ACAS RESPONSE TO SETTLEMENT AGREEMENTS CONSULTATION

The Acas Council notes with interest the government’s recent consultation document on ending the employment relationship. The Council was particularly interested to note the government’s ideas on the sort of guidance that might support the new settlement agreements and what issues the guidance might cover. These ideas, and of course the public’s responses to them, will be particularly helpful to us as we begin drafting our own code on settlement agreements over the coming months.

Given that we will be producing a code and will be consulting publicly on it in due course, the Council does not feel it would be appropriate to make any comment at this stage on the detail of what the guidance on settlement agreements might contain. But, the Council would like to offer a general thought on settlement agreements.

The Council recognises that the facility for a swift and dignified way of drawing an individual’s employment to a close on confidential terms can be useful in certain situations. However, we would be concerned if organisations began to use or view settlement agreements as the default method for resolving difficult employment relations issues. Settlement agreements have an important role to play but they should not replace good day to day management which is the cornerstone of all successful organisations.

Kind regards.

Yours sincerely

John Taylor