

# **Acas Framework Document 2022 to 2025**

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22 July 2022



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# Introduction and Background

## 1. Purpose of document

- 1.1. This Framework Document (the Framework Document) has been agreed between the Department for Business, Energy, and Industrial Strategy (BEIS) and the Advisory, Conciliation and Arbitration Service (Acas) in accordance with HM Treasury's handbook 'Managing Public Money' (MPM) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The Framework Document sets out the broad governance framework within which Acas and BEIS operate. It sets out Acas' core responsibilities; describes the governance and accountability framework that applies between the roles of BEIS, Acas, and other parties as relevant; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities, but both parties agree to operate within its terms.
- 1.4. References to Acas include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If Acas establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and Acas and agreed with BEIS.
- 1.5. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the Acas' website<sup>1</sup>.
- 1.6. This Framework document should be reviewed and updated at least every three years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor department. The latest date for review and updating of this document is 21 July 2025.

## 2. Objectives

- 2.1. BEIS and Acas share the common objective of improving employment and industrial relations. To achieve this, Acas and BEIS will work together in recognition of each other's roles and areas of expertise, providing an effective environment for Acas to achieve its objectives through the promotion of partnership and trust and ensuring that Acas also supports the strategic aims and objectives of BEIS and wider government.

## 3. Classification

- 3.1. Acas has been classified as independent Crown Executive Non-Departmental Public Body (NDPB) by the ONS/HM Treasury Classifications team.
- 3.2. It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body.

# Purpose, Power and Duties, Services

## 4. Purpose

- 4.1. Acas was established under the Employment Protection Act 1975 and continues to be in existence under the Trade Union and Labour Relations (Consolidation) Act 1992 Section 209.<sup>2</sup>

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<sup>1</sup> <https://www.acas.org.uk/>

<sup>2</sup> <https://www.legislation.gov.uk/functions-of-acas>

- 4.2. Acas has a general duty, set out in the Trade Union and Labour Relations (Consolidation) Act 1992 (209, 247 - 265,) to promote the improvement of industrial relations. It fulfils this role through the powers and duties detailed in section 5.
- 4.3. Acas' statutory role is reflected in its stated purpose which is to make working life better for everyone in Britain. It does this by improving employee relations, promoting good employment practice, and resolving workplace disputes through the delivery of high quality, impartial and independent services.
- 4.4. Acas Head Office is situated at Windsor House, 50 Victoria Street, London, SW1H 0TL. A Chief Executive chairs the Executive Board. Directors are responsible for delivery of Acas services across England, Scotland, and Wales.
- 4.5. The overall responsibility for the governance of Acas rests with the Acas Council, a statutory body that was established for this purpose. The Council is established in accordance with the terms of Trade Union and Labour Relations (Consolidation) Act 1992. It is wholly non-executive and consists of members drawn equally from employer and worker representative groups and from a third group of independent individuals.
- 4.6. Quoracy of Council is determined by Council under the terms of the Act. It is the responsibility of BEIS to ensure the timely supply of Council members so that quoracy can be maintained and that the chair is assisted in their determination of membership, succession planning and viability of the Council.
- 4.7. Acas is sponsored, and largely funded, by the Department for Business, Energy, and Industrial Strategy (BEIS). Its operating budget is comprised of Grant in Aid (GIA) from BEIS, and income generated by Acas on a fully cost recovered basis, through the provision of a range of charged for services, including training and business support.
- 4.8. The funding provided to Acas includes an allocation to fund the activities of the Certification Officer (CO) and the Central Arbitration Committee (CAC), both of which have specific statutory responsibilities under the Trade Union and Labour Relations (Consolidation) Act 1992. The relationships between BEIS, Acas and the CO and CAC are governed by tripartite Memoranda of Understanding (MoU). Copies of the MoU between BEIS, Acas, and the CAC, and the MoU between BEIS, Acas, and the CO are available upon request.
- 4.9. Acas' business is driven by its strategy, 'Making Working Life Better for Everyone in Britain, The Acas Strategy for 2021 to 2025, containing four ambitions:
- **Growing Acas' reach and access** – by 2025, Acas will have reached twice as many small and medium sized businesses, and twice as many employees. In doing so, Acas will have prioritised sectors where issues are more prevalent and union representation is low, and Acas will have reached customers all over the country
  - **Resolving disputes more quickly and effectively** – by 2025, Acas will be resolving three out of four disputes before they reach a costly employment tribunal, as a result of earlier and more effective conciliation and a fuller understanding of all the possible paths to resolution
  - **Forging consensus on the future of work** – by 2025, Acas will have new approaches to predict and respond to challenges in the world of work, working with partners to shape a better future. Acas will share knowledge, data, and insight to help build healthy work and prosperity for people, places, and society

- **Embracing difference, increasing inclusion, creating fairness** – by 2025, creating fair and inclusive workplaces will be at the heart everything Acas do. Acas' services will be inclusive and accessible to all. Acas will be promoting diversity and inclusion in Britain's workplaces, and their own will reflect the values and diversity of modern Britain

## 5. Powers and Duties

- 5.1. Acas' powers and duties stem primarily from sections 248, 249, 250, and 251 of the Trade Union and Labour Relations (Consolidation) Act 1992. Acas' general duty is to promote the improvement of industrial relations.
- 5.2. Those powers and duties include:
  - offering conciliation in collective employment disputes ('trade disputes') with a view to bringing about a settlement
  - providing conciliation and early conciliation services in actual and potential Employment Tribunal cases
  - providing general advice and guidance on industrial relations matters
  - preparing Codes of Practice on good industrial relations practice
  - duties in relation to arbitration and to inquiries, as further detailed in Trade Union and Labour Relations (Consolidation) Act 1992

## 6. Services

- 6.1. Acas currently fulfils its purpose through three categories of activity:
  - conciliation
  - advice and information
  - influencing employment policy and practice in GB
- 6.2. These services include but are not limited to:
  - Conciliation**
    - Individual conciliation, including early conciliation, post claim conciliation and employer led conciliation
    - Collective conciliation
    - Arbitration
    - Mediation
  - Advice and Information Services**
    - Workplace guidance, advice, and information, promoting good practice and advice on rights to employers and employees and workers. These services are delivered through a range of channels including digital, face to face and telephone services.
  - Influencing GB Employee Relations Agenda**
    - Acas influences employment relations issues at a strategic level, pursuant to its general duty to improve industrial relations. It promotes the development of fresh thinking on macro employment issues, with participation from across social partners including representatives drawn from private, public, and voluntary sectors, and from education and research.
- 6.3. Further information on Acas and the services that it provides can be found at Acas' website <sup>3</sup>.

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<sup>3</sup> [www.acas.org.uk](http://www.acas.org.uk)



# Role of the department

## 7. The Responsible Minister

7.1. The Secretary of State for BEIS will account for Acas on all matters concerning Acas in Parliament. Acas will provide such information as BEIS may reasonably require, enabling the Policy Sponsor to ensure that Ministers have sufficient oversight of Acas. In practice, the Secretary of State empowers a relevant BEIS minister (“The Minister”) to act on their behalf. The Parliamentary Under-Secretary of State for Small Business, Consumers and Labour Markets currently has that responsibility.

7.2. The Minister’s role includes:

- setting Acas' budget and agreeing associated performance indicators in the light of the Department’s wider strategic aims and priorities
- agreeing strategic decisions that affect the long-term viability and sustainability of Acas, in the light of wider BEIS and government strategies
- appointing the Chair of the Acas Council and Council members

7.3. Through the exercise of these powers the Minister:

- is responsible for the policy framework within which Acas operates
- provides guidance and direction to ensure the strategic aims and objectives of Acas are consistent with those of the department and government
- has a power of appointment in relation to the appointment of the Acas Chair in line with the Governance Code on Public Appointments, and will execute that power in a timely manner
- has a power of appointment in relation to ordinary council members; [in line with the Governance Code on Public Appointments]; and
- will be consulted in relation to the appointment of the Acas Chief Executive in line with the Civil Service Recruitment Principles<sup>4</sup>

## 8. The Principal Accounting Officer (PAO)

8.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of BEIS.

## 9. Sponsor department’s accounting officer’s specific accountabilities and responsibilities as Principal Accounting Officer

9.1. The Principal Accounting Officer (PAO) of BEIS designates the Chief Executive as Acas' Accounting Officer and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities.

9.2. The respective responsibilities of the PAO and Accounting Officers for ALBs are set out in Chapter 3 of ‘Managing Public Money’.

9.3. The PAO is accountable to Parliament for the issue of any grant-in-aid to Acas. The PAO retains overall responsibility to Parliament for the organisation and quality of management, use of public money and stewardship of assets for BEIS as a whole; including within its arm’s length bodies such as Acas.

9.4. The PAO is also responsible, usually via the sponsorship team, for advising the Responsible Minister on:

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<sup>4</sup> <http://civilservicecommission.independent.gov.uk/civil-service-recruitment/>

- an appropriate framework of objectives and targets for Acas in the light of the department's wider strategic aims and priorities
  - an appropriate budget for Acas in the light of BEIS' overall public expenditure priorities
  - how well Acas is achieving its strategic objectives and whether it is delivering value for money
  - the exercise of the Ministers' statutory responsibilities concerning Acas, as outlined above
- 9.5.** The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:
- monitor Acas' activities and performance
  - address significant problems in Acas, making such interventions as are judged necessary
  - periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and Acas' objectives and activities in line with the wider departmental risk assessment process
  - inform Acas of relevant government policy in a timely manner
  - bring Ministerial or departmental concerns about the activities of Acas to the full Acas Council, and, as appropriate to the departmental board requiring explanations and assurances that appropriate action has been taken

## **10. The role of the Sponsorship team**

- 10.1.** The sponsor team in the department is the primary contact for Acas. The responsible Senior Civil Servant for this relationship is the Labour Market Deputy Director. They are the main source of advice to the Responsible Minister on the discharge of their responsibilities in respect of Acas. They also support the PAO on their responsibilities towards Acas.
- 10.2.** Officials of the sponsor team in department will liaise regularly with Acas officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The Labour Market sponsor and policy teams will also take the opportunity to explain wider policy developments that might have an impact on Acas.
- 10.3.** BEIS and Acas will have an open and honest, trust-based partnership supported by the principles set out in the Partnerships between Departments and ALBs: Code of Good Practice. As such, both parties will ensure that they clearly understand the strategic aims and objectives of their partners. Both partners will also commit to keeping each other informed of any significant issues and concerns.
- 10.4.** The Policy Sponsor provides an important link between Acas, the PAO, and the Minister. The Policy Sponsor will, in the main, fulfil their core functions and responsibilities through periodic meetings with the Acas Chief Executive and Chair (as appropriate). Day-to-day interactions between the Sponsor and Acas will be through an Acas Director.
- 10.5.** At high level, working closely with the Chief Executive and with input from the Chair as appropriate, the Policy Sponsor is responsible for:
- advising the Minister on the strategic direction of Acas in the context of wider Departmental or cross-government objectives
  - defining the strategic context for Acas and overarching financial and operational controls in the light of wider BEIS or cross-government priorities
  - ensuring that Acas' strategic direction is consistent with that of BEIS
  - assuring themselves that Acas is effectively supporting the delivery of Departmental objectives where relevant, and is abreast of relevant government and departmental policy or plans

- satisfying themselves that robust arrangements are in place for governance, continuous improvement, efficiencies identification, appointment of members of the Acas Council, and reviewing Acas' risk profile to BEIS. This includes regular scrutiny of performance against strategy, plans and associated targets, and providing mechanisms for dialogue on issues or matters of mutual concern
  - allocating and monitoring the use of Departmental resource against Acas' objectives and making sure that Acas has the delegations and authorities necessary for effective delivery and continuous improvement
  - assisting the Chair in the recruitment of the Chief Executive
  - helping to address significant issues in Acas, providing support and making such interventions as are judged necessary
  - informing Acas of relevant government policy in a timely manner
  - reviewing and updating the Framework Document
  - the Corporate Governance Sponsors in the BEIS Partnerships Team will work with the policy sponsor on wider cross-cutting governance issues including public appointments; tailored reviews; risk assurance; classifications and delegations; wider public bodies reform with Cabinet Office; and the ongoing transformation of BEIS and /Partner Organisation ways of working
  - as appropriate, bringing any significant issues related to Acas to the full BEIS Executive committee, and the Departmental Board, having required explanations and assurances that appropriate action has been taken
- 10.6.** In addition to Ministerial and Sponsor meetings with the Chief Executive and Chair of Acas, BEIS feeds into Acas' strategic planning cycle through sharing of the BEIS objectives and commenting on Acas strategic plans. In addition to its strategic plan Acas produces an annual business plan which is published and the BEIS sponsor team reviews progress against the Acas objectives with the Acas CEO. Acas also supplies BEIS with its quarterly balanced scorecard which reports achievements against KPIs. Acas refreshes its KPIs and scorecard on an annual basis and consults BEIS as part of this process. BEIS Ministers are ultimately accountable to Parliament for Acas' performance.
- 10.7.** There is a shared responsibility between BEIS and Acas for ensuring a healthy relationship and satisfactory senior level dialogue across the various interfaces. As well as the primary links described above, this includes ensuring effective links between executives, in functional areas such as finance and human resources, and in relevant policy areas.
- 10.8.** The Deputy Director of Labour Markets Directorate in BEIS is the primary contact for Acas. The Directorate are the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of Acas; amongst others they also support the PAO on their responsibilities toward Acas.
- 10.9.** In addition to routine and policy lead contact between BEIS and Acas, meetings will take place between:
- Director of Labour Markets Directorate "The Sponsor" and Acas Chief Executive
  - quarterly strategic keep in touch (KIT) meetings attended by senior officials in BEIS Labour Markets Directorate and Acas
  - monthly KIT meetings between BEIS Labour Markets Sponsor team and Acas Planning, Performance and Governance (PPG) team.

## **11. Resolution of disputes between Acas and BEIS**

**11.1.** Any disputes between BEIS and Acas will be resolved in as timely a manner as possible. BEIS and Acas will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

## **12. Freedom of Information requests**

**12.1.** Where a request for information is received by either party under the Freedom of Information Act (FOIA), 2000 or the Data Protection Act (DPA) 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

**12.2.** The Responsible Minister has authorised the Acas Chief Executive, or deputy in their absence, to be the 'qualified person' for the purposes of Section 36 of the FOIA. This power may not be delegated to any other persons.

## **13. Data security**

**13.1.** Acas must ensure that any personal data is gathered and handled in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, and policies and procedures adopted by BEIS. Particular care must be taken to ensure that personal data is not disclosed inappropriately (for example, insecurely or to any persons not authorised to see the data).

**13.2.** Staff must also ensure that they handle data in accordance with relevant Information Charters (also known as the Public Service Guarantee on Data Handling). Acas will have an Information Risk Policy which sets out the framework and appropriate procedures for managing information risk.

**13.3.** Acas will manage official records as required by the Public Records Act (PRA) and will also comply with the Re-use of Public Sector Information Regulations (RPSIR).

## **14. Public comments and complaints**

**14.1.** Acas will handle comments, suggestions, and complaints in accordance with a clear procedure which is publicly accessible under the Government's Customer Service Excellence standard.

## **15. Reporting on legal risk and litigation**

**15.1.** Acas shall provide a quarterly update to the Sponsor on the existence of any active litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Sponsor in a timely manner.

**15.2.** In respect of each substantial piece of litigation involving Acas, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the Sponsor in an appropriate and timely manner
- legally privileged documents and information are clearly marked as such

- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
- circulation of privileged information within government occurs only as necessary.

# Acas Governance and Structure

## 16. Governance and Accountability

- 16.1.** Acas shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 16.2.** In particular (but without limitation), Acas should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
  - comply with Managing Public Money
  - in line with Managing Public Money, have regard to the relevant Functional Standards<sup>5</sup> as appropriate and in particular, those concerning Finance, Commercial and Counter Fraud
  - consider the Codes of Good Practice and guidance set out in Appendix 2 of this Framework Document, as they apply to Arm's Length Bodies.
- 16.3.** In line with 'Managing Public Money' Annex 3.1, Acas shall provide an account of corporate governance in its annual governance statement, including the Council's assessment of its compliance with the Code with explanations of any material departures. To the extent that Acas does intend to materially depart from the Code, the Sponsor should be notified in advance and their agreement sought to this approach.

## 17. The Chief Executive Appointment

- 17.1.** The Chief Executive of Acas is a Senior Civil Servant, employed by Acas, with the active involvement of the Department and the Chair of the Acas Council. The Chief Executive is always subject to the prevailing rules that govern the conduct of Civil Servants or that determine the propriety of action which Civil Servants may take, including the Civil Service Code and any central guidance from BEIS or wider Government that may from time to time be given to Partner Organisations.
- 17.2.** The terms of appointment to the Civil Service as set out in the Constitutional Reform and Governance Act 2010 apply. The competition needs to be run in line with the Civil Service Recruitment Principles<sup>6</sup>.
- 17.3.** Terms of that appointment, including salary and/or non-consolidated performance related payments are determined by BEIS, in accordance with public sector pay policy. Reviews of salary and non-consolidated pay reflects Civil Service SCS pay reviews and are carried out by Acas' Remuneration Committee.
- 17.4.** The Chief Executive appoints Executive Directors. Due process will be followed for any Senior Civil Service appointments.

## 18. Responsibilities of Acas' Chief Executive as Accounting Officer

- 18.1.** The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of Acas. In

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<sup>5</sup> <https://www.gov.uk/government/collections/functional-standards>

<sup>6</sup> <http://civilservicecommission.independent.gov.uk/civil-service-recruitment/>

addition, they should ensure that Acas as a whole, is run based on the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of 'Managing Public Money'. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of the Sponsor Department.

**18.2.** Acting within the authority of the minister(s) to whom they are responsible, the accounting officer should ensure that Acas operates effectively and to a high standard of probity. Acas should:

**Governance**

- have a governance structure which transmits, delegates, implements, and enforces decisions
- have trustworthy internal controls to safeguard, channel and record resources as intended
- work cooperatively with partners in the public interest
- operate with propriety and regularity in all its transactions
- treat its customers and business counterparties fairly, honestly and with integrity
- offer appropriate redress for failure to meet agreed customer standards
- give timely, transparent, and realistic accounts of its business and decisions, underpinning public confidence

**Decision-making**

- support its ministers with clear, 'well reasoned', timely and impartial advice
- make all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation
- take a balanced view of the organisation's approach to managing opportunity and risk
- impose no more than proportionate and defensible burdens on business

**Financial Management**

- use its resources efficiently, economically, and effectively, avoiding waste and extravagance
- plan to use its resources on an affordable and sustainable path, within agreed limits
- carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and generally seeking good value for the Exchequer as a whole
- use management information systems to gain assurance about value for money and the quality of delivery and so make timely adjustments
- avoid over defining detail and imposing undue compliance costs, either internally or on its customers and stakeholders
- have practical documented arrangements for controlling or working in partnership with other organisations, as appropriate
- use internal and external audit to improve its internal controls and performance

**18.3.** In addition, they should ensure that Acas as a whole, is accountable to Parliament for the organisation and quality of management in Acas, including its use of public money and stewardship of its assets. The Chief Executive is responsible for ensuring that:

- Acas' activities and services are consistent with BEIS and wider Government objectives (without impinging on Acas' independent status)
- Acas is managed in accordance with this Framework Document, their delegated authority, 'Managing Public Money' and other instructions and guidance issued from time to time by the Department, the Treasury, and the Cabinet Office
- the timely production of data required by BEIS for in-year monitoring of its accounts

#### 18.4. The Chief Executive:

- is supported and challenged by the Acas Council and works closely with the Chair to ensure effective governance
- within the limits of their assigned authority, has the responsibility for making such changes to the organisation as they consider necessary to maintain and improve the operating efficiency and overall performance of Acas
- will appoint an appropriately qualified Finance Director to carry prime responsibility for strategic financial planning, and the day-to-day management of Acas' finances, accounting, and budgetary systems. This Director has open and frequent access to the BEIS Finance Director
- is a Civil Servant, employed by Acas and is part of the Senior Civil Service. The Chief Executive is always subject to the prevailing rules that govern the conduct of Civil Servants or that determine the propriety of action which Civil Servants may take, including the Civil Service Code and any central guidance from BEIS or wider Government that may from time to time be given to Partner Organisations.

## 19. Responsibilities for accounting to Parliament and the Public

### 19.1. Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about Acas in accordance with [Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling](https://www.ombudsman.org.uk/about-us/our-principles/principles-good-complaint-handling)<sup>7</sup> are established and made widely known within Acas and published on the Acas website
- acting in accordance with the terms of 'Managing Public Money' and other instructions and guidance issued from time to time by the Department, the Treasury, and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation
  - this framework document
  - any delegation letter issued to body as set out in Appendix 1

<sup>7</sup> <https://www.ombudsman.org.uk/about-us/our-principles/principles-good-complaint-handling>



- any elements of any settlement letter issued to the sponsor department that is relevant to the operation of Acas
- any separate settlement letter that is issued to Acas from the sponsor department
- ensuring they have appropriate internal mechanisms for the monitoring, governance, and external reporting regarding compliance any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (PAC) on Acas' stewardship of public funds
- putting into effect any recommendations of the PAC, other Parliamentary Select Committees, or other Parliamentary authority insofar as they are accepted by Government.

## **20. Responsibilities to Department of Business, Energy, and Industrial Strategy (BEIS)**

### **20.1. Responsibilities to BEIS include:**

- establishing, in agreement with the department, Acas' corporate and business plans in the light of the department's wider strategic aims and agreed priorities
- informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion
- proactively managing Acas' strategic direction, setting plans, and generating proposals to ensure long term sustainability
- assuring the PAO that Acas has adequate financial systems and procedures in place to promote efficient and economical operations to safeguard financial propriety and regularity

## **21. Responsibilities to the Acas Council**

### **21.1. The Chief Executive is responsible for:**

- advising the Council on the discharge of the Council's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Council on Acas' performance compared with its aim[s] and objectives
- ensuring that financial considerations are taken fully into account by the Council at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed

## **22. Managing conflicts**

**22.1.** The Chief Executive should take full account of the advice and direction of the Council in all matters. Where the CEO chooses not to follow that advice, they should have a clear cut and transparent rationale for not doing so.

**22.2.** If the Council, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency, or effectiveness, is of questionable feasibility, or is unethical, the Chief Executive in their role as Accounting

- Officer should reject that course of action and ensure that the Council have a full opportunity to discuss the rationale for the rejection.
- 22.3.** Such conflicts should be brought to the attention of the Principal Accounting Officer and the Responsible Minister as soon as is practical.
- 22.4.** Furthermore, and if agreed with the responsible Minister, the Accounting Officer must write a letter of justification to the Chair of the Acas Council, setting out the rationale for not following the advice and recommendation of the Council and copy that letter to the Treasury Officer of Accounts.
- 22.5.** If the Responsible Minister agrees with the proposed course of action of the Council, it may be appropriate for the Minister to direct the Accounting Officer in the manner as set out in 'Managing Public Money' paragraph 3.4 onwards.

### **23. The Acas Council**

- 23.1.** Acas will have a Council, it will function in line with good standards of Corporate Governance, and as set out in its establishing statute and in guidance as set out in Annex 2. The Council shall provide strategic direction and governance enabling Acas to deliver its objectives, in accordance with the purposes as set out above, their statutory, regulatory, common-law duties and their responsibilities under this Framework Document. Detailed responsibilities of the Council shall be set out in the Council terms of reference. Remuneration of the Council will be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).

### **24. Composition of the Council**

- 24.1.** Acas will have a council in line with good standards of corporate governance and as set out under Section 247 of the Trade Union and Labour Relations (Consolidation) Act 1992<sup>8</sup>, The role of the Council shall be to set the strategic direction of Acas and ensure delivery of its objectives in accordance with the purposes as set out above, their statutory, regulatory, common-law duties, and their responsibilities under this Framework Document. Detailed responsibilities of the Council shall be set out in the Council's terms of reference. Remuneration of the Council will be disclosed in line with the guidance in the Government Financing Reporting Manual (FReM).
- 24.2.** Acas and its officials perform their functions on behalf of the Crown but are not subject to directions of any kind from Ministers about how they should do so (see Section 22 for detail in respect of Ministerial Directions for the Acas Accounting Officer). To safeguard this operational independence and to provide appropriate strategic direction and control, a governance body, the Acas Council, was established by statute. The Council will consist of at least a Chair, and nine ordinary members, with the option of an additional two members, this option has been taken up. The Council members should have a balance of skills and experience appropriate to directing Acas' business. The Acas Chief Executive heads up the Executive Board which consists of senior civil servants employed by Acas. The Board has responsibility for operational matters and the Acas Chief Executive will attend Council meetings to advise on operational matters but is not a member.
- 24.3.** The Acas Council provides support and challenge to the Chief Executive. It is collectively responsible for Acas' long-term success. It provides strategic leadership for Acas, within a framework of prudent and effective controls that enables risk to be assessed and managed. The Terms of Reference for the

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<sup>8</sup> <https://www.legislation.gov.uk/ukpga/1992/52/section/247>

Acas Council and associated sub-committees are published on the Acas website<sup>9</sup>.

## **25. Council Committees**

- 25.1.** The Council may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum, this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Council.
- 25.2.** While the Council may make use of committees to assist its consideration of appointments, succession, audit, risk, and remuneration it retains responsibility for, and endorses final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Council for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 25.3.** Where there is disagreement between the relevant committee and the Council, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, Principal Accounting Officer, and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 25.4.** The Chair should ensure Council committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Council. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

## **26. Appointments to the Acas Council**

- 26.1.** Acas Council Members, including the Chair of the Acas Council, are Ministerial public appointments, the selection process must follow the Governance Code on Public Appointments<sup>10</sup>. The Department will fully engage with Acas in the recruitment planning and the preparation of the advice for Ministers. Information on individual Council members can be found on Acas' website<sup>11</sup>.
- 26.2.** All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.
- 26.3.** The Department leads on the appointment of Members of the Acas Council, including the Chair. Council Members, including the Chair, are typically appointed for a period of 3 years with the potential of re-appointment for a further period, to be agreed. In exceptional circumstances Council Members can serve for a further term, providing their term in office does not exceed 10 years in total. This requires the approval of No 10 and the Cabinet Office. The expectation is, however, that Council Members will step down after their second term in office or after any short extension to that.
- 26.4.** The terms and conditions of Members of the Acas Council, including the Chair, will be managed by Acas following agreement with the Sponsor and will follow civil service guidelines for any such contracts.

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<sup>9</sup> [www.acas.org.uk](http://www.acas.org.uk)

<sup>10</sup> [www.gov.uk/government/publications/governance-code-for-public-appointments](http://www.gov.uk/government/publications/governance-code-for-public-appointments)

<sup>11</sup> [www.acas.org.uk](http://www.acas.org.uk)

## **27. Duties of the Acas Council**

**27.1.** The Acas Council is responsible for:

- establishing the strategic aims and objectives of Acas
- ensuring that the executive operates effectively and that any statutory or administrative requirements for the use of public funds are complied with and that risk is effectively assessed and managed
- holding the executive to account for delivery against its strategic and business plans and for the efficient discharge of its statutory functions
- ensuring that Acas properly safeguards public funds and works as economically, efficiently, and effectively as possible
- identifying any factors or changes which are likely to impact on the strategic direction of Acas or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Responsible Minister and Principal Accounting Officer via the executive team, sponsorship team or directly
- ensuring that Acas responds promptly to public requests for information
- ensuring that Acas operates sound environmental policies and practice in accordance with relevant Government guidance
- ensuring that Acas observes high standards of corporate governance at all times including by using the independent audit committee to help the Council to address key financial and other risks
- ensuring that the Council operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Council takes into account guidance issued by the sponsor department
- issuing the annual report and full statement of accounts

**27.2.** The Chief Executive is responsible for ensuring that Acas Council receives the necessary information to fulfil its role, including financial information, operational performance information, and any other data and information which may be relevant to the effective discharge of Council's duties. To include:

- this framework document
- any delegation letter issued to body as set out in Appendix 1
- any elements of any settlement letter issued to the sponsor department that is relevant to the operation of Acas
- any separate settlement letter that is issued to Acas from the sponsor department

**27.3.** The Council should ensure that effective arrangements are in place to provide assurance on risk management, governance, and internal control. This is carried out through the Acas Audit Committee.

**27.4.** The Council should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Council should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance, and internal control in line with the 'Management of Risk – Principles and Concepts (The Orange Book)'. The Council must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation

of any significant limitations or concerns. The Council is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

## **28. The Chair's role and responsibilities**

**28.1.** The Chair is responsible for leading the Council in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chair's contract of employment, any appointment letter, the statutory authority governing Acas, this document and the documents and guidance referred to within this document.

**28.2.** Communications between the Acas Council and the Responsible Minister should normally be through the Chair.

**28.3.** The Chair is bound by the Code of Conduct for Board Members of Public Bodies<sup>12</sup>, which covers conduct in the role and includes the Nolan Principles of Public Life.<sup>13</sup>

**28.4.** The Chief Executive reports to the Chair, who is responsible for performance of the Chief Executive and leads on appointments to the role.

**28.5.** In addition, the Chair is responsible for:

- ensuring, including by monitoring, and engaging with appropriate governance arrangements, that Acas' affairs are conducted with probity
- ensuring that policies and actions support the Responsible Minister's (and where relevant other Ministers') wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout Acas
- articulating a clear vision of how Acas can support a fair, efficient, and competitive Great Britain labour market, working collaboratively with BEIS to maximise Acas' impact and contribution to driving economic growth in Great Britain, while maintaining an appropriate level of independence
- for ensuring rotation of membership and succession planning of Council so that its terms of reference can be met, and in accordance with the Corporate Governance Code

**28.6.** The Chair has the following leadership responsibilities:

- formulating the Council's strategy
- ensuring that the Council, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the Department
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety
- representing the views of the Council to the public
- effectively chairing the Acas Council and leading on providing impartial, independent, and proportionate governance of the Executive. This includes enabling a high standard of discussion and debate, helping to steer Acas by facilitating collective working and ensuring that systems are in place to provide individual Council Members with the support and timely, relevant, information that they need to carry out their role.

**28.7.** The Chair also has an obligation to ensure that:

- the work of the Council and its members are reviewed and are working effectively including ongoing assessment of the performance of individual Council members with a formal annual evaluation and more

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<sup>12</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

<sup>13</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

in-depth assessments of the performance of individual Council members when being considered for re-appointment

- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- that the Council has a balance of skills appropriate to directing Acas' business, and that all Council members, including the Chair continually update their skills, knowledge, and familiarity with Acas to fulfil their role both on the Council and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector
- Council members are fully briefed on terms of appointment, duties, rights, and responsibilities
- they, together with the other Council members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the Responsible Minister is advised of Acas' needs when Council vacancies arise
- there is a Council Operating Framework in place setting out the role and responsibilities of the Council consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for Council members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies

## **29. Individual Council Members' responsibilities**

**29.1.** Acas Council members play a key role in working with the Chair to provide strategic direction and governance for Acas, drawing on their insight and expertise. Council members work collectively to support Acas in achieving its aims through participation in Council meetings, development of Acas products and services such as Codes of practice, and in ambassadorial activity on behalf of Acas.

**29.2.** Acas Council members, including the Chair, should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate<sup>14</sup>
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Council's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of Acas

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<sup>14</sup> <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

- ensure they are familiar with any applicable guidance on the role of Public Sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury, or wider government
- contribute proactively to the Acas Council across the full breadth of discussions (beyond any personal areas of responsibility) and behave corporately

# Management and financial responsibilities and controls

## 30. Delegated authorities

- 30.1.** Acas' delegated authorities are set out in the delegation letter found in Appendix 1. This delegation letter may be updated and superseded by later versions which may be issued by the sponsor department in agreement with HM Treasury.
- 30.2.** In line with 'Managing Public Money' Annex 2.2 these delegations will be reviewed on an annual basis.
- 30.3.** Acas shall obtain the department's and where appropriate, HM Treasury's prior written approval before:
- entering any undertaking to incur any expenditure that falls outside the delegations, or which is not provided for in the Acas' annual budget as approved by the department
  - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
  - making any significant change in the scale of operation or funding of any initiative or scheme previously approved by the department
  - making any change of policy or practice which has wider financial implications that might prove repercussive, or which might significantly affect the future level of resources required
  - carrying out policies that go against the principles, rules, guidance, and advice in 'Managing Public Money'
- 30.4.** The Chief Executive has delegated authority as recorded in the BEIS Delegated Authority document, summarised as follows:
- primarily responsible for securing financial authority, for preparing budgets and exercising budgetary control, and for general financial matters
  - ensuring that authorised, sub-delegated authorities are properly used
  - ensuring that, important and unusual cases, for example novel, contentious or repercussive cases, will be detected and referred to the Finance Director and Chief Executive, and handled in line with the Delegations Document, consulting with BEIS and HM Treasury as appropriate.
- 30.5.** A letter detailing the Chief Executive's delegated authorities is provided by BEIS. The Chief Executive may sub-delegate their authorities in writing to appropriate, named individual staff within Acas.
- 30.6.** Acas shall comply with the guidance and instructions set out in Appendix 2 of this Agreement.

## 31. Financial regime

- 31.1.** Acas operates as a non-departmental public body under the Net Control Accounting Regime. It is required to produce an annual report on its activities and accounts which must be laid before Parliament, and which are consolidated into the BEIS group published accounts.
- Financial objective**
- 31.2.** Acas is required to keep to forecasting targets as set out in the annual budget allocation letter. Acas is also required to achieve full cost recovery for all its charged for services. Further Management Information (MI) requirements are set out in the annual budget allocation letter.



### **Financial provision**

- 31.3.** Acas is largely financed by BEIS, and the Chief Executive will provide a business plan to the Sponsor that includes annual plans for resources set against estimated income for the next financial year. The estimated income will reflect funding from BEIS alongside income from other sources.
- 31.4.** Acas is consulted in principle on its annual allocation but is not involved directly in the spending review discussions with HM Treasury. BEIS will take the advice of Acas in any 'Spending Review' discussions with HM Treasury mainly or wholly concerning Acas.

### **General points on funding**

- 31.5.** Acas should report monthly to BEIS on financial performance and have regular discussions with the appropriate BEIS officials covering finance, performance, and risk. Reporting should include monthly reporting on expenditure and financial position and quarterly reporting on progress against non-financial performance metrics.
- 31.6.** The Department delegates financial risk management to Partner Organisations. This means that Acas' Accounting Officer is responsible for managing Acas' finances, commitments, and risks within Acas' allocation for the financial year. The Accounting Officer is required to ensure that Acas can accommodate any unexpected costs within the budget allocation.
- 31.7.** Acas should work closely with the Department on managing financial and other risk matters, taking account of the rules on delegated authority designed to promote the sound stewardship of public funds.
- 31.8.** Accurate forecasting is key for effective financial management and the Department will continue to monitor delivery of the forecasting target against Acas' budget allocation (as referred to in the budget allocation letter and adjusted in-year to take account of forecasts).

## **32. Spending authority**

- 32.1.** Once the budget has been approved by BEIS, subject to any restrictions imposed by statute; the Responsible Minister's instructions; this framework document; HM Treasury settlement and delegation letters, Acas shall have authority to incur expenditure approved in the budget without further reference to BEIS, on the following conditions:
- Acas shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of BEIS and as agreed by HM Treasury and Cabinet Office as appropriate
  - Acas shall comply with 'Managing Public Money' regarding novel, contentious or repercussive proposals
  - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
  - Acas shall provide BEIS with such information about its operations, performance, individual projects, or other expenditure as BEIS may reasonably require
  - all new spending proposals and applications to recruit additional headcount should be accompanied by a proportionate and well-structured business case, in line with HM Treasury Green Book guidance, subject to any agreed exemptions
  - Acas should prepare management accounts which show accurate and timely actual figures and forecasts of income and expenditure broken down to an agreed level monthly

- Acas should provide BEIS with information about the risks to expenditure and income forecasts and about potential over or underspends. Acas should also contribute to any in-year reallocation or savings exercises as required as well as the Estimates and Supplementary Estimates processes
- BEIS is required to publish consolidated accounts. This requires those bodies within the Departmental boundary and included in the consolidation designation order to provide, on a timely basis and to a good standard, draft accounts, and account adjustments via a data collection pack in accordance with the agreed timetable. Acas' Finance Director is responsible for ensuring that the finance data is accurate and provided on time; and requires sign off by Acas' Finance Director prior to being submitted to BEIS Finance
- the Acas Chief Executive is authorised to optimise the utilisation of Acas assets by selling services (and, where appropriate, products) to other customers. In addition, and where appropriate, Acas will negotiate, agree, and implement charging arrangements in furtherance of Acas' policies
- any commercial activity must be within the bounds of HM Treasury as set out within Chapter 6 of the Managing Public Money guidance, concerning the exploitation of assets and in accordance with usual Government practice
- activities should not be pursued if it is likely to introduce excess financial or reputational risk, to undermine Acas' ability to deliver its core commitments or to result in a conflict of interest
- unless agreed by the Department and, as necessary, HM Treasury, Acas shall follow the principles, rules, guidance, and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the Sponsor in the first instance
- Acas is free to conduct its financial affairs within the context of its agreed plans and budgets, subject to the provisions of this Framework Document and the delegations outlined below and the following conditions
- Acas' insurance arrangements will be in accordance with the provision of 'Managing Public Money'. All uninsured losses and third-party claims against Acas and requiring settlement will be paid directly from additional resources and cash allocated to Acas by the Department, once appropriate approvals have been given by the Department
- arrangements for meeting other liabilities or the payment of other claims will be separately agreed with BEIS
- responsibility for collecting payments from beyond BEIS, and pursuing bad debts, rests with Acas. Acas will consult BEIS and seek HM Treasury clearance on cases that could be deemed to be 'novel, contentious or repercussive'

### **33. Banking and Managing Cash**

- 33.1.** Acas must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 33.2.** Acas should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only

commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

**33.3.** Commercial Accounts where approved should be operated in line with the principles as set out in 'Managing Public Money'.

**33.4.** The Accounting Officer is responsible for ensuring Acas has a banking policy as set out in 'Managing Public Money' and ensuring that policy is complied with.

## **34. Procurement**

**34.1.** Acas shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.

**34.2.** Acas shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.

**34.3.** In procurement cases where Acas is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Department's sponsor team.

**34.4.** Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the Department.

**34.5.** Procurement by Acas of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM). This means the optimum combination and whole life costs and quality (fitness for purpose).

**34.6.** Acas shall a) engage fully with Department and Government wide procurement initiatives that seek to achieve VfM from collaborative projects, b) comply with all relevant Procurement Policy Notes issued by Cabinet Office and c) co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM.

**34.7.** Acas shall comply with the Commercial<sup>15</sup> and Grants Standards<sup>16</sup>. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and arm's length bodies, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

## **35. Risk management**

**35.1.** Acas shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts<sup>17</sup>.

**35.2.** The Chief Executive has a responsibility to develop and implement effective risk management for Acas.

**35.3.** Acas' 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. This system is based on an on-going process designed to identify and prioritise the risks to the achievement of Acas' 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.

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<sup>15</sup> <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

<sup>16</sup> <https://www.gov.uk/government/publications/grants-standards>

<sup>17</sup> [http://www.hm-treasury.gov.uk/orange\\_book.htm](http://www.hm-treasury.gov.uk/orange_book.htm)

**35.4.** The Acas Council should review risks and associated actions as part of monitoring performance. Risks are assessed against agreed criteria, with these criteria being set to take account of Acas' risk appetite.

## **36. Counter Fraud and Theft**

- 36.1.** Acas should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 36.2.** Acas should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in Managing Public Money Annex 4.9 and the Counter Fraud Functional Standard<sup>18</sup>. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.
- 36.3.** Acas should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by Acas and notify BEIS of any unusual or major incidents as soon as possible. Acas should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

## **37. Staff**

**37.1.** Acas is an executive Non-Departmental Public Body which is sponsored by BEIS, and Acas' staff are employees of the Crown. They are employed subject to the Civil Service Management Code and are eligible to move between Acas and BEIS, or to other Government Departments and agencies.

## **38. Broad responsibilities for staff**

- 38.1.** Within the arrangements approved by the Responsible Minister Acas will have responsibility for the recruitment, retention, and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement are based on merit: there is no discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation
  - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency, and effectiveness
  - the performance of its staff at all levels is satisfactorily appraised and the Acas performance measurement systems are reviewed from time to time
  - its staff are encouraged to acquire the appropriate professional, management, and other expertise necessary to achieve Acas' objectives
  - proper consultation with staff takes place on key issues affecting them with due regard for the duty of care which Acas has for its staff and with consideration for staff wellbeing
  - adequate grievance and disciplinary procedures are in place
  - whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place

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<sup>18</sup> <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies<sup>19</sup>
  - a conflict-of-interest policy is in place for Acas' civil servants
- 38.2.** The Chief Executive has responsibility for human resource issues in Acas. The Chief Executive will act in accordance with any limitations set out in this framework document, including such guidance and regulations as may be issued from time to time by the central departments (including HM Treasury, Cabinet Office, and the Civil Service Commissioners) and the terms of any departmental agreements. Subject to these limitations, the Chief Executive is responsible and has the authority to shape HR strategies in Acas, determine associated spend and manage its resources flexibly to enable cost effective delivery of services.
- 38.3.** There will be full and timely consultation between Acas and BEIS on all HR matters of mutual interest. The Chief Executive will consult BEIS on matters where responsibilities are not fully delegated, and BEIS will then obtain any necessary clearances from HM Treasury and/ or the Cabinet Office as required. Similarly, the Department will consult the Chief Executive before making changes to matters where responsibilities are not fully delegated.

### **39. Staff costs**

- 39.1.** Subject to its delegated authorities, Acas shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### **40. Pay and conditions of service**

- 40.1.** The Chief Executive has delegated responsibility for pay and grading arrangements for employees below the SCS. This includes determining pay and reward arrangements which best meet the business needs, within the general pay structure approved by the sponsor department via the pay remit, and which are consistent with HM Treasury's annual Civil Service Pay Guidance, Cabinet Office protocols and public sector pay policy.
- 40.2.** Acas staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by BEIS and the Treasury. Acas has no delegated power to amend these terms and conditions.
- 40.3.** If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code<sup>20</sup> and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the department to vary such rates.
- 40.4.** Staff terms and conditions are published on Acas' intranet, a copy should be provided to the department together with subsequent amendments on request.
- 40.5.** Acas shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance <sup>21</sup>and the public sector pay and terms guidance<sup>22</sup>.

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<sup>19</sup><https://www.gov.uk/government/publications/public-bodies-review-programme>

<sup>20</sup> <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

<sup>21</sup> <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

<sup>22</sup> <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

- 40.6. Acas shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department, where relevant with due regard to the senior pay guidance.
- 40.7. The travel expenses of Council members shall be tied to organisational rates. Reasonable actual costs shall be reimbursed.

## **41. Pensions, redundancy, and compensation**

- 41.1. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 41.2. Acas staff shall normally be eligible for a pension provided through the standard Civil Service pension arrangements (Alpha, NUVOS, Classic and Classic+). Staff may opt out of the occupational pension scheme provided by Acas, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
- 41.3. Any proposal by Acas to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of 'Managing Public Money' and will need the relevant Cabinet Office approval.
- 41.4. Subject to necessary approvals from Cabinet Office and HM Treasury the Chief Executive has delegated authority for early retirement or redundancy of staff and will be planned in consultation with BEIS; this also includes delegation authority for management of the overall numbers and grades of staff concerned. Any individual cases relating to members of the SCS, whether initiated from within BEIS or Acas, shall be developed in close consultation with BEIS.
- 41.5. Such action needs to comply with the Civil Service Compensation Scheme arrangements and related Redeployment and Redundancy policies.

## **42. Staff resourcing, recruitment, and development**

- 42.1. The Chief Executive will ensure that appropriate mechanisms are in place to facilitate the effective management and development of staff and has the authority to determine associated non-pay spend on learning and development and recruitment.
- 42.2. The Chief Executive is responsible for establishing and keeping under review Acas' management structure and implementing any changes which may affect employee numbers. This should take due account of options for sharing services across BEIS and the civil service.
- 42.3. The Chief Executive has the freedom to create and re-grade posts below SCS and, subject to any centrally required processes (such as the Civil Service Commissioners recruitment principles and the Job Evaluation and Grading System), to make appointments (including temporary, substantive, or personal promotions) to such posts.
- 42.4. Acas employees may be offered the option of participating in talent development schemes via BEIS. This might include centrally led schemes, for example, Future Leaders or Senior Leaders; BEIS-led schemes such as Aspiring Leaders or the Interdepartmental Talent Programme; or other initiatives like mentoring or sponsorship schemes.
- 42.5. Funding arrangements for schemes will depend on prior discussion with Acas HR/BEIS Talent Team, and schemes may be funded jointly or by other agreement.

## **43. Health and safety**

- 43.1. The Chief Executive is accountable for all matters of health and safety associated with Acas' business activities and will ensure that resources,

structure, and arrangements are adequate for delivering effective performance.

## Business Plans, Financial Reporting, and Management information

### 44. Corporate and business plans

- 44.1.** By the 1 June, Acas shall submit annually to BEIS a draft of the business plan covering one year ahead. Acas shall agree with the department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the Acas' statutory and/or other duties and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how Acas contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones.
- 44.2.** The business plan, amplified as necessary, shall form part of the annual objectives within Acas' Strategy. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department. Subject to any commercial considerations, a digest of the corporate and business plans should be published by Acas on its website and separately be made available to staff.
- 44.3.** The following key matters should be included in the plans:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
  - key non-financial performance targets
  - a review of performance in the preceding financial year, together with comparable outturns for the previous 2 to 5 years, and an estimate of performance in the current year
  - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
  - other matters as agreed between the department and Acas
- The Chief Executive will publish the annual business plan, following approval from the Acas Council.
- 44.4.** Acas also has a strategic plan usually published every 3 to 5 years and includes Acas' strategic direction, and resourcing expectations. It provides the main framework for monitoring progress against longer term objectives. It is developed by the Acas Council.

### 45. Budgeting procedures

- 45.1.** Each year, BEIS in light of decisions by the department on the updated draft corporate plan, the department will send to Acas as far in advance as possible a formal statement of the annual budgetary provision for the following year and indicative budgets for the remainder of that 'Spending Review period'. This will include:
- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department
  - a statement of any planned change in policies affecting Acas
- 45.2.** The approved annual business plan will take account both of approved funding provision where this applies and any forecast receipts and will include a budget of estimated payments and receipts together with a profile of

expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

#### **46. Grant-in-aid and any ring-fenced grants**

- 46.1.** Any grant-in-aid provided by BEIS for the year in question will be voted in the department's supply estimate and be subject to Parliamentary control.
- 46.2.** The grant-in-aid will normally be paid in monthly instalments based on written applications showing evidence of need. Acas will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of Acas. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant estimates provision, where grant-in-aid is delayed avoiding excess cash balances at the year-end, the department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
- 46.3.** If BEIS provides Acas separate grants for specific (ring-fenced) purposes, it would issue the grant as and when Acas needed it based on a written request. Acas would provide evidence that the grant was used for the purposes authorised by the department. Acas shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.
- 46.4.** Acas generates income by providing some commercial training and advisory services for both employers and employees. The level of fees complies with the cost allocation and charging requirements set out in HM 'Managing Public Money' guidance. The services provided are not for profit and are set to recover the costs of providing the services.

#### **47. Annual report and accounts**

- 47.1.** Acas must publish an annual report of its activities together with its audited accounts after the end of each financial year. This is in accordance with Part VI Section 253 Subsection (2) of the Trade Union and Labour Relations (Consolidation) Act 1992. Acas shall provide BEIS its finalised (audited) accounts by July each year for the accounts to be consolidated within BEIS'. A draft of the report should be submitted to BEIS two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by BEIS as well as the Treasury's Financial Reporting Manual (FReM).
- 47.2.** The annual report must:
- cover any corporate, subsidiary, or joint ventures under its control
  - comply with the FReM and have regard to the illustrative statements for an NDPB<sup>23</sup>
  - outline main activities and performance during the previous financial year and set out in summary form forward plans
- 47.3.** Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on Acas' website, in accordance with the guidance in the FReM.

#### **48. Reporting performance to BEIS**

- 48.1.** Acas shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

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<sup>23</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.



**48.2.** Acas shall inform BEIS of any changes that make achievement of objectives difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.

**48.3.** The Chief Executive must have a robust framework for consistent reporting on Acas' performance to BEIS. This currently includes:

- a monthly summary of financial performance and forecast outturn figures. This will be in an agreed format and to agreed timescales. It includes cash management, detail by resource headings and other data required by the Treasury
- quarterly reporting that includes information on progress against performance targets and outcomes set out in the business plan, and any emerging strategic issues or significant delivery or financial risks

**48.4.** The Responsible Minister will meet the Chief Executive and the Chair of Acas Council in person, at least once every year to discuss Acas' strategy, performance and how any significant risks can be managed.

**48.5.** The Principal Accounting officer will meet the Chief Executive at least once a year.

## **49. Provision of services**

**49.1.** Delivery of core services funded through the Grant-in-Aid system shall be determined by Acas. The output criteria shall be agreed with BEIS.

**49.2.** Detailed working level arrangements for individual tasks or projects on behalf of BEIS, and funded directly by BEIS, will be negotiated between Acas and relevant parts of BEIS. These arrangements will be set out in Service Level Agreements, Memoranda of Understanding, Project Definitions or similar. It is the responsibility of the individual BEIS customers to assure themselves that requests made of Acas represent value for money.

## **50. Provision of services beyond BEIS's areas of interest**

**50.1.** Acas may deliver support or services to other public and private sector customers. It may sub-contract commercial work in accordance with HM Treasury guidelines covered within the 'Managing Public Money' guidance (Chapter 6) on commercial activity. The detail of associated arrangements shall be a matter for the Chief Executive.

**50.2.** In accepting this work, the Chief Executive must be satisfied that:

- it will not prevent Acas meeting agreed commitments
- it will not conflict with the statutory obligations of BEIS or its Ministers or fetter the Ministers' discretion or otherwise conflict with any other statutory role that Acas undertakes
- the price agreed for the work is consistent with the overall objective of recovering the full cost of Acas' charged for operations

## **51. Obtaining support services**

**51.1.** The Chief Executive is responsible for ensuring that support services, including IT and other infrastructure required by Acas are provided within the resources available and the constraints of central Government requirements. Individual services may be provided in-house, commissioned from BEIS on a chargeable basis, or contracted out, whichever offers the best value for money.

**51.2.** Where such services are provided by BEIS, they will be provided under detailed service level agreements agreed between Acas, BEIS, and Acas' providers. The cost of those services will be identified and reflected in Acas' accounts. There should be sufficient controls to enable Acas to ensure effective management of associated contracts and costs. Either party may,

from time to time, review the provision of these services and discuss any proposed changes.

- 51.3. Should arguments for wider value for money conflict with the operational imperatives of Acas, and if resolution cannot be reached with the Sponsor, then a judgement should be sought from the Principal Accounting Officer.

## **52. Business continuity and contingency plans**

- 52.1. The Chief Executive is responsible for ensuring that Acas has in place robust, up to date, fit for purpose and flexible business continuity management (BCM) arrangements that are supported by competent staff that allow them to maintain, or as soon as possible resume provision of, key products and services in the event of disruption. BCM arrangements must be tested and reviewed at least annually or following significant organisational change.

## **53. Media**

- 53.1. The Chief Executive is responsible for ensuring appropriate media relations in respect of Acas.

## **54. Information Sharing**

- 54.1. BEIS has the right of access to all Acas' records and personnel data for any purpose including, for example, sponsorship audits and operational investigations. The Chief Executive will be consulted before GIAA audit or similar inspections are undertaken. Any access provided will need to comply with section 251B of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA).
- 54.2. Acas shall provide BEIS with such information about its operations, performance, individual projects, or other expenditure as the sponsor department may reasonably require. Subject to Acas responsibilities for confidentiality.
- 54.3. BEIS and HM Treasury may request the sharing of data held by Acas in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 54.4. As a minimum, Acas shall provide BEIS with information monthly that will enable BEIS satisfactorily to monitor:
- Acas' cash management
  - its draw-down of grant-in-aid
  - forecast outturn by resource headings
  - other data required for the Online System for Central Accounting and Reporting (OSCAR)
  - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter

# **Audit**

## **55. Internal audit**

- 55.1. The Chief Executive is responsible for sourcing and commissioning the internal audits required to ensure the proper and efficient conduct of Acas' affairs and to discharge Accounting Officer responsibilities. To facilitate this, Acas shall:
- establish and maintain arrangements for internal audit, appointing the Government Internal Audit Agency (GIAA)

- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury<sup>24</sup>
- ensure that BEIS is satisfied that Acas meets the requirements for in accordance with PSIAS
- set up an Audit Committee of its Council in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook
- forward the audit strategy, periodic audit plans and annual audit report, including Acas' Head of Internal Audit opinion on risk management, control, and governance as soon as possible to BEIS
- keep records of and prepare and forward to BEIS an annual report on fraud and theft suffered by Acas and notify BEIS of any unusual or major incidents as soon as possible
- will share with the BEIS information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, on issues impacting on BEIS' responsibilities in relation to financial systems within Acas

## 56. External audit

**56.1.** The Comptroller & Auditor General (C&AG) audits Acas' annual accounts. The C&AG passes the audited accounts to the Acas Chief Executive Officer acting as Accounting Officer will ask the BEIS Parliamentary Unit who will lay the accounts together with the C&AG's report before Parliament.

**56.2.** If Acas has set up and controls subsidiary companies, Acas will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. Acas shall discuss with BEIS the procedures for appointing the C&AG as auditor of the companies.

**56.3.** The C&AG:

- will consult the department and the ALB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from Acas
- will share with BEIS information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, on issues impacting on BEIS' responsibilities in relation to financial systems within BEIS
- will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

**56.4.** The C&AG may carry out examinations into the economy, efficiency, and effectiveness with which Acas has used its resources in discharging its functions. For these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, Acas shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and

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<sup>24</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

# Reviews and winding up arrangements

## 57. Review of Acas' status

57.1. Acas will be reviewed in line with Cabinet Office guidance.

## 58. Arrangements if Acas is wound up

58.1. Should it be required, BEIS shall put in place arrangements to ensure the orderly winding up of Acas. It should ensure that the assets and liabilities of Acas are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to BEIS). To this end, BEIS shall:

- have regard to Cabinet Office guidance on winding up of ALBs<sup>25</sup>
- ensure that procedures are in place in Acas to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of the Acas' assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts
- arrange for the most appropriate person to sign the closing accounts. If another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. If BEIS inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign

58.2. Acas shall provide BEIS with full details of all agreements where BEIS or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to Acas.

## 59. LIST OF APPENDICES

Appendix 1 - List of delegated authorities

Appendix 2 - List of government-wide corporate guidance instructions

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<sup>25</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690952/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_10.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf)

## 60. Signatories

Signed



G C Lambert

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**Caleb Deeks**  
**Gavin Lambert**  
Directors General  
Market Frameworks

Date: 21 July 2022

For the Department of Business,  
Energy, and Industrial Strategy

Signed



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**Susan Clews**  
Chief Executive

Date: 21 July 2022

For Acas

## APPENDIX 1

### Delegations for Partner Organisation

Nature of delegation		Delegated limit
Novel, contentious, or repercussive spend. This includes where commitments are made that may give rise to such spend in future i.e., novel guarantees, indemnities and contingent liabilities, novel financing techniques, significant departures from standard departmental terms and conditions		Nil
Projects and programs, and announcements and policy proposals with a defined timeline	Resource (Programme)	£1m
	Capital	£0.5m
Announcements and policy proposals creating ongoing expenditure	Resource and capital	Nil
Spending commitments beyond the current Spending Review settlement	Resource and capital	Nil
Administrative expenditure	N/A	£1m
Stock write-offs and impairments	Equipment, SOSP, IS/IT etc.	Nil
Claims waived or abandoned	Any	Nil
Special payments	All special payments (save special severance payments) are included in this category. This includes extra-contractual payments involving departmental default made on appropriate legal or other professional advice, ex-gratia compensation payments made on appropriate legal or other professional advice, extra-statutory payments, and extra-regulatory payments. 'Managing Public Money' should be consulted for appropriate guidance. For the avoidance of doubt these limits can be taken to exclude reasonable costs agreed or estimated and confirmed as reasonable by appropriate legal advice.	Nil
Consolatory payments (ex-gratia payments to individuals in respect of incidents which do not involve financial loss and there is no legal redress available)		Nil

Special severance payments, including PILON and CILON, outside of normal statutory or contractual requirements.		Nil
Other	Charitable grants	Nil
	Subsidies	Nil
	Guarantees, indemnities, and loans	Nil
	Gifts	Nil
	Losses waived/abandoned claims, write offs: third party is solvent (in relation to restarting Debt management activities post pandemic).	£5k per case
	Losses waived/abandoned claims, write offs: third party is insolvent (in relation to restarting Debt management activities post pandemic).	£5k per case

Managing Public Money reference		
Reliance on Sole Authority of the Supply and Appropriations Act for modest and temporary expenditure on a New Service	2.5.4 & Annex 2.4	
Payment in advance of need	A.4.8.5	
Insurance	Annex 4.4	
Contingent Liabilities	Annex 5.4	
Lending to commercial entities	Annex 5.5	
Setting up of accounts outside the Government Banking Service.	Annex 5.6	
Creation of New Public Bodies	Annex 7.1	
Agreeing new Framework documents with ALBs	Annex 7.2	

**Notes:**

1. Approval is required if spending falls outside one or more of the applicable delegated limits. Spending should be measured on a whole life cost basis except where this is not sensible, for example for ongoing annual commitments.
2. This includes all new projects and proposals/announcements, even when they are part of a larger programme or payment that was provided for as part of a 'Spending Review' or other Treasury written approval and that are not covered by prior written approval from the Treasury.
3. This also includes renewal of existing projects and programmes where significant changes are being proposed.
4. Costs are on current net present value accruals basis.
5. Where relevant, when comparing costs against delegated limits, non-recoverable VAT will count towards the delegated limit (recoverable VAT will not).
6. The cost is the sum of all payments committed to a body, organisation or individual from a single programme over its lifetime (costs should not be "unbundled" to fall below the delegation).



## APPENDIX 2

### **Compliance with government-wide corporate guidance and instructions**

**Acas shall comply with the following general legislation, guidance documents and instructions:**

#### **Corporate Governance**

- This Framework Document.
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance, [www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017](http://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017)
- Code of conduct for Board members of Public Bodies, [www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct](http://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct)
- Code of practice for partnerships between Departments and Arms' Length Bodies, [www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice](http://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice)

#### **Financial Management and Reporting**

- Managing Public Money (MPM), [www.gov.uk/government/publications/managing-public-money](http://www.gov.uk/government/publications/managing-public-money)
- Fees and Charges Guide, Chapter 6 of Managing Public Money, [www.gov.uk/government/publications/managing-public-money](http://www.gov.uk/government/publications/managing-public-money)
- Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money, [www.gov.uk/government/publications/managing-public-money](http://www.gov.uk/government/publications/managing-public-money)
- Government Financial Reporting Manual (FReM) – updated annually, [www.gov.uk/government/collections/government-financial-reporting-manual-frem](http://www.gov.uk/government/collections/government-financial-reporting-manual-frem)
- Relevant Dear Accounting Officer (DAO) letters, [www.gov.uk/government/collections/dao-letters](http://www.gov.uk/government/collections/dao-letters)
- Regularity, Propriety and Value for Money, [www.gov.uk/government/publications/accounting-officers-appointed-by-hm-treasury-july-2013](http://www.gov.uk/government/publications/accounting-officers-appointed-by-hm-treasury-july-2013);
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts, <https://www.gov.uk/government/collections/whole-of-government-accounts>

#### **Management of Risk**

- Management of Risk, [www.gov.uk/government/publications/orange-book](http://www.gov.uk/government/publications/orange-book)  
[www.gov.uk/government/publications/management-of-risk-in-government-framework](http://www.gov.uk/government/publications/management-of-risk-in-government-framework)
- Public Sector Internal Audit Standards,

- [www.gov.uk/government/publications/public-sector-internal-audit-standards](http://www.gov.uk/government/publications/public-sector-internal-audit-standards)
- Guidance on audit, risk assurance and fraud (see links at bottom of webpage),  
[www.gov.uk/government/publications/accounting-officers-appointed-by-hm-treasury-july-2013](http://www.gov.uk/government/publications/accounting-officers-appointed-by-hm-treasury-july-2013)
- HM Treasury approval processes for Major Projects above delegated limits,  
[www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects](http://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects)
- The Government cyber-security strategy and cyber security guidance,  
[www.gov.uk/government/publications/national-cyber-security-strategy-2016-to-2021](http://www.gov.uk/government/publications/national-cyber-security-strategy-2016-to-2021)  
[www.gov.uk/government/collections/cyber-security-guidance-for-business](http://www.gov.uk/government/collections/cyber-security-guidance-for-business)

### **Commercial Management**

Government procurement policy and Cabinet Office spending controls will normally apply unless exemptions have been formally agreed.

- Procurement Policy Notes,  
[www.gov.uk/government/collections/procurement-policy-notes](http://www.gov.uk/government/collections/procurement-policy-notes)
- Cabinet Office spending controls,  
[www.gov.uk/government/publications/cabinet-office-controls](http://www.gov.uk/government/publications/cabinet-office-controls);
- Transparency in supply chains - a practical guide,  
[www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide](http://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide)

### **Public Appointments**

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments,  
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments,  
<https://publicappointmentscommissioner.independent.gov.uk/regulating-appointments/governance-code/>
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees,  
[www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees](http://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees)

### **Staff and Remuneration**

- HM Treasury guidance on senior pay and reward,  
[www.gov.uk/government/publications/senior-civil-service-pay-and-reward](http://www.gov.uk/government/publications/senior-civil-service-pay-and-reward)
- Civil Service pay guidance (updated annually),  
[www.gov.uk/government/collections/civil-service-pay-guidance](http://www.gov.uk/government/collections/civil-service-pay-guidance)  
(Note – 2017/18 guidance is [here](#))
- Public sectors pay and terms,  
[www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note](http://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note)

- Whistleblowing Guidance and Code of Practice, [www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers](http://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers)
- The Equalities Act 2010, [www.gov.uk/guidance/equality-act-2010-guidance](http://www.gov.uk/guidance/equality-act-2010-guidance)
- Civil Service recruitment principles, <http://civilservicecommission.independent.gov.uk/civil-service-recruitment/>

### **General**

- Freedom of Information Act guidance and instructions, [www.legislation.gov.uk/ukpga/2000/36/contents](http://www.legislation.gov.uk/ukpga/2000/36/contents) <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration, <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury).
- Specific instructions and guidance issued to Partner Organisations by BEIS.
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to Acas.

### **Acas should also be mindful of the following wider public policy priorities and initiatives which are relevant and/or helpful to public bodies in the BEIS Group:**

- Guidance from the Public Bodies team in Cabinet Office, [www.gov.uk/government/publications/public-bodies-information-and-guidance](http://www.gov.uk/government/publications/public-bodies-information-and-guidance)
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute), [www.gov.uk/government/publications/a-brilliant-civil-service-becoming-the-uks-most-inclusive-employer](http://www.gov.uk/government/publications/a-brilliant-civil-service-becoming-the-uks-most-inclusive-employer)
- The Government response to the Taylor review on modern working practices (published by BEIS), [www.gov.uk/government/publications/government-response-to-the-taylor-review-of-modern-working-practices](http://www.gov.uk/government/publications/government-response-to-the-taylor-review-of-modern-working-practices)
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects, [www.gov.uk/government/organisations/infrastructure-and-projects-authority](http://www.gov.uk/government/organisations/infrastructure-and-projects-authority)
- The Government Digital Service, [www.gov.uk/government/organisations/government-digital-service](http://www.gov.uk/government/organisations/government-digital-service)
- The Government Fraud, Error, Debt and Grant Efficiency function, [www.gov.uk/government/collections/fraud-error-debt-and-grants-function](http://www.gov.uk/government/collections/fraud-error-debt-and-grants-function) [www.gov.uk/government/publications/grants-standards](http://www.gov.uk/government/publications/grants-standards)
- Code of Practice for Official Statistics (although UKRI is not a producer of official statistics, the code may nevertheless be a useful guide) [www.statisticsauthority.gov.uk/code-of-practice/](http://www.statisticsauthority.gov.uk/code-of-practice/)

- Production of Accounting Officer System Statements (AOSS are produced by departments with input from Partner Organisations)  
[www.gov.uk/government/publications/accounting-officer-system-statements](http://www.gov.uk/government/publications/accounting-officer-system-statements).