

COUR EUROPÉENNE DES DROITS DE L'HOMME EUROPEAN COURT OF HUMAN RIGHTS

THIRD SECTION

DECISION

AS TO THE ADMISSIBILITY OF

Application no. 53574/99 by UNISON against the United Kingdom

The European Court of Human Rights (Third Section), sitting on 10 January 2002 as a Chamber composed of

Mr G. RESS, President,

Mr I. CABRAL BARRETO,

Sir Nicolas BRATZA,

Mr L. CAFLISCH,

Mr R. TÜRMEN,

Mr B. ZUPANČIČ,

Mrs H.S. Greve, judges,

and Mr V. BERGER, Section Registrar,

Having regard to the above application lodged on 20 October 1999 and registered on 21 December 1999,

Having regard to the observations submitted by the respondent Government and the observations in reply submitted by the applicant,

Having deliberated, decides as follows:

THE FACTS

The applicant is a trade union, with its registered address in London. It is represented before the Court by Mr J. Clinch, the applicant's legal officer.

A. The circumstances of the case

The facts of the case, as submitted by the parties, may be summarised as follows.

The applicant is a union for public service employees. It has members employed with the University College Hospital (UCLH), which is a National Health Service ("NHS") Trust. A substantial proportion of its members at UCLH are employed on terms and conditions of employment negotiated, primarily, at a national level and the applicant plays a leading role in those national negotiations. Collective negotiations on terms and conditions for most staff so employed within the NHS take place within the framework of the so-called "Whitley Councils". There is a General Council which agrees terms and conditions common to all staff groups, for example, on redundancy, equal opportunities, maternity rights and joint consultation machinery and ten other specialist councils dealing with particular jobs or professions. Each Council is composed of an equal number of employerside staff and staff-side employees. The applicant inter alia provides the employee-side secretariat of the General Whitley Council which means that it plays the leading role in co-ordinating staff-side policy within the General Council negotiations and in representing employees at those negotiations.

During 1998, UCLH was negotiating to transfer a part or parts of its business to a transferee consortium of private companies, under a mechanism known as Private Finance Initiative, whereby the private companies would erect and run for UCLH a new hospital (the "primary transfer"). The consortium would subsequently transfer parts of the business transferred to it by UCLH to other private transferee companies (secondary transfers). Thereafter, there would be yet further transfers to private companies (tertiary and subsequent transfers). At all stages there was to be subcontracting out of parts of the work by transferee companies to specialist companies. The primary transfer and secondary transfers would involve most but not all the employees of UCLH being transferred to one or more of the transferee companies.

The applicant sought protection of its members for the terms and conditions of employment and collective bargaining arrangements, aiming to secure a collective agreement with UCLH by which the latter would impose on the transferees terms that would guarantee for thirty years that the terms and conditions of employment and the collective bargaining arrangements of those who would be employed by the primary and subsequent transferees would remain the same as or equivalent to those

which would remain for existing employees who were not transferred from UCLH. UCLH refused the request or to offer any protection of existing terms and conditions beyond those guaranteed as a minimum by law.

The applicant put a question to its members in the statutorily required pre-strike ballot, asking whether they were prepared to take industrial action in support of the trade union's demands for a guarantee. The ballot paper stated:

"The union has requested a guarantee that the terms, conditions and benefits enjoyed by UCLH staff to be transferred to the new employer, and also staff, subsequently employed and subcontracted staff remain the same (or at least as favourable as), and governed by the same collective bargaining arrangement as HNS, UCLH Trust staff. The UCLH Trust has not agreed to give this guarantee by making it part of the contract with the new employers or by making it part of individual contracts of employment. The union is therefore in dispute with the UCLH NHS Trust.

Are you prepared to take strike action in support of the request for the guarantee described above?"

- On 2 September 1998, it was announced that members had voted overwhelmingly to take strike action. The applicant called for the strike to take place on 21 September 1998.
- On 7 September 1998, UCLH brought proceedings applying for an injunction to prevent the strike taking place.
- On 17 September 1998, the High Court ordered interlocutory injunctive relief in favour of UCLH, finding that the strike did not attract the protection of section 219 of the Trade Union and Labour Relations (Consolidation) Act 1992 (the 1992 Act).
- On 13 October 1998, the Court of Appeal dismissed the applicant's appeal, upheld the injunction and ordered costs against the applicant. It refused leave to appeal to the House of Lords. In its judgment, as summarised by the applicant, it was found:
- (i) that there was no dispute wholly or mainly related to current terms and conditions but instead a dispute about future terms and conditions with an unidentified future employer (Section 244 of the 1992 Act did not extend to such a dispute);
- (ii) the inclusion of future employees and sub-contracted employees in the demand for protection took the dispute outside section 244 of the 1992 Act:
- (iii) even if the dispute was mainly about statutorily permitted matters and between statutorily permitted parties, the ballot paper before the strike must be restricted wholly to statutorily permitted issues to be valid.

In his judgment in the Court of Appeal, Lord Woolf M.R. noted that the applicant's counsel had accepted that the arrangement which the applicant had sought to achieve would have been difficult to enforce in any event, though considered that the applicant could claim that the guarantee could

have been of benefit to its members. While counsel had also conceded that any strike of hospital staff would, regrettably, have had an impact on persons being treated in the hospital, he held that the possible adverse consequences of a strike was not relevant to the court's decision on the legal issue before it.

On 26 April 1999, the House of Lords rejected the applicant's petition for leave to appeal.

The applicant withdrew the strike call to avoid acting unlawfully and being found liable for damages.

B. Relevant domestic law and practice

1. Legislation relating to strikes

A strike by employees involves breaches of their respective contracts of employment. Calling or supporting a strike by a trade union involves the trade union in committing the tort of inducing the breach of contracts of the employees concerned. Section 219 of the Trade Union and Labour Relations (Consolidation) Act 1992 (the 1992 Act) confers protection where the defendant is acting "in contemplation or furtherance of a trade dispute". Statutory protection is lost and the trade union is necessarily acting unlawfully if the strike it calls is in contemplation or furtherance of something which does not fall within the statutory definition of a "trade dispute".

The term "trade dispute" is defined by section 244 of the 1992 Act which provides as relevant:

- "(1) In this Part, 'trade dispute' means a dispute between workers and their employer which relates wholly or mainly to one or more of the following -
 - (a) terms and conditions of employment or the physical conditions in which any workers are required to work;
 - (b) engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
 - (c) the allocation of work or the duties or employment between workers or groups of workers;
 - (d) matters of discipline;
 - (e) a worker's membership or non-membership of a trade union;
 - (f) facilities for officials of trade unions; and
 - (g) machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers'

associations of the right of a trade union to represent workers in any such negotiation or consultation or in the carrying out of procedures."

2. The Transfer of Undertakings Regulations ("TUPE")

Pursuant to The Transfer of Undertakings (Protection of Employment) Regulations 1981 (SI 1081/1974), protection is provided to workers on (most) transfers of undertakings (these regulations implemented Council Directive No. 77/187/EEC).

By regulation 5, a contract of employment of employees employed in an undertaking immediately before a relevant transfer are saved from automatic termination and "shall have effect after the transfer as if originally made between the person so employed and the transferee." All rights, powers, duties and liabilities of the transferor are deemed to pass to the transferee (reg. 5(2)(a)), hence the transferee comes under an obligation to respect the terms and conditions of employment which have been agreed by the transferor. By virtue of reg. 5, employees whose contractual terms prior to transfer are expressly subject to collective negotiation, will continue to be subject to that collective negotiation following transfer, even if their new employer is not party to those negotiations (e.g. Whent and others v. T Cartledge Ltd [1997] IRLR 153(EAT)).

Pursuant to reg. 6 of TUPE, the effect of any collective agreement made between a transferor employer and a trade union is preserved, and the agreement treated as if it had been made between the trade union and the new transferee employer. Recognition of a trade union by a transferor, whether for collective bargaining purposes or otherwise also binds a transferee where the undertaking transferred maintains an identity distinct from the remainder of the transferee's undertaking (reg. 9).

Pursuant to reg. 8(1), of TUPE, an employee who is dismissed because of a transfer or for a reason connected with it is deemed to have been unfairly dismissed, giving an automatic guaranteed claim for compensation and/or re-instatement or re-engagement under s. 94 of the Employment Rights Act 1996 ("ERA"). This is subject to the exception where the employee has been dismissed for "an economic, technical or organisational reason entailing changes in the work force" in which case the dismissal is not automatically unfair – reg. 8(2). Such dismissal may nevertheless be found unfair by an Employment Tribunal applying the ordinary principles set out in s. 98 of ERA. A dismissal may occur at the instigation of an employer or where an employee resigns having apprehended that there is to be, or has been, a fundamental breach of contracts by the employer or a substantial change of working conditions to his detriment (e.g. *Rossiter v. Pendragon PLC* [2001] IRLR 256).

A proposal by an employer to effect a transfer also gives rise to an obligation to consult "appropriate representatives" of affected employees about, *inter alia*, the date of the transfer and the reasons for it, its legal,

economic and social implications for affected employees, and the measures, if any which will be taken by the transferor and/or transferee employers in relation to those employees (reg. 10(2)). The appropriate representatives include representatives of a recognised trade union.

3. General employment provisions relating to changes of terms and conditions in employment

Any reduction in wages paid by an employer must, with certain limited exceptions, be agreed in writing. If there is no written agreement, the employee will have a claim to the Employment Tribunal for unlawful deduction of wages under ss. 13-23 ERA.

Any reduction in wages or downgrading in other terms or conditions which is not agreed will give rise to a claim for breach of contract of employment in the ordinary courts, or, if employment has ended, in the ordinary courts or in the Employment Tribunal.

If an employee is dismissed for failing to agree to a change in contractual terms and conditions, he may bring a claim for unfair dismissal pursuant to s. 94 ERA. A claim for unfair dismissal may also be brought by an employee who resigns following a significant change to contractual terms and conditions (s. 95(1)(c) ERA). An employee dissatisfied with changes to terms and conditions may remain in his job and claim unfair dismissal, seeking compensation for the financial shortfall between the new terms and former terms of employment.

4. Recognition of trade unions for collective bargaining

Pursuant to TUPE, recognition of trade union and collective agreements would automatically transfer to transferee employers (regs. 6 and 9). Where following transfer a transferee company wished to terminate recognition of a trade union, domestic law provides a mechanism whereby such employers may be compelled to engage in collective bargaining on certain matters.

Section 1 of the Employment Relations Act 1999 adds a new Schedule 1A to the 1992 Act, under which employers and trade unions are encouraged to agree upon recognition for collective bargaining and upon the consequences which should flow from recognition. In the absence of agreement, unions may, in certain circumstances, apply to the Central Arbitration Committee in order to secure compulsory recognition for the purposes of collective bargaining on pay, working hours and holidays. Certain conditions must be met if compulsory recognition is to be ordered, principally that the trade union can claim a minimum level of support amongst the workers it wishes to represent in collective bargaining (paragraphs 22 and 29(3) of the Schedule) and that no other trade union is already recognised as representing any of those workers (paragraph 35). The Schedule came into force on 6 June 2000.

COMPLAINTS

- 1. The applicant complains under Article 11 of the Convention that the effect of the judgment of the Court of Appeal is that there can never be statutory protection (and hence freedom) for industrial action proposed or taken in contemplation or furtherance of a dispute in which the union and workers seek the protection of terms and conditions of employment after the transfer of a business or part of a business from an existing to a new employer.
- 2. The applicant invokes Article 13 of the Convention, claiming that it has been deprived of any effective remedy in relation to the failure of the United Kingdom to secure to the applicant and its members the right guaranteed under Article 11.

THE LAW

- 1. The applicant complains that its right to strike has been subject to unjustified restriction, invoking Article 11 of the Convention which provides:
 - "1. Everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions for the protection of his interests.
 - 2. No restrictions shall be placed on the exercise of these rights other than such as are prescribed by law and are necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This Article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or of the administration of the State."

1. The parties' submissions

(a) The Government

The Government submit that the industrial action which was prohibited by the Court of Appeal did not engage Article 11 because it was not directed at the protection by the applicant of the interests of its members. It did not concern a "trade dispute" concerned with the protection of the occupational interests of its members as it was primarily directed at as yet unidentified individuals who might be employed by future transferee companies.

In any event Article 11 did not confer any right to strike but only a freedom to protect the occupational interests of its members and Contracting

States had a choice of means as to how that freedom ought to be safeguarded. As domestic law permitted and provided for means other than strike action for the applicant to protect the occupational interests of its members, there could be no breach of Article 11. In particular, the applicant was recognised by UCLH for the purposes of collective bargaining and representation of its members and that recognition was likely to transfer to any transferee employee pursuant to reg. 9 of TUPE and could, in any event, be claimed as a legal right under Schedule 1A of the 1992 Act (recognition for collective bargaining) and s. 10 of the 1999 Act (participation at disciplinary and grievance hearings); the applicant played a direct and leading role in the negotiation of national terms and conditions of employment, on which many of its members at UCLH were employed and pursuant to TUPE those terms would continue to bind a transferee company insofar as they were incorporated into the contracts of employment of individual employees; pursuant to reg. 10 of TUPE the applicant had a formal right to be heard prior to a transfer of staff and on many measures to be taken consequent upon the transfer in relation to its members by UCLH or a future transferee employer. These means would enable the applicant to bring significant influence to bear in respect of its apparent concern at the threat of downgrading by future transferee employers of the contractual terms and conditions of their employees. Furthermore, in the event that a future transferee employer sought to vary contractual terms and conditions, the applicant could provide legal advice and representation in any legal claims; it could continue to play an active role in political issues of concern to its members and provide a wide range of other services including advice on health, safety, insurance and finance.

To the extent that any right to strike was contained to Article 11, this was not unlimited but subject to regulation. The approach by the Court of Appeal in interpreting domestic law constituted mere regulation of the right to strike rather than any deprivation of that right, as the applicant could exercise a right to strike against UCLH concerning terms of employment of its current employees and a right to strike against any future transferee employer if it threatened to downgrade contractual terms and conditions.

Finally, even assuming that there was any interference with any right to strike, this would be justified in pursuit of the aim of protecting the rights and freedoms of others, namely employers and those members of the public affected by strike action and was proportionate as the restriction was of limited ambit affecting only disputes over future hypothetical scenarios, the law provided significant protections to ensure that the UCLH and future employers did not downgrade terms and conditions, there were a range of other means by which it could advance its members' interests and the broad guarantee sought by the applicant would have been of little practical effect given the difficulties of enforcing it against a future transferee employee. They also submit that the Government had a wide margin of appreciation

when striking the balance between rights of employees to take industrial action and the rights of employers and the public who suffer as a result.

(b) The applicant

The applicant argues that the right to strike was an element inherent in Article 11 of the Convention as a right "indispensable for the effective enjoyment of trade union freedom", referring *inter alia* to the practice of the International Labour Office and resolutions and opinions issued by organs of the Council of Europe. It was inconceivable that trade unions could effectively carry out their primary function of protecting the interests of their members unless those members had the right to strike, albeit subject to permissible limitations. The applicant does not claim an unlimited right to strike or that it is means of being heard which must be available in all circumstances. For example, the right to strike could be substituted by a substantially equivalent power such as the right to require the employer to be bound by a national collective agreement, or to submit to a binding arbitration. However, the right to make a plea to an employer is not of substantially comparable persuasive effect to the power of strike action and cannot be a sufficient alternative.

The applicant rejects the Government's argument that trade union protection can be limited to protecting the interests of current union members. In any event, the applicant was acting at the behest of its current members employed by UCLH to protect, primarily, them, as it would be they who would suffer on transfer if their terms and conditions were downgraded or when they lost their voice in the collective bargaining machinery or when the employer ceased to recognise their union. Similarly, the current members would be threatened when transferee employers brought in new staff on worse terms and conditions and sought to apply such terms and conditions to all. It is incorrect of the Government to assert that the protection of its current members was found by the domestic courts to be a very subsidiary motivation.

The applicant also disputes that that there were other effective means to protect their members' interests in this matter. The fact that the applicant was recognised by UCLH was irrelevant since UCLH refused to agree or negotiate; the fact that the recognition would transfer with workers to the new employers was worthless as the new employer could refuse to negotiate and was entitled under law to terminate the recognition at any time; the applicant's right to accompany members at disciplinary and grievance hearings was not relevant to issues of collective bargaining machinery and protection of their terms of contract; and only UCLH through its contracts had the legal power to insist that future employers accepted the guarantees required by the applicant. The right to be consulted prior to transfer was of minimal importance since UCLH refused to negotiate on the point in issue, while the applicant's role in political campaigning did not help in protecting

its members against a particular employer. While it was accepted that the applicant could exert some influence in the future to prevent downgrading of terms and conditions, the degree of this influence depended on the goodwill of employers or the threat of industrial action by its employees. However, the applicant was denied the right to trade union activity by way of a strike against the one target and at the one time which could achieve the protection of the members' interests sought.

Further, the prohibition on strike action constituted an effective deprivation of the right and not mere regulation. There was no evidence that the aim of the prohibition was to protect the employers or public, as it was a consequence of the interpretation of domestic law and not the purpose of the law in question, or the lawmakers. The prohibition was also disproportionate as it prevented them from pursuing the protection which they were prepared to strike to obtain. Future terms and conditions and collective bargaining coverage was of great significance to poorly paid public health workers and UCLH could have easily conceded the request but refused to do so, presumably from a desire not to discourage future transferees by offering contracts which gave employees protection.

2. The Court's assessment

The Court recalls that while Article 11 § 1 includes trade union freedom as a specific aspect of freedom of association this provision does not secure any particular treatment of trade union members by the State. There is no express inclusion of a right to strike or an obligation on employers to engage in collective bargaining. At most, Article 11 may be regarded as safeguarding the freedom of trade unions to protect the occupational interests of their members. While the ability to strike represents one of the most important of the means by which trade unions can fulfil this function, there are others. Furthermore Contracting States are left a choice of means as to how the freedom of trade unions ought to be safeguarded (see the Schmidt and Dahlström v. Sweden judgment of 6 February 1976, Series A no. 21, pp. 15-16, §§ 34-36).

In the present case, the applicant trade union submits that the decision of the Court of Appeal prohibiting the strike against UCLH was a disproportionate interference with its right, under Article 11, to take effective action to protect its members' interests in light of the proposed transfer of part of the UCLH's functions to private companies. The Government dispute that Article 11 comes into play at all, considering that strike did not concern the occupational interests of its members as it concerned protection of yet unidentified individuals to be employed by yet unidentified transferee companies. The Court observes that this was the approach taken by the domestic courts in applying the applicable legislation concerning "trade disputes". This is not a decisive consideration for the purposes of Article 11 of the Convention. It notes that UCLH was proposing

to transfer part of its functions to private sector companies and that, potentially, members of the applicant would be affected by these transfers. Even if the guarantees sought by the applicant extend to protect hypothetical future employees, it appears that they would have provided its existing members with an additional protection, however slight or difficult to enforce, against any measures taken by a future transferee company which might affect their pay and conditions. The Court of Appeal considered that the guarantee if obtained by the union could have been of benefit to its members. The proposed strike must be regarded therefore as concerning the occupational interests of the applicant's members in the sense covered by Article 11 of the Convention.

The Court further considers that the prohibition of the strike must be regarded as a restriction on the applicant's power to protect those interests and therefore discloses a restriction on the freedom of association guaranteed under the first paragraph. It has examined, below, whether this restriction was in compliance with the requirements of Article 11 § 2 of the Convention, namely whether it was "prescribed by law", pursued one or more legitimate aims under paragraph 2 and was "necessary in a democratic society" for the achievement of those aims.

It is not disputed that the measure, imposed by the Court of Appeal in application of domestic law, was "prescribed by law".

The applicant does dispute that it pursued any legitimate aim, considering that the measure was a consequence, not intended by Parliament, of the interpretation of domestic law adopted by the courts. The Government submitted that the measure pursued the aims of protecting the rights of others, namely the employer UCLH and the members of the public which would have been affected by any strike. To this, the applicant replied that the protection of the economic interest of UCLH in maintaining its freedom of contract with transferee companies was hardly a weighty consideration and that there was no evidence about any possible impact on the public of the strike. The Court recalls that the Court of Appeal had ruled that the latter element was irrelevant to the legal issues in the case. The importance of the former element is however a matter to be taken into account in assessing the proportionality of the restriction. The Court is satisfied that the employer UCLH could claim that its ability to carry out its functions effectively, including the securing of contracts with other bodies, might be adversely affected by the actions of the applicant and accordingly the measures taken to prevent the strike may be regarded as concerning the "rights of others", namely those of UCLH.

The necessity of the measure remains to be determined. The applicant argues that the Government are wrong to claim that their members' interests are adequately safeguarded by employment provisions and that it enjoys other means of protecting those interests. It points, *inter alia*, to the fact that although on transfer the employees' wages and conditions are maintained

under TUPE this does not prevent a new employer giving notice of dismissal while offering new contracts on less advantageous terms and that, to the extent that a transferee company is bound by any existing recognition of the applicant or existing collective agreements, the transferee company would be able to repudiate them. As regards the former possibility, the Court notes that the transferee company would nonetheless face actions for unfair dismissal by any employee threatened with such a measure. As regards the latter, it appears that any employer, including the UCLH, has the ability, in appropriate circumstances, to de-recognise a union or repudiate a collective agreement, which has not been made legally enforceable. This therefore appears to be a risk that faces all trade unions and their members under the current legal framework. It does not derive per se from UCLH's alleged intransigence. Furthermore it appears that under legislation recently entering into force (Schedule 1A to the 1992 Act), the applicant could, if enjoying sufficient support for the work force and where other relevant conditions were complied with, compel an employer to recognise it for the purposes of collective bargaining.

The Court notes that the applicant objects strongly to the method, known as the Private Finance Initiative, which public bodies are encouraged by the Government to use in buying services from, or contracting out functions to, private companies. It is regarded as a way of providing public services at a lower cost and, the applicant argues, the principal saving inevitably derives from the private sector's policies of forcing wage cuts and reductions in the work force. The Court understands that employees faced with transfer from a public service to the private sector feel vulnerable and under threat. It is not for this Court however to determine whether this method of providing services is a desirable or damaging policy. It notes that the applicant trade union remains able to take strike action if the UCLH takes any step itself to dismiss employees or change their contracts prior to the transfer and that it could seek to take strike action against any transferee company that in the future threatened the employment of its members or to de-recognise the applicant. While the applicant points out that this might involve individual strike action against a number of different companies in the future, as opposed to one large hospital trust before the transfers commenced, the Court is not persuaded that this means that they are thereby deprived of the possibility of effective action in the future.

As regards the argument that the applicant's interests in protecting its members must weigh more heavily than the UCLH's economic interest, the Court considers that the impact of the restriction on the applicant's ability to take strike action has not been shown to place its members at any real or immediate risk of detriment or of being left defenceless against future attempts to downgrade pay or conditions. When, and if, its members are transferred, it may continue to act on their behalf as a recognised union and negotiate with the new employer in ongoing collective bargaining

machinery. What it cannot claim under the Convention is a requirement that an employer enter into, or remain in, any particular collective bargaining arrangement or accede to its requests on behalf of its members. The Court therefore does not find that the respondent State has exceeded the margin of appreciation accorded to it in regulating trade union action.

In these circumstances, the prohibition on the applicant's ability to strike can be regarded as a proportionate measure and "necessary in a democratic society" for the protection of the rights of others, namely UCLH.

It follows that this part of the application is manifestly ill-founded and must be rejected pursuant to Article 35 §§ 3 and 4 of the Convention.

2. The applicant complained, in its original application, of a lack of an effective remedy for the removal of its right to strike, invoking Article 13 of the Convention which provides:

"Everyone whose rights and freedoms as set forth in [the] Convention are violated shall have an effective remedy before a national authority notwithstanding that the violation has been committed by persons acting in an official capacity."

The Government submit that the applicant could not claim an "arguable" breach of the Convention for the purposes of this provision. In any event, the matter could be, and was, determined by the domestic courts. The fact that the Court of Appeal ruled against the applicant was not significant since Article 13 did not lay down for Contracting States any given manner for ensuring within their internal law the effective implementation of any of the provisions of the Convention.

The applicant made no further comment in its observations on reply.

In light of the applicant's lack of response to the Government's submissions, the Court finds that no issue arises requiring further examination.

For these reasons, the Court unanimously

Declares the application inadmissible.

Vincent BERGER Registrar Georg RESS President