

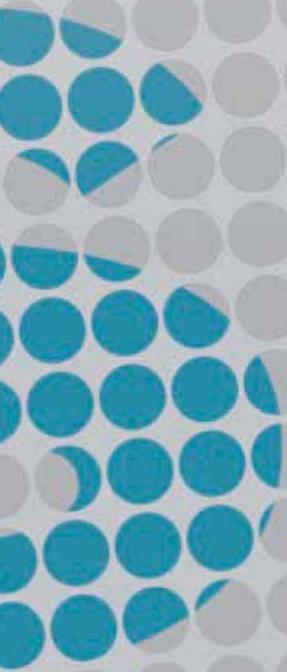


**Advisory, Conciliation
and Arbitration Service**

Annual Report & Accounts
2008/09



INVESTOR IN PEOPLE



**Advisory, Conciliation and
Arbitration Service (Acas)
Annual Report and Accounts
2008/09**

Report on the activities of the Advisory,
Conciliation and Arbitration Service (Acas)
and Accounts for the period 1 April 2008
to 31 March 2009.

Presented to Parliament by the Secretary
of State for Business, Innovation and Skills
pursuant to Section 253(1) of the Trade Union
and Labour Relations (Consolidation) Act 1992.

Ordered by the House of Commons to be
printed 16 July 2009.

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ISBN: 9780102962406

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Who we are and what we do

Who are we?

Acas is the independent employment relations service. We offer impartial expertise to businesses and their employees – to help them develop employee engagement and productive working environments.

We also provide dispute resolution services if an organisation needs help to resolve conflict arising within the workplace. But ultimately we believe that prevention is better than cure. Which is why we do a great deal of work behind the scenes to stop workplace problems developing in the first place.

Our history

A voluntary conciliation and arbitration service has been available for over a hundred years but Acas was founded in its present form in 1975 and it was during the turbulent times of the 1970s and 1980s that Acas became a household name, trusted to resolve high profile industrial unrest. We're still trusted today. A recent report we commissioned to test Acas' attributes found that of those who had heard of Acas, most identified the organisation as neutral, impartial, reliable and reputable.

What we do

We help business leaders, HR professionals, managers, employees and their representatives make the right choices when it comes to good employment practice. We do this by offering a range of services, some preventative others restorative, to enable employers and employees to solve their problems and improve business performance.

The guidance and services we provide include:

- information and advice through our helpline, website and publications
- training courses
- customised support for business
- a range of dispute resolution services.

Aside from this, we influence the wider debate on what works and doesn't in the workplace and employment relations in general.

How we are funded

We're largely funded by the Department for Business, Innovation and Skills (BIS) which was created on 5 June 2009 by the merger of our sponsor department – the Department for Business, Enterprise and Regulatory Reform (BERR) with the Department for Universities, Innovation and Skills (DIUS). We are a non-departmental public body (NDPB), governed by an independent Council. We also recover some of our costs through the paid-for services that we provide, although many of our services remain free at the point of use and we are non-profit making. This allows us to be independent, impartial and confidential.

The Acas Council – providing strategic direction

We have a Council responsible for setting our strategic direction, policies and priorities. It ensures our statutory duties are carried out effectively. Its Chair and members are leading figures from the world of business, unions and academia. Appointments to the Council are made by the Department of Business, Innovation and Skills.

This year the Acas Council members provided invaluable feedback and input into the drafting of our New 'Code of Practice on disciplinary and grievance procedures' and updating the 'Time off for trade union duties and activities' Code.

Foreword from the Chair



Ed Sweeney

It's been a year of economic turbulence, with official confirmation of Britain's first major recession since the 1990s. And the consequences for many employers and workers have been clear: job insecurity; battles over pay; and tensions in the workplace.

At Acas there's no doubt we've been seeing the real human costs of this economic change. Our helpline, which has long acted as a barometer for the state of the workplace, showed a dramatic increase in calls for advice on redundancy and lay-offs, from employers and workers alike.

We know that recessions stimulate a rising trend in Employment Tribunal cases and an upsurge in collective action, and this has certainly been the case over the past year. With this kind of heightened sensitivity, it's no wonder that disputes like the recent one at Lindsey Oil Refinery, demanding British jobs for British workers, can stir up resentment and protectionism. But this certainly highlights the challenges for employment relations in general, at a time when stakes are already high.

It's against this particular backdrop that, more than ever, Acas has shown its real worth: both reassuring and advising people concerned about their livelihoods; and conveying tough messages. From urging employers to do the right thing when considering redundancies, to reminding trade unions and their members to follow 'due process' when advancing their interests — in difficult times, Acas has visibly been at the forefront of the debate on employment relations.

Despite this, Acas' actions and decisions have, at times, proved controversial and we've not been without our critics. Our involvement in the arbitration

which resulted in a 0.3 per cent rise in pay for Local Government workers was not welcomed by all. Nor was our independent report on foreign construction workers at the Total Oil Refinery which found that no laws had been broken. But this is what makes Acas respected across the board. It strengthens our position as an impartial overseer of fair and just employment relations.

Acas has changed a lot since the 1970s when we started — just as the workplace has. Though still important, resolving collective disputes is really the tip of the iceberg when it comes to what we do. Much of our work is aimed at stopping market failure. We put significant resource into developing our good practice training courses and business support services — to ensure employers and managers recognise the benefits good employment relations can bring to building successful organisations.

In fact, with the expansion of our helpline services, the significance of a new Acas Code of Practice on disciplinary and grievance procedures in the new round of legislation, and an early-conciliation service, our work is as important to GB PLC now, as it's ever been.

Chief Executive's statement

John Taylor



As a mature organisation we've experienced some of the biggest changes and challenges in our history this year. We've adapted and increased our services to support workplaces though the recession. We have also worked hard to enhance our helpline and conciliation services, in light of the Government's Dispute Resolution Review.

I'm delighted that our new services were launched on time and on budget on 6 April 2009, after a year of careful preparation and significant changes to our own internal processes and procedures.

As part of the Dispute Resolution Review legislation, we have revised our Code of Practice and introduced an enhanced helpline with extended opening hours, giving customers greater access to our services. We've also successfully tested and launched a type of conciliation service to help individuals resolve problems at an earlier stage in the dispute process.

None of this would have been possible without the hard work of our immensely dedicated staff. Significant numbers were involved in helping Acas prepare for the launch of the Dispute Resolution Review services on 6 April. Behind the scenes work included devoting a significant amount of time and effort to training new conciliation and helpline staff members, revamping our estate and upgrading our IT services. We also undertook a wide-ranging update of our publications, as well as the entire content of the Acas website, to ensure the new legislation was taken into account. Acas worked actively with our sponsor department and other stakeholders to raise awareness of the changes in legislation and practice. In addition, we provided training on the new Code of Practice for many employers in the run up to the new legislation coming on-line.

We conciliated in over 78,000 cases referred to us from the Employment Tribunal Service. This is 18 per cent more than last year and demonstrates the extent to which the recession is impacting on our services. Disputes over Local Authority equal pay continued to take up much of our resource and the significant rise in new cases received by Acas year on year is increasingly testing our conciliation resource. We currently have around 20 per cent fewer conciliators than we need for the volume of cases we receive. Thanks to the hard work and expertise of our conciliators we continue to do our best to keep up with demand.

As ever, we continue to improve our systems and processes. We've made significant progress (in partnership with the Tribunals Service) in setting up a new case management system which will enable us to transfer case papers electronically between our two organisations. Customers will experience a much faster and more streamlined service as a result.

As well as the high profile national disputes which our Chair mentions in his Foreword to this Report, we also conciliated in almost a thousand further disputes across the country. Given the pressures on our staff in other areas, this is greatly to their credit.



I'm extremely proud of our achievements over the past year. They would not have been possible without the commitment and enthusiasm of the variety of teams across the organisation, or the help and support of our stakeholders.

The quality and consistency of our preventative and supportive work continues to go from strength to strength. In addition to the advice and guidance we provide through our helpline, we offer training courses and in-house support for business. We've expanded delegate numbers on our open access training events and continued to get high satisfaction rates – 96 per cent for the last three years. In total nearly 5,500 organisations have benefited from our training – up 32 per cent from last year.

We've worked hard to provide added support and guidance to employers and employees throughout the recession. Through establishing partnerships with Jobcentre Plus, BERR and the Regional Development Agencies, amongst others, we've provided much-needed practical help for those businesses needing to make redundancies, or downsize. This has helped ensure a joined-up approach by the public sector in the recession.

Our range of advisory support services have focused on the needs of businesses facing an economic recession and have covered a broad range of related issues such as managing redundancy situations in difficult times. Building on our partnership work with the Chartered Institute of Personnel and Development, we produced 'Top Tips' for employers managing in a recession and ran a series of redundancy-related clinics.

Our move to a new head office in Euston in March 2009 has consolidated a variety of our objectives, and helped us to save costs whilst recruiting new staff and providing a more efficient working structure. Some of our regional offices had sizeable refurbishment needs and space needed to be significantly reduced in London and

elsewhere. We have embraced the concept of flexible and hot-desk working arrangements where necessary, allowing us to make the most efficient use of resources during these prudent times and beyond.

I'm extremely proud of our achievements over the past year. They would not have been possible without the commitment and enthusiasm of the variety of teams across the organisation, or the help and support of our stakeholders. I look forward to building on these achievements in the coming year.

John Taylor



The Acas Council



Ed Sweeney has been Acas Chair since 1 November 2007. Prior to this he was Deputy General Secretary of Amicus.



Sarah Anderson CBE is involved in running a number of small businesses and is also a Non Executive Director of Jobcentre Plus. She was formerly a member of the Small Business Council.



Susan Anderson is CBI's Director of Public Services and Skills. She leads the CBI's campaign on public services reform and its work on education and skills issues. She is also a member of the Low Pay Commission which advises the Government on the level of the minimum wage.



Peter Bennett is Human Resources Director for Network Rail. Prior to that he held senior HR roles at Boots and BOC Gases.



Debbie Coulter is a former Deputy General Secretary of the GMB Trade Union. She is also a member of the Joint Policy Commission, the Labour Party's National Executive Committee (NEC), and of the NEC's Women, Race and Equalities Committee.



Jennifer Eady QC is one of the leading Employment Law Barristers in the country. She undertakes advocacy and advisory work for employers, employees, trade unions, employers' associations, central and local government, statutory commissions and NGOs.



John McMullen is Partner at Short Richardson & Forth LLP and Professor of Labour Law at the University of Leeds.



Jonathan Michie is Professor of Innovation and Knowledge Exchange at the University of Oxford where he is Director of the Department for Continuing Education and President of Kellogg College. He was previously Professor of Management at the University of Birmingham where he was Director of the Business School.



Dave Prentis is the General Secretary of Unison.



Derek Simpson is Joint Secretary of the trade union Unite. He also holds various roles within the TUC as well as being a member of the Labour Party's National Policy Forum.

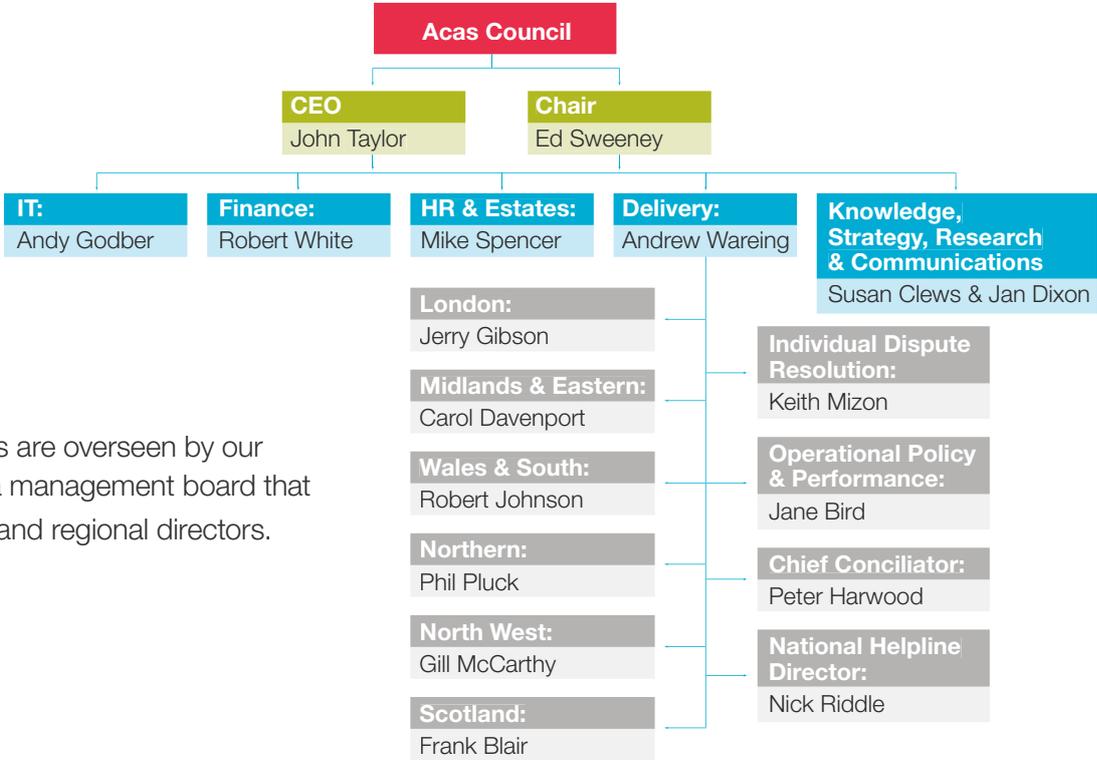


Nicola Templeman is an independent financial adviser who has spent nearly 30 years in the financial services industry, the last 16 as a Senior Executive at Nationwide Building Society. Nicola is now focusing on developing her own business as an independent financial adviser, and coaching women in transition in their work/home life.



Sarah Veale CBE is the Head of Equality and Employment Rights at the TUC.

Acas Operational Management Structure



Day-to-day operations are overseen by our Chief Executive and a management board that includes our national and regional directors.

Our Regional operations

We employ over 800 staff the majority of whom work on a daily basis delivering services to customers — whether it's via our helpline, through the provision of training and support for business, or in delivering conciliation, mediation and other dispute resolution services. Our offices throughout England, Scotland and Wales have knowledge of their local areas and specific understanding of the employment matters that affect them. Our head office in London deals with corporate and other national matters.





**What
are our
priorities
& how are
we doing**



**Our priorities, as set out
in our Corporate Plan, are:**

- enhance awareness and take-up of dispute resolution and conflict management in the workplace
- provide information and practical advice and guidance to employers and employees
- reach new audiences
- raise awareness and influence policy
- make the most of our people and resources

Enhancing awareness and take-up of dispute resolution and conflict management in the workplace

Acas provides a variety of conflict management services. Some are aimed at groups (collective); others offered to individuals.

Resolving disputes between groups

We have statutory powers to offer conciliation or mediation when internal talks in collective disputes have broken down, and to offer arbitration where conciliation and mediation have not proved effective. These services are free at the point of use. But whilst numbers of settlements are important, successful outcomes are also achieved in helping parties to re-establish a direct dialogue between themselves; often the best way to improve employment relations in the long term.

Collective conciliation

Last year Acas received 960 requests for collective conciliation. In 92 per cent of cases, Acas was able to assist the parties reach an agreement in their dispute or make sufficient progress that it was possible for them to reach agreement later in direct negotiations. The majority of cases involved the issues of pay or other terms and conditions of employment (45 per cent). Trade union recognition accounted for 16 per cent of cases and redundancy 9 per cent.

Much of our work receives little or no media coverage. However, some does become high-profile and this year was dominated by three very public disputes.

At the Grangemouth Oil Refinery in Scotland a dispute over proposed changes to the company's pension scheme caused workers to strike, causing

potential fuel supply shortages to Scotland and Northern Ireland. Although a strike was not averted, Acas conciliators brokered an agreement over the safe shutdown of the Grangemouth plant, enabling a swift resumption of operations after the stoppage.

Acas was also involved in conciliation talks between tanker drivers and the contractor supplying Shell, following a four-day strike over pay which involved over 10 per cent of the UK's petrol stations. By the end of the strike, half of Shell's garages had experienced some shortages and one in five had been closed. Talks, which took place at a secret location, enabled parties to resume direct negotiations which led to a resolution of the dispute.





Peter Harwood took over as Acas' chief conciliator on 1 April 2008. His first year in post has been very eventful dealing with high profile disputes such as the wildcat strikes at the Lindsey Oil Refinery.

The dispute at the Total Oil Refinery in Lindsey, Lincolnshire, became the most high profile of the year, spilling over into debates about employment law and practice. Employment Minister, Pat McFadden, asked Acas to investigate an unofficial strike which led several thousand contract workers at more than a dozen oil refineries, gas terminals and power stations to stage a series of illegal walk-outs in sympathy. The walk-outs were sparked by Total refinery's subcontractors hiring an Italian firm who brought in their own workforce of Italian and Portuguese workers. We secured a return-to-work agreement and the subsequent Acas report recommended an enhanced auditing role for the industry association auditor and we have helped the parties to reach an agreement on a process which provides for greater transparency.

Collective arbitration and mediation

Acas provided a board of arbitrators to help determine the issue of local government annual pay awards for 1.3 million local government workers in 2008/09. Acas also provided the secretariat to the Police Arbitration Tribunal (PAT) which heard two cases relating to a staff pay claim and Chief Officers' pay.

Resolving disputes between individuals

Acas has a statutory duty to try and promote the settlement of almost every kind of claim to the Employment Tribunal, therefore avoiding the need for a full hearing of the case. To enable us to do so, details of all relevant cases are copied to us by the Tribunals Service in the event of a claim.

From April 2009, Acas is offering proactive conciliation in individual disputes which could become the subject of proceedings in the Employment Tribunal but where no claim has yet been lodged. See page 12 for more details on this service known as Pre-Claim Conciliation (PCC).

These services are free at the point of use.

Conciliation in employment tribunal claims

Acas received 78,670 cases for conciliation from the Employment Tribunal, a rise of 18 per cent from last year. The economic downturn led to a rapid and sustained increase in the number of cases passed to Acas for conciliation in the second half of 2008/09.

Several thousand equal pay cases, related to the Agenda for Change pay restructuring, are still lodged with the Employment Tribunal by NHS employees. In virtually all of these, parties are unwilling to enter into conciliation until certain preliminary legal issues have been decided. They are being retained by the Tribunals pending relevant developments. Over 40,000 Local Authority equal pay cases were also referred to Acas during the year by the Tribunals.

Settlements were also brokered in 47,000 *potential* claims for equal pay, following requests for conciliation from Local Authorities: slightly up on the 45,000 similar cases settled last year.

The significant rise in new cases received by Acas from mid-2008 onwards is increasingly testing our conciliator resources. We currently have around 20 per cent fewer conciliators than we need for the volume of cases being received. Acas is therefore appointing and training a substantial number of additional conciliators to handle this increase and to provide our new Pre-Claim Conciliation service.



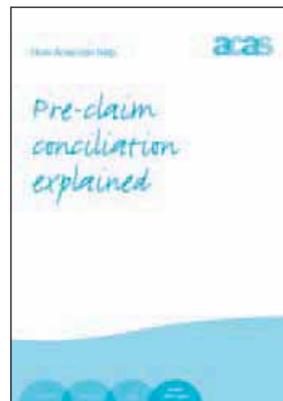
Fixed conciliation periods were abolished by the Employment Act 2008, but Acas and the Employment Tribunals still categorise cases into Short, Standard and Open 'tracks' according to jurisdiction. Among other things, the division between jurisdictional 'tracks' reflects differences in the costs typically incurred by the taxpayer and the parties if a case has to be judicially determined. Conciliation activity is therefore prioritised according to track, and is most intensive in the open track jurisdictions where those costs are greatest.

In 2008/09, our targets agreed to save 50 per cent of potential tribunal hearing days in short period cases, 60 per cent in standard cases, 85 per cent in open period cases, as a result of Acas' intervention. We achieved 51 per cent, 69 per cent and 84 per cent respectively. Across all cases we saved the taxpayer from potentially funding 76 per cent of Tribunal Hearing Days compared with 75 per cent in 2007/08.

Improving the administration of conciliation cases

Work has continued during the year, in partnership with the Tribunals Service, on the application of Caseflow, which will facilitate the electronic transmission of Employment Tribunal case papers to Acas and enable conciliation to be started earlier. It will also provide an electronic conciliation case and management information system, whilst aiming to deliver significant cost savings. It is hoped to pilot the application during 2009/10 and begin roll-out before the end of the current operational year.

Piloting a new approach to early conciliation



Following the 2007 Dispute Resolution Review, Acas was invited to pilot a new free early dispute resolution service based on proactively offering statutory conciliation to parties in disputes that were likely to become claims to the Employment Tribunal. The pilot took place in the Newcastle, Nottingham

and Manchester areas from June to November 2008 and proved both successful and popular with users. This service, called **Pre-Claim Conciliation**, is currently being rolled out across Great Britain. More information on this can be found on the Dispute Resolution Review Insight page.

Individual mediation

Some disputes between individual employees and their employers, or between individual colleagues or groups of colleagues, do not involve actual or potential claims to an Employment Tribunal. In these situations our statutory conciliation service is not appropriate. However, Acas can provide mediation, on a charged basis, to help resolve disputes of this kind. Our mediators took on 230 new assignments in 2008/09, the great majority at the request of the employers concerned, and completed 195. This represents a 24 per cent increase in demand over the preceding year. Resolution rates have remained very high at just over 90 per cent. And 95 per cent of the people who initiated the requests for mediation were very satisfied or satisfied with the service provided.

Individual Arbitration Scheme

The Acas Arbitration Scheme provides an affordable alternative to an employment tribunal hearing. To date, Acas has accepted 61 cases for resolution under the Scheme across England, Scotland and Wales.

Where dismissals have been found to be unfair, remedies have been broadly consistent with the range of amounts awarded at employment tribunals.

Independent Experts

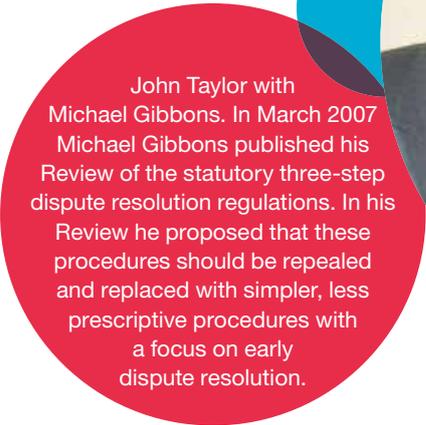
Where an Employment Tribunal is dealing with a 'work of equal pay for equal value' claim, Acas provides the Employment Tribunal with external independent experts who prepare a report on whether the jobs in question are of equal value. In these cases Acas provides added support to the experts through the circulation of information about equal pay legislation, developments in case law, and any relevant employment relations implications. For a list of Acas experts please see page 33.

In the 2008/09 period the Tribunals Service has appointed experts in 139 cases, 120 of these were NHS cases.



The new Dispute Resolution Regulations offer a more flexible approach to dealing with discipline and grievance issues in the workplace. The aim is simple: encourage earlier, more informal ways of dealing with workplace problems and achieve better outcomes for all parties.

John Taylor, Acas Chief Executive (see overleaf for more detail of Acas' involvement in the Review).



John Taylor with Michael Gibbons. In March 2007 Michael Gibbons published his Review of the statutory three-step dispute resolution regulations. In his Review he proposed that these procedures should be repealed and replaced with simpler, less prescriptive procedures with a focus on early dispute resolution.



Acas and the Dispute Resolution Review

The background

In December 2006, the then Secretary of State for Trade and Industry, Alistair Darling asked Michael Gibbons to review the workings of the 2004 mandatory three-step statutory procedures. The Review found that the statutory procedures were too formal and legalistic, with the focus being on complying with procedures rather than dealing with the problem.

As a result it was decided to abolish the procedures and introduce a more flexible package of measures. This would help resolve workplace problems earlier, with less lost-time, expense and stress for employees and employers. Acas played a key role in delivering the changes and the new approach and worked with a large number of stakeholders including BERR, the Employment Tribunals Service, TUC, CBI and Citizens Advice Bureaux to ensure that the new approach served the needs of all those involved.

Acas' contribution

Write a revised code of practice

The existing Code of Practice needed substantial revision to reflect the new legislation and approach. Acas re-wrote the Code setting out principles for handling discipline and grievance issues in the workplace and submitted it for consultation to key stakeholders. We received 172 responses. As before, Employment Tribunals must take account of the Acas Code of Practice when considering relevant cases. They can adjust any compensatory awards made by up to 25 per cent if either an employer or employee unreasonably fails to comply with any provision of the Code. To complement the Code, Acas also produced a longer good practice guide.

An enhanced and expanded helpline

The DRR changes provided for a more comprehensive helpline role with greater emphasis on problem resolution, longer opening hours and a more intelligent telephony system. In a wide-ranging recruitment drive, 55 more helpline advisers were recruited and trained.

Piloting a new approach to early conciliation

Pre-claim conciliation (PCC) is a service for the early resolution of workplace problems which employers and employees have been unable to resolve on their own, and which are likely to lead to a Tribunal claim if they are not sorted out. PCC is a form of statutory conciliation and is provided free of charge in appropriate circumstances. In 2008 Acas ran an extensive pilot scheme in the Newcastle, Nottingham and Manchester areas to identify appropriate cases and offer PCC. The pilot was both successful and popular with users.



Fifty-five new helpline advisers were recruited and trained and the helpline opening hours were expanded: it is now open 8am til 8pm on weekdays and 9am til 1pm on Saturdays. A new Code of Practice and a detailed good practice guide were also produced – all in time for 6 April 2009.



April 2009



The countdown to 6 April 2009 kicked off in February 2008 when Employment Minister Pat McFadden announced that Acas would receive up to £37 million additional funding to implement the changes resulting from the review of the Dispute Resolution Regulations.

There were 903 cases referred for PCC and Acas was able to secure both parties' agreement to conciliate in over 60 per cent of these, more than half of which were settled – in the majority of cases within three weeks of Acas becoming involved.

An independent evaluation of the pilot concluded that each case referred represented savings to the parties and the taxpayer totalling approximately £1,000. It also showed that the PCC service was particularly effective in reaching disputes in small firms without in-house HR expertise.

As a result of the success of the pilot, the PCC service is being rolled out across the country.

Behind the scenes

Significant numbers of Acas staff were involved in helping Acas prepare for the launch of the Dispute Resolution Review services on 6 April. This work included a wide-ranging review of our publications as well as updating the entire Acas website. Acas worked actively with BERR and other stakeholders to raise awareness of the changes in legislation and practice. We provided training on the new Code of Practice for almost 1,800 employers in the run up to the new legislation coming on-line. These processes were supported by Acas' information and communication technology team who ensured that technical systems were up to par.

Timeline chart

March 2007	Publication of Gibbons review
December 2007	Government publishes the Employment Bill underpinning changes to the system
May 2008	New Acas Code of Practice on disciplinary and grievance procedures issued for public consultation
June to November 2008	Acas pilots the new pre-claim conciliation service in three regions
December 2008	The draft Acas Code of Practice goes before Parliament
July 2008-March 2009	Advisers for the expanded Acas helpline recruited and trained
November-April 2009	Acas runs training courses to raise awareness amongst employers about the new system and procedures
March 2009	Parliament approves new Acas Code of Practice
6 April 2009	New legislation comes into effect and includes repeal of the three-step statutory procedure; publication of the new Code; opening of expanded helpline; and launch of PCC Service.

Providing information, practical advice and guidance to employers and employees

Advice and guidance through the Acas helpline

The Acas helpline provides guidance for employers and employees on resolving employment disputes or understanding employment rights and rules.

As part of the Government's Dispute Resolution Review, the Acas helpline has been expanded and enhanced to provide a wider reach and facilitate earlier resolution of employment disputes.

Significant investment in a more sophisticated telephony system and recruitment of 55 additional staff and longer opening hours will help Acas deal with many more calls. For more on the Dispute Resolution Review (DRR) see our *Insight* page.

Due to this significant period of expansion, involving additional recruitment and training of both existing and new advisers, the helpline's ability to handle calls was considerably reduced. This left us unable to handle as much traffic as in previous years.

Acas helpline – how are we doing?

From April 2008 to March 2009 the Acas helpline answered 726,306 calls, with an average call length of six minutes. Research* on what customers think about our helpline has shown a high degree of satisfaction with our service:

%	What callers said	%	What they called about
89%	Information provided was valuable	28% average	Redundancy, lay-offs and business transfers (average 28% but peaking at 35% in February 2009)
85%	The enquiry had been answered in full		
84%	Helped them decide what to do next		
50%	Existing policies were improved or updated as a result of the call	27%	Discipline, dismissal and grievance
35%	New policies were implemented as a result of the call		
85%	Cited Acas in being influential in their decision not to make an ET claim after their call	16%	Contracts
93%	Extremely, very or fairly satisfied with the overall service	24% to 34%	Number of calls recorded as addressing more than one subject rose from 24% in May 2008 (when records began) to 34% in March 2009 (attributable to ongoing economic downturn resulting in a greater demand for our service)
94%	Would recommend the helpline to others		
96%	Would use it again in the future		

*TNS Survey in which 2000 helpline callers returned questionnaires in January 2009.



Acas training and business support services

Acas offers affordable training and guidance to encourage good practice in the field of employment relations and people management. Whether it's advice to small businesses, courses for HR managers, or in-house bespoke support for large organisations – the aim is to encourage good practice in the field of employment.

Training courses

As well as working to further improve the quality and satisfaction ratings from our customers, this year we have been working towards more consistency of course availability across the country. We have also aimed to attract and train more people from more organisations.

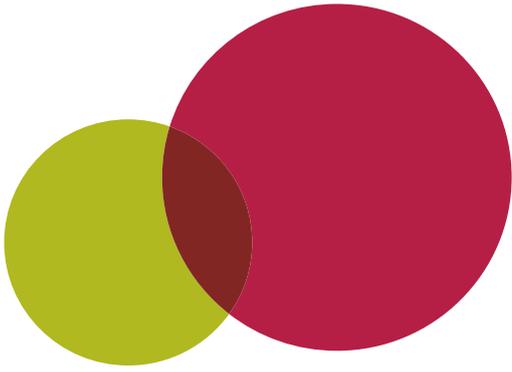
Our ten most popular external training courses are now offered by every region in the country. The courses help employers to understand the obligations the law places on them, and give practical guidance on how to deal with the implications in a working context.

Acas core good practice courses

- Discipline and grievance
- Employment law updates
- Attendance/managing absence
- Redundancy
- Certificate in Workplace Mediation (CIWM) – accredited
- Having difficult conversations
- Investigations
- Written statements and contracts
- Conflict and mediation training (non-accredited)
- Recruitment and selection.

We've also introduced new courses, like *Discipline and grievance – a new approach*, to complement the changes brought about by the Dispute Resolution Review legislation in April of this year. The course has proved extremely popular with a range of businesses and sectors, as the content includes workings of the new dispute resolution regulations and the Acas Code of Practice. One of the indirect aims of the course is to encourage employers to deal with workplace disputes earlier, thereby reducing the number of individuals who are inclined to take their case to an Employment Tribunal. In the five months to the 31 March this year, over 4,000 delegates attended the course.





Support to small and medium-sized enterprises (SMEs)

In the past year we have delivered a variety of training courses with the SME community very much in mind. One of the difficulties faced by this sector, especially those without dedicated HR support, includes keeping up-to-date with the flow of new employment legislation and how to put it in to practice in the workplace. This is especially the case in times of recession. Small firms are statistically more likely to be the subject of individual complaints to Employment Tribunals. And SMEs find it expensive and time-consuming when it comes to defending their actions at a Tribunal hearing.

To help this sector with discipline and grievance handling in the light of legislative changes, Acas ran 'Key points' courses assuming some prior knowledge and, longer, 'Getting it right' training courses for those needing to start from basics. Our new *Redundancy and restructuring* course has also proved popular with smaller firms. And the expanded helpline opening hours, along with our website, will help busy small firms get guidance when they need it.



Supporting small and medium sized businesses – how are we doing?

Most are highly satisfied with the service that Acas supplies. Follow-up with customers confirms that they are likely to have acted on the advice Acas has provided.

- A recent Acas survey of helpline customers indicates that over three-quarters of callers from employers represent small organisations.
- The volume of recession-related advice to SMEs (as is the case with customers in general) has increased dramatically over the last 12 months.
- Half of all Acas' in-house work to advise organisations is conducted with SMEs.
- The majority of Acas' good practice training courses are attended by small and medium-sized organisations.

Small businesses need to know that Acas can offer them tailored training sessions, ranging from employment issues like equality and diversity advisory services to mediation.

Audrey Head, HR Manager
Kavanagh Retailing (see p21 for details of how Acas worked with Audrey to develop a training programme)



Business support services

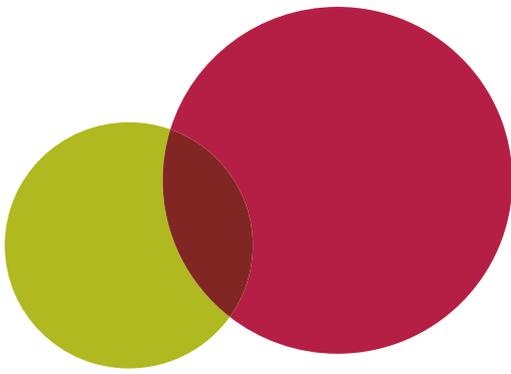
Acas works with companies and their employees to put in place policies, procedures and practices which suit the needs of the particular business and are in line with legislative requirements. Our specialist advisers diagnose problems and develop tailor-made solutions for companies on subjects such as introducing change, dealing with absenteeism, avoiding redundancies, setting up employee consultative arrangements and dealing with organisational conflict. This can include the design and delivery of training for both managers and employees. We also take pains to build relations with, and involve, workplace representatives and stakeholders where appropriate. Our range of employment relations training and change management services address the critical challenges businesses face today. The benefits are increased profitability, less workplace tension and improved productivity.

Last year we provided tailored, in-house, training or business support for over 1,400 organisations. As part of our equality duty, we provided 206 equality and diversity 'healthchecks', advising companies on whether their procedures are legal and workable. We also delivered 13 board briefings raising awareness of equality and diversity duties for businesses and 117 policy and procedure checks, for organisations wanting help with putting in place effective equality and diversity systems.

Acas training and business support services – how are we doing?

23,192	delegates benefited from our training courses this year
144	delegates achieved our CIWM award this year – our accredited Certificate in Internal Workplace Mediation equips individuals to act as mediators in their own workplace and has increased in popularity over the year
840	delegates attended our other conflict management-related training courses
1,214	the number of organisations of various sizes where we delivered our tailored, in-house training
98-100%	of our delegates or recipients of our training and business support services have been very, or fairly, satisfied with our performance
83%	of our business support services resulted in an improvement in employment relations, according to our customers
£3.8m	the revenue generated from our business support services which helped to offset the costs of delivering these services

We've started a comprehensive review of our training and business support services to ensure that they are delivered as efficiently as possible and that the revenue they generate covers their costs.



What our customers said...

“Acas gave new managers the chance to speak to long-standing Trade Union reps, put historical problems behind them and build better relationships”.

A management representative of a small public sector organisation

“...brought us all together – don’t feel like it’s ‘us against them’ any more.”

A management representative of a large company

Interactive assessment tools

Improving the Acas Model workplace

The Acas Model Workplace is an employment relations assessment tool which helps companies improve the effectiveness of their business. It serves as a measure of how effective an organisation’s employment relations are.

We have started a project to revise the tool and turn it into a fully interactive web-based model, improving its accessibility and reach and making it more useful for our audiences and customers. Responding to feedback, we’ve made the content more understandable and user-friendly. We hope the new model will be used by both practitioners in the field and workplace managers, especially in small to medium-sized organisations.

Employee engagement survey

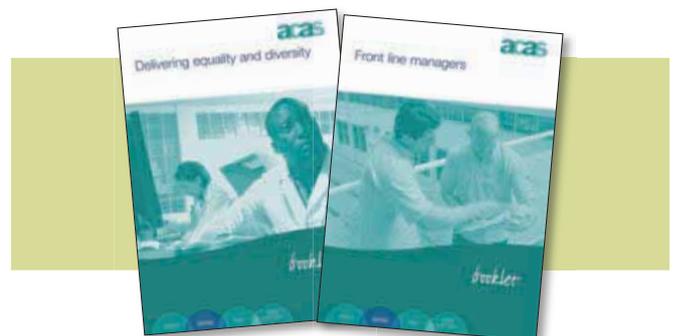
The use of independent, high quality employee surveys is now recognised as the best way of measuring the quality of employee engagement in the workplace. As a result we’ve begun developing an employee engagement survey tool to be used by advisers in assisting small to medium-sized employers to identify where improvements need to be made.

Acas publications and website

Last year Acas continued to produce over 50 guidance publications providing useful, practical advice on how to manage employment relations in the workplace. But the main thrust of our publications work involved drafting new products to support a change in the law on Dispute Resolution. We wrote and published the *New Acas Code of Practice* and its accompanying good practice guide on *Discipline and grievances at work*. We also updated over 25 publications to incorporate new material reflecting changes to the Dispute Resolution Review Legislation and the Code. For more information on the Dispute Resolution Review and Acas’ involvement see the supporting Insight page in this report.

New publications were advisory booklets on two topics central to good employment relations and business success. These were ‘Front line managers’ and ‘Delivering equality and diversity’. We also produced a short summary guide of our equality booklet, and a leaflet on Pre-Claim Conciliation.

Our website continues to remain a source of invaluable advice and guidance for all our audiences and this year we’ve not only updated the content to reflect changes in the law, but we’ve also revised certain aspects to improve the customer journey and make it easier for users to find material they are looking for.



Creating a bespoke training programme for a retail grocery outlet

People management is a huge issue for organisations of all shapes and sizes, but perhaps even more so for small businesses, who often have less in-house expertise and resources.

When Kavanagh Retailing – a group of shops dedicated to providing fresh local food and groceries across the South East – bought four Budgens stores, they needed to design and implement a training programme for their employees.

Kavanagh Retailing’s HR manager, Audrey Heard, had previously worked at a big national supermarket chain, whose training programme was produced and managed centrally by a dedicated human resources department. It was when she had to establish a training programme for Kavanagh Retailing, she turned to Acas for guidance.

Audrey contacted Acas to discuss tailored advice and quality training to help improve Kavanagh Retailing’s people development. Led by Steve Elliott, one of Acas South East’s senior advisers, the aim was to create a tailored training plan which addressed the key employment issues critical in today’s business climate.

Acas was invited to run three courses at Kavanagh Retailing. This included managing discipline and grievance as well as bullying and harassment. The programme brought the training to life by using practical real-life examples in a challenging and interactive environment which encouraged participants to solve problems and respond accordingly.

Steve Elliott said: “We offered Kavanagh Retailing in-depth assistance to meet the company’s specific needs. Each of our training sessions were geared towards providing easy to understand advice, alongside practical solutions that were implemented and reviewed after the session has finished. These tailored training sessions address what businesses

Steve Elliott and Audrey Head outside Budgens, Midhurst.

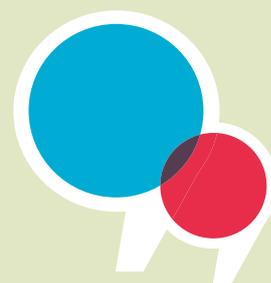


are presently doing, how to improve practices and what needs to be applied for the ongoing development of a successful workforce.”

Both Acas and Kavanagh Retailing acknowledged that the benefit of the training freed up more time which could be dedicated to managing the business effectively, with less time spent dealing with issues like discipline and grievance. Ultimately, this saves money, time and stress, which could not be more vital for a business facing a challenging economic environment.

Commenting on the project, Audrey Head said, “Small businesses need to know that Acas can offer them tailored training sessions, ranging from employment issues like equality and diversity advisory services to mediation.”

“Hopefully because of the training, my management team will be treating everyone fairly and consistently. However, if an issue did arise, I have no doubt in my mind that Acas would be able to provide support for us and would give us good impartial advice, helping to resolve any situation before it escalated into something more serious.”



Reaching new audiences

Acas is committed to reaching new audiences to improve the understanding of good employment relations practice among businesses and to inform employers and employees about their responsibilities and rights in the workplace.

Raising awareness of the new legislation on dispute resolution and the new Acas Code

Acas worked consistently throughout the year to raise awareness and highlight the changes in regulations as a result of the Dispute Resolution Review. In conjunction with BERR we produced and distributed over a million leaflets targeting both employer managers and employees.

- *Solving employment problems – a new way* was directed at employers via direct mail campaigns and as inserts in the Acas newsletter. Leaflets continue to be disseminated via Acas regional offices and are available for download on various websites.
- For employees, a leaflet titled: *Dealing with problems at work: what you need to know* and a poster were produced in conjunction with BERR, TUC and CAB. They were delivered to a range of organisations including all Citizens Advice offices, public libraries, post offices, GP surgeries, and legal centres.

Acas staff also spoke about the changes, and Acas' role, at a range of seminars including a series of *Informing employer* seminars and workshops for employers identified as being vulnerable to workplace disputes. Staff also participated in a number of conferences including the National Council for

Voluntary Organisations, The British Chambers of Commerce and the HR Directors' Summit.

Our spokespeople contributed to articles and news items in a variety of media outlets, trade publications and staff magazines to provide in-depth information on what the new rules meant for workplaces. We contributed to articles in the *Employment Lawyers Association* magazine, *HMRC Employer Bulletin*, the *Master Builder* magazine and other national and trade media. For more information about the new legislation and Acas' role, see our Insight page on Dispute Resolution Review.

Developing our channels of communication

We are continually striving to expand our audience base to ensure we get the message about good employment relations practice to the widest and most relevant possible audiences. Recent user testing of the Acas website identified some areas of work which would make for improved understanding of what we do and better navigation. We're in the process of putting these changes in place.

We've also expanded our electronic channels, and are in the process of developing electronic tools and publications to widen our online audiences. Our website popularity has increased by almost a million users since last year with 4,006,310 users accessing our website during 2008/09.

We launched a new centralised customer services team during the year. Based in Leeds, the team provides a central point of contact for customers to our training and other workplace services.



Our off-line audiences have also continued to benefit from the regular Acas newsletter as well as a variety of leaflets including one giving details of our core training products.

Encouraging take up of training and learning events to promote better employment relations practice

To ensure that our good practice training courses reach a wide range of organisations and individuals, we have developed a series of awareness raising campaigns due to start running next year. The campaigns will aim to raise the profile of Acas as a provider of good practice training. We have also begun a pilot exercise exploring the benefits of contextual advertising to better target those organisations and individuals who require help with employment relations practice.

Working with stakeholders

In response to the economic downturn, and the effect on employment matters, Acas has expanded further its work with a number of stakeholders to help ensure a joined-up approach by the Public Sector. Building on our partnership work with CIPD, we produced 'Top Tips' for employers managing in a recession. We've been working alongside Jobcentre Plus to give early support to employers considering redundancies, in case they can be avoided.

To ensure we keep abreast of, and input into, equality issues, we've strengthened our relations with the Equality and Human Rights Commission and the Government Equalities Office in preparation for new and emerging developments as a result of the Equality Bill.

As part of a government commitment to deliver efficient information technology services, Acas is taking part in a project to transform the way electronic information is delivered to the public. Our work with Business Link, the government's business web portal, and Directgov, the citizen portal, has been to advise and contribute new web-based information on employment relations matters.

We are striving to remove barriers to people with disabilities in all that we do. As a result we've set up a Disability Forum, in conjunction with the disability organisation Scope, to evaluate our work in this area. Forum members have already made a significant contribution by carrying out disability impact assessments on three Acas internal policies. The forum also provided guidance on the recruitment and selection process for our helpline.

Acas customer services team – improving the customer experience

In an effort to develop a more cost-effective and efficient procedure for delegates contacting Acas about courses and events, we set up a new Customer Service Team function to coordinate with regional offices over course availability and deal with resulting paperwork and invoicing. The service line number is now being advertised on most of our literature and has delivered an enhanced and consistent experience for customers.

Raising awareness and influencing policy

Acas has a role to play in influencing the wider employment relations debate, using our expertise to inform policy development at national, regional and local levels.

We do this through our engagement with government departments and stakeholders, using research findings based on the work of our advisers and conciliators. We also publish policy papers on key employment relations issues and offer our expertise to support product development to assist employers and employees.

Highlights of the last year have included developing revised Codes of Practice to support the new *Dispute Resolution Review* legislation and *Time off for trade union duties and activities*. Both these codes involved public consultation exercises, as well as discussions with focus groups and stakeholders, such as the Prime Minister's Office and BERR. The *Code of Practice on time off* is scheduled to come into effect in October 2009. It will be supplemented by a guide covering the wider considerations on the role and facilities of employee representatives. For more information on the Acas Code of Practice on disciplinary and grievance procedures see our Insight page on the Dispute Resolution Review legislation.

Acas has also provided information and advice on employment relations matters for policy makers across Government, significantly in relation to recession-related activity, where we contributed to a cross-Whitehall economic bulletin. For more information on our recession related activities see our Insight page on Managing in difficult times.

Research

As a centre of expertise in employment relations Acas has an ongoing programme of research and evaluation. This helps us assess the impact of our own services, and conduct research on wider employment relations issues. Major reports this year have focused on improving the understanding of the processes used to resolve employment disputes and build on understanding of equality.

- *Accompaniment and representation in workplace discipline and grievance* (with University of Central Lancashire). This investigated the impact of accompaniment and representation in disciplinary and grievance processes. It found that early trade union involvement prevented escalation of problems and non-unionised organisations tended to have more adversarial procedures.
- *Acas conciliation in collective employment disputes*. The report evaluated Acas' role in conflict management and concluded that conciliator behaviour effects case outcomes. It also linked issues such as positive rapport and neutrality to high satisfaction of cases.
- *Conflict at work: The pattern of disputes in Britain since 1980* (in conjunction with NIESR and Warwick University). Drawing on the Workplace Employment Relations Survey series, this research examined the scale and causes of the decline in



The Fair Employment Zone (FEZ) bandstand in Manchester's Trafford Centre is project headed by Acas which aims to provide a one-stop shop for a wide range of equality and diversity services and good employment practice. It not only offers advice for local employers and employees but has also contributed to awareness raising amongst the public in general.

collective conflict and the growth in individualised expression of conflict over the last 25 years.

- **Sexual orientation, religion and belief** (in conjunction with CIPD). This explored the impact of management handling of sexual orientation, religion and belief at work, producing solutions and strategies and informing Acas' new advisory booklet *Delivering equality and diversity*.

We've also supported academics in their research on employment relations issues of particular interest to Acas. Recent academic partners include the universities of Central Lancashire, London Metropolitan, the West of England, and Trent. Acas is in the process of (supported by ESRC funding) conducting a programme of research on Alternative Dispute Resolution (ADR).

Equality and diversity

Acas continues to work closely with key stakeholders in the preparation and delivery of advice and guidance in the area of equality and diversity and in promoting good workplace relations practices.

In March 2009 we published an updated advisory booklet titled *Delivering equality and diversity* which sets out the practicalities of delivering equality and the vital role monitoring plays in equality and diversity in the workplace. The booklet covers many of themes encompassed in the draft Single Equality Bill,

published by the Government in June 2008, such as transparency. Monitoring equality is a first step to transparency. The guidance was both reviewed and endorsed by the Government Equalities Office and developed with the support of the Equality and Human Rights Commission.

Following the introduction of the Equality Bill in the House of Commons in April 2009, Acas is preparing to work with the Government Equalities Office and the Equality and Human Rights Commission to produce guidance material for when the Bill is enacted.

The FEZ project was nominated for a Civil Service Diversity and Equality award organised by the publication Westminster and Whitehall world. Rob Vondy, Area Director for Acas North West and Amanda Wilson from the Trafford Centre Management Company attended the ceremony held in December 2008.





Leeds Town Hall

Expanding regional relations

Acas has developed a variety of partnerships with Regional Development Agencies (RDAs) and public, private and voluntary sector organisations as part of its regional remit. We've been working with bodies such as Jobcentre Plus, the Learning and Skills Council, Business Link and higher education establishments throughout Britain to organise a range of employment relations forums. These bring together employers, unions and employee representatives to discuss topical employment relations issues and look for ways to work together to improve economic development, business growth and sustainability in the region.

As government reforms on the delivery of regional economic development see a move towards greater local and sub-regional roles, we are placing greater emphasis on engagement with local strategic groupings. Acas North West, for example, has been developing relationships with the RDA's sub regional economic partnerships. It is also working with the North West Development Agency and Jobcentre Plus, amongst others, to develop a joined-up approach to tackling worklessness.

Acas Wales has been working with the Wales Public Service Workforce Forum on a piece of work which will contribute to the Welsh Assembly's ambition for world-class public services for citizens of Wales. Acas has been a lead player in the Engagement Task and Finish Group, to gain a better understanding of employee engagement and how to promote good practice in the workplace, and their report will be published in July this year.



Yorkshire forward – for details of how Acas worked with Yorkshire's regional development agency to save jobs in the region, see our *Insight on Managing in difficult times* (p28-29).

In October 2008, Acas Chief Executive John Taylor joined Adrian Askew, General Secretary of the Connect trade union and Andrew Moore, National Adviser, CBI on a visit to Columbia and Peru at the invitation of the FCO. The aim of the visit was to explore opportunities to strengthen labour relations between the government, employers and trade unions.



International work

Acas often receives requests from other countries who are interested in learning from the work that we do.

Following a visit to Acas by a Trade Union Delegation from Colombia, our Chief Executive undertook a scoping visit to the country and produced a report for the Foreign and Commonwealth Office on the opportunities of strengthening labour relations with Colombia.

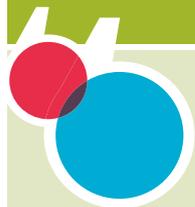
We've also advised Ukraine's National Service of Mediation and Reconciliation (NSMR), on advancing the skills and their mediators to make social dialogue more efficient.

We've worked with the Australian Institute of Employment Rights in advance of the implementation of the new Fair Work Australia legislation in 2010.

Acas West Midlands had an invitation from The Academy for the Development of Philanthropy, part of Poland's Ministry of Labour, to advise on age regulations, age diversity and Acas' role. The office sent a representative to meet Poland's tripartite committee in charge of public sector pay and labour code and to advise the deputy Prime Minister on aspects of alternative dispute resolution.



Left to right: Andrew Moore, Acas Chief executive John Taylor and Adrian Askew with Catherine Nettleton (second left), the British Ambassador to Peru.



Providing support during the economic downturn

The recent global financial crisis has had many impacts here in the UK, most keenly felt through organisations' restructuring, and redundancies.

Acas has been proactive by supporting businesses on an individual basis, as well as raising awareness of the regulations and good practice procedures for redundancies and restructuring.

All the options

Early on, when talk of recession was in its infancy, we developed a course on *Redundancy and restructuring*. It examines options available to businesses facing a downturn in activity and includes how to consult with employees at the earliest possible stage. Where redundancies are inevitable, it shows how to implement these in line with obligations as an employer, managing remaining employees to maximise future success. To date, 15 workshops have been run, attracting nearly 150 delegates.

Constructive support for business

Acas has developed its advisory support for businesses facing challenges in an economic recession. This in-house practical guidance covers a broad range of redundancy and recession issues such as:

- developing a redundancy policy
- implementing legally compliant consultative mechanisms
- providing information and training on the legal requirements when making redundancies or imposing short time working
- guidance on maintaining employee engagement in businesses coping with the effects of the economic downturn
- facilitating working groups of managers and employee representatives to look at identifying and implementing changes to working practices.

Working together

Acas also collaborated with stakeholders to provide seminars and events on managing in recession. This included developing an *Alternatives to redundancy* seminar in conjunction with Eversheds solicitors.

Joining forces with agencies such as Business Link, Regional Taskforces and Jobcentre Plus Rapid Response Teams helped provide targeted support to sectors and regions during the economic downturn.

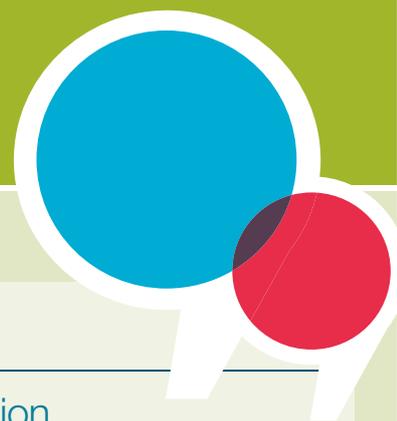
At the end of a line

Since the start of the recession there have been changes to the nature of calls to the Acas helpline. Queries relating to 'Redundancy, lay-offs and business transfers' became the most common call topic and the number of calls recorded addressing more than one subject increased showing a greater demand for our service.

Our website has remained an invaluable source of advice and guidance, with a special section dedicated to managing in a recession. The site also saw a sharp rise in people viewing guidance on redundancy issues. Over 15,000 visits a week were made to the site in November 2008, compared to 4,000 in May, a jump of nearly 300 per cent over six months as the recession started to bite.

How we've been doing

42	redundancy related in-house training and projects completed for a range of large and small organisations
74	in-depth telephone calls giving specific redundancy advice were made by our senior advisers
136	visits to employers were made to specifically give advice on this subject area
15	courses held on 'Redundancy and restructuring'



Redundancy rescue in Yorkshire and Humber

Acas helps Regional Development Agency save jobs in the region

Yorkshire and Humber was in particular need of support and advice during the recession. Suffering one of the biggest regional increases in unemployment, job prospects were looking bleak for many after the high-profile collapse of banks HBOS and Bradford and Bingley. This left many managers facing unfamiliar challenges and difficult decisions for the first time.

Acas worked with Yorkshire Forward and joined a Taskforce set up to help financial services in the region. The taskforce included experts from Jobcentre Plus, the Learning and Skills Council, Business Link, Local Authorities and the TUC. Acas contributed specialist expertise in employment relations. The aim was to create a new network of specialists to support businesses in the region facing redundancies, especially small ones who had little or no HR expertise or resources.

Senior Acas adviser, Fiona Williams, and her team in Leeds targeted companies who needed advice on how to avoid redundancies. They encouraged managers to look at alternatives to redundancy and use correct legal process if redundancies were the only option. They also advised on how to manage the workforce after any job cuts. In the first quarter of this year, Fiona and her team provided advice to 50 organisations across Yorkshire and

Humber. A report into the effectiveness of the taskforce estimated that around 50 jobs had been saved in this period, which, based on average pay, equates to more than £1 million of salaries.

Fiona said, "It's been an incredibly difficult time for a lot of businesses and employees. Being invited to work alongside an established and well-connected network of partners meant we could immediately get our advice out to the region. Over a short space of time, we have already seen tangible outcomes and know that jobs have been saved as a result of this work."

Helen Thomson, Assistant Director of Economic Inclusion at Yorkshire Forward added, "We are facing challenging times in our regional economy at the moment and whilst we are better placed to deal with this downturn than previously, it is important that companies and employees have access to expert skills and support that can help them if they do reach the difficult position of making cuts.

"Acas has a high level of expertise in this area, which is exactly what we want for our regional businesses and workforce to have access to, so that we can avoid the need for job cuts wherever possible and help those facing redundancy move forward with minimal difficulty."

Acas supports local business through the recession

Acas helps an engineering company weigh up all the options

A North West engineering company asked Acas to share its expertise and help weigh up various options to avoid enforced redundancies in the current recession. Based in Cheshire, the organisation supplies engineered fibre products into the ceramic, iron and steel, petrochemical and aerospace industries.

Having downsized once already, the company was keen to avoid the same predicament so Andy Vernon, from Acas North West, helped the company consider a range of options to minimise or offset the need for enforced redundancies.

At the same time Acas highlighted the considerations and risks of each option and talked through the procedure for handling redundancies and the need for fairness and objectivity throughout. The company was also introduced to useful sources of advice and information on grants, loans and funding for training from key partner contacts.

Andy Vernon said, "The company were able to use Acas as a sounding board for the options that they had put forward and to draw on our experience of how other organisations in similar circumstances have responded to the recession, to develop further options."

Making the most of our people and resources

Acas aims to continually improve our organisational effectiveness by improved management of our people and the efficient use of our resources.

Economical use of space and flexible working

The Acas estate has undergone significant changes in a very short space of time to house large numbers of new staff. Newcastle and Glasgow, Manchester and Leeds offices had sizeable refurbishment needs due to extra helpline staff being recruited, whilst space needed to be significantly reduced in London and across the estate.

Acas' Head Office at Borough moved in with its London regional office in March 2009. To fit in as many staff as possible we have embraced the concept of flexible working and devised a hot-desking practice. Where necessary we have considered other avenues such as compressed hours arrangements. This has allowed us to make the most efficient use of resources as well as responding to individuals' requests for improved work-life balance.



Acas' new HQ at Euston Tower involved a move north of the river Thames from our previous base in Brandon House near to London Bridge.



After months of hard work and study seven Acas senior advisers successfully completed Level 4 of their NVQ in Learning and Development and were presented with their certificates by Acas Chief Executive, John Taylor.

Training and developing our staff

As part of the Professional Skills for Government agenda, we've collaborated with Strathclyde University to tailor the CIPD accredited Employment Relations and Employment Law programme for the requirements of our own helpline staff. We've also been working with Greenwich University to offer a post graduate qualification the *Certificate in Individual Employment Dispute Resolution* for individual conciliators.

Acas is committed to ensuring all staff become qualified to at least NVQ Level 2 or equivalent. As a result we've provided a Customer Service NVQ programme at level 2 or 3 in collaboration with ENTO, the provider of continuous professional development courses.

To help staff understand the impact of the new Dispute Resolution Review legislation on their roles, a dedicated training team has developed and delivered a series of learning events to train staff on DRR developments.

Following Acas' successful accreditation with the new IIP standard, a team of internal reviewers is being trained to review and benchmark Acas against the standard. This will enable us to identify areas for improvement and to take forward an appropriate action plan.

Encouraging diversity

We've accomplished the first phase of our equality and diversity monitoring exercise with two thirds of the organisation completing their return. Work continues towards increasing response rates further to help us fulfil our current public equality duties and prepare us for the Single Equality duty.

Working alongside the charity Scope, we trained our internal Disability Champions, covering the Social Model of Disability and Equality Impact Assessments. We also worked closely with Scope on setting up and recruiting for our Disability Forum (see page 23 for more details). Our Head of Equality Services delivered a series of how to deal with bullying and harassment events for staff in our London and Birmingham offices.

Information sharing and channels of communications

Acas has undertaken a revision of its own HR policies to make them more robust and clear, thereby giving managers more confidence and knowledge to tackle issues of under-performance, unacceptable behaviour or unsatisfactory attendance.

We're also working to implement compliance to a variety of new Cabinet Office guidelines to ensure that we are up-to-date with the latest developments in data protection and security.



Performance management

We measure our performance by using a variety of governance tools such as the balanced scorecard and a variety of other metrics.

We've recently audited our internal performance management system after an internal consultation found aspects of the process cumbersome. A revised programme has been established aiming to facilitate growth in efficiency and capacity of staff.

We've also revised our complaints process for customers and are putting in place a more robust and accountable system which will allow us to improve our performance in receiving and acting on feedback from our customers.

Managing our finances

A full set of accounts for 2008/09, which are prepared under Section 253 of the Trade Union and Labour Relations (Consolidation) Act 1992, are set out at the end of this report (see pages 52 to 81).

2008/09 saw a significant reduction in funding for our core services. However, additional funding was secured to implement efficiency savings on our estate as our Head Office relocated to Euston.

Additional funding was also made available for the significant work on Dispute Resolution Review services.

The effects of the economic downturn on businesses and individuals have a direct impact on demand for Acas services and the funding settlement for 2009/10 includes an additional amount to meet the challenges brought by this growth in demand.

Acas will continue to face demanding funding reductions in future years and will continue to identify and implement efficiencies where necessary.

Key Financial Headlines:

	£'000
Gross cost of Acas	£49,879
Less income earned	£3,987
Net Operating Cost	£45,892
Grant in Aid	£47,312
Capital expenditure	£6,256
Audit Committee Members	Mr Jonathon Michie (Chair)
	Ms Sarah Anderson CBE
	Mr Ed Sweeney
	Mr John McMullen
	Ms Susan Anderson
	Mr Derek Simpson

Independent experts

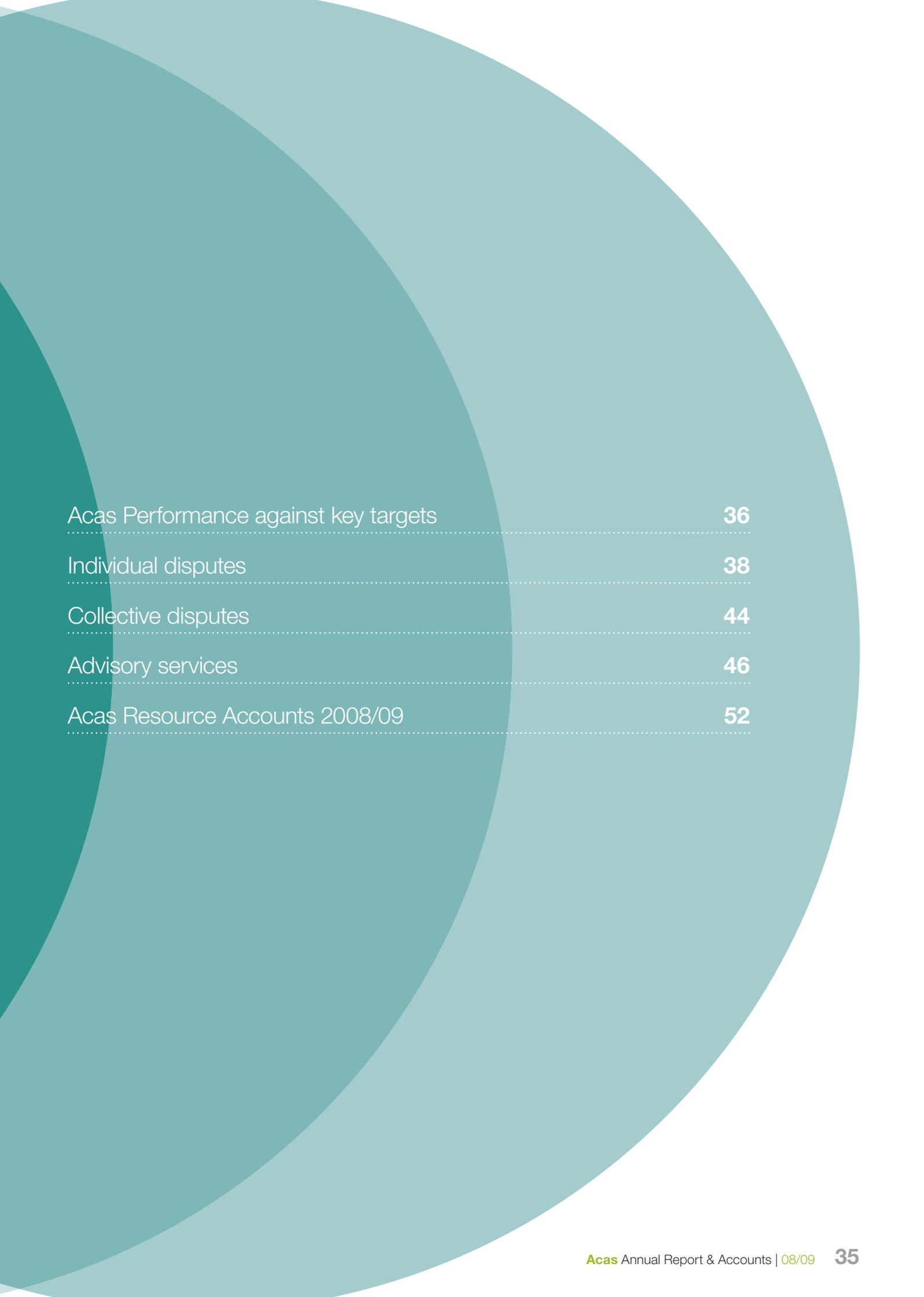
The current experts are:

Alan Arthurs	Lecturer in employment relations
Simon Bamsey	Human resources consultant
Robin Beddoe	Job evaluation consultant
Christine Bevan	Human resources and health and safety consultant
Wendy Bishop	Former senior personnel adviser
Derek Burn	Human resources consultant
Colin Campbell	Former senior lecturer in human resource management
Susan Corby	Reader in employment relations
Rachel Crafts	Independent consultant specialising in reward issues
Rosie Docherty	Human resources consultant
Jane Evans	Principal lecturer in human resource management
Fiona Fearn	Human resources consultant
Steve Flather	Human resources and reward consultant
Moira French	Human resources manager
Kay Gilbert	Lecturer in industrial relations
Michael Hinks	Human resources consultant
Peter Kennedy	Employee relations consultant
Elisabeth Lowe	Human resources generalist, visiting lecturer
Joe Magee	Acas arbitrator and adviser for the aviation industry
Kevin Rampling	Performance pay and reward consultant
Coryton Roberts	Member of employment tribunal and human resources practitioner
Stephen Watson	Independent consultant, specialising in reward issues
Pete Yeeles	Consultant in employment relations

See page 13 for details of the types of cases in which independent experts are appointed.

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Our work in facts and figures



Acas Performance against key targets	36
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Advisory services	46
Acas Resource Accounts 2008/09	52

Performance against key indicators

Key performance indicators for service level agreement (SLA)

	2008/09		2007/08		
	Target	Outturn	Target	Outturn	
Conciliation in collective disputes	80%	92%	80%	90%	
a) The promotion of a settlement in disputes in which Acas is involved	100%	100%	100%	100%	
b) Acas involvement in large-scale disputes					
Conciliation in employment tribunal cases	Short period	50%	51%	50%	53%
Percentage of tribunal hearing days saved during fixed period conciliation in short and standard period cases or prior to the full hearing in open period cases	Standard period	60%	69%	60%	63%
	Open period	85%	84%	85%	85%
Workplace projects					
The percentage of workplace projects reporting an improvement in employment relations following Acas intervention	70%	83%	70%	81%	
Acas training services					
The percentage of managers in SMEs who introduce or reform discipline and grievance procedures following					
a) attendance at an Acas training event	70%	n/a	70%	n/a	
b) use of an e-learning tool	65%	n/a	65%	n/a	
Acas helpline					
The percentage of callers who were able to take clear action following their call to Acas helpline	70%	84%	70%	n/a	
Mediation training services					
The percentage of successful mediations undertaken by (accredited) mediators trained by Acas	80%	94%	80%	n/a	
Equality services					
The percentage of workplaces reporting a change in equality policies, practices and supporting activities such as training and monitoring	75%	n/a	75%	76%	
Publications on good practice at work					
a) The percentage of users for whom the guidance helped solve a problem at work or reassured them that they had taken the right course of action	65%	n/a	65%	76%	
b) The percentage of users reporting that the guidance helped to amend or introduce a policy	15%	n/a	15%	20%	

Performance against key targets

	2008/09		2007/08	
	Target	Outturn	Target	Outturn
Promoting settlements of employment tribunal cases				
Customers very satisfied or satisfied with service	85%	n/a	85%	81% ¹
Provision of information and advice				
Percentage of helpline callers answered within 20 seconds	90%	n/a	70%	57%
Customers satisfied or very satisfied with the service	95%	93%²	95%	n/a
Training services				
Customers very satisfied or satisfied with charged events	95%	96%	95%	96%

1 Survey scales changed for the 2007/08 survey. This figure represents those respondents saying that they were extremely, very or fairly satisfied.

2 Survey scales changed for the January 2009 survey. This figure represents those respondents saying that they were extremely, very or fairly satisfied.

Other performance targets

	2008/09		2007/08	
	Target	Outturn	Target	Outturn
Percentage of arbitration awards provided to parties within three weeks of hearing	100%	90%	100%	90%
Percentage of letters to helpline answered within seven working days	100%	97%	100%	96%
Percentage of bills paid within the terms of the relevant contract or within 30 days of receipt of valid invoice	100%	97%	100%	98%

Other performance indicators

	2008/09	2007/08
Number of ET1s and non-ET1s received	188,210	203,184
Number of non-ET1s received	49,675	51,935
Number of re-employments	540	670
Number of collective conciliation requests received	960	917
Number of workplace projects started	209	234
Number of requests for trade dispute arbitration	30	47
Number of calls answered by the national helpline	726,306	885,353
Number of calls answered by Equality Direct	5,944	5,238
Number of advisory visits and in-depth phone calls	2,526	1,972
Number of training sessions delivered	1,949	2,121
Number of equality contracts delivered	580	602
Parties to tribunal cases who felt that Acas helped speed up the resolution of their case	n/a	71%
Costs of completed collective conciliation case where a settlement was achieved or significant progress made	£2,174	£2,773
Cost of an arbitration hearing	£2,698	£2,414
Cost of individual conciliation case settled or withdrawn	£242	£213
Cost of a helpline enquiry answered	£12.12	£8.50

Individual disputes

Gross cases received for conciliation from the employment tribunals
by main and other grounds of complaint

Main cause of complaint conciliated	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
Unfair dismissal	43,028	31.1	33,352	22.1	35,583	33.8
Wages Act	13,384	9.7	11,819	7.8	11,495	10.9
Breach of contract	6,206	4.5	4,811	3.2	5,399	5.1
Redundancy pay	3,938	2.8	2,891	1.9	2,964	2.8
Sex discrimination	6,047	4.4	5,642	3.7	8,095	7.7
Race discrimination	3,117	2.2	2,511	1.7	2,383	2.3
Disability discrimination	3,977	4.1	3,850	2.5	3,654	3.5
Working time	2,889	2.1	17,407	11.5	3,780	3.6
Equal pay	46,823	33.8	53,952	35.7	25,264	24.0
National Minimum Wage (NMW)	86	0.1	108	0.1	431	0.4
Flexible working	58	0.0	54	0.0	58	0.1
Age discrimination	1,744	1.3	1,547	1.0	394	0.4
Other	7,238	5.2	13,305	8.8	5,677	5.4
Total	138,535		151,249		105,177	

Secondary and other causes	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
Unfair dismissal	11,972	12.3	9,879	12.9	8,884	11.8
Wages Act	17,250	17.7	13,322	17.4	16,753	22.3
Breach of contract	25,431	26.1	18,199	23.8	18,603	24.7
Redundancy pay	6,346	6.5	3,604	4.7	4,036	5.4
Sex discrimination	4,704	4.8	3,765	4.9	4,080	5.4
Race discrimination	1,761	1.8	1,549	2.0	1,359	1.8
Disability discrimination	2,465	2.5	1,950	2.5	1,790	2.4
Working time	14,955	15.3	11,360	14.8	11,180	14.9
Equal Pay	1,737	1.8	4,561	6.0	2,233	3.0
National Minimum Wage (NMW)	431	0.4	259	0.3	308	0.4
Flexible working	188	0.2	191	0.2	167	0.2
Age discrimination	1,651	0.2	1,105	1.4	345	0.5
Other	8,690	8.9	6,789	8.9	5,505	7.3
Total	97,581		76,533		75,243	

All	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
Unfair dismissal	55,000	23.3	43,231	19.0	44,667	24.6
Wages Act	30,634	13.0	25,141	11.0	28,248	15.7
Breach of contract	31,637	13.4	23,010	10.1	24,002	13.3
Redundancy pay	10,284	4.4	6,495	2.9	7,000	3.9
Sex discrimination	10,751	4.6	9,407	4.1	12,175	6.7
Race discrimination	4,878	2.1	4,060	1.8	3,742	2.1
Disability discrimination	6,442	2.7	5,800	2.5	5,444	3.0
Working time	17,844	7.6	28,767	12.6	14,960	8.3
Equal pay	48,560	20.6	58,513	25.7	27,497	15.2
National Minimum Wage (NMW)	517	0.2	367	0.2	739	0.4
Flexible working	246	0.1	245	0.1	225	0.1
Age discrimination	3,395	1.4	2,652	1.2	739	0.4
Other	15,928	6.7	20,094	8.8	11,182	6.2
Total	236,116		227,782		180,420	

Notes:

Very few equal pay/sex discrimination cases brought against NHS employers are included in these figures because they have not been passed to Acas for conciliation by the Tribunals unless the parties have requested conciliation or there appears to be a reasonable prospect of success in conciliation.

Similarly, a significant number of cases lodged at the Employment Tribunals concerning 'Working time' are also not included in these figures because they were not susceptible to conciliation and were struck out.

In addition, Acas received 49,675 cases for conciliation where no case had yet been submitted to an Employment Tribunal, but where one was likely to be if the matter was not resolved. The vast majority of these cases (47,290) related to potential claims against local authorities in regard to equal pay.

Net cases received for conciliation from the employment tribunals in 2008/09 by main ground of complaint

All	2008/09	
	No.	%
Unfair dismissal	38,745	49.3
Wages Act	10,225	13.0
Breach of contract	5,584	7.1
Redundancy pay	3,517	4.5
Sex discrimination	4,221	5.4
Race discrimination	3,009	3.8
Disability discrimination	3,941	5.0
Working time	2,296	2.9
Equal pay	572	0.7
National Minimum Wage (NMW)	81	0.1
Flexible working	58	0.1
Age discrimination	1,672	2.1
Other	4,749	6.0
Total	78,670	

Notes:

The figures above exclude NHS and Local Authority equal pay claims.

Net figures are obtained by adjusting gross figures to take account of multiple claims (for example, if 1,000 gross ET1 claims are received – which might possibly include 2,000 jurisdictional complaints – which all arise from the same set of circumstances against the same respondent and all the claimants are represented by the same representative, then Acas will be count that as one net conciliation case.) Net figures are a better measure of conciliation workload than gross figures, which may reflect a small number of very large multiple claims.

Gross ET1 conciliation cases cleared

Main Jurisdiction	Year	Total	Settled	%	Withdrawn	%	ET Hearing	%
Unfair dismissal	08/09	31,534	16,282	51.6	8,131	25.8	7,121	22.6
	07/08	30,458	13,187	43.3	10,590	34.8	6,681	21.9
	06/07	33,568	13,320	39.7	11,510	34.3	8,738	26.0
Wages Act	08/09	10,510	3,674	35.0	2,859	27.2	3,977	37.8
	07/08	10,025	3,447	34.4	3,146	31.4	3,432	34.2
	06/07	11,808	4,457	37.7	3,349	28.4	4,002	33.9
Breach of contract	08/09	4,826	1,690	35.0	1,125	23.3	2,011	41.7
	07/08	4,235	1,421	33.6	1,244	29.4	1,570	37.1
	06/07	4,731	1,584	33.5	1,417	30.0	1,730	36.6
Redundancy pay	08/09	3,028	498	16.4	703	23.2	1,827	60.3
	07/08	2,096	344	16.4	531	25.3	1,221	58.3
	06/07	2,470	376	15.2	653	26.4	1,441	58.3
Sex discrimination	08/09	5,996	2,179	36.3	3,266	54.5	551	9.2
	07/08	3,809	2,201	57.8	1,109	29.1	499	13.1
	06/07	4,348	2,358	54.2	1,499	34.5	491	11.3
Race discrimination	08/09	2,286	1,145	50.1	652	28.5	489	21.4
	07/08	2,106	979	46.5	668	31.7	459	21.8
	06/07	2,012	952	47.3	594	29.5	466	23.2
Disability discrimination	08/09	3,528	1,862	52.8	1,198	34.0	468	13.3
	07/08	3,324	1,799	54.1	1,115	33.5	410	12.3
	06/07	2,966	1,621	54.7	938	31.6	407	13.7
Working time	08/09	2,613	1,157	44.3	779	29.8	677	25.9
	07/08	2,323	1,002	43.1	620	26.7	701	30.2
	06/07	2,394	934	39.0	645	26.9	815	34.0
Equal pay	08/09	5,464	1,571	28.8	2,863	52.4	1,030	18.9
	07/08	4,317	2,421	56.1	1,851	42.9	45	1.0
	06/07	1,785	1,348	75.5	381	21.3	21	1.2
National Minimum Wage (NMW)	08/09	87	38	43.7	27	31.0	22	25.3
	07/08	89	34	38.2	23	25.8	32	36.0
	06/07	122	58	47.5	34	27.9	30	24.6
Flexible working	08/09	51	30	58.8	20	39.2	1	2.0
	07/08	52	19	36.5	32	61.5	1	1.9
	06/07	43	20	46.5	20	46.5	3	7.0
Age discrimination	08/09	1,081	607	56.2	319	29.5	155	14.3
	07/08	979	522	53.3	337	34.4	120	12.3
	06/07	57	30	52.6	26	45.6	1	1.8
Others	08/09	3,773	1,110	29.4	1,051	27.9	1,612	42.7
	07/08	4,155	1,046	25.2	1,535	36.9	1,574	37.9
	06/07	4,905	1,367	27.9	1,479	30.2	1,928	39.3
Total	08/09	74,777	31,843	42.6	22,993	30.7	19,941	26.7
	07/08	67,968	28,422	41.8	22,801	33.5	16,745	24.6
	06/07	71,023	28,405	40.0	22,545	31.7	20,073	28.3

Notes:

Figures only include conciliated tribunal cases. Non-ET1 cases, cases not passed to Acas for conciliation, and cases struck out by the Tribunal are not included.

Net conciliation cases cleared

Main Jurisdiction	Total	Settled	%	Withdrawn	%	ET Hearing	%
Unfair dismissal	29,436	15,636	53	7,268	25	6,532	22
Wages Act	9,067	3,298	36	2,074	23	3,695	41
Breach of Contract	4,418	1,624	37	1,008	23	1,786	40
Redundancy pay	2,608	469	18	569	22	1,570	60
Sex discrimination	3,553	1,973	56	1,060	30	520	15
Race discrimination	2,232	1,111	50	637	29	484	22
Disability discrimination	3,465	1,842	53	1,177	34	446	13
Working time	1,980	865	44	496	25	619	31
Equal pay	228	96	42	110	48	22	10
National Minimum Wage (NMW)	76	33	43	22	29	21	28
Flexible working	50	29	58	20	40	1	2
Age discrimination	1,020	580	57	293	29	147	14
Others	2,571	923	36	771	30	877	34
Total	60,704	28,479	47	15,505	26	16,720	28

Notes:

Figures only include conciliated tribunal cases, but exclude NHS and LA equal pay claims. Non-ET1 cases, cases not passed to Acas for conciliation, and cases struck out by the Tribunal are not included.

51% of potential hearing days were saved in net short period cases, 69% in net standard period cases, and 84% in net open period cases based on settlements and withdrawals achieved within the fixed conciliation period. When all settlements and withdrawals are included the savings were 56%, 75% and 84% respectively. See Note 1 to Table Two for an explanation of the difference between gross and net cases.

Charged-for mediation in individual employment and workplace disputes which were not the subject of actual or potential employment tribunal proceedings

					Cases completed in year			
		New cases started in year ¹	Unprogressed	Resolved	Progress made	Unresolved	Total	Success Rate %
Total	08/09	230	32	130	49	16	195	91.8
	07/08	185	12	103	40	17	172	89.4
	06/07	150		99	8	27	134	79.9

Notes:

Cases may be started in one year and completed in another.

The success rate is calculated by reference to completed cases resolved, those in which progress made and those which are unresolved. Unprogressed cases are not included in the calculation.

Unprogressed cases are those cases where no meaningful mediation activity took place even though the parties had earlier formally agreed to mediation. Data was not collected on Unprogressed cases prior to 2007/08.

Collective disputes

Collective disputes ¹ by region	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
London	95	9.9%	103	11.2%	111	11.7%
South East	35	3.6%	38	4.1%	35	3.7%
East of England	59	6.1%	72	7.9%	56	5.9%
East Midlands	54	5.6%	48	5.2%	54	5.7%
West Midlands	64	6.7%	68	7.4%	80	8.4%
North East	100	10.4%	104	11.3%	125	13.2%
Yorkshire and Humber	97	10.1%	97	10.6%	97	10.2%
North West	233	24.3%	194	21.2%	180	19.0%
Scotland	161	16.8%	129	14.1%	158	16.6%
South West	24	2.5%	34	3.7%	20	2.1%
Wales	38	4.0%	30	3.3%	33	3.5%
Total	960		917		949	

Collective disputes ¹ by cause	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
General pay	189	19.7%	230	25.1%	266	28.0%
Other pay	240	25.0%	205	22.4%	262	27.6%
Recognition	155	16.1%	164	17.9%	156	16.4%
Changes in working practices	78	8.1%	75	8.2%	50	5.3%
Other TU	61	6.4%	65	7.1%	52	5.5%
Redundancy	84	8.8%	51	5.6%	64	6.7%
Discipline and dismissal	64	6.7%	51	5.6%	28	3.0%
Other / not categorised	89	9.3%	76	8.3%	71	7.5%
Total	960		917		949	

¹ Due to changes in the management information system, some of the collective dispute figures given for previous years have been updated from those previously reported.

Collective disputes by outcome ²	2008/09	2007/08	2006/07
Successfully completed	755	781	758
Unsuccessfully completed	69	51	44
All completed cases	824	832	802
Withdrawn	74	46	33
Total	898	878	835

² This relates to cases closed during this period.

Collective disputes by source of request ³	2008/09		2007/08		2006/07	
	No	%	No	%	No	%
Employer	189	22.7%	195	23.4%	202	21.4%
Trade Union	241	29.0%	243	29.2%	247	26.2%
Joint	315	37.9%	326	39.2%	336	35.6%
Acas	87	10.5%	68	8.2%	158	16.8%
Total	832		832		943	

³ This information is not available in all cases.

Collective arbitration and dispute mediation

Cases referred to arbitration and dispute mediation	2008/09 No	2007/08 No	2006/07 No
Single arbitrator	23	39	44
Board of Arbitration	2	0	0
Single mediation	3	2	2
Board of Mediation	0	0	0
Police Arbitration Tribunal	1	4	1
Other	1	2	0
Total	30	47	47

Issues referred to arbitration and dispute mediation	2008/09 No	2007/08 No	2006/07 No
Annual pay	10	8	14
Other pay and conditions of employment	3	12	12
Dismissal and discipline	6	14	11
Grading	0	1	2
Other	11	12	8
Total	30	47	47

Joint problem-solving activity

Subject of project	2008/09 No	2007/08 No
Attendance/absence management	1	1
Collective bargaining	12	9
Consultation and negotiation	9	4
Difficult situations	1	2
Discipline and grievance	2	3
Equal pay	1	6
Information and consultation	3	3
Mediation awareness	5	0
Payment systems	3	4
Trade Union recognition	19	8
Other	7	25
Total	63	65

Advisory services

Total volume of calls received by the Acas helpline

Year	Total number of calls
2008/09	726,306
2007/08	885,353
2006/07	839,335

Main topics called about in 2008/09	Percentage of calls relating at least partly to this topic
Redundancies, lay-offs and business transfers	28%
Discipline, dismissal and grievance	27%
Contracts	17%
Holiday and working time	12%
Absences, sickness and stress	9%
Wages and National Minimum Wage (NMW)	8%
Maternity, paternity and adoption	8%
Diversity and discrimination	3%
Family friendly policies	2%
Others	6%

Notes:

This breakdown does not cover the whole reporting period as the data capture system on call topics was first introduced on May 2008 and only fully introduced across Acas offices in September 2008.

The percentages do not add up to 100% since a single call can be classified under more than one call topic and, for ease of reading, percentages have been rounded down and up, for example Holiday, and working time was 12.4% but now rounded down to 12%.

Total volume of calls received by Equality Direct Helpline

Year	Total number of calls
2008/09	5,944
2007/08	5,238
2006/07	6,182

Advisory meetings

Subject/topic of enquiry	2008/09		2007/08	
	Number	%	Number	%
Bullying and harassment	32	4%	48	6%
Collective bargaining	45	5%	25	3%
Consultation and negotiation	70	8%	91	11%
Difficult situations	30	3%	26	3%
Discipline and grievance	79	9%	69	9%
Employing people	50	6%	36	4%
Equality and diversity (general)	53	6%	32	4%
Information and consultation	50	6%	75	9%
Mediation awareness	45	5%	46	6%
Other	292	5%	320	4%
Redundancy	136	15%	39	5%
Total	882		807	

In-depth advisory calls

Subject/topic of enquiry	2008/09		2007/08	
	Number	%	Number	%
Bullying and harassment	36	3%	37	2%
Collective bargaining	65	6%	55	3%
Consultation and negotiation	47	6%	91	4%
Difficult situations	41	4%	46	3%
Discipline and grievance	178	15%	242	15%
Employing people	41	4%	86	5%
Equality and diversity (general)	44	4%	69	4%
Information and consultation	36	3%	26	2%
Mediation awareness	35	3%	34	2%
Other	567	2%	733	5%
Redundancy	74	6%	245	15%
Total	1,164		1,664	

Workplace projects (charged)

Subject of project	2008/09 Number	2007/08 Number
Bullying and harassment	10	5
Consultation and negotiation	15	29
Difficult situations	5	8
Discipline and grievance	4	4
Information and consultation	19	17
Managing performance	8	2
Mediation awareness	8	4
Mediation by Acas staff	5	9
Other	47	53
Payment systems	7	18
Stress management	18	20
Total	146	169

Equality and diversity work

Type of equality and diversity work	2008/09 Number	2007/08 Number
Diagnostic sessions	206	179
Policies and procedures	117	88
Board briefings	13	18
Advice meetings	53	32
Advice calls	69	43
Workplace training	111	212
Workplace projects	0	9
Open Access events	11	21
Total	580	602

Open Access Training

Subject of training	2008/09				2007/08			
	Events		Delegates		Events		Delegates	
	Number	% (of total)	Number	% (of total)	Number	% (of total)	Number	% (of total)
ABC of supervising	19	3%	249	3%	38	6%	447	7%
Attendance/ absence management	83	11%	713	8%	73	11%	632	10%
Discipline and grievance*	309	42%	4,586	53%	111	17%	1,078	17%
Employing people	30	4%	198	2%	63	10%	359	6%
Employment law (general)	66	9%	992	12%	93	14%	1,667	26%
Having difficult conversations	22	3%	155	2%	31	5%	267	4%
Investigations	19	3%	154	2%	7	1%	80	1%
Mediation training (CIWM)	16	2%	148	2%	16	2%	150	2%
Recruitment and selection	24	3%	157	2%	35	5%	272	4%
Written statements/ contracts	41	6%	379	4%	27	4%	225	4%
Other	106	1%	875	<1%	165	5%	1,233	6%
Total	735		8,606		659		6,410	

*Includes 67 events funded by BERR as part of the programme of work on the new Dispute Resolution Regulations.

Workplace training (charged)

Subject of training	2008/09				2007/08			
	Events		Delegates		Events		Delegates	
	Number	% (of total)	Number	% (of total)	Number	% (of total)	Number	% (of total)
ABC of supervising	46	4%	604	4%	18	1%	257	1%
Bullying and harassment	99	8%	1,261	9%	165	11%	2,409	12%
Consultation and negotiation	94	8%	967	7%	113	8%	1,115	6%
Discipline and grievance	222	18%	2,829	19%	300	21%	3,955	20%
Employment law (general)	58	5%	726	5%	91	6%	1,560	8%
Equality and diversity (general)	111	9%	1,445	10%	212	15%	3,748	19%
Having difficult conversations	52	4%	594	4%	52	4%	565	3%
Information and consultation	88	7%	939	6%	83	6%	844	4%
Investigations	89	7%	1,108	8%	55	4%	566	3%
Mediation awareness	55	1%	543	1%	36	1%	392	1%
Other	300	3%	3,570	3%	337	4%	4,231	4%
Total	1,214		14,586		1,462		19,642	

Total training (charged)

Subject of training	2008/09				2007/08			
	Events		Delegates		Events		Delegates	
	Number	% (of total)	Number	% (of total)	Number	% (of total)	Number	% (of total)
Attendance/absence management	126	6%	1,249	5%	145	7%	1,496	6%
Bullying and harassment	108	6%	1,346	6%	191	9%	2,609	10%
Consultation and negotiation	95	5%	979	4%	113	5%	1,115	4%
Discipline and grievance	531	27%	7,415	32%	411	19%	5,033	19%
Employment law (general)	124	6%	1,718	7%	184	9%	3,227	12%
Equality and diversity (general)	122	6%	1,512	7%	233	11%	3,861	15%
Having difficult conversations	74	4%	749	3%	83	4%	832	3%
Information and consultation	95	5%	996	4%	92	4%	915	4%
Investigations	108	6%	1,262	5%	62	3%	646	2%
Mediation awareness	66	1%	658	1%	45	1%	476	1%
Other	500	2%	5,308	2%	562	5%	5,842	4%
Total	1,949		23,192		2,121		26,052	

Resource Accounts 2008–2009

For the year ended 31 March 2009

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Annual Report to the Accounts

Directors' Report

1. Acas was set up as a statutory body on 1 January 1976. It has two linked but independent institutions, the Certification Office (CO) and Central Arbitration Committee (CAC) that were established on 1 February 1976. The establishment of these institutions is provided by the Employment Protection Act 1975. Acas's main statutory functions and duties are:

- having a general duty to promote the improvement of employment relations in Great Britain;
- to advise employers, workers, unions and businesses on employment relations and employment policy matters;
- to prepare Codes of Practice relating to good employment practice;
- to designate officers as Conciliation Officers to provide conciliation in complaints made by individuals under legislation on employment rights;
- to conciliate in individual and collective employment disputes;
- to arrange independent arbitration and mediation;
- to maintain a panel of Independent Experts to be made available to the Employment Tribunal Service in Equal Pay claims (under Equal Pay Amendment Regulations 1983 (S.I. 1983 No 1794));
- to administer the Acas Arbitration Scheme [Acas Arbitration Scheme (Great Britain) 2004 (S.I. 2004 No 753) and Acas (Flexible Working) Arbitration Scheme (Great Britain) Order 2004 (S.I. 2004 No 2333)], including the appointment of arbitrators, administrative assistance during the hearing and scrutiny of awards;
- to provide a Secretariat for the Police Arbitration Tribunal; and
- having a general duty to promote equality and good relations between different racial groups and to eliminate discrimination.

2. Under the Trade Union and Labour Relations (Consolidation) Act 1992 sections 254-265, Acas is required to provide both the Certification Officer (CO) and the CAC with staff (employed under Acas terms and conditions), appropriate accommodation and other facilities. Acas is also responsible for

paying the CO and members of the CAC such remuneration, travelling and other allowances as may be determined by the Secretary of State for Business, Enterprise and Regulatory Reform.

3. Acas also has a role to play in the appointment of the CO and members of the CAC. Acas must be consulted before the Secretary of State appoints the Chairman, any deputy Chairmen and members of the CAC. The Secretary of State is required to consult with Acas before s/he appoints the Certification Officer.

4. The Service is funded through the Department for Business, Enterprise and Regulatory Reform (BERR) Request for Resources 1 (RfR1), on a programme basis. BERR has ceased to exist from 5 June 2009 and much of its work will now be carried out by the Department for Business, Innovations and Skills (BIS) but it continues to be referred to as BERR in the Annual Report and Accounts.

5. The term "the Service" is used when referring to issues that commonly relate to Acas, CO and CAC.

Acas's Mission and Strategic Aims

6. Acas's mission is to improve organisations and working life through better employment relations.

7. Acas's strategic aims as published in its Corporate Plan 2007-2010 are to:

- enhance awareness and take up of dispute resolution and conflict management in the workplace;
- provide information and practical advice and guidance to employers and employees;
- reach new audiences;
- raise awareness and influence policy; and
- make the most of our people and resources.

CO

8. The CO is responsible for maintaining a list of trade unions and employers' associations; for receiving, ensuring compliance with statutory requirements and keeping available for public inspection annual returns from trade unions and employers' associations; for determining complaints concerning trade union elections, the maintenance of an up to date register of members, certain other ballots and certain

breaches of trade union rules; for ensuring observance of statutory requirements governing mergers between trade unions and between employers' associations; for ensuring the requirements concerning the actuarial examination of members' superannuation schemes are observed for overseeing the political funds and the finances of trade unions and employers' associations; and for certifying the independence of trade unions.

CAC

9. The CAC is responsible for resolving in England, Scotland and Wales, through both voluntary means and adjudication, disputes relating to the following:

- the recognition and derecognition of trade unions for collective bargaining;
- the disclosure of information to trade unions for collective bargaining purposes;
- the establishment and operation of arrangements under the Information and Consultation Regulations;
- the establishment and operation of European Works Councils; and
- the information and consultation requirements of the European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations.

10. The CAC retains the statutory power to provide voluntary arbitration in collective disputes but this has not been used for some years.

Review of activities

Acas

11. Acas's main activities during the year have continued to be:

- providing impartial information and advice on employment matters;
- improving the understanding of effective employment relationships;
- preventing and resolving collective employment disputes;
- resolving disputes over individual employment rights; and
- promoting diversity in the workplace.

12. Acas also publishes Codes of Practice on:

- disclosure of information to trade unions;
- time off for trade union duties and activities; and
- disciplinary and grievance procedures.

CO

13. The functions of the CO are contained in the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended). Mr David Cockburn continues in the post of Certification Officer. Actions were carried out in most areas of his responsibilities during the period under review.

CAC

14. The bulk of the CAC's workload is handling applications for recognition and derecognition under Schedule A1 to the Trade Union and Labour Relations (Consolidation) Act 1992. It also receives annually a limited number of cases under the disclosure of information provisions and has dealt with a small number of cases under the legislation relating to European Works Councils. The CAC has now received and determined applications under the Information and Consultation Regulations.

15. The European Company Statute, the European Co-operative Society Regulations and the Cross-Border Mergers Regulations have provided no cases to date.

Risk and Control Framework

16. Acas's planning framework includes an overarching Corporate Plan, underpinned by an annual Business Plan. Activity is monitored through quarterly reporting to the Acas Management Board using a Balanced Scorecard and strategic risk register.

17. The Senior Responsible Owners of projects designed to enable Acas to continue to provide the same high standard of product delivery with reduced funding have identified the key risks in each project.

Management Structure

18. The Council is responsible for the strategic direction, policies and priorities of Acas, and for ensuring that its statutory duties are carried out effectively. The Council also approves the Corporate Plan.

19. The Acas Council is supported by two sub committees: Audit and Human Resources.

20. The Acas Management Board meets monthly and is charged with directing the activities of Acas and monitoring the key strategic risks faced by the Service.

21. The Board feeds back to staff on operational, financial and personnel matters. The minutes from Board meetings are available to all staff.

22. The Board members are as follows:

Mr Ed Sweeney (Chair)

Mr John Taylor (Chief Executive, Acas)

Mr Graeme Charles (Chief Executive, CAC)

Mr Richard Bruce

(Director of Finance to August 2008)

Mr Rob White

(Director of Finance from September 2008)

Mr Andrew Wareing (Director of Delivery)

Ms Christine Hewitt

(Director of Knowledge to May 2008)

Ms Susan Clews (Director of North West to June 2008, Director of Knowledge from July 2008)

Ms Jan Dixon (Director of Knowledge)

Mr Andrew Godber

(Director of Information Technology)

Mr Mike Spencer

(Director of Human Resources and Estates)

Mr Keith Mizon

(Director of Individual Dispute Resolution)

Mr Jerry Gibson (Director of Operational Policy and Performance to January 2009, Director, London from January 2009)

Ms Jane Bird (Director of Operational Policy and Performance from January 2009)

Mr Frank Blair (Scotland Director)

Mr Phil Pluck (Northern Director)

Mr Rob Johnson

(Wales and Southern England Director)

Ms Carol Davenport (Midlands and Eastern Director)

Mr Ken Owen

(London Director until December 2008)

Mr Nick Riddle

(Director, National Helpline from June 2008)

Mrs Gill McCarthy

(Acting Director, North West from June 2008)

Mr Peter Harwood (Chief Conciliator from April 2008)

Mr Steve Hodder (Special Projects from April 2008)

Acas Council Members

23. Council Members and their original dates of appointment (and dates of re-appointment) are:

Ms S Anderson CBE¹ 1 May 2004 (1 May 2007)

Ms S Veale 1 May 2004 (1 May 2007)

Mr J McMullen¹ 1 May 2004 (1 May 2007)

Mr D Prentis 1 May 2004 (1 May 2007)

Mr J Michie¹ 1 May 2007

Ms S Anderson¹ 1 May 2007

Ms D Coulter 1 May 2007

Mr D Simpson¹ 1 May 2007

Mr P Bennett 1 May 2007

Mr E Sweeney (Chair)¹ 1 October 2007

Ms Nicola Templeman 1 April 2008

Ms Jennifer Eady QC 1 April 2008

¹ Also a member of the Audit Committee

24. The Chairman and members of the Acas Council are appointed by the Secretary of State for Business, Enterprise and Regulatory Reform, initially for three years but their tenure can be extended for a second three year term. Before making the appointments the Secretary of State is obliged to consult appropriate organisations representing employers and workers. All Acas Council appointments are subject to open competition in line with the Code of Practice issued by the Commissioner for Public Appointments.

25. Appointments to the Acas Council may be terminated by the Secretary of State for Business, Enterprise and Regulatory Reform where s/he is satisfied that a member:

- has been absent from meetings of the Council for a period longer than six consecutive months without the permission of the Council; or
- has become bankrupt or made an arrangement with his creditors (or, in Scotland, has had his estate sequestrated or has made a trust deed for his creditors or has made and had accepted a composition contract); or
- is incapacitated by physical or mental illness; or
- is otherwise unable or unfit to discharge the functions of a member.

Post Year End Events

26. There have been no events of exceptional financial significance since the end of the financial year.

Equal Opportunities

27. We strive to promote equality and diversity across all the public sector duties. We are committed to ensuring that recruitment, promotion and career development opportunities are open to all, based solely on an assessment of suitability and aptitude for the job in question. Staff with a disability or other needs are encouraged to identify themselves and to discuss with managers ways in which their working environment and working arrangements might be adapted to allow them to contribute fully to our objectives. Our Diversity Champion continues to provide impetus to progress a holistic strategy. We are starting to reap the benefits of having established a Disability Involvement Forum. Although still in its infancy it has already provided some useful input to policy review.

Days lost due to absence

28. Acas encourages a culture where good attendance is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. Acas aims to treat its staff who are ill with sympathy and fairness and where possible to provide them with support which will enable them to recover their health and attend work regularly.

29. In 2008-09, the percentage of working days lost was 3.02 per cent or 6.5 days per annum per employee. This compares favourably to the public sector average of 9 days per annum per employee.

Employee Involvement

30. We value the views of staff who are encouraged to discuss issues affecting both them and the work they undertake. We encourage membership of our recognised trade unions and members of staff are able to engage with business challenges both individually, feeding their views through line management and collectively through their trade unions. We have well-established consultative machinery and have an agreement on information and consultation. Three standing committees discuss issues around health and safety, learning and development, and equality and diversity. We have developed a Communications

Strategy and a recent survey told us that staff found communication much improved.

Investors in People (IiP)

31. The Service became the first nationwide, multi-site public sector body to receive IiP recognition in January 1994. Acas has remained accredited ever since. Both the CAC and the Certification Office are accredited in their own right. We have decided to adopt the Internal Assessor route to re-accreditation and have trained some of our staff volunteers in what is expected of those that carry out the role.

Charitable Donations

32. Acas, CO and CAC do not make any charitable donations.

Going Concern

33. 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.

Accounts Direction

34. These accounts are prepared under Part VI Section 253 Subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992, in the form and on the basis directed by the Secretary of State, with the consent of the Treasury.

Payment of Creditors

35. The Service is committed to the government's target on prompt payment.

36. For the period to 30 November, the Service aimed to pay all bills within contractual terms or 30 days. 99% of payments in that period met this target.

37. From 1 December, this target was revised by the Government to 10 days and 95% of payments were made within this target.

38. Overall, 97% of payments were made within these targets. The new target of 10 days has had a negative impact on Acas's overall performance, but it should be noted that Acas has taken the decision to pay all suppliers within the 10 day framework, despite it being mandatory for public sector bodies only to have to pay SME's within that timeframe.

Auditors

39. The external auditor of the Service is the Comptroller and Auditor General. The annual audit fee was £36k. There was also an additional fee of £4k related to the audit of Acas's preparedness for the introduction of IFRS. No non-audit services were provided.

Disclosure of Relevant Audit Information

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

Annual Reports

41. The Acas Annual Accounts are published as a combined document with the Annual Report; the CO and the CAC publish separate annual reports.

Acas

42. Acas has a statutory duty to report to the Secretary of State for Business, Enterprise and Regulatory Reform on its activity during the year. The Annual Report contains a number of illustrative case studies. Copies of the Acas Annual Report can be downloaded free of charge from the Acas website www.acas.org.uk and are available free to callers at Acas offices. The website also holds details of the mailing house from which copies of the Annual Report can be purchased.

CO

43. The CO is required by the Trade Union and Labour Relations (Consolidation) Act 1992 to submit to the Secretary of State for Business, Enterprise and Regulatory Reform and to Acas a report of his activities. As well as setting out the CO's responsibilities the Annual Report also outlines some of the activities undertaken during the year. Copies of the CO's Annual Report are available free of charge from the Certification Office for Trade Unions and Employers' Associations, 22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ (Tel: 020 7210 3734) and from the Certification Officer's website www.certoffice.org.uk.

CAC

44. The CAC publishes an Annual Report that is submitted to the Secretary of State for Business, Enterprise and Regulatory Reform through Acas. Copies are available free of charge from the CAC, 22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ (Tel: 020 7904 2300).

John E Taylor

Accounting Officer Acas
9 July 2009

Management Commentary

Financial Results

45. The Service incurred gross administration costs, before exceptional items and interest on capital of £49,824k in the year plus capital expenditure of £6,256k. Cash expenditure was financed by a Grant-in-Aid of £47,312k from the Department for Business, Enterprise and Regulatory Reform [Request for Resources 1 (RfR1), of BERR's Resource Estimate] plus other operating income of £3,987k.

Operational Results

Acas

46. During 2008-09, the Acas national helpline handled 726,306 calls. Results from a survey of customers using the Helpline taken last spring showed that 93% of respondents were either very satisfied or satisfied with the service.

47. About 210 workplaces were helped with practical joint working and partnership building, while in respect of our Training Programme, Acas delivered approximately 2,200 sessions in the year on a variety of employment relations topics. Altogether, Acas traded services brought in over £3.9 million of revenue.

48. Acas dealt with about 960 industrial disputes in 2008-09. In 2008-09, Acas individual conciliators handled around 236,000 new and potential employment tribunal claims and, in the case of tribunal cases, 51% of potential tribunal hearing days were saved in Short-period cases, 69% in Standard period cases and 84% in Open period cases through cases being settled or withdrawn within the conciliation window.

CO

49. The CO has continued to carry out the statutory requirements of those parts of the Trade Union and Labour Relations (Consolidation) Act which encompass: listings; change of name; annual returns; independence; mergers; political fund amendments/approval; financial investigations; election, breach of rules and other complaints and superannuation to the standards set out in the CO's Operational Plan.

50. The CO received a total of 691 enquiries from members raising issues or matters of concern about trade unions. This represents a slight decrease in the number of enquiries compared with last year.

51. The CO issued 24 decisions relating to breaches of trade union rules. No enforcement orders were issued. In addition a further 5 decisions were issued relating to breach of statute complaints. The total number of decisions issued of 29 represents a drop on the number last year of 32.

CAC

52. The CAC received 42 applications from trade unions for statutory recognition under Part I of the Schedule between 1 April 2008 and 31 March 2009. During this period it received one application under Part IV but none under Parts II, III, V and VI. Six complaints were received under the Disclosure of Information provisions and five applications for decisions under the Information and Consultation Regulations. In addition, the Secretariat dealt with the communication of employee requests for Information and Consultation arrangements in respect of four employers. The CAC received one application under the Transnational Information and Consultation of Employees Regulations 1999 but none under the European Public Limited-Liability Company Regulations 2004, the European Co-operative Society Regulations 2006 and the Companies (Cross-Border Mergers) Regulations 2007. The CAC continues to have the power to provide voluntary arbitration in trade disputes but this has not been used for some years.

Relationship with Stakeholders

53. The Service's key stakeholder relationship is with the Department for Business, Enterprise and Regulatory Reform (BERR) and the Service is funded through the Department for Business, Enterprise and Regulatory Reform (BERR) Request for Resources 1 (RfR1), on a programme basis. The Service's relationship with BERR is documented through a Financial Memorandum and Management Statement.

Reporting of Personal Data Related Incidents

54. During 2008-09, there were no incidents of the loss of personal data.

John E Taylor

Accounting Officer Acas
9 July 2009

Remuneration Report

55. Subject to the provisions of the Civil Service Management Code, the Service has delegated authority from the Secretary of State for Business, Enterprise and Regulatory Reform to determine the pay and grading of staff in non Senior Civil Service grades.

56. The Acas Chairman, the Certification Officer, the Chairman of the Central Arbitration Committee (CAC) and the members of the Acas Council, and additionally four Acas staff and one of the CAC staff, who are members of the Senior Civil Service, have their salaries set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- 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 the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at: www.ome.uk.com.

57. The Acas Chairman and the Certification Officer are covered by pension schemes that are, in all respects, identical to the Principal Civil Service Pension Scheme (PCSPS), but reflect that they are not Civil Servants. No pension contributions are made in respect of Acas Council members.

58. The Chairman of the Central Arbitration Committee (Sir Michael Burton) is employed by the Department of Constitutional Affairs which charges for time spent on CAC duties. Members of the CAC Committee (deputy Chairmen and Members) are appointed by the Secretary of State for Business,

Enterprise and Regulatory Reform. Their rates are set by the Department of Constitutional Affairs and are set out below.

59. The PCSPS is an unfunded multi-employer defined benefit scheme but Acas is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

60. For 2008-09, employers' contributions of £4.312 million were payable to the PCSPS (2007-08 £4.105 million) at one of four rates in the range 17.1% to 25.5% (2005-06 16.2% to 24.6%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2008-09 the salary bands will be revised but the rates will remain the same. (The rates will be changing with effect from April 2009.) The contribution rates are set to meet the cost of the benefits accruing during 2007-08 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

61. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £6,141 were paid to one or more of the panel of three appointed stakeholder pension providers. Employers' contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £969, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

62. No contributions were due to the partnership pension providers at the balance sheet date and contributions prepaid at that date were £0.

63. Salaries and allowances payable and pension entitlements of the most senior members of Acas and the Chairs of Acas and the CO in 2008-09, which are subject to audit, were as follows:

	2008-09 Salary, including performance pay (£k) (2007-08 Salary, in Bands of £5k)	Benefits in Kind (rounded to nearest £100)	Real increase in pension at age 60 (£k)	Total accrued pension at age 60 at 31/03/09 and related lump sum (£k)	CETV at 31/03/08* (nearest £k)	CETV at 31/03/09 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Employer contribution to partnership pension account including risk benefit cover (to nearest £100)
Mr E Sweeney (Chair)	70 (30-35)	0	0-2.5	0-5 plus 0-5 (lump sum)	11	33	20	0
Mr D Cockburn (Certification Officer)	72 (65-70)	0	0-2.5	5-10 plus 0-5 (lump sum)	147	180	20	0
Mr JE Taylor (Chief Executive, Acas)	141 (135-140)	0	0-2.5	50-55 plus 160-165 (lump sum)	1,144	1,247	24	0
Mr A Wareing (Director of Delivery)	82 (75-80)	0	0-2.5	15-20 plus 55-60 (lump sum)	292	320	9	0
Mr GS Charles (Chief Executive, CAC)**	52 (75-80)	0	0	0	0	0	0	0
Ms J Dixon (Director of Knowledge)	57 (50-55)	0	0-2.5	15-20 plus 50-55 (lump sum)	238	261	6	0
Ms S Clews (Director of Knowledge)	38	0	0-2.5	15-20 plus 45-50 (lump sum)	216	261	34	0
Ms C Hewitt (Director of Knowledge)	10 (50-55)	0	0-2.5	10-15 plus 40-45 (lump sum)	232	232	(1)	0

* The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

** The Department of Work and Pensions (DWP) have been unable to calculate Mr G Charles' figures, on the grounds of his partial retirement.

Acas Council Members	£s
Annual salary	1,657
Daily rate	168
CAC Deputy Chairmen daily rate	461
CAC Members daily rate	261

Acas Council Members are each entitled to the above annual salary and receive the daily rate for attending on Acas business. The CAC Deputy Chairmen and Members are reimbursed at the daily rate for attending on CAC business.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the Service and thus recorded in these Accounts.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). 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 and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. 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 three years' 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 in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. 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 0.8% 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 and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website: www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total actual service as a civil servant, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of 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.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

John E Taylor

Accounting Officer Acas
9 July 2009

Statement Of The Service's and Accounting Officer's Responsibilities

Under Part VI section 253 subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992 the Secretary of State, with the consent of HM Treasury has directed the Service to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Service's state of affairs at the year end, its operating costs, recognised gains and losses and cash flows for the financial year.

In preparing accounts the Accounting Officer is required to:

- observe the Accounts Direction issued by HM Treasury including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Service will continue in operation.

The Accounting Officer for the Department for Business, Enterprise and Regulatory Reform has designated the Chief Executive of Acas as the Accounting Officer for the Service. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records and safeguarding the Service's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in Managing Public Money.

Statement on Internal Control

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Acas's policies, aims and objectives, whilst safeguarding the public funds and departmental 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 Board and a sub committee of the Acas Council which regularly monitors risk management activities in Acas.

We have quarterly meetings with our sponsor department – the Department of Business, Enterprise and Regulatory Reform (BERR) – both on progress against the BERR objectives to which we are aligned, on specific (Treasury agreed) key performance indicators, and more general keep in touch meetings. In addition we provide BERR with copies of my reports to the Acas Council and regular financial management information.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Acas for the year ended 31 March 2009 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The Acas Board meets regularly to consider the plans and strategic direction of Acas and assesses and monitors key strategic risks within the business planning cycle. The Chair of the Audit Committee provides a report to the Acas Council, concerning internal control and risk management activity

following each meeting and these are copied to the Board for information.

Senior managers and a number of key operators, within both front line and support activities, have received risk awareness and risk management training in previous years and this training has now been embedded. The risk management policy and risk awareness guidance has been updated to incorporate best practice and is on the intranet for all staff.

4. The risk and control framework

The identification and assessment of risk is embedded within the Acas business planning cycle. The Acas Business Plan, local Service Delivery Plans and programme/project plans contain an assessment of the key risks relating to the achievement objectives in each part of Acas's business. These are discussed at the relevant management meetings and mid year monitoring is formally documented. We also have an in-house Programme and Project Management Methodology. The Senior Responsible Owners of key projects (mainly designed to enable Acas to continue to deliver its mission with reduced funding, but also to improve knowledge sharing), have completed and used formal project documentation – which includes the key risks in each project. An online intranet tool is currently being developed to further support the identification, assessment and management of risk within Acas.

Our view on risk appetite is governed by the nature and sensitivity in question and the specific business area. Risk to reputation is one of our priority considerations given the paramount need for us to preserve customer confidence in our impartiality. Our approach to determining and documenting risk appetite in a more formal way is in progress.

Following the Cabinet Office's review of data handling and security, Acas has made some progress in implementing the requirements now expected of it. The IT Director and Senior Information Risk Owner have been working closely with the other members of the senior management team to ensure the requirements and associated guidance issued by Cabinet Office are clearly understood by users and key stakeholders. Acas has been working closely

with other members of the BERR family to further develop its response and embed the requirements that have been communicated by the Cabinet Office across the organisation.

Our risk based approach to management is embedded in:

- the planning process – in Business, Service Delivery, Programme and project plans;
- the Capability Framework;
- our ‘Guiding Principles’; and
- our structure for Board papers.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Specifically, the system of control is reviewed by:

- the Acas Board which meets regularly to consider the plans and strategic direction of Acas;
- full consideration of internal reports by the Acas Audit Committee, and the Chair’s regular reports to Acas Council concerning internal control;
- the Acas Board which receives quarterly updates on the progress made in implementing outstanding Internal Audit recommendations;

- regular reports by Internal Audit, to standards defined in the Government 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. Overall, Internal Audit gave a Satisfactory opinion on the control and governance framework and did not identify any significant control weaknesses;
- reports from Acas Directors on the steps they are taking to manage Acas’s key strategic risk and those within their areas of responsibility;
- the use of external experts, for example recent reviews of procurement, estate management, digital solutions and HR strategy;
- maintenance of an organisation wide risk register; and
- data security procedures are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded. For example, encrypted memory sticks have been issued to all staff.

John E Taylor

Accounting Officer Acas

9 July 2009

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of Acas for the year ended 31 March 2009 under section 253 (4) of the Trade Union and Labour Relations (Consolidation) Act 1992. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of Acas, Accounting Officer and Auditor

Acas and the Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with section 253 (2) of the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Service's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with section 253 (4) of the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions made thereunder.

I report to you whether, in my opinion, the information, which comprises the Directors' Report and Management Commentary, included in the Annual Report to the Accounts is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been

applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if Acas has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Acas's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Acas's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the remaining sections of the Annual Report and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by Acas and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to Acas's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with Section 253(2) of the Trade Union and Labour Relations (Consolidation) Act 1992 and directions made thereunder by the Secretary of State, of the state of Acas's affairs as at 31 March 2009 and of its net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Section 253(2) of the Trade Union and Labour Relations (Consolidation) Act 1992 and Secretary of State directions made thereunder; and
- information, which comprises the Directors' Report and Management Commentary, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS
14 July 2009

Operating Cost Statement

For the year ended 31 March 2009

	Note	£'000	2008-09 £'000	2007-08 £'000
Operating Income				
Income from Operating Activities	2.1	3,987		3,941
			3,987	3,941
Administration Costs				
Staff costs	3.1	(29,376)		(28,229)
Other administration costs	4.1 & 4.2	(20,448)		(19,038)
			(49,824)	(47,267)
Net Operating Expenditure Before Interest on Capital & Exceptional Items			(45,837)	(43,326)
Exceptional Item	4.3		0	(6)
Cost of Capital	5		(55)	23
Net Operating Cost			(45,892)	(43,309)

All activities are continuing operations.

Statement of Recognised Gains and Losses

For the year ended 31 March 2009

	2008-09 £'000	2007-08 £'000
Surplus on revaluation of fixed assets (note 14)	79	190
Recognised gains for the financial year	79	190

The notes on pages 70 to 81 form part of these accounts.

Balance Sheet

As at 31 March 2009

	Note	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	6.1	505		416	
Tangible Assets	6.2	9,694		5,753	
Total Fixed Assets			10,199		6,169
Current Assets					
Stocks	7	8		25	
Debtors	8	2,763		3,189	
Cash at Bank and in Hand	9	0		1,966	
Total Current Assets		2,771		5,180	
Cash at Bank and in Hand	9	(440)		0	
Creditors (amounts due within one year)	10	(3,950)		(3,239)	
Net Current Assets			(1,619)		1,941
Total Assets less Current Liabilities			8,580		8,110
Less Provisions for Liabilities and Charges	12.1		(5,470)		(6,554)
Total Net Assets			3,110		1,556
Represented by Taxpayer's Equity					
General Fund	13		2,670		993
Revaluation Reserve	14		440		563
			3,110		1,556

The notes on pages 70 to 81 form part of these accounts.

These accounts were approved on 9 July 2009.

John E Taylor

Accounting Officer Acas

Cash Flow Statement

For the year ended 31 March 2009

		2008-09	2007-08
	Note	£'000	£'000
Net Cash Outflow from Operating Activities	17	(43,462)	(42,040)
Capital Expenditure	6	(6,256)	(1,614)
Financing – Grant-in-Aid	13	47,312	45,123
Increase in Cash		(2,406)	1,469

The notes on pages 70 to 81 form part of these accounts.

Notes to the Accounts for the Period Ended 31 March 2009

1. Statement of Accounting Policies

1.1. Basis of Preparation

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury as required by the Accounts Direction issued by the Secretary of State for Business, Enterprise and Regulatory Reform. The particular accounting policies adopted by the Service are set out below. They have been applied consistently in dealing with items that are considered material in relation to the accounts. As required by the Accounts Direction, other guidance issued to NDPBs is also taken into account.

1.2. Grants and Grants-in-Aid

Grant-in-Aid and Grant received used to finance activities and expenditure which supports the statutory and other objectives of the entity are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

Grant relating to capital expenditure used to acquire specific capital items is credited to a government grant reserve. It is released to expenditure over the expected useful life of the asset it has been used to acquire and an equal amount transferred from the government grant reserve is released to income.

1.3. Accounting Convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of fixed assets.

1.4. Group Members

The financial statements cover the activities of Acas, the Certification Office (CO) and the Central Arbitration Committee (CAC).

1.5. Fixed Assets

Fixed assets consisting of furniture, fixtures and fittings, IT and telecoms equipment, office machinery and improvements to leasehold properties are stated at cost or valuation less accumulated depreciation. Minor items of the above are expensed in the year of purchase.

Fixed assets are revalued using relevant published indices. Upward revaluation is transferred to the Revaluation Reserve. Downward revaluation is charged to the Operating Cost Statement.

Intangible fixed assets consist of software licences that are capitalised, revalued using relevant published indices, and depreciated throughout the life of the licence. All intangible software is purchased.

1.6. Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Furniture, fixtures and fittings	7 years
Office machinery	5 years
Computer equipment	5 years
Leasehold improvements	Life of lease
Software Licences	Life of agreement

1.7. Development Expenditure

The only development expenditure the Service has is in relation to chargeable publications. This does not meet the SSAP 13 criteria for capitalisation and therefore is expensed in year.

1.8. Operating Income

The Service receives income from a variety of operations and this is credited to other operating income net of VAT (see note 2.1).

1.9. Cost of Capital Charge

In accordance with Treasury guidance notional interest is charged to the Operating Cost Statement at 3.5%.

1.10. Pensions

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

In addition the Service has to meet the pension benefits for three former Chairs of Acas, the current Chair, and one former Chairman of the CAC. The costs of these benefits are met from the annual Grant-in-Aid and are disclosed in the staff costs note. A provision for the expected costs of future benefits has been established.

1.11. VAT

The Service maintains its own registration for VAT and is partially exempt. Expenditure is shown gross where the VAT element is not allowable for recovery. Outstanding recoverable VAT is shown under Debtors.

1.12. Operating Leases

Rentals payable under operating leases for both buildings and other equipment are charged to the Operating Cost Statement on a straight line basis over the term of the lease.

1.13. Stocks

Stocks are valued at the lower of current replacement cost or net realisable value.

2. Operating Income

2.1 Income from Operating Activities

The Service charges fees for some services carried out and sale of publications relating to its work for the public.

	2008-09			2007-08		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Receipts from fees	3,884	15	3,899	3,628	13	3,641
Sale of publications etc	34	0	34	55	0	55
Other receipts	54	0	54	245	0	245
	3,972	15	3,987	3,928	13	3,941

The CAC has no Operating Income.

3. Staff

3.1 Staff Numbers and Costs

(a) Average number of persons employed during the period was as follows:

	Permanently Employed	Others	2008-09		2007-08	
			Ministers	Special Advisors	Total	Total
Acas National	164	13	0	0	177	133
Regional Offices	551	31	0	0	582	595
Certification Office	10	0	0	0	10	10
Central Arbitration Committee	9	2	0	0	11	11
Total	734	46	0	0	780	749

(b) The aggregate payroll costs of these persons were as follows:

Acas	2008-09			2007-08	
	Permanently Employed £'000	Others £'000	Total £'000	Total £'000	Total £'000
Wages and salaries	20,656	1,754	22,410	21,647	21,647
Social security costs	1,573	140	1,713	1,614	1,614
Other pensions costs	4,002	158	4,160	3,956	3,956
Sub total	26,231	2,052	28,283	27,217	27,217
Less recoveries in respect of outward secondments	0	0	0	(66)	(66)
Total Net Costs	26,231	2,052	28,283	27,151	27,151

CO & CAC	2008-09			2007-08
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	810	57	867	860
Social security costs	62	5	67	69
Other pensions costs	154	5	159	149
Sub total	1,026	67	1,093	1,078
Less recoveries in respect of outward secondments	0	0	0	0
Total Net Costs	1,026	67	1,093	1,078

Total Acas, CO & CAC	2008-09			2007-08
	Permanently Employed	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	21,466	1,811	23,277	22,507
Social security costs	1,635	145	1,780	1,683
Other pensions costs	4,156	163	4,319	4,105
Sub total	27,257	2,119	29,376	28,295
Less recoveries in respect of outward secondments	0	0	0	(66)
Total Net Costs	27,257	2,119	29,376	28,229

3.2 Pensions and Early Retirement

	Note	2008-09			2007-08		
		Current Year	Future Years	Total	Current Year	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Costs met by Acas:							
In year expenditure	12.1	1,314	0	1,314	1,502	0	1,502
Provisions for future years		0	0	0	0	30	30
		1,314	0	1,314	1,502	30	1,532

4. Other Administration Costs

4.1 Administration Costs

	2008-09			2007-08		
	Acas £'000	CO/CAC £'000	Total £'000	Acas £'000	CO/CAC £'000	Total £'000
Accommodation costs	6,907	180	7,087	7,047	166	7,213
Travelling and incidental expenses	1,820	13	1,833	1,446	10	1,456
Fees and expenses of arbitrators, conciliators and CAC members	29	13	42	65	15	80
General administration costs	6,186	33	6,219	5,780	36	5,816
Services provided by Other						
Government Departments	37	0	37	72	0	72
External audit fees	40	0	40	32	0	32
Staff training costs	655	4	659	563	3	566
Publications, publicity and research and development costs	1,763	4	1,767	1,976	5	1,981
Conference costs	87	15	102	57	20	77
Legal costs	72	6	78	84	45	129
Bad debts	10	0	10	2	0	2
	17,606	268	17,874	17,124	300	17,424

The breakdown of CO and CAC administration costs for the current year is £150k (CO), £118k (CAC).

The breakdown of their net expenditure for the current year is £662k (CO), £684k (CAC).

Amounts included under accommodation costs relating to operating leases was £3,222k in 2008-09 (2007-08, £3,553k)

4.2 Non Cash Costs

	2008-09	2007-08
	£'000	£'000
Depreciation	2,238	1,407
Loss on disposal of fixed assets	19	23
Loss on revaluation	48	53
Net Provisions for liabilities and charges – Former Chair Pensions	0	30
Net Provisions for liabilities and charges – Dilapidations	219	(16)
Unwinding of discount on provisions	50	117
	2,574	1,614

4.3 Exceptional Costs

	2008-09	2007-08
	£'000	£'000
In year cash expenditure – Buyout of Stage Mileage	0	6
	0	6

*The buy-out of Stage Mileage refers to the compensation paid to staff in respect of the removal of part of their Terms and Conditions

5. Cost of Capital Charge

A notional charge is calculated on the Treasury formula (based on a current rate of 3.5% per annum of capital employed). The charge is based on the average opening and closing balances.

	2008-09	2007-08
	£'000	£'000
(Charge)/credit for year	(55)	23

6. Fixed Assets

6.1 Intangible Fixed Assets

	Software Licences
	£'000
Cost or Valuation	
At 1 April 2008	1,764
Additions	308
Disposals	0
Revaluation	(23)
At 31 March 2009	2,049
Depreciation	
At 1 April 2008	1,348
Charge in Year	207
Disposals	0
Revaluation	(11)
At 31 March 2009	1,544
Net Book Value at 31 March 2009	505
Net Book Value at 31 March 2008	416

6.2 Tangible Fixed Assets

	Assets Under Construction	Leasehold Improvements	Computer Hardware, Telecoms & Office Mach.	Furniture Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2008	1,540	9,049	4,374	1,883	16,846
Additions	2,621	2,260	915	152	5,948
Disposals	0	(13)	(124)	(242)	(379)
Revaluations	0	475	(-41)	16	451
At 31 March 2009	4,161	11,771	5,124	1,809	22,865
Depreciation					
At 1 April 2008	0	6,949	2,654	1,490	11,093
Charge in year	0	1,217	695	119	2,031
Disposals	0	(11)	(118)	(231)	(360)
Revaluations	0	413	(14)	8	407
At 31 March 2009	0	8,568	3,218	1,386	13,172
Net Book Value at 31 March 2009	4,161	3,203	1,907	423	9,694
Net Book Value at 31 March 2008	1,540	2,100	1,720	393	5,753

During the year the Tribunal Service purchased assets on behalf of Acas totalling £2,515k. This was financed out of Acas's Grant-in-Aid. These are disclosed as 'Assets Under Construction' as they are not yet operational. The assets were transferred to Acas during the year and form part of joint ETS / Acas Caseflow system.

7. Stock

Stock consists of chargeable publications in various media forms and are valued at a current replacement cost basis.

	2008-09 £'000	2007-08 £'000
Closing stock	8	25

8. Debtors

	2008-09	2007-08
	£'000	£'000
Amounts falling due within one year:		
VAT debtor	238	278
Deposits and advances (staff)	64	74
Other debtors	663	624
Prepayments	1,757	2,167
	2,722	3,143
Amounts falling due after more than one year:		
Deposits and advances (staff)	41	46
	2,763	3,189

9. Cash at Bank and in Hand

	2008-09	2007-08
	£'000	£'000
Balance at 1 April	1,966	497
Net cash inflow	(2,406)	1,469
Balance at 31 March	(440)	1,966
The following balances at 31 March are held at:		
Office of Paymaster General	(440)	1,966
	(440)	1,966

10. Creditors Amounts Falling Due within One Year

	2008-09	2007-08
	£'000	£'000
Sundry creditors*	1,352	1,439
Accruals	2,159	1,561
Deferred income	439	239
	3,950	3,239

* Included in the sundry creditors figure is a balance of £1,074k (2007-08 £963k) which represents third party payroll deductions e.g. PAYE/NIC.

11. Movements in Working Capital other than Cash

	2008-09	2007-08
	£'000	£'000
Decrease in stock	17	10
Decrease in debtors	426	664
Increase in creditors	711	700
	1,154	1,374

12. Provisions and Contingent Liabilities

12.1 Provisions for Liabilities and Charges

	* Future Pensions £'000	**VER Scheme £'000	***Dilapidations £'000	Total £'000
Opening Provisions at 1 April 2008	280	4,897	1,377	6,554
<i>In period:</i>				
Expenditure during year	(25)	(1,289)	(39)	(1,353)
Increase in provisions	0	0	268	268
Reversed unused in the year	0	0	(49)	(44)
Unwinding of discount	0	50	0	50
Closing Provision at 31 March 2009	255	3,658	1,557	5,470
	* Future Pensions £'000	**VER Scheme £'000	***Dilapidations £'000	Total £'000
Summary of Cashflow Timings				
Within 1 Year	25	1,009	639	1,673
Between 2 and 5 Years	99	2,361	631	3,091
Beyond 5 Years	131	288	287	706
Total	255	3,658	1,557	5,470

* Provision for future years' pensions for former Chair persons.

** This covers the cost of the Voluntary Early Retirement schemes.

*** This covers dilapidations to Leasehold Properties where negotiations with Landlords are ongoing.

12.2 Contingent Liabilities

There were two personal injury cases and three Employment Tribunal cases against Acas pending at the year end. The estimated costs if Acas was found liable would not exceed £30,000.

13. Reconciliation of Net Operating Cost to Changes in the General Fund

	2008-09	2007-08
	£'000	£'000
Net Operating Cost	(45,892)	(43,309)
Grant-in-Aid – received towards Operating expenditure	41,056	43,509
Grant-in-Aid – received towards Fixed Asset expenditure	6,256	1,614
Transfer to General Fund of realised element of revaluation reserve	202	30
Revaluation during year	0	6
Non Cash Charges: Cost of Capital	55	(23)
Net Decrease in General Fund	1,677	1,827
General Fund at 1 April	993	(834)
General Fund at 31 March	2,670	993

14. Revaluation Reserve

		2008-09	2007-08
	Note	£'000	£'000
Balance at 1 April		563	409
Revaluation during year	6	79	184
Transfer to General Fund of realised element of revaluation reserve	13	(202)	(30)
Balance at 31 March		440	563

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

15. Capital Commitments

There were no material capital commitments at 31 March 2009.

16. Commitments under Operating Leases

	2008-09		2007-08	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
At 31 March 2009 the Service was committed to making the following payments during the next year in respect of operating leases expiring:				
Within 1 Year	625	22	7	22
Between 2 and 5 Years	719	71	224	85
Beyond 5 years	1,878	5	3,322	0
	3,222	98	3,553	107

17. Reconciliation of Operating Cost to Operating Cash Flows

	Note	2008-09 £'000	2007-08 £'000
Net Operating Cost	OCS	(45,892)	(43,309)
Adjust for Movements in Working Capital other than Cash	11	1,154	1,374
Adjust for cash utilisation of provisions	12.1	(1,353)	(1,696)
Adjust for non-cash transactions	4.2, 4.3 & 5	2,629	1,591
Net Cash Outflow from Operating Activities		(43,462)	(42,040)
Analysis of Capital Expenditure			
a) Payments to acquire intangible fixed assets	6	(308)	(170)
b) Payments to acquire tangible fixed assets	6	(5,948)	(1,444)
Total Capital Expenditure		(6,256)	(1,614)

18. Related Party Transactions

Acas is a Non Departmental Public Body sponsored by the Department for Business, Enterprise and Regulatory Reform.

During the year Acas has had various material transactions with Government Departments including legal and internal audit services. In addition, the Service has had various material transactions with Other Government Departments and other central government bodies.

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

19. Financial Instruments

As the cash requirements of Acas are met through Grant-in-Aid provided by BERR, 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 the Acas's expected purchase and usage requirements and Acas is therefore exposed to little credit, liquidity or market risk.

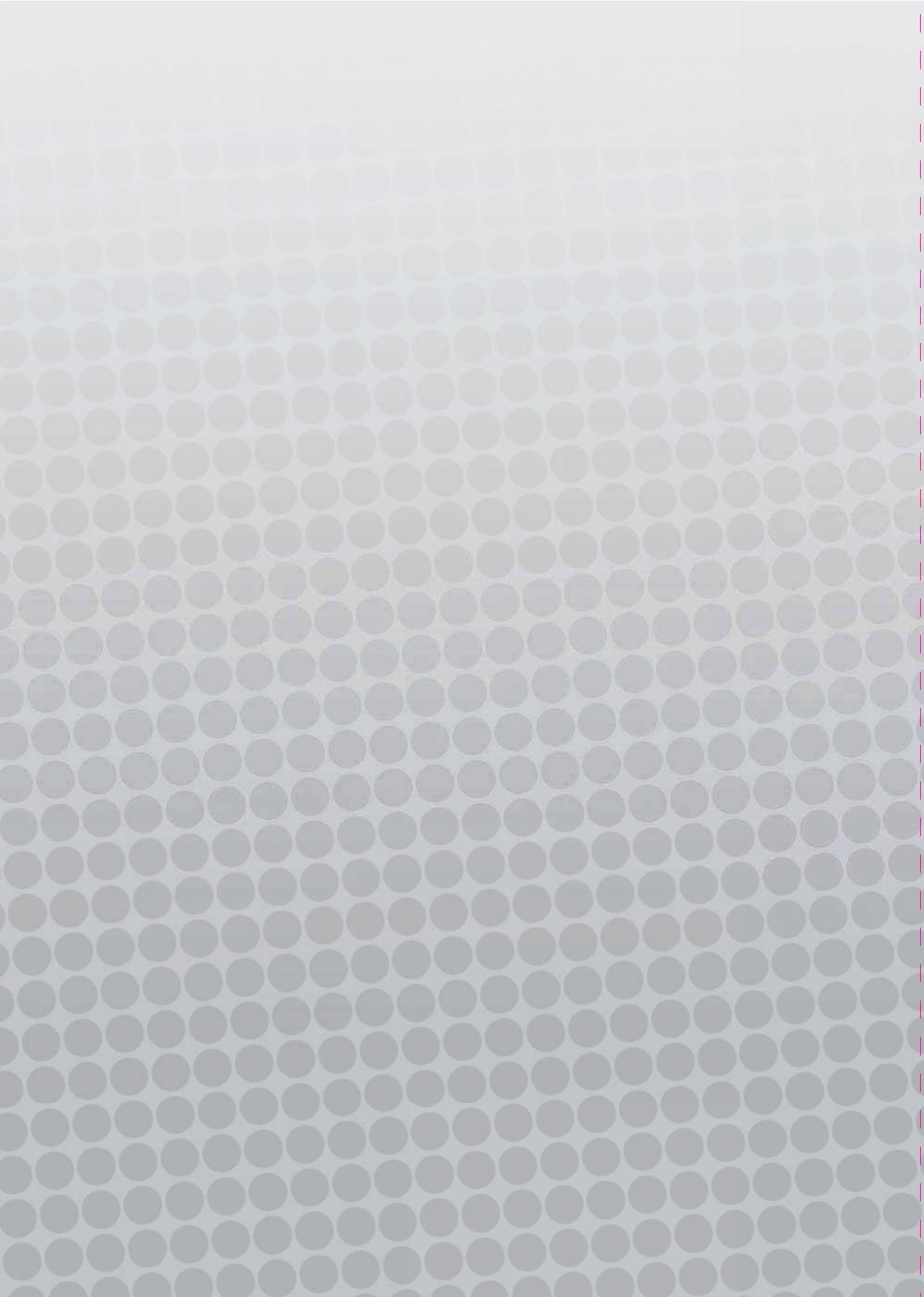
20. Intra-Government Balances

	Debtors: amounts falling due within one year £'000	Debtors: amounts falling due after more than one year £'000	Creditors: amounts falling due within one year £'000
Balances with other central government bodies	377	0	80
Balances with local authorities	272	0	30
Balances with NHS Trusts	148	0	20
Balances with public corporations and trading funds	97	0	5
Balances with bodies external to government	1,828	41	3,815
Total as at 31 March 2009	2,722	41	3,950
Balances with other central government bodies	445	0	1,302
Balances with local authorities	725	0	46
Balances with NHS Trusts	116	0	47
Balances with public corporations and trading funds	18	0	1
Balances with bodies external to government	1,839	46	1,843
Total as at 31 March 2008	3,143	46	3,239

21. Post Balance Sheet Events

On 5 June 2009, the Government announced the creation of a new Department for Business, Innovation and Skills (BIS) whose key role will be to build Britain's capabilities to compete in the global economy. The Department was created by merging the Department for Business, Enterprise and Regulatory Reform (BERR) and Department for Innovation, Universities and Skills (DIUS). From this date, BIS will take over the work previously undertaken by BERR.

The financial statements were authorised for issue by the Accounting Officer (John Taylor) on 14 July 2009.





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