes.
- We developed and deployed AI in an ethical and effective way to streamline and improve our resolution services.
- We published an economic impact assessment showing the benefits of Acas services far exceed our costs.[2]

Accessible and inclusive services

Ensuring that dispute resolution services are accessible, fair and inclusive is central to Acas's role under this ambition. During 2025–26:

- we focussed on identifying and removing barriers that can prevent some groups from accessing early dispute resolution,
- we conducted an equalities review of the way we allocate cases to ensure fairness within the process; and
- we continue to test different ways of delivering individual conciliation, helping services remain responsive to customer needs and preferences, particularly for people navigating discrimination-related disputes or complex circumstances.

The difference we made

- We helped more people access Acas's early conciliation support, having handled over 150,000 notifications in 2025–26 in a way that is swifter, simpler and more efficient.
- We resolved disputes earlier by avoiding escalation to an employment tribunal, saving time, money and stress.
- Employers, workers and their representatives trusted Acas to resolve disputes impartially and effectively.

2. Available here: https://www.acas.org.uk/about-us/evaluations/estimating-the-economic-impact-of-acas-services/report-2023-to-2024

Service demand

- Demand for Acas dispute resolution services remained high throughout 2025–26, reflecting wider labour market pressures and ongoing change in the employment landscape.
- We continued to see strong volumes across individual and collective conciliation, alongside a growing proportion of cases involving sensitive and complex issues, including discrimination-related matters and disputes arising from organisational change.

Insight

- Our caseload shows that early, impartial intervention remains critical to preventing escalation, particularly where parties are navigating uncertainty or change; these trends underline the importance of Acas's role as a stabilising force within the employment relations system and inform how we target and adapt our resolution services.

Online advice and guidance

The Acas website plays a central role in helping employers, workers and their representatives **prevent, manage and resolve workplace issues**, providing authoritative, trusted advice at scale. This support is particularly important as customers navigate significant changes introduced by the **Employment Rights Act 2025**.

What we delivered

- In August 2025, Acas published new, user-friendly advice on the Employment Rights Act 2025, helping employers and workers navigate legislative changes coming into effect in 2026 and 2027.
- Demand was exceptionally high: the guidance appeared in around 4 million Google searches and became the 4th most viewed advice page, despite being live for only 7 months.
- To ensure accuracy, the advice has already been updated 16 times.
- Alongside this, Acas published 9 new advice guides and made over 50 substantial updates to existing content during the year, reflecting changes in employment law across areas including family leave, statutory sick pay, whistleblowing, sexual harassment, industrial action and employment status.

Accessible and inclusive services

- We reviewed, tested and improved key high-traffic website journeys, introducing a new information architecture for advice content and clearer routes to early conciliation and helpline services.
- This has improved customer self-service and reduced demand on frontline teams. Alongside this, we continued to strengthen website accessibility, addressing known issues as part of our programme to achieve full compliance with WCAG 2.2.[3]

Adapting to the impact of AI

- Rapid developments in AI are reshaping how people access information online. Increasingly, users encounter Acas guidance through Google AI overviews, ChatGPT and other AI-enabled tools, often without visiting the Acas website directly.
- Acas has structured its advice so that AI tools can accurately locate, summarise and reference our guidance. This ensures that, when customers encounter Acas content, they receive consistent, reliable and authoritative information, extending reach and impact of our advice.

Service demand

- Demand for Acas online advice remained exceptionally strong during 2025–26.
- In 2025–26, Acas content appeared in an estimated 395 million Google search results, a 38% increase on 2024–25 and around 76 million ahead of our 2025–26 target.
- This reflects the trusted and authoritative status of Acas advice, which is prioritised by search engines and AI tools.
- Demand remained highest for core guidance, including national minimum wage (31 million search appearances), resignation letter templates (17 million) and statutory sick pay (8.5 million).

Insight

- The prominence of Acas advice in search and AI tools reinforces our role as a trusted source of truth, particularly during major legislative change.
- Improving digital journeys and accessibility reduces avoidable escalation into helpline calls, conciliation and formal disputes, supporting all three strategic ambitions while ensuring fair access to rights and routes to resolution.

3. The Web Content Accessibility Guidelines (WCAG) are an internationally recognised set of recommendations for improving website accessibility. They explain how to make digital services, websites and apps accessible to everyone.

Key Performance Indicators Overview

These are the key service metrics that Acas agreed with the DBT, which we track and measure throughout the operational year. They are also a key driver of our strategic ambitions to assure ourselves, DBT and our stakeholders of the progress we have made in the first year of our 2025–30 strategy. As we reform our services in 2026–27 to meet rising demand and changing customer expectations, we will review and revise many of these KPIs to align more closely with the outcomes we are seeking to deliver in our new strategy.

For transparency and to maintain a concise report, all detailed service data tables are available on the Acas website (www.acas.org.uk/about-us/how-acas-has-performed/annual-report/data).

Service	Key performance indicator	2025–26 KPI out-turn	KPI target
Collective conciliation	% promotion of a settlement or progress towards a settlement in disputes in which Acas is involved.	93%	90%
Individual conciliation	% of early conciliation notifications which result in a conciliated settlement between parties or another positive outcome.	36%	36%
	% of employment tribunal cases which are positively resolved following Acas conciliation.	80%	77%
Helpline	% of users able to take clear action following their call.	84%	85%
Training services	% of workplace training customers reporting the course met its intended objective.	92%	93%
	% of open access customers reporting that the training met their learning needs.	91%	85%
Website & digital advice	% of positive engagement of users from the website* (where an individual stays longer than 10 seconds on an advice page).	90%	90%

- In 2025–26, Acas continued to deliver strong outcomes in the face of rising demand across its services. Colleagues responded to increasing pressures while meeting or exceeding most key targets, helping employers and employees resolve conflict early, access trusted advice and maintain productive workplace relationships.
- **Collective conciliation:** helped employers and trade unions resolve hundreds of disputes, preventing further escalation and supporting more stable workplace relations. In 93% of cases, Acas helped the parties reach an agreement or make clear progress towards one.
- **Early conciliation:** remained a highly effective route for resolving individual disputes at an early stage. In 2025–26, around 9 in 10 potential employment tribunal claims notified to Acas were resolved without the need for a hearing, helping avoid unnecessary cost, stress and delay for employers and employees.
- **Advice and business solutions:** continued to extend Acas support to employers and employees through advice, workplace training and digital services, including webinars, e-learning and support for small and medium-sized businesses. Workplace training customer satisfaction reached 92%, two percentage points higher than 2024-25, although below the original target as Acas prioritised resources to respond to increased demand across core services. During the year, Acas expanded digital learning, strengthened partnerships and updated products and guidance to prepare for forthcoming employment rights changes.
- **Website:** remained a trusted gateway to workplace advice and guidance. Website visits were below those of 2024-25, reflecting wider changes in how people search for information online, including increased use of search engines and AI tools to find answers. Even so, Acas improved its visibility in search results, helping more people continue to find reliable advice when they needed it.
- **Helpline:** continued to provide an important frontline service for employers and employees seeking timely workplace advice. The service narrowly missed its KPI by 1 percentage point, reflecting sustained demand throughout the year and the transition to a whole new telephony system ahead of its February 2026 launch. The new system provides a stronger platform to improve customer insight, service performance and operational resilience in 2026-27.
- **Technology:** during 2025–26, Acas also evaluated Microsoft 365 Copilot to understand how AI tools could improve productivity and service quality. The evaluation identified potential benefits in areas such as drafting documents, finding information and supporting meeting preparation, while also informing future training, governance and oversight.
- Building on this work, Acas began early testing of an AI-supported search tool for helpline advisers. Initial feedback has been positive, with advisers reporting quicker access to guidance and greater consistency when handling complex calls. The trial has also reinforced the importance of careful oversight, quality checks and human judgement as Acas continues to explore how AI can support services in 2026–27.

Key risks and mitigations

Risk management is the systematic process through which Acas identifies, assesses and manages risks that could affect the successful delivery of our objectives. This approach supports informed decision-making and helps mitigate the impact of uncertainty on the achievement of our strategic ambitions.

Acas's Strategic Risk Register continues to be subject to thorough and regular scrutiny by the Executive Board, Audit Committee, Acas Council and DBT.

Our **key strategic risks** and mitigating actions are set out below.

Risk	Impact	Mitigations
Failure to prevent cyber security attacks leads to Acas systems becoming unavailable and/or data compromise and loss.	High Impact Stable risk	Acas has a robust programme of defence against cyber threats. Cyber security is reviewed annually by internal audit; it is a regular focus of the Executive Board and Audit Committee; we have regular awareness-raising updates and staff complete mandatory training. Acas takes part in cross-government initiatives and procures external expertise where required. This will remain a continued area of focus.
Acas may be unable to respond effectively to demand in Individual Dispute Resolution due to ongoing growth in Individual Conciliation Service demand and potential future surge.	High Impact Increasing risk	In the year, Acas has addressed this risk by recruiting 45 new conciliator posts, setting up an Early Contact Team to triage cases, improved recruitment and training processes to maximise staff resource to facilitate the implementation of the Employment Rights Act, and has kicked off AI focussed projects including work on Online Dispute Resolution. Additional work to address this risk includes a further intake of conciliators, plans to gain efficiencies through the use of existing AI tools, exploration of further AI opportunities and improvement of our caseload forecast tools through machine learning. Despite all of these mitigations, demand is continuing to rise in 2026–27 meaning that the risk is heightened as we try to keep pace.

Financial review

The majority of Acas's funding is provided through Grant-in-Aid from the DBT. For 2025–26 Acas received a resource allocation of £67.9 million (net of income) with total expenditure of £72.3 million (2024–25, £64.1 million). Income generated from chargeable services amounted to £5.6 million during the year (2024–25, £5.5 million). This funding supports Acas's core operations, including the delivery of frontline services and associated administrative costs.

The year ended with a resource underspend of (£1.2 million which is equivalent to 1.6% of budget). This was primarily due to lower than budgeted depreciation charges, a £180k increase in the holiday pay accrual against a £500k provision and £250k of AI Transformation Funding not utilised due to procurement delays.

Capital allocation totalled £2.1 million, including £1.3 million relating to leases under IFRS 16. Actual capital expenditure was £2.8 million including £2.1 million for IFRS 16 leases. Leases expenditure was over budget, reflecting revised lease term assumptions in Stratford, Manchester and Bristol.

The principal movements on the Statement of Financial Position were increases in trade receivables and prepayments.

	Outturn (£'000)	DBT Allocation (£'000)	Variance (£'000)
Resource			
Income	(5,616)	0	5,616
Expenditure	70,621	65,623	(4,998)
Depreciation	1,684	2,300	616
Net expenditure	**66,689**	**67,923**	**1,234**
Capital	2,795	2,077	(718)
Property, Plant and Equipment Capital	737	800	63
Lease Capital	2,058	1,277	(781)

Auditor

The external auditor of Acas is the Comptroller and Auditor General of the National Audit Office. The annual audit fee was £75,000 (2024–25, £72,000). 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 secure full-cost recovery for charged-for services. Full disclosure of the cost allocation and income from charged for services can be found in Note 2 to the accounts on page 73.

Sustainability Statement

Environmental sustainability

Acas is committed to reducing our environmental impact and playing our part in addressing the global challenges of climate change, biodiversity loss, and resource consumption. James Vincent, our Director of Digital, Data and Technology, is our Environmental Sustainability Board Sponsor. In the year, we launched our Sustainability Strategy, which can be found here. Sustainability at Acas is governed by a monthly Sustainability Committee, which is made up of representation from key areas across the organisation. We work with our landlords to reduce building emissions, and we encourage sustainable choices in business travel. In the year, we have also run campaigns to reduce single use plastic and improve recycling practices and supported colleagues in arranging environmental volunteering days. Acas also has a staff Green Network; we regularly share environmental news with this group and seek input on green initiatives. We align to the Greening Government Commitments framework (GGC), 2025–26 will be the baseline year for the GGC period 2025–30. Targets are set annually.

	2025/26	2024/25
GHG emissions[1,2]	**tCO_2e**	**tCO_2e**
Scope 1	–	–
Scope 2 (Building emissions)	91	336
Scope 3 (Business travel)	73	85
Carbon Offsets[5]	**540**	**600**
Removal (nature based)	271	300
Reduction	269	300
Energy consumption[2,3]	**MWh**	**MWh**
Electricity	270	362
Natural gas	200	350
Solid fuels	2	7
Travel[6]	**KM**	**KM**
Public transport	1,161,117	1,125,458
Domestic flights	34,176	9,316
International flights	1,156	25,077
Grey fleet/hire car	179,209	254,935
Waste[7,2]	**Tonnes**	**Tonnes**
Total recycled waste	47	12
Total waste incinerated with energy recovery	26	*not available*
Total waste to landfill	5	15
Total ICT waste, externally:		
Recycled	0.8	3.1
Reused	1.9	0.1
Recovered	0.0	0.0
Purchases	**Number**	**Number**
Consumer Single Use Plastics Purchased	13,501	15,328
Paper reams procured	76	243
Water[2]	**m^3**	**m^3**
Estates water consumption in m^3	1,167	1,736
Financial	**£'000**	**£'000**
Expenditure on utilities[4]	47	34
Expenditure on business travel	501	402
Expenditure on domestic air travel	8	3

	2025/26	2024/25
Financial	**£'000**	**£'000**
Expenditure on international air travel	0	8
Expenditure on carbon offsets	8	6
Expenditure on waste disposal[3]	10	14

[1] 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's operations but not directly controlled or owned by Acas, this is made up of Business travel only for Acas.

[2] Government Property Agency (GPA) have provided Acas with estates based emissions and data which they receive from the end landlord. They have not completed independent reviews of this data, however, we have used best estimates for any gaps in the data or when inconsistent information was provided. In 2024-25, GPA reported to us that 206tCO_2e were leaked from a faulty air conditioning unit, this is reported in our emissions.

[3] Some of our estates-based data are disclosed by other organisations for GGC purposes. However, we disclose emissions for all sites which we receive information on in our annual report.

[4] Some of our estate-related consumption costs are billed through the service charge – as such, this does not offer a full breakdown. We are working with GPA to gain more transparency around these costs.

[5] Removal offsets were Gold standard, Reduction offices are Verified Carbon Standard.

[6] Prior year travel data has been split into the categories set out in this report.

[7] In 2025-26 GPA changed the waste estimation methods for some of our offices which has led to an increase in reported waste compared to 2024-25, we have requested a prior year restatement and are running campaigns around reducing waste and increasing recycling. All waste is municipal waste.

Task Force on Climate-related Financial (TCFD) Disclosures[4]

Compliance Statement

Acas has reported on climate-related financial disclosures in line with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. Acas considers climate to be an **emerging** risk.

Acas has applied TCFD guidance on governance (a and b), risk management (a to c) and metrics and targets (b). The TCFD recommendations can be found on the TCFD website, www.fsb-tcfd.org/recommendations.

Governance

Acas's governance structure is set out on page 8. To embed climate risk management within our organisation, we have a Sustainability Board Sponsor, a required climate impact assessment for Executive Board and Business Case submissions. Acas also has a monthly Sustainability Committee which is responsible for leading the climate risk assessment process and sustainability actions and reports performance to the Board quarterly. The Committee works in partnership with the staff Green Network and the Estates Programme Panel.

Risk management

Climate does not present a principal risk or a significant component of a principal risk to Acas. The Acas climate risk management working group is tasked with identifying and assessing climate-related risks by analysing potential impacts of climate scenarios. Risks can be broadly categorised into:

- risk to the services we offer (for example, increased pressure on the helpline or conciliation where workplace disputes increase as a result of climate change); and
- risk to our operations (for example, risk of disruption to travel, and health and safety risk).

For both categories of risk, the overall impact is expected to be low, which is the rationale for Acas classifying climate change as an emerging risk. If the risks rating increases, this will be reported in the Strategic Risk Register. The Working Group report into the Sustainability Committee, the Executive Board has approved the risk assessment.

Metrics and targets

Our metrics and targets are disclosed above in the GGC section, performance is reviewed by the Board on a quarterly basis.

4. The Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board. The task force focuses on 4 thematic areas that represent core elements of how organisations operate Governance, Strategy, Risk management and metrics and targets.

Social sustainability

Acas has developed a model to assess and guide its social sustainability practices. This strategy focuses on 7 key areas:

1. **Loyalty**: Acas gathers feedback and regularly reviews services to ensure responsiveness, quality and trust are maintained for both customers and stakeholders. We also measure staff engagement and look to address any issues raised.
2. **Community impact**: By helping to resolve workplace issues early, Acas plays a vital role in reducing conflict, improving workplace culture and strengthening the UK economy.
3. **Management and capability**: We have implemented a performance management system that supports personal development at all levels. Our Leadership Excellence in Acas Programme (LEAP) has strengthened leadership across the Executive Board and senior leadership team, with ongoing focus on consolidating learning and strategic delivery.
4. **Labour relations**: We maintain a strong, constructive partnership with recognised trade unions (PCS and FDA), through regular engagement, formal agreements, and collaborative input into strategy and change initiatives.
5. **Human rights**: We are committed to preventing modern slavery and human trafficking, and we only procure through sustainable, Cabinet Office-approved frameworks. We promote dignity and equality, ensure fair treatment, and maintain inclusive policies across all stages of employment.
6. **Health, safety and wellbeing**: Our risk assessments, health and safety governance, and wellbeing initiatives including mental health support, counselling and proactive health screening ensure our employees can work safely, confidently and with access to support when needed.
7. **Fairness**: We are an equal opportunities employer, committed to non-discrimination, inclusive hiring, reasonable adjustments, and ongoing accessibility improvements informed by regular audits and consultation with staff networks and trade unions. We ensure our services are fully accessible to all.

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Niall Mackenzie CBE
Accounting Officer
24 June 2026

Accountability Report

Corporate Governance Report

Directors' Report

This Directors' Report is produced to comply with the requirements of the Companies Act 2006, adjusted for the public sector context as required by the HM Treasury Financial Reporting Manual 2025 to 2026. It should be read in conjunction with the Governance Statement, the Remuneration Report, and the Performance Report.

Acas was set up as a statutory body on 1 January 1976. It provides support to the Central Arbitration Committee and the Certification Officer, which were established on 1 February 1976.

Certification Officer

The Certification Officer is the registrar of trade unions and employers' associations. He/she also acts in a quasi-judicial capacity, determining complaints about breaches of certain types of union rules and certain areas of legislation relating to trade unions and employers' associations. He/she is supported by a team of staff who are all employed by Acas but permanently seconded to support his/her in the delivery of their statutory duties. The Certification Officer is operationally independent of Acas. For more information about the Certification Officer, please go to www.gov.uk/government/organisations/certification-officer.

Central Arbitration Committee

The Central Arbitration Committee (CAC) encourages fair and efficient arrangement in the workplace by resolving collective disputes in England, Scotland and Wales, by voluntary agreement or, if necessary, through a legal decision. For more information about the CAC, please go to www.gov.uk/government/organisations/central-arbitration-committee.

Members of the Board

In 2025–26, the membership of the Acas Executive Board consisted of:

- Niall Mackenzie, Chief Executive Officer and Accounting Officer from 1 May 2025;
- Daniel Ellis, Interim Chief Executive and Accounting Officer for the period 1 April 2025 to 30 April 2025;
- Robert Mackintosh, Director of Finance and Governance;
- James Vincent, Director of Digital Data and Technology;
- Kirsty Watt, Director of Strategy and External Affairs;
- Sian Kimber, Director of People (served as Interim Director up until formal appointment on 24 September 2025);
- Kevin Rowan, Director of Dispute Resolution;
- Anne Boyd, Director of Advice and Business Solutions for the period 1 April 2025 to 12 September 2025;
- Hazel Rounthwaite, Interim Director of Advice and Business Solution for the period 1 April 2025 to 31 March 2026; and
- Angela Gowthorpe, Director of Advice and Business Solution from 1 March 2026.

Members of the Acas Council

Acas Council 2025–26 membership is set out below, alongside attendance at Council, Audit Committee and People and Remuneration Committee.

	Attendance		
	Council	Audit Committee	Remuneration Committee
Clare Chapman (Chair)	6/6		2/2
Ben Summerskill		4/4	
Christina McAnea[1]	2/6		
Danny Mortimer	6/6		
Dave Penman (appointed 24 September 2025)	4/4		1/1
Ijeoma Omambala	5/6		2/2
Jayne Haines	6/6	4/4	
Martin McTague	6/6		
Matthew Percival	6/6		2/2
Mike Clancy (member to December 2025)	4/4		1/1
Nicola Smith (appointed 24 September 2025)	4/4		
Roy Rickhuss[2]	4/6	3/4	
Simon Lewis	5/6		
Independent experts			
Martin Veale		4/4	

1. Christina's attendance was unavoidably limited due to health and election commitments. However, her engagement outside of meetings, through advice, commentary and constructive challenge has been thoughtful, timely and impactful.

2. Roy is a member of the Industrial Strategy Steering Group. Roy's attendance at Acas Council meetings, with only two unavoidable absences, was due to clashes with Steering Group commitments.

Members of the Audit Committee

In 2025–26, the membership of the Acas Audit Committee consisted of:

- Ben Summerskill
- Jayne Haines
- Martin Veale
- Roy Rickhuss

Members of the People and Remuneration Committee

In 2025–26, the membership of the Acas People and Remuneration Committee consisted of:

- Clare Chapman
- Dave Penman
- Ijeoma Omambala
- Matthew Percival
- Mike Clancy

Personal data related incidents

This section is covered in the Governance Statement on page 39.

Statement of Accounting Officer's responsibilities

Under Part VI section 253 subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992, the Secretary of State, with the consent of HM Treasury, requires Acas to prepare for each financial year a statement of accounts in the form and on the basis set out in the Government Financial Reporting Manual. The accounts are prepared on an accruals basis and must give a true and fair view of Acas's state of affairs at the year end, its income and expenditure, changes in taxpayers' equity and cashflows for the year.

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

- include relevant accounting and disclosure requirements; and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going-concern basis;
- confirm that this Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Business and Trade (DBT) has designated the Chief Executive of Acas as the Accounting Officer for Acas. The responsibilities of an Accounting Officer – including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the service's assets – are set out in *Managing Public Money*, published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Acas's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

The Accounting Officer has taken all reasonable steps to ensure the Annual Report and Accounts as a whole is fair, balanced and understandable, and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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Niall Mackenzie CBE
Accounting Officer
24 June 2026

Governance Statement

Scope of responsibility

1. As Accounting Officer, I am responsible for maintaining sound governance and internal controls that support the achievement of Acas's policies, aims and objectives, while 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 Committee (a sub-committee of the Acas Council) which regularly monitors risk management in Acas. I also use the Government Internal Audit Agency (GIAA) for additional assurance.

2. As Accounting Officer, I have received the training needed for me to fulfil the duties of this role. In assuming the role of Chief Executive Officer, I have taken steps to gain assurance over the accuracy and completeness of the Annual Report and Accounts.

3. I understand the governance, financial reporting processes, and key judgements applied during the reporting period. Based on this understanding, and the supporting documentation provided, I am satisfied that the Annual Report and Accounts present a true and fair view of Acas's financial position and performance.

The purpose of the Governance Statement

4. 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 2025–26.

Acas's governance structure

5. Acas is a non-departmental public body 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, comprising publicly appointed non-executive directors, sets Acas's strategic direction and priorities and ensures that Acas meets its statutory duties. The day-to-day management of Acas is carried out by the Executive Board.

6. Acas is sponsored and principally funded by DBT. We maintain regular engagement with DBT on governance and policy matters, and we share labour market insights drawn from our frontline services. Acas provides DBT with regular performance and risk updates through the Organisational Performance Dashboard and Strategic Risk Register, alongside financial management information. The respective roles of Acas and the Secretary of State for DBT are set out in Acas's Framework Document.

7. The governance framework is designed to provide reasonable, not absolute, assurance. It supports effective risk management within an agreed risk appetite, strengthens accountability for delivery of our services and objectives, and ensures that Acas has appropriate arrangements to make decisions, monitor performance and manage resources.

8. The system of internal control reflects good practice. It is designed to identify and prioritise the risks to achieving Acas's policies, aims and objectives; to assess the likelihood and impact of those risks; and to manage them efficiently, effectively and economically. These controls were in place throughout the year ended 31 March 2026 and up to the date of approval of the Annual Report and Accounts, and they accord with HM Treasury guidance.

Review of governance

9. During 2026, Acas undertook a review of its governance arrangements to ensure they remain effective, proportionate and fit for purpose as the organisation delivers its transformation programme. The review, considered by the Executive Board, focused on clarifying decision-making responsibilities, strengthening oversight of strategic delivery and risk, and improving alignment across senior leadership forums. As a result, Acas agreed a refreshed governance

framework that reinforces the role of the Executive Board as the organisation's primary decision-making body, supported by clearly defined sub-boards and leadership forums with distinct remits and terms of reference. These changes are intended to support more timely decision-making, clearer accountability and stronger assurance as Acas continues to modernise how it operates.

The Acas Council

10. The Acas Council is composed of a publicly appointed Chair, a position held by Clare Chapman (whose tenure came to an end in March 2026), and 11 members, appointed by the Secretary of State for the Department for Business and Trade. Baroness Maggie Jones was appointed as the new Chair of Acas from 1 April 2026. Council membership reflects a balance of employer, worker and independent perspectives. All public appointments to the Council are made by DBT in accordance with the Governance Code on Public Appointments.

11. The Council is responsible for setting Acas's strategic direction, policies and priorities, and for holding the organisation to account for the delivery of its statutory duties, strategic objectives and key performance indicators. In doing so, the Council operates in line with the principles of HM Treasury's Corporate Governance Code, providing independent challenge and assurance where appropriate. The responsibilities and expectations of Council members are set out in the *Code of Good Practice for the Acas Council*.

12. The Council's responsibilities include:

    - ensuring the proper use of public funds and compliance with public sector requirements;
    - determining key policy objectives and performance targets;
    - overseeing strategic and business planning, including financial performance, operational efficiency and service quality;
    - monitoring external developments that may impact Acas's strategic direction or delivery of objectives, and determining appropriate responses;
    - monitoring performance against agreed strategic objectives and targets;
    - approving and publishing the Annual Report and Accounts;
    - ensuring that high standards of corporate governance are maintained; and
    - ensuring that Acas operates sound environmental policies and practices in line with government guidance.

13. The Council is supported by two formal subcommittees: the Audit Committee and the People and Remuneration Committee, both of which report directly to the Council.

14. The Council met 6 times in 2025–26 as detailed within the members table at page 29.

15. The Council held a strategic planning day in **September 2025**, themed 'Bridging Today and Tomorrow: assessing our progress and shaping the future'. The session provided an opportunity to fully understand what Acas would deliver for its **2025–30 Strategy,** which launched in August 2025, and included looking ahead to the organisation's future role and priorities. Council discussions focused on the implications of the **Employment Rights Act**, the emerging **vision for industrial relations**, and the development of the **Employment Tribunal Taskforce plan**, considering how these would shape Acas's strategic direction and contribution over the coming years.

16. During 2025–26, the Acas Council played an active role in providing strategic direction, oversight and challenge as the organisation responded to a changing employment relations landscape. The Council monitored delivery against Acas's strategic objectives and statutory responsibilities, reviewed performance and risk management arrangements, and provided assurance on the

effective use of public resources. Key areas of focus included oversight of service demand and operational pressures, endorsement of a streamlined performance framework to support future transformation, and consideration of the organisation's readiness for forthcoming legislative change. Through its committees and dedicated strategic discussions, including a strategic planning day in September 2025, the Council helped position Acas to bridge the transition from the 2021–25 strategy to the emerging priorities of the 2025–30 strategy, while maintaining strong governance, independence and accountability throughout the year.

Assessment of Council effectiveness

17. In **January 2026**, the effectiveness of the Acas Council and its committees was reviewed as part of an independent programme of work undertaken by the **Government Internal Audit Agency (GIAA)**. The review considered the Council's role, behaviours and impact in supporting effective governance, strategic oversight and constructive challenge. The findings confirmed that the Council makes a strong contribution to the strategic direction of Acas, with improved clarity between the respective roles of the Council and the Executive Board. The review also identified opportunities to further strengthen effectiveness, including sharing good practice and enhancing engagement and development arrangements. The outcomes of the review will be considered by the Council, to agree actions to support continuous improvement, with progress monitored through established governance arrangements.

The Audit Committee

18. The Audit sub-Committee of the Acas Council is an advisory, rather than executive body, which supports and challenges me as Chief Executive of Acas in my responsibilities for issues of risk, control and governance, finance, and associated assurance. The Committee is made up of members of the Council, including the Chair, Ben Summerskill. They are supported by an independent financial expert to provide an external perspective, technical advice and guidance.

19. Meetings are attended by members of the Acas Executive, internal and external auditors, and DBT officials who lead the department's relationship with Acas. Both external (National Audit Office (NAO)) and internal auditors engage as required with the Audit Committee Chair and members.

20. 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.

21. A self-assessment exercise for the Audit Committee was undertaken, and the findings were reported back in the June 2025 meeting. The self-assessment results were analysed using the NAO's Self-Assessment tool and have indicated that there are no areas of concern; Committee members will continue to be given the opportunity to highlight any recommendations that they would like to be enacted to improve the Committee's function.

22. The Audit Committee will continue to share good practice and learn from other Audit Committee's across the DBT family.

The People and Remuneration Committee

23. The People and Remuneration sub-Committee of the Council is chaired by the Chair of Acas and comprises 3 members of the Acas Council.

24. 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 and Culture 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 the DBT.

Conflict of interest

25. As part of its governance arrangements, Acas requires conflicts of interest to be declared at the start of Board and Committee meetings, and these declarations are formally recorded. In addition, Board and Committee members are required to complete an **annual declaration of interests**, including nil returns, covering both related party interests and potential conflicts. These arrangements support transparency and help ensure that any actual or perceived conflicts are identified and appropriately managed. In 2025–26 there were no actual conflicts reported; however, 9 potential conflicts were flagged, with mitigations and actions taken to avoid a conflict materialising.

    Declarations of other interests are declared on the Acas website (https://www.acas.org.uk/about-us/register-of-interests).

The Executive Board

26. The Executive Board met 12 times in 2025–26.

Duties

27. The Executive Board is responsible for the operational management of Acas and for ensuring the effective delivery of the organisation's objectives. Major policies and decisions affecting the delivery of Acas's business priorities are considered and agreed by the Executive Board.

28. To promote transparency and staff engagement, non-classified Executive Board papers are made available to colleagues on request and will be available via the intranet for 2026–27.

29. The Executive Board is also committed to raising visibility of its work across the organisation. Town Hall meetings are held quarterly where all staff are encouraged to attend. Directors share key updates and staff are invited to ask questions and provide challenge to Board members. Further localised staff engagement is planned in 2026-2027.

30. The Executive Board uses a comprehensive suite of management information to monitor organisational performance, including financial, people and service performance data. A range of established controls and assurance arrangements are in place to ensure the quality, accuracy and reliability of this information, supporting informed decision-making.

31. The terms of reference for the Executive Board are as follows:

- Support the Council in setting the direction of Acas in developing the Acas strategy.

- Oversee the implementation and delivery of Acas's strategy.
- Determine and agree the strategic goals and objectives to be pursued by Acas, setting the long-term vision, and mission.
- Ensure effective communication on the strategic direction and objectives of Acas both internally and externally.
- Set the annual business plan, key performance indicators (KPIs), service volumes and income-generation targets, outlining key activities across all business areas, and agreeing and reviewing policies to enable appropriate and efficient delivery plans.
- Ensure that appropriate processes and controls are maintained, including through examination of management information, evaluation data and customer feedback.
- Oversee organisational change and development and ensure that change management systems are effective and appropriate.
- Determine and agree the budget allocation for each directorate and set the tolerances for which each Director is accountable
- 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.
- Ensure a workforce plan is in place and continually reviewed to flex and keep pace with organisational resourcing and demand requirements.
- Maintain high standards of corporate governance, transparency, and sustainability, ensuring legal and ethical standards are adhered to.
- Ensure a Communications and External Affairs Strategy is in place, reflecting the strategic priorities in the Government Communication Plan in line with GCS Standards.
- Approve and monitor metrics to support organisational objectives and reputation, ensure good stewardship of communications resources through the Communications function.
- Oversee reputational risks and be informed of crisis communications handling.
- Set the risk tolerances and expectations for managing potential challenges and strategic risk that could compromise the delivery of Acas strategy, business plan and operational performance.
- Oversee the systematic identification and management of organisational risk.

32. The Executive Board also has oversight of health and safety matters and works to maintain constructive, effective relationships with staff and recognised trade unions.

33. To support effective delivery and governance, the Executive Board is supported by a number of sub-boards, each with a defined remit and terms of reference as detailed below. In line with the review of our governance framework, these boards have been repurposed to bring about improved decision making and efficiency, being implemented for 2026-27. To promote leadership development and broader organisational capability, sub-boards are chaired on a rotational basis by senior members of the leadership team, under the oversight of the Chairs. This approach supports skills development, shared ownership of service priorities, and a deeper understanding of customer-focused delivery across the senior leadership community.

    - **Customer Services Board (CSB)**: is cochaired by the Director of Advice and Business Solutions and the Director of Dispute Resolution. The Board provides oversight of Acas's

customer-facing services, ensuring that customer needs remain central to the design and delivery of operational activity. It monitors performance against the in-year business plan and strategic objectives, provides assurance to the Executive Board, and holds Directors to account for service delivery and interdependencies across operational areas.

- **Finance and Portfolio Board (FPB)**: is chaired by the Director of Finance and Governance. The Board oversees the delivery of Acas's portfolio of projects and programmes, ensuring they remain affordable, achievable and strategically aligned. The Board meets monthly to scrutinise financial performance, understand areas of variance, and ensure that investment in organisational projects and programmes deliver value for money. The Board also promotes innovation to support continuous improvement across Acas's change and transformation activity.
- **Technical Design and Delivery Board (TDDB):** is chaired by the Director of Digital, Data and Technology. The Board provides strategic leadership and oversight of Acas's digital, data and technology activity, ensuring that programmes and initiatives are aligned to organisational priorities and are delivered in a coordinated and sustainable way.
- **People and Culture Board (PCB):** is chaired by the Director of People. The Board provides support and challenge on the delivery of the People and Culture Strategy and related initiatives, including pay, workforce planning, and people data. It provides assurance to the Executive Board on the effective implementation of agreed people priorities and supports the development of a sustainable, engaged and inclusive workforce.

Assessment of Board effectiveness

34. A Board effectiveness review was undertaken during September 2025. Overall, feedback was positive, with members confirming a clear understanding of the Board's role and responsibilities and recognising its positive contribution to Acas's strategic direction. Respondents highlighted strong leadership from the Chair, well-structured agendas, and high-quality Board papers that are timely and clear and support effective debate. Confidence was also expressed in the robustness of financial controls and risk management arrangements. The review also identified opportunities to strengthen effectiveness further. These included clearer articulation of the Board's own objectives, greater visibility of succession planning arrangements, and further clarification of decision-making responsibilities between the Executive Board and its sub-boards. These findings are being addressed as part of ongoing governance improvement activity.

35. The Executive Board reviewed the results during the January 2026 Executive Board meeting and agreed that they would be addressed as part of ongoing governance improvement activity, to strengthen governance effectiveness. This would allow Acas to build on existing strengths while addressing areas for improvement, as part of its commitment to continuous improvement and high standards of corporate governance.

The risk and internal control framework

36. The Acas Council retains overall responsibility for oversight of the organisation's approach to risk management. During 2025–26, the Council reviewed and challenged the **Strategic Risk Register** on a regular basis, ensuring that key risks were appropriately identified, assessed and managed. The **Audit Committee** also considered the Strategic Risk Register at each of its meetings, with the Chair of the Committee reporting key issues and assurances back to the Council.

37. The Executive Board reviews the Strategic Risk Register **monthly**, embedding risk identification, assessment and mitigation within routine executive management arrangements. Each strategic risk is assigned an Executive Board member as

risk owner, supported by an appointed risk manager responsible for day-to-day oversight. These arrangements ensure that risks can be explored in sufficient depth and that mitigating actions are clearly defined and monitored.

38. Acas's **Risk Management Policy**, which sets out roles and responsibilities across the organisation, was reviewed during the year and continues to underpin the approach to risk management. Supporting guidance reflecting good practice is available to all staff via the intranet. The organisation's overall risk appetite remains defined as **'open'**, although a more cautious approach is applied to specific activities where appropriate. The policy complies with the principles of HMT's 'Orange Book'.

39. Executive Board papers set out the risks to support informed decision-making.

40. The Strategic Risk Register is underpinned by local risk registers maintained by sub-boards and individual projects, with significant risks escalated as required. Local risk registers are reviewed regularly, and project risks are reviewed at each project Board meeting. Assurance over these arrangements was obtained through the annual Compliance Review process.

41. The Strategic Risk Register presents a clear overview of current risk status, mitigating actions and risk trajectory, enabling progress to be tracked over time and future risk exposure to be assessed.

42. In addition, Acas maintains a separate **Fraud and Error Risk Register**, which is reviewed annually. During the year, Acas continued to participate in the Department for Business and Trade Counter-Fraud Network, supporting the sharing of good practice in the prevention and mitigation of fraud and error.

43. Acas also completed its **Annual Assurance self-assessment**, which measures compliance with governance and management standards in line with the **Cabinet Office Sponsorship Code of Good Practice**.

Review of organisational effectiveness

44. 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 (details of which are below);
- the in-year operation of the risks and control framework; and
- observations made by the external auditors in their management letter and other reports.

45. The system of control is kept under review during the year by:

- the Acas Executive Board meeting regularly to consider the plans, risks and strategic direction of Acas;
- full consideration of internal audit reports by the Acas Audit Committee, and the Committee Chair's regular reports to Acas Council;
- regular reports by internal audit, to standards defined in the Public Sector Internal Audit Standards, which include the Head of Internal Audit's opinion on the adequacy and effectiveness of Acas's system of internal control, together with recommendations for improvement;
- the Corporate Governance Framework for Acas, which is published on our intranet and available to all staff;
- reports from Acas Directors on specific risks which are their responsibility, and the steps they are taking in respect of them;

- my review of the annual corporate governance returns by each of the Directors and the Corporate Governance Challenge Panel scrutiny of those returns;
- the use of an organisation-wide Balanced Scorecard in conjunction with the Strategic Risk Register, to measure in-year organisational performance;
- a systematic review of compliance with internal control procedures and governance arrangements;
- a high-level assurance mapping of controls; and
- data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded.

Corporate Governance Challenge Panel

46. The annual Corporate Governance Challenge Panel sat in April 2026 to consider the individual corporate governance returns of 3 members of the Executive team.

47. 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 Directors of Dispute Resolution, Advice and Business Solutions, and Strategy and External Affairs were challenged by the Chair of the Committee, supported by the Independent Financial Expert and GIAA.

48. Key themes identified in their statements were discussed; these focused on resourcing, cyber security and organisational governance.

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

Project assurance and capacity to change

50. The Finance and Portfolio Board will be repurposed as the Change Board from June 2026 and will become an established part of our governance, providing assurance to Executive Board for the management of strategic projects and changes. Driving forward robust delivery to ensure that controls are in place to enable the delivery of projects to time, cost and quality, with a strong focus on value for money and benefits realisation. The Head of Strategic Portfolio conducts bi-yearly prioritisation exercises with the Executive Board to ensure that the portfolio is balanced and prioritising the most strategically beneficial initiatives.

51. The Portfolio Management Office (PMO) is a small team which supports effective project and change management practice in the delivery of key projects to realise our strategic ambitions.

52. The PMO produce a monthly portfolio report, which includes dashboards that capture 'portfolio health', so that the Change Board can scrutinise project delivery and respond to emerging risks, issues and dependencies. As part of this analysis, 'change capacity and capability' is assessed to better plan where our resource is best focused and where we may need to course correct.

53. The learning teams work collaboratively with the PMO to plan and deliver effective learning solutions for the organisation to improve capability in project and change management.

54. A new 'stage gate' process has been introduced for 2026–27 to continuously improve the current governance processes, ensuring that the organisation is investing its resource in the most beneficial and cost effective initiatives with rigour and transparency.

General Data Protection Regulations

55. GDPR practices are embedded in the business. Regular reviews of data breach causes have been reported to the Executive Board and Council during 2025–26, outlining governance measures to be put in place. Approximately half the data breaches are caused by external claimants providing incorrect details that are then automatically processed through the notification form. Other breaches are caused by incorrect third parties being chosen for correspondence and data inputting errors. While any data breach is a concern, the number reported accounts for around 0.014% of Acas's total email and telephone contact with external users, meaning these incidents occur infrequently.

56. Work is planned to review the notifications form that is the cause of the external breaches, while training for conciliators and regular reports to conciliation managers are provided to help raise the profile of breaches and identify trends that can be acted upon. Mandatory GDPR awareness training is carried out by all staff every 18 months. The most recent training was commissioned in April 2025.

Internal Compliance Reviews

57. 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 from the review will be presented to senior managers, both on an individual basis and to share good practice from across the organisation. No significant actions were identified to improve governance.

58. The Compliance Review process continues to be refined to ensure comprehensive coverage while simplifying the return.

Assurance mapping

59. An updated Assurance Map has been used in year to assess the control environment in Acas and to provide assurance that these controls are being adhered to, and to identify whether any areas need strengthening.

60. The Assurance Map uses the 'Three Lines of Defence' model, namely management oversight, functional management, and independent review. This model provides a broad view of the controls in place for each business area.

61. Throughout the process, we have engaged with local management to define what should be covered and have provided support in completing the assessment.

62. The Assurance Map has been completed for Corporate Services and other specific areas that include GDPR and information asset management, and management of the estate.

63. Overall, the Assurance Map has provided an assessment that controls are sufficient in most areas, but with some room for improvement.

Government Internal Audit Agency

64. The 2025–26 Internal Audit Plan covered the following areas:

- Key Financial Controls: This review assessed the design and effectiveness of the system privacy access controls over the IRIS financial system within both Acas and the Service Provider.
- Payroll: The audit objective was to provide assurance that payroll processes are designed and operating effectively, ensuring that employees are paid accurately and on time, in accordance with their contracts, and that legitimate deductions are applied.
- Individual Dispute Resolution: To provide assurance over the organisation's ability to effectively manage, process and resolve early conciliation cases within its agreed structures.

- Cyber Prevention: This audit was to give assurance on the control framework.

65. 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.

66. In summary, there were 2 'Moderate' and 2 'Limited' audit opinions from the work undertaken during the year.

67. In the reports, the auditors highlighted 3 'High', 13 '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, there were no overdue recommendations.

68. The Audit Committee has reviewed and challenged the GIAA audit plan for 2026–27.

Cyber security

69. There have been two cyber events this year:

- Targeted cyber activity: During the year, the organisation experienced targeted phishing activity affecting members of staff. In each case, the incidents were identified and reported promptly, enabling timely investigation and response. No system compromise or data loss occurred, and the activity reflects the heightened threat environment facing public sector organisations.
- Virtual meeting disruption: An externally hosted meeting was disrupted by an unauthorised attendee sharing inappropriate content. The incident did not result from a compromise of organisational systems. Following the event, a review was undertaken and additional guidance was provided to support secure and effective meeting management.

70. During the year, a range of activity was undertaken to further strengthen the organisation's cyber security arrangements and support ongoing resilience. This included:

- Improved Hardware and Software asset management processes with regular review points.
- Engagement with new NCSC approved pen testing partners with a view to increasing frequency and scope of testing activities.
- Improved credential management processes, particularly around admin accounts.
- Review of the cyber related policies.
- Leading on cyber training for DDaT and Acas staff to make our workforce more cyber aware and safer from ongoing threats.
- Tabletop exercises to ensure we are ready for a cyber-attack or service outage along with scheduling of further exercises.
- The scope of web application blocking has increased to deal with the proliferation of unapproved Generative AI sites that pose a data loss risk to the organisation.

Other matters

71. To support staff, the 'Speak Up' policy has operated for 2025–26, and Nominated Officers remained in post in year. These act as an impartial point of contact for staff who wish to raise a concern. Two issues were raised through this channel.

72. We answered 109 of 110 freedom of information requests received within the prescribed timeframe. The missed request was due to issues with the data on time taken to assign Conciliators to Early Conciliation cases.

73. We answered 762 of the 768 subject access requests received within the prescribed timeframe. The deadlines

for the remaining 6 were extended (or exceeded) due to the volume of information needing to be collected.

74. Two incidents were reported to the Information Commissioner's Office (ICO) on a self-reporting basis as a precautionary measure given the nature of the breaches as no harm to individuals resulted. The ICO considered no follow-up actions were necessary in either case.

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

76. To meet the requirements set out by the DBT, the Director of Finance and Governance reviews expenditure items for appropriateness of spend, and challenges expenditure if it appears not to offer value for money or does not support the achievement of Acas's objectives.

77. 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.

78. Acas adheres to the appropriate functional standards set by the Cabinet Office.

79. Acas continues to publish details of individual expenditure over £250, prompt payment statistics, and organisation charts on gov.uk. 98.51% of invoices were paid within 5 working days.

80. Tailored financial and corporate governance training continues to be provided to those with financial and governance responsibilities. This covers the fundamentals of their roles in ensuring financial and governance compliance.

81. Acas continued to work collaboratively with DBT and other partner organisations and was represented on several networks (both within the DBT family and pan-government).

82. HMRC concluded its VAT review of Acas during the year. A new methodology for partial exemption calculations was agreed and has been implemented; however, no material changes were required to the treatment of VAT or amounts reclaimed.

83. HMRC also conducted a review of employers' duties. This resulted in only minor changes to Acas's policies on PAYE and staff payments, primarily relating to ensuring that staff subscriptions are made to eligible bodies.

Assessment of effectiveness

84. There have been no significant control issues during 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 2025–26.

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Niall Mackenzie CBE
Accounting Officer
24 June 2026

Remuneration and Staff Report

Remuneration Report

Service contracts and salary

Subject to the provisions of the Civil Service Management Code, Acas has delegated authority from the Secretary of State for DBT 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 Acas staff who are members of the SCS are set by the Prime Minister following independent advice from the Senior Salaries Review Body. 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.gov.uk/government/organisations/review-body-on-senior-salaries.

The salaries of the Acas Council are set by DBT.

The CO (Stephen Hardy) 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 CAC (Stephen Redmond) was appointed by the Secretary of State for DBT, and his fee for 1 day a week is set by DBT. The members of the CAC (deputy chairs and members) are appointed by the Secretary of State for DBT. Their rates are set by the Ministry of Justice and are set out below.

Director remuneration (audited)

The following table shows the remuneration of the Executive Committee and CEO of the CAC and the CO.

	2025–26				2024–25			
	Salary	Bonus	Pension[3]	Total	Salary	Bonus	Pension[3]	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
C Chapman (Chair)[1]	55–60	0	0	55–60	55–60	0	0	55–60
N Mackenzie (Chief Executive Officer appointed 1 May 2025)	115–120 (125–130 Full year equivalent)	0–5	99	220-225	–	–	–	–
D Ellis (People Director to 30 June 2024, Interim Chief Executive period from 1 July 2024, resigned 22 June 2025)[4]	25–30 (110–115 Full year equivalent)	0–5	10	40-45	100–105	5–10	41	150–155
S Clews (Chief Executive resigned to 24 September 2024, Acas)[4]	–	–	–	–	75–80 (135–140 Full year equivalent)	5–10	5	95–100
S Bedwell (Certification Officer resigned 31 May 2025)	20–25 (145–150 Full year equivalent)	0	10	30-35	145–150	0	58	200–205
M Kidd (Interim Certification Officer from 1 June to 30 September 2025)[2]	40–45 (120–125 Full year equivalent)	0	16	55-60	–	–	–	–
S Hardy (Certification Officer from 1 October 2025)	60–65 (125–130 Full year equivalent)	0	28	90-95	–	–	–	–
M Tavares (Chief Executive, CAC)	60–65	0–5	22	85-90	60–65	0–5	36	95–100
A Boyd (Director of Advice and Business Solutions resigned 12 September 2025)	60–65 (105–110 Full year equivalent)	0	20	80-85	105–110	0–5	48	155–160
H Rounthwaite (Director of Advice and Business Solutions for the period 1 April 2025 to 31 March 2026)[2]	80–85	0–5	25	105-110	–	–	–	–

	2025–26				2024–25			
	Salary	Bonus	Pension[3]	Total	Salary	Bonus	Pension[3]	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A Gowthorpe (Director of Advice and Business Solutions appointed 1 March 2026)	5–10 (80–85 Full year equivalent)	0	2	05-10	–	–	–	–
C Nowicki (Director, Dispute Resolution period resigned 24 March 2025)	–	–	–	–	80–85	5–10	146	235–240
J Vincent (Director, Digital, Data and Technology)	105–110	10–15	37	150-155	100–105	0–5	35	140–145
K Rowan (Director, Dispute Resolution appointed 1 March 2025)[2]	90–95	0–5	37	130-135	5–10 (80–85 Full year equivalent)	0	3	5–10
K Watt (Director, Strategy and External Affairs)	90–95	5–10	34	130-135	85–90	0–5	71	155–160
S Kimber (Interim People Director from 1 July 2024 to 23 September 25, People Director from 24 September 2025)[2]	85–90	5–10	35	130-135	60–65 (80–85 Full year equivalent)	0–5	53	115–120
R Mackintosh (Director, Finance and Governance)	100–105	0–5	34	135-140	95–100	0–5	71	170–175

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

[2] This table shows the amounts paid in individual's capacity of the named roles within the reporting years. K Rowan received remuneration for work performed as a member of the Acas Council which is excluded from the above. S Kimber, H Rounthwaite and M Kidd received remuneration for work as an employed members of the Civil Service at delegated grades, which is excluded from the above. In 2025-26 S Kimber received remuneration related to duties performed in the prior year, valued between £0-£5,000. Regarding M Kidd, the salary payment stated is inclusive of salary for duties performed as Assistant Certification Officer and an allowance for duties performed as Certification Officer.

[3] Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals who were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

[4] S Clews stepped down from the Executive Board at the end of July 2024. D Ellis stepped down from the Executive Board at the end of May 2025.

Pension entitlements for each Director (audited)

	Accrued pension at pension age as at 31/03/2026	Real increase in pension and related lump sum at pension age	CETV at 31/03/2026	CETV at 31/03/2025	Real increase in CETV
N Mackenzie	70-75 plus a lump sum of 175-180	5-7.5 plus a lump sum of 5-7.5	1,675	1,554	94
D Ellis	20-25	0-2.5	272	256	6
S Bedwell	25-30	0-2.5	426	421	7
M Kidd	5-10	0-2.5	97	86	8
S Hardy	0-5	0-2.5	22	0	21
M Tavares	30-35 plus a lump sum of 75-80	0-2.5 plus a lump sum of 0	701	648	14
A Boyd	5-10	0-2.5	134	113	14
A Gowthorpe	5-10	0-2.5	144	143	1
H Rounthwaite	0-5	0-2.5	42	22	14
J Vincent	40-45	2.5-5	577	528	19
K Rowan	0-5	0-2.5	38	3	29
K Watt	40-45 plus a lump sum of 5-10	0-2.5 plus a lump sum of 0	864	791	23
S Kimber	20-25	0-2.5	316	282	18
R Mackintosh	55-60 plus a lump sum of 135-140	0-2.5 plus a lump sum of 0	1,264	1,214	27

Where Senior Officials joined or left during the year, their CETV opening or closing amounts are as of their joining or leaving dates.

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.

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. From 1 April 2022 all members of the PCSPS who were in a legacy scheme have been moved into alpha. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, 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 (CETV) 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 currently range between 4.6% and 8.05% for members of 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 their 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 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.

In the year, interest-free hardship loans were paid to retiring Acas employees impacted by delays in pension payments by the Civil Service Pension Scheme (2 loans with a total value of £10,000). They are repayable on receipt of the former employee's pension lump sum payments.

Cash Equivalent Transfer Values

A 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.

Compensation on early retirement or loss of office and exit packages (audited)

There were no compensation payments for loss of office paid to senior managers in 2025–26 (2024–25: £nil). There were also no efficiency dismissals, and no compensation payments were made.

In the previous year, 4 people left under efficiency dismissal terms and received a total compensation payment of £165,000. These payments are broken down in the table below.

Exit package cost band (2024–25)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10k	0	0	0
£10k–£25k	0	2	2
£25k–£50k	0	0	0
£50k–£100k	0	2	2
> £100k	0	0	0
Total number of exit packages	**0**	**4**	**4**
Total cost (£'000)	**0**	**165**	**165**

Fair pay disclosures (audited)

There has been a decrease from 2024–25 with respect to the full-time equivalent pay of the highest-paid official of 12.9%, which is due to the retirement of the highest paid officer. Their replacement has been appointed on a lower remuneration. There has been an average increase for employees' full-time equivalent pay, excluding the highest-paid official, of 3.8%, largely due to the pay award. The highest-paid official received a bonus in year compared to no bonus for the highest paid official in 2024–25. There has been an average increase of 9.4% for employees' performance pay, excluding the highest-paid official.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid official in their organisation and the median, and upper and lower percentile remuneration of the organisation's workforce. The total remuneration ratio for the 25th percentile has decreased by 0.9 in 2025–26, the median has decreased by 0.6 and the 75th percentile has decreased by 0.5 against those in 2024–25.

	2025–26		2024–25	
	Total salary	Total remuneration	Total salary	Total remuneration
Band of highest-paid official's remuneration (£k)	130–135	130–135	145–150	145°150
25th percentile (£)	30,995	31,070	28,963	29,457
Ratio	4.2	4.2	5.1	5.1
Median (£)	36,547	36,847	35,312	35,562
Ratio	3.6	3.6	4.2	4.2
75th percentile (£)	43,736	43,811	42,491	42,585
Ratio	3.0	3.0	3.5	3.5

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 CETV of pensions.

In 2025–26, no employees received remuneration in excess of the highest-paid official (2024–25, none). Remuneration within the organisation ranged from £20,000 to £25,000 (apprentices fall into this bracket) to £130,000 to £135,000 (2024–25, £20,000 to £25,000, and £145,000 to £150,000).

During 2025–26, the ratio of females to males employed by Acas was 3:2 (2024–25, 3:2). At Executive Board level, this ratio was 1:1 (2024–25,1:0.7).

Council and CAC members' remuneration

Acas Council members are paid an annual remuneration fee of £1,695 (2024–25: £1,695) and are entitled to receive a daily rate of £172 (2024–25: £172) for attending on Acas business. Acas Council members' pay is not subject to audit. Council members may elect not to receive this remuneration.

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

CAC members	2025–26 (£)	2024–25 (£)
CAC deputy chair's daily rate	634	610
CAC member's daily rate	360	347
Arbitrator's daily rate	451	434

Consultancy and temporary staff

The spend on consultancy was £75k and on contractors £1,133k, totalling £1,208k (2024–25, £1,408k). This spend included investment in projects to increase the efficiency and effectiveness of the services we offer.

Off-payroll appointments

Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater:

Number of existing engagements as of 31 March 2026	11
Of which:	
• For less than 1 year at the time of reporting	10
• For between 1 and 2 years at the time of reporting	1
• For more than 2 years at the time of reporting	0

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater:

Number of new engagements between 1 April 2025 and 31 March 2026	11
Of which:	
• Not subject to off-payroll legislation	0
• assessed as in scope of IR35	6
• assessed as not in scope of IR35	5

None of the engagements that were not subject to the legislation were re-assessed 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.

Diversity and inclusion

At Acas, we are committed to providing services that are accessible and effective for our service users, irrespective of place, sector, and individual circumstances. We strive to be an organisation that fully reflects the diversity of the communities that we serve and are committed to creating and maintaining an inclusive and respectful working environment for all.

This year we achieved re-accreditation as a Disability Confident Leader and have worked closely with our Disability and You Network to embed further recommendations. We continue to support staff with proactive line manager training; raising awareness of workplace adjustments; carers passports and how to support neurodivergent staff. We have seen an increased take-up of our neurodiversity coaching offer supporting employees.

Following the work with our fair treatment contacts last year, we have seen the percentage of employees reporting discrimination and bullying decrease in our annual People Survey data, discrimination has dropped 1 percentage point to 8%, and bullying and harassment has dropped 2 percentage points to 7%. Our inclusion and fair treatment score rose 4 percentage points to 82%, and we saw a 5 percentage points increase in the statement 'Acas respects individual differences (for example, cultures, working styles, backgrounds, ideas, etc)' to 80%.

We have embedded changes in our equality networks this year following new Cabinet Office Network guidance. We have recruited and trained six new Co-Chairs and re-written the terms of reference for our four networks – the Women's Network, Race Network, LGBTI+ and Allies Network, and Disability and You Network. Network plans align with our Public Sector Equality Duty objectives, promote inclusivity and raise awareness. The networks

also input into equality impact assessments for the organisation and work with HR on organisational priorities.

Over 20% of the workforce has been involved in inclusion events over the last 12 months. Our National Inclusion Week was well attended, with 350 attendees across all sessions, and 200, or 18% of employees, being unique participants at the 11 events. Twenty-six members of staff were involved in running sessions, offering a creative response to the theme 'Now is the Time', including a virtual art walk, a myth-busting panel show and a powerful session on lived experience of 'manosphere' dangers.

We continue to focus on mental health and wellbeing, with new individual employee stress risk assessments and line manager training rolled out. Thirty-three Mental Health First Aiders continue to support colleagues, and Wellbeing Champions promote local events and wellbeing activities in offices. We have seen a year-on-year increase in employees taking up eye tests and flu vaccines following procurement of our new digital voucher scheme.

Gender pay gap 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.

Looking at our workforce as a snapshot on 31 March 2026, we can see that:

- 60.8% of our workforce are women, compared with 60% in 2025; and
- 50% of our senior civil servants are women, compared to 43% in 2025. Normally the Board is comprised of 7 Directors, however, on 31 March 2026 there were 8 Directors due to a short period of handover duties.

Acas gender pay gap 2026

When calculating the gender pay gap, we look at average hourly pay for women in the organisation compared with men. As of 31 March 2026:

- Our mean hourly pay gap is 4.5% (males earn a mean of 4.5% more than their female colleagues).
- Our median hourly pay gap is 0.9% (males earn a median of 0.9% more than their female colleagues).
- However, without the SCS bands, the mean hourly pay gap is 3.7% (Males earn a mean of 3.7% more than females) and the median hourly pay gap is 1.1%. (Males earn a median of 1.1% more than their female colleagues).

For the financial year 2025–26, overall headcount was at 1,161 (2024–25: 1,075), there has been an increase in both the mean pay gap of 0.9 percentage points and median pay gap of 0.4 percentage points compared to the prior year.

Acas gender bonus gap 2026

During the 2025–26 financial year:

- 85.03% of women were awarded a bonus.
- 88.96% of men were awarded a bonus.
- The mean bonus pay gap is 3.54% (males earn a mean bonus of 3.54% more than their female colleagues).
- The median bonus pay gap is 0% (females earn a median bonus of 0% more than their male colleagues).

As our reward and recognition scheme awards discrete value bands, the median amount for males and females has landed on the same fixed amount. This is likely also reflective of the high proportion of staff, both male and female, who received a bonus payment.

Pay by quartile

The table below shows the proportion of women and men in each pay quartile for Acas. As our overall workforce is 60% female, we would expect each quartile to have about 60% representation of female workers. We can see that females are slightly higher in representation in the lower quartiles, at 62%, and under-represented in the highest quartile, at 56%.

Proportion of male and female employees in each quartile		
Quartile	**Female %**	**Male %**
Lower quartile	63	37
Lower middle quartile	62	38
Upper middle quartile	60	40
Upper quartile	56	44

Steps we are taking to address our gender pay gap

At Acas, we 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:

- publishing our menopause action plan in 2026;
- continuing to provide and promote policies and guidance to support all staff;
- offering hybrid working and adhering to the new flexible working guidelines;
- supporting for women returning to work through shared parental leave, job sharing, compressed hours, part-time, remote working (including working from home) and term-time only opportunities – plus, encouraging men to also take advantage of flexible working arrangements;
- continuing to monitor pay and bonus pay to identify pay differences and take targeted action where appropriate (within Civil Service pay controls);
- continuing to anonymise the job application process and ensure all panel members have undergone recruitment training; and
- having a 'diverse by default' approach towards recruitment, for example by having recruitment panels which are diverse in terms of gender and ethnicity.

Ethnicity pay gap 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 2026, we had a total number of 1,161 employees; 856 of our employees have openly disclosed their ethnicity and this represents 74.0% of the workforce. Of those who have disclosed, 728 (85%) are white and 128 (15%) are from an ethnic minority background.

Throughout 2025-26, we have continued our efforts to create an inclusive and diverse organisation, we are working hard to increase disclosure on ethnicity data.

Overall representation:

- 10.9% of our workforce identify as black, Asian or mixed ethnicity.
- 62.8% of our workforce identify as white.
- 3.7% of our workforce have preferred not to state their ethnicity.
- 22.6% 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. From the staff count of 1,161, 1,125 were eligible for bonus, which makes up 96.9% of the workforce.

An overview of staff who are included in the calculation (excluding those not receiving ful pay.

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

- Our mean (average) hourly pay gap for ethnic minority staff is 1.4% (white ethnicity colleagues earn a mean of 1.4% more than their ethnic minority colleagues).
- Our median hourly pay gap is 2.2% (white colleagues earn 2.2% more than their ethnic minority colleagues in median hourly pay).

These show a reduction of 1.4% of the mean pay gap which has reduced from 2.8% in 2024-25, and a reduction in our median pay gap to 2.2%, compared to 4.8% in 2024-25.

Pay by quartile

The table below shows which quartiles staff in each ethnicity group fall into.

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 focusing on fostering inclusion and transparency to cultivate more disclosure from staff.

Ethnicity	Q1	Q2	Q3	Q4
Asian	22.2	33.3	25.9	18.5
Black	21.1	28.9	10.5	39.5
Mixed/Multiple	10.7	32.1	28.6	28.6
Undeclared	10.0	12.5	37.5	40.0
Unknown	25.8	35.4	17.3	11.4
White	23.0	20.8	27.5	28.7

Acas ethnicity bonus gap

In the 2025–26 financial year:

- The mean bonus pay gap is 28.4% (white colleagues earn a mean of 28.4% more than ethnic minority colleagues in bonuses). This has increased compared to 11% in 2024-25.
- The median bonus pay gap is 40% compared to 6.7% in 2024-25.

For context, the mean bonus range was £246 to £340. Acas will undertake a detailed review of the drivers behind the ethnicity bonus gap, working closely with the Race Equality Network to better understand the underlying causes and lived experiences. We will also introduce bi-annual data reviews to ensure that timely action is taken and that progress is effectively monitored.

Pay gap without senior civil servants

If we remove SCS from the dataset, the mean pay gap reduces to 0% (from 1.4% including SCS colleagues), the median pay gap decreases to 1.9% (from 2.2% including SCS colleagues). The mean ethnicity bonus gap reduces to 18% (from 28.4% including SCS colleagues and the median ethnicity bonus gap remains 40%.

Steps we are taking to address our ethnicity pay gap

- Continue to foster an inclusive and open environment that encourages employees to share their ethnicity data.
- Continue to monitor pay and bonus pay to identify pay differences, take targeted action where appropriate (within Civil Service pay controls).
- Roll out our 4-point Race Action plan focusing on recruitment, development, visual representation and creating a safe environment – working with teams across Acas and the Race Equality Network to deliver it.
- Continue to use targeted recruitment methods to attract diverse candidates with the right skills, and raise our profile as an inclusive employer, running virtual events for all large recruitment campaigns to allow people to gain an understanding of the role, Acas, and how a Civil Service interview works.
- Continue to develop guidance for panels, to increase unconscious bias awareness and hiring manager capability, and explore broader training on best recruitment practices. This is part of our action plan to increase attraction, recruitment and retention of ethnic minorities, which will address any biases that may contribute to the pay gap.
- Continue our approach to anonymise the job application process to reduce the potential for bias, and pilot a new learning programme for hiring managers on our bulk campaigns.
- Continue to use recruitment panels which are diverse in terms of gender and ethnicity.

Staff Report

Senior Civil Service staff

In 2025–26, there were 8 senior civil servants in pay band 1 (2024–25, 7) and 4 senior civil servants in pay band 2 (2024–25, 4).

Staff numbers and costs (audited)

Average number of full-time equivalent staff employed during the period was as per the table below. The increase in staff numbers in the year was in response to the increase in demand of Acas services. Staff costs are included in Note 4 of the Financial Statements on page 75.

			2025–26	2024–25
	Permanently employed	Others	Total	Total
Acas staff	996	19	**1,015**	**990**
Certification Office and Central Arbitration Committee	16	0	**16**	**14**
Total	**1,012**	**19**	**1,031**	**1,004**

Staff composition

Staff composition is set out below as of 31 March.

Gender	2025–26	2024–25
Executive Committee		
Men	4	4
Women	4	3
Not disclosed/prefer not to say	0	0
Senior Civil Servant		
Men	5	4
Women	4	4
Not disclosed/prefer not to say	0	0
All staff		
Men	453	432
Women	708	643
Not disclosed/prefer not to say	0	0

Sickness absence data

An average of 10.74 days per person were lost to sickness absences in 2025–26 (2024–25,11.60). Mental ill health and stress continue to be the leading causes of absence and remain a key focus for supporting colleagues. Since the inception of the Managing Attendance Project, Acas has seen consistent reductions in absence levels throughout 2025–26 and is on track to see further reductions in 2026–27. A key contributing factor was that, over the year, more than 90% of Acas line managers attended a comprehensive workshop on managing attendance effectively.

Staff turnover percentage

Annual staff turnover is 6.7%, compared with 8.6% for 2024–25.

Staff engagement

The Civil Service People Survey ran from 23 September to 21 October 2025, with 67% of staff giving their views on what it is like to work in the Civil Service and Acas. We have an engagement score of 66%, which is a 3-percentage point increase from our 2024 score.

We have also rolled out a new engagement plan and launched Acas's first Town Hall in January 2026, which was attended by 29% of the workforce. Our monthly Director coffee mornings offer an informal opportunity for staff to network across departments and ask questions, while a new Employee Forum brings greater insight into the experience of employees across Acas, offering an alternative perspective on papers ahead of sign off with Executive Board.

Staff policies applied for disabled persons

Supporting disabled people in recruitment and throughout their employment is a priority for Acas.

- **Applications**: Acas is part of the Disability Confident Scheme. This means we encourage applications from disabled people and those with long-term health conditions. In the job application form, we will ask candidates about reasonable adjustments they might need for an interview, to enable them to take part fully.
- **Continuing employment**: We offer workplace adjustments where practical for both office and home working environment and support disabled staff or those with long-term health conditions by carrying out assessments and providing equipment and training. We carry out equality impact assessments on all new programmes and projects and work closely with our Disability and You Network to ensure our policies and processes are as inclusive as possible for disabled staff. We support the mental health and wellbeing of staff through our employee assistance programme and trained Mental Health First Aiders
- **Training, career and promotion**: We support and encourage those who have a disability or a long-term health condition to engage with training, career development and promotion through the provision of workplace adjustments to enable participation. We promote training opportunities, for example Beyond Boundaries, through our staff networks – encouraging employees who have a disability to apply.

Parliamentary Accountability and audit report

Remote contingent liabilities (audited)

In additional to contingent liabilities reported in the financial statements, under International Accounting Standard (IAS) 37, we also report material remote contingent liabilities. These are liabilities that have a small, remote likelihood of resulting in a transfer of economic benefit by Acas.

There is a potential liability for Acas in respect of claims from a former employee which depend on actual or potential proceedings and will be defended. The timing and amounts of any liailities are uncertain.

Regularity of Expenditure (audited)

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.

Losses and special payments (audited)

Total losses and special payments were below £300k, and therefore there is nothing to report. No losses or special payments were reported in 2024–25.

Gifts (audited)

Managing public money requires annual reports to report on gifts made if their total value exceeds £300,000. Acas did not give any gifts above £300,000, no gifts were reported in 2024–25.

Analysis on fees and charges (audited)

Acas charges fees for business solutions services, this consists mainly of in person and virtual training which is charged for on a cost recovery basis; further information is provided in Note 2 of the Financial Statements on page 73.

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Niall Mackenzie CBE
Accounting Officer
24 June 2026

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 and Arbitration Service for the year ended 31 March 2026 under the Trade Union and Labour Relations (Consolidation) Act 1992.

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

- Statement of Financial Position as at 31 March 2026;
- 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 and Arbitration Service's affairs as at 31 March 2026 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 and the requirements of HM Treasury's Government Financial Reporting Manual.

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 (2024)*. 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 2024*. I am independent of the Advisory, Conciliation and 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 and 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 and 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 and Arbitration Service is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. 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 parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of HM Treasury's Government Financial Reporting Manual.

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Advisory, Conciliation and Arbitration Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 and Arbitration Service or 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is 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 and 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 statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with the requirements of HM Treasury's Government Financial Reporting Manual;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with the requirements of HM Treasury's Government Financial Reporting Manual; and
- assessing the Advisory, Conciliation and 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 and 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 Union 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 and Arbitration Service's accounting policies;

- inquired of management, the internal auditors and those charged with governance, including obtaining and reviewing supporting documentation relating to the Advisory, Conciliation and 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 and Arbitration Service's controls relating to the Advisory, Conciliation and Arbitration Service's compliance with the requirements of HM Treasury's Government Financial Reporting Manual, and Managing Public Money;
- inquired of management, the Advisory, Conciliation and Arbitration Service's internal auditors 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 and the relevant 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 and 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Advisory, Conciliation and Arbitration Service's framework of authority and other legal and regulatory frameworks in which the Advisory, Conciliation and 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 and Arbitration Service. The key laws and regulations I considered in this context included Trade Union and Labour Relations (Consolidation) Act 1992, Managing Public Money and relevant employment law.

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;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I 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 sufficient appropriate audit evidence 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 **24 June 2026**
Comptroller and Auditor General

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

			2025–26		2024–25
	Note	£'000	£'000	£'000	£'000
Income	3		**5,616**		**5,540**
Expenditure					
Staff costs	4	(58,153)		(52,553)	
Depreciation	5	(1,684)		(1,848)	
Other expenditure	5	(12,468)		(9,692)	
			(72,305)		(64,093)
Net expenditure			**(66,689)**		**(58,553)**
Other comprehensive expenditure					
Net gain on revaluation of property, plant and equipment and intangibles	6		83		14
Total comprehensive net expenditure for the year ended 31 March			**(66,606)**		**(58,539)**

The notes on pages 68–84 form part of these accounts.

Statement of financial position
as at 31 March 2026

consists of:

Advisory, Conciliation and Arbitration Service
Central Arbitration Committee
Certification Office

		31 March 2026		31 March 2025	
	Note	£'000	£'000	£'000	£000
Non-current assets					
Property, plant and equipment	6.1	1,588		1,660	
Right of use assets	6.2	7,371		6,260	
Intangible assets		0		2	
Total non-current assets			**8,959**		**7,922**
Current assets					
Trade and other receivables	7	3,651		3,218	
Cash and cash equivalents	8	490		395	
Total current assets			**4,141**		**3,613**
Total assets			**13,100**		**11,535**
Current liabilities					
Trade and other payables	9	(5,630)		(5,162)	
Lease liabilities	10	(676)		(564)	
Provisions	11	(1,581)		(587)	
Total current liabilities			(7,887)		(6,313)
Total assets less current liabilities			**5,213**		**5,222**
Non-current liabilities					
Lease liabilities	10	(6,828)		(5,687)	
Provisions	11	(66)		(102)	
Total non-current liabilities			**(6,894)**		**(5,789)**
Assets less liabilities			**(1,681)**		**(567)**
Reserves					
General reserve			(2,208)		(1,011)
Revaluation reserve			527		444
			(1,681)		**(567)**

The notes on pages 68–84 form part of these accounts. These accounts were authorised on:

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Niall Mackenzie CBE
Accounting Officer
24 June 2026

Statement of cashflows
for the period ended 31 March 2026

consists of:

Advisory, Conciliation and Arbitration Service
Central Arbitration Committee
Certification Office

	Note	2025–26 £'000	2024–25 £'000
Cash flows from operating activities			
Net operating cost	2	**(66,689)**	**(58,553)**
Adjustments for non-cash transactions		1,843	1,797
(Increase)/Decrease in trade and other receivables	7	(433)	(532)
Increase/(Decrease) in trade and other payables	9	468	(754)
Increase/(Decrease) in lease liabilities	10	0	20
Increase/(Decrease) in provisions	11	958	(150)
Interest on lease liabilities	10	375	216
Net cash outflow from operating activities		**(63,478)**	**(57,956)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6.1	(737)	(550)
Net cash outflow from investing activities		**(737)**	**(550)**
Cash flows from financing arrangements			
Grants from sponsoring department		65,492	59,400
Payment of lease liabilities	10	(1,182)	(1,420)
Net cash inflow from financing arrangements		**64,310**	**57,980**
Net increase/(decrease) in cash and cash equivalents in the period		95	(526)
Cash and cash equivalents at the beginning of the period	8	395	921
Cash and cash equivalents at the end of the period	8	**490**	**395**

The notes on pages 68–84 form part of these accounts.

Statement of changes in taxpayers' equity
for the period ended 31 March 2026

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 2024	**(1,858)**	**430**	**(1,428)**
Changes in taxpayers' equity 2024–25			
Net gain/(loss) on revaluation of property, plant and equipment	0	14	14
Comprehensive net expenditure for the year	(58,553)	0	(58,553)
Grant from sponsoring department	59,400	0	59,400
Balance at 31 March 2025	**(1,011)**	**444**	**(567)**
Changes In taxpayers' equity 2025–26			
Net gain/(loss) on revaluation of property, plant and equipment	0	83	83
Comprehensive net expenditure for the year	(66,689)	0	(66,689)
Grant from sponsoring department	65,492	0	65,492
Balance at 31 March 2026	**(2,208)**	**527**	**(1,681)**

Notes to the accounts for the period ended 31 March 2026

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. Accounts directions and other guidance issued to non-departmental public bodies (NDPBs) are 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 Acas receives funding from DBT to fund activities of CO and CAC; CO and CAC are operationally independent from Acas under the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992. In line with that Act, Acas discloses costs incurred on behalf of the CAC and CO.

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 is treated as financing, credited to the General Reserve, because it is 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 indexed cost or fair value, less accumulated depreciation.

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	up to 7 years
Office machinery	up to 5 years
Computer equipment	up to 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 £10,000 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 International Accounting Standard (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 are set out below:

- 0.91% for leases entered into prior to 31 December 2021.
- 0.95% for leases entered into after 1 January 2022 but before 31 December 2022.
- 3.51% for leases entered into after 1 January 2023 but before 31 December 2023.
- 4.72% for leases entered into after 1 January 2024 but before 31 December 2024.
- 4.81% for leases entered into after 1 January but before 31 December 2025.

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 contract 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 1 year are discounted to a value using a discount rate set by HM Treasury (dilapidations are discounted at a rate determined by the discounting period, for provisions less than 5 years the discount rate of 3.64% is applied; for provisions between 5 and 10 years, 4.22% is applied).

1.11 Operating income

Operating income is income which relates directly to the activities of Acas from its operations. The majority of operating income is generated through in person and virtual training 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.
- 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 assesses the services that have been promised and identifies the performance obligation as either a distinct service (e.g. a single training event) or series of distinct services (e.g. 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. These are defined benefit schemes open to participating public sector bodies in which the benefit the employee receives during retirement is dependent on factors such as age, length of service and salary. These schemes are administered by Capita on behalf of Cabinet Office.

Acas pays contributions into these schemes at an agreed rate. Acas is not able to identify its share of any liability for making future pension payments to members, and accordingly, Acas accounts for this as if it were a defined contribution scheme and recognises the cost of these contributions, charged to the SoCNE, when they are due. In accordance with IAS 19, Acas does not recognise liabilities associated with these schemes, though information on the schemes in total is available in the Civil Superannuation Account 2025-26 produced by the Cabinet Office. The latest actuarial valuation undertaken for the Scheme was completed in September 2023 as of 31 March 2020. You can find details here: https://assets.publishing.service.gov.uk/media/662ba8affddcc9e7ab2252bc/Civil_Service_Pension_Scheme_2020_Valuation_Valuation_Report.pdf.

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 for:

- irrecoverable VAT, which is charged to the Statement of Comprehensive Net Expenditure and included under the relevant expenditure heading; and
- irrecoverable VAT on the purchase of an asset, which 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 2026. They anticipate the continuation of the statutory basis of Acas's services and are content not to doubt Acas's continuing existence for 2026–27 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. The Department for Business and Trade (DBT) has agreed Acas's 2026–27 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 2026–27 in line with the indicative budgets supplied by the DBT 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 amortised cost) and Trade and Other Payables (measured at amortised cost).

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

1.17 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. The figure reported in Note 9 is calculated as the annual leave surplus or deficit of all staff as at 31 March 2026.

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 and 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 right of use assets and lease liabilities. See Notes 6.2 and 10.

Provisions

Acas reviews the individual lease terms and discusses with the Government Property Agency (GPA) to understand on which premises dilapidations are chargeable. For relevant premises, Acas has estimated the dilapidations provisions based on information from the GPA and whether any works to premises have been undertaken in the year which might result in a dilapidations charge. Acas also assesses any potential or proceeding litigation against IAS 37. See Note 11.

1.19 New IFRSs in issue but not yet effective and FReM changes 2026 to 2027

IFRS 17 'Insurance Contracts' came into effective in the public sector for periods beginning on or after 1 January 2025, this standard replaces IFRS 4 'Insurance Contracts'. The accounting standard does not apply to the activities of Acas. Acas does not issue contracts, hold reinsurance contracts or engage in any transactions that transfer significant insurance risk as defined under IFRS 17.

IFRS 18 'Presentation and Disclosure in Financial Statements' will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' introduces reduced disclosure requirement for eligible subsidiary companies; it comes into effect for reporting periods beginning or after 1 January 2027 in the private sector. Acas has assessed the implementation of IFRS 19 and has concluded that there will be no impact from its introduction.

There are no major changes to FReM in 2026 to 2027 which would impact on Acas's future financial statements.

2. Segmental analysis

2025–26	Public services	Conciliation IC and CC	Helpline	Business Solutions	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Total	0	(269)	0	(5,346)	(1)	(5,616)
Expenditure						
Total salaries	4,651	35,479	12,030	4,327	1,666	58,153
Total other expenditure	1,655	6,825	2,483	1,153	352	12,468
Depreciation	105	1,032	383	128	36	1,684
Total expenditure	6,411	43,336	14,896	5,608	2,054	72,305
Net expenditure	**6,411**	**43,067**	**14,896**	**262**	**2,053**	**66,689**

2024–25	Public services	Conciliation IC and CC	Helpline	Business Solutions	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Total	0	(244)	0	(5,293)	(3)	(5,540)
Expenditure						
Total salaries	4,276	31,035	11,296	4,472	1,474	52,553
Total other expenditure	1,361	5,256	2,109	621	345	9,692
Depreciation	116	1,119	441	137	35	1,848
Total expenditure	5,753	37,410	13,846	5,230	1,854	64,093
Net expenditure	**5,753**	**37,166**	**13,846**	**(63)**	**1,851**	**58,553**

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.

Business Solutions

Business Solutions 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. Acas strives towards full cost recovery for these services, in 2025-26 the net expenditure on these products was £262k, (2024-25: £63k profit), full cost recovery was not achieved due to lower than forecast sales. 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 collected £615k for its services on behalf of HM Treasury (2024-25: £607k); the charge received is passed directly on to HM Treasury.

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. Acas also charge for individual mediation services. Acas income is set out below.

			2025–26			2024–25
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Receipts from fees	5,571	1	5,572	5,535	3	5,538
Other receipts	44	0	44	2	0	2
	5,615	**1**	**5,616**	**5,537**	**3**	**5,540**

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, in 25-26 the service made a £262k loss on the service (2024-25: £63k profit) which is set out in detail in note 2. The CAC has no operating income.

4. Staff costs

The aggregate payroll costs were as follows:

Acas			2025–26	2024–25
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	40,398	143	40,541	37,552
Social security costs	5,163	0	5,163	3,683
Other pensions costs	11,119	0	11,119	10,075
Voluntary exit scheme	0	0	0	38
Total net costs	**56,680**	**143**	**56,823**	**51,348**

CO & CAC			2025–26	2024–25
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	1,014	0	1,014	897
Social security costs	105	0	105	93
Other pensions costs	211	0	211	215
Voluntary exit scheme	0	0	0	0
Total net costs	**1,330**	**0**	**1,330**	**1,205**

Total Acas, CO & CAC			2025–26	2024–25
	Permanently employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	41,412	143	41,555	38,449
Social security costs	5,268	0	5,268	3,776
Other pensions costs	11,330	0	11,330	10,290
Voluntary exit scheme	0	0	0	38
Total net costs	**58,010**	**143**	**58,153**	**52,553**

5. Other expenditure

			2025–26			2024–25
	Acas	CO/CAC	Total	Acas	CO/CAC	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation costs	990	34	1,024	832	72	904
Running costs	1,350	3	1,353	999	8	1,007
Contractor and consultant fees	1,065	0	1,065	920	0	920
Professional fees	2,760	10	2,770	2,326	1	2,327
Travelling and incidental expenses	686	11	697	745	1	746
Computer software	1,860	0	1,860	1,908	0	1,908
Staff training costs	767	12	779	677	2	679
Research and development costs	933	4	937	752	0	752
Legal costs	(92)	65	(27)	126	42	168
Equipment rental	23	0	23	46	0	46
Services provided by other government departments	126	0	126	51	0	51
External audit fees	75	0	75	72	0	72
Fees and expenses of arbitrators, conciliators & CAC members	12	0	12	13	11	24
Bad debts	1	0	1	11	0	11
Conference costs	1	9	10	1	5	6
Provisions for liabilities and charges	1,174	0	1,174	(104)	0	(104)
Change in, and unwinding of, discount rate	10	0	10	13	0	13
Finance charge	375	0	375	216	0	216
Non-cash costs:						
Depreciation and amortisation	1,684	0	1,684	1,848	0	1,848
Losses, write-offs and loss on disposal of property, plant and equipment	204	0	204	(54)	0	(54)
	14,004	**148**	**14,152**	**11,398**	**142**	**11,540**

6.1 Property, plant and equipment

Property, plant and equipment 2025–26

	Leasehold improvements	Computer hardware, telecoms and office machinery	Furniture fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2025	**1,448**	**3,573**	**891**	**5,912**
Additions	0	726	11	737
Disposals	(528)	(1,908)	(829)	(3,265)
Revaluations	3	160	26	189
At 31 March 2026	**923**	**2,551**	**99**	**3,573**
Depreciation				
At 1 April 2025	**833**	**2,605**	**814**	**4,252**
Charge in year	134	511	42	687
Disposals	(331)	(1,904)	(825)	(3,060)
Revaluations	4	81	21	106
At 31 March 2026	**640**	**1,293**	**52**	**1,985**
Net book value at 31 March 2026	**283**	**1,258**	**47**	**1,588**
Asset financing				
Owned	**283**	**1,258**	**47**	**1,588**

Property, plant and equipment 2024–25

	Leasehold improvements	Computer hardware, telecoms and office machinery	Furniture fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2024	**1,448**	**5,301**	**851**	**7,600**
Additions	0	534	16	550
Disposals	0	(2,272)	0	(2,272)
Revaluations	0	10	24	34
At 31 March 2025	**1,448**	**3,573**	**891**	**5,912**
Depreciation				
At 1 April 2024	**693**	**4,418**	**742**	**5,853**
Charge in year	140	449	53	642
Disposals	0	(2,268)	0	(2,268)
Revaluations	0	6	19	25
At 31 March 2025	**833**	**2,605**	**814**	**4,252**
Net book value at 31 March 2025	**615**	**968**	**77**	**1,660**
Asset financing				
Owned	**615**	**968**	**77**	**1,660**

6.2 Right of use assets

Right of use assets 2025–26

	Buildings	Total
	£'000	£'000
Cost or valuation		
At 1 April 2025	**9,074**	**9,074**
Capitalised dilapidations provision	47	47
Additions	668	668
Disposals	26	26
Lease modifications	1,390	1,390
At 31 March 2026	**11,205**	**11,205**
Depreciation		
At 1 April 2025	**2,814**	**2,814**
Charge in year	994	994
Disposals	26	26
At 31 March 2026	**3,834**	**3,834**
Net book value at 31 March 2026	**7,371**	**7,371**
Asset financing		
Financed	**7,371**	**7,371**

Right of use assets represent the value of leases for 11 (2024–25, 11) Acas office buildings.

Right of use assets 2024–25

	Buildings	Total
	£'000	£'000
Cost or valuation		
At 1 April 2024	**7,109**	**7,109**
Additions	4,184	4,184
Disposals	(2,286)	(2,286)
Lease modifications	67	67
At 31 March 2025	**9,074**	**9,074**
Depreciation		
At 1 April 2024	**3,895**	**3,895**
Charge in year	1,205	1,205
Disposals	(2,286)	(2,286)
At 31 March 2025	**2,814**	**2,814**
Net book value at 31 March 2025	**6,260**	**6,260**
Asset financing		
Financed	**6,260**	**6,260**

7. Trade receivables and other current assets

	2026	2025
	£'000	£'000
Amounts falling due within 1 year:		
Trade receivables	855[1]	613
Prepayments	2,452	2,169
VAT	309	426
Staff and other receivables	35	10
	3,651	**3,218**

[1] An Expected Credit Loss (ECL) of £16k (31 March 2025: £21,000) is provided for on trade receivables as at 31 March 2026.

8. Cash and cash equivalents

	2026	2025
	£'000	£'000
Balance at 1 April	395	921
Net change in cash and cash equivalent balances	95	(526)
Balance at 31 March	**490**	**395**
The following balances at 31 March are held at:		
Government Banking Service	490	395

9. Trade payables and other current liabilities

	2026	2025
	£'000	£'000
Amounts falling due within 1 year:		
Trade and other payables	2,772	2,379
Accruals	663	563
Holiday pay	1,756	1,576
Deferred income	439	644
	5,630	**5,162**

10. Lease liabilities

10.1 Movement in lease liabilities – discounted

	2026 Buildings	2025 Buildings
	£'000	£'000
As at 1 April	**6,252**	**3,244**
Additions	669	4,184
Repayments	(1,182)	(1,419)
Interest Expense	375	216
Remeasurements	1,390	34
Disposals	0	(6)
As at 31 March	**7,504**	**6,252**

In the year, we remeasured our leases in Stratford, Mildenhall, Bristol and Leeds.

10.2 Liquidity Analysis of lease liabilities – undiscounted

	2026 Buildings	2025 Buildings
	£'000	£'000
Obligations under leases		
Not later than 1 year	993	807
Later than 1 year and not later than 5 years	2,596	2,251
Later than 5 years	7,095	5,472
Total lease payments	**10,684**	**8,530**
Less interest element	**(3,180)**	**(2,278)**
Lease liabilities	**7,504**	**6,252**
Current	**676**	**564**
Non - Current	**6,828**	**5,687**
Amounts recognised in the SoCNE		
Interest on lease liabilities (finance charge)	375	216
Expenses relating to short-term liabilities (accommodation costs)	0	0
Expenses relating to leases of low value (equipment rental)	23	46

11. Provisions and contingent liabilities

11.1 Provisions for liabilities and charges 2025–26

	Dilapidations[1]	General[2]	Total
	£'000	£'000	£'000
Opening provisions at 1 April 2025	**689**	**0**	**689**
In period:			
Utilised in year	(270)	0	(270)
Increase in provisions	80	1,138	1,218
Reversed unused in the year	0	0	0
Change in, and unwinding of, discount rate	10	0	10
Closing provision at 31 March 2026	**509**	**1,138**	**1,647**
Summary of cashflow timings			
Within 1 year	443	1,138	1,581
Between 2 and 5 years	19	0	19
Beyond 5 years	47	0	47
Total	**509**	**1,138**	**1,647**

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

[2] General provisions comprise estimated liabilities arising from legal proceedings against Acas, where the likelihood of settlement exceeds 50%, details of the claims are confidential.

11.2 Provisions for liabilities and charges 2024–25

	Dilapidations[1]	General	Total
	£'000	£'000	£'000
Opening provisions at 1 April 2024	**839**	**0**	**839**
In period:			
Utilised in year	(39)	0	(39)
Increase in provisions	(10)	0	(10)
Reversed unused in the year	(114)	0	(114)
Change in, and unwinding of, discount rate	13	0	13
Closing provision at 31 March 2025	**689**	**0**	**689**
Summary of cashflow timings			
Within 1 year	587	0	587
Between 2 and 5 years	102	0	102
Beyond 5 years	0	0	0
Total	**689**	**0**	**689**

11.3 Contingent liabilities

Unquantifiable

Acas has assessed potential liabilities arising from legal claims brought by current and former employees. These claims are at an early stage in the legal proceedings and are subject to significant uncertainty regarding both outcome and quantum. As a result, it is not practicable to reliably estimate the potential financial impact at this time. Accordingly, no provision has been recognised and these matters are disclosed as contingent liabilities. Details of the claims are confidential. Acas will defend these claims.

12. Capital and other commitments

Acas is committed to contracts totalling £1.1 million in 2026–27 and £3.2 million for 2027–31 (£4.3 million total) (2024–25, £1.2 million) relating to IT provision. The increase in commitments is due to Acas entering into new IT contracts in the year, including for a new helpline telephony system.

13. Related party transactions

Acas is a non-departmental public body (NDPB) sponsored by DBT. During the year Acas entered into a number of material transactions with DBT. It also conducted significant transactions with other government departments and central government bodies, most notably HM Revenue and Customs (HMRC), Cabinet Office and Government Legal Department.

None of the Acas Council members or key managerial staff has undertaken any material transactions with Acas during the year.

14. Financial instruments

As the cash requirements of Acas are met through Grant-in-Aid provided by DBT, 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 amortised cost (Note 7) and trade and other payables are also measured at amortised cost (Note 9).

15. Events after the accounting period

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

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

Baroness Maggie Jones of Whitchurch was appointed as Chair of the Acas Council on 1 April 2026.