

## **Trade and Industry Committee: Inquiry into the Work of the Advisory, Conciliation and Arbitration Service**

### **Amicus Submission**

#### **Introduction**

1. Amicus welcomes the opportunity to submit evidence to the Trade and Industry committee enquiry into the work of the Advisory, Conciliation and Arbitration Service (ACAS).
2. Amicus is the UK's largest general trade union with over 1.2m members in the private & public sectors. One of the main functions of Amicus is to represent members in the workplace. One of the principal ways in which Amicus represents members is through discussions and negotiations with employers. Amicus plays a significant role in resolving workplace disputes. In many cases Amicus and/or the employer will call on the services of ACAS to assist in these discussions.
3. At times Amicus regrettably takes industrial action due to conflicts not being resolved. Often it is the work of ACAS that prevents industrial action going ahead. As a highly respected neutral third party ACAS is well placed, to bring disputes to an end and in many cases stop them going ahead in the first place.

#### **The Remit of ACAS**

4. In recent years there have been huge changes in the world of work, there is a greater number of Small and Medium Enterprises (SMEs), there are far greater numbers of women in the labour market, with substantial numbers working part time. There is much greater ethnic diversity and challenges retaining older workers and there are greater numbers of agency and temporary workers in the economy.
5. Work remains a significant part of every individual person's life and the quality of people's working lives is a big political and social issue. A positive working relationship with their employer makes a big difference to organisational performance.
6. When employment relations break down the consequences can be huge and expensive. ACAS's intervention in the workplace is essential both to resolve the dispute as quickly as possible and to allow production and/or services to resume. To reduce the likelihood of further disputes ACAS's role in assisting employers and unions in establishing practices which will help to avoid disputes from occurring, or at least ensure that there are agreed means of resolving them is invaluable.

#### **ACAS's contribution to increased productivity**

7. Over the years ACAS has built up a great deal of expertise in collective dispute resolution, there is no other organisation that can or does do this. In addition to this body of knowledge ACAS has the vital quality of complete impartiality. It is clearly

- in the interests of employers, employees and in many cases the public for industrial disputes to be brought to a speedy and lasting conclusion.
8. More importantly, is the role of ACAS in preventing disputes from escalating into industrial action. Every month the ACAS Council receives a report from the Chief Conciliator which comprises a long list of disputes and potential disputes where ACAS is either directly involved in talks between the parties, or is ready to provide conciliation. In the majority of cases, ACAS succeeds in achieving a lasting settlement.
  9. When Industrial action does take place it is expensive and inconvenient for all concerned, whilst it is difficult to quantify the savings to business, or the value of preventing disputes in the public sector it is self evident that where disputes can be resolved before industrial action occurs, the benefits to the public and to business are huge.
  10. The role of ACAS in resolving disputes between individual employees and employers is less well known. Employees now have much better individual legislative protection and appear to be more aware of their rights at work and more prepared to litigate than they have been in the past. In most cases, litigation will not resolve the underlying dispute even if it does compensate the individual. It very seldom re-instates the employee. Conciliation, or mediation, can provide compensation for the individual and, much more importantly, can help the employer and the employee come to terms before a dismissal or resignation takes place and also helps the employer to avoid future problems by putting better practices into place.
  11. The benefits of avoiding individual disputes are difficult to quantify, however annual reports from the Employment tribunal service show that a significant proportion of cases are consolidated each year and therefore don't proceed to full hearings.

### **ACAS's performance and accountability**

12. ACAS provides guidance, training and briefings for employers and unions, as well as their public enquiry system. The ACAS guidance and related training is invaluable to Amicus particularly on issues such as consultation, compliance with legislation and working more effectively with employers.
13. ACAS also has a duty to produce Codes of Practice under various statutes. This is an important duty of ACAS. Ensuring full consultation with interested parties takes place when such Codes are drafted, and in some cases establishing a drafting group. The Codes are also periodically revised.
14. ACAS has recently developed its work on equality and diversity, which is one of the great drivers of change in the world of work today. ACAS provides practical help and support to employers and unions who are grappling with complex new legislation. They help with the understanding of legal requirements and applying them in practice in a way that adds value to the organisation.
15. ACAS publications are easy to read and comprehensive, and are now available in electronic format. Their website is up to date and easy to navigate. Their phone line enquiry service is impressive but may be an important service that too few in Government are aware of.

### **Conclusion**

16. ACAS has existed and performed well for over 30 years. It has an excellent reputation for impartiality. It is based on Parliamentary statute, with public funding, both of

which ensure it's success. It is linked to the Government but independent of it, being governed by a Council made up of representatives of employers and employees, together with academic and legal experts.

17. ACAS can still improve, they need to develop a wider customer focus, it needs to ensure that within Government all departments and agencies are aware of the work of ACAS.
18. Amicus is concerned that ACAS has had a significant cut in public funding recently. Cuts of this magnitude could have a damaging effect on the ability of ACAS to continue to provide such a comprehensive and highly valued service to employers, employees, unions and the public.