City of London Corporation Delegated Authority Report

Committee(s): Corporate Services Committee	**Dated:** 9 September 2026
Subject: Probation Policy	**Public report:** For Decision
This Proposal: • Promotes best practice in line with Supporting a Thriving Community aims including – having a strong legal and regulatory framework and access to global markets. • Is in line with other London Councils' approach. • Reduces risk of unfair dismissal claims under Employment Rights Act 2025.	Delivers Corporate Plan 2024-29 outcomes.
Does this Proposal require extra revenue and/or capital spending?	No.
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Cliff Morton - Chief People Officer.
Report author:	Maggie Heneghan – Senior Policy Officer and Industrial Relations.

Summary

The Employment Rights Act 2025 will reduce the qualifying period for protection against unfair dismissal from two years to six months with effect from January 2027. In preparation for this change, and in line with approaches adopted by other London local authorities, the City Corporation has reviewed its probation arrangements.

The proposed Probation Policy (see Appendix 1) reduces the standard probation period from six months to four months and the maximum extension period from three months to four weeks.

It also introduces a more structured framework for managing probation, including enhanced support for employees, clearer review requirements, emphasis on evidencing meetings, greater emphasis on reasonable adjustments and a formal appeal process.

The policy has been developed following consultation with relevant stakeholders, including recognised Trade Unions, Senior Employee Representatives, HR colleagues and the Equality, Equity, Diversity and Inclusion team.

Recommendation(s)

It is recommended that Members:

- Approve an updated Probation Policy that includes the following revisions:
    - A reduction of the standard probation period from six months to four months;
    - A reduction of the maximum extension period from three months to four weeks;
    - A more structured framework for managing probation, including enhanced support for employees, clearer review requirements, emphasis on evidencing meetings, greater emphasis on reasonable adjustments and a formal appeal process (as detailed in paragraph 11);

Main Report

Background

1. The Employment Rights Act 2025 will reduce the qualifying period for protection against unfair dismissal from two years to six months.[1] The change is effective from January 2027.

Current Position

Legislative driver

2. In line with approaches adopted by other London Councils (see Appendix 3), the City Corporation has reviewed its probation arrangements in preparation for the implementation of the Employment Rights Act 2025.
3. The reduction in the unfair dismissal qualifying period increases the importance of ensuring that concerns relating to performance, conduct or attendance are identified and addressed during the probation period.

Probation change

4. Please see the table below reflecting both the previous and updated probation periods.

Previous probation period	Updated probation period
6 months	4 months
3-month extension	4-week extension in exceptional circumstances

5. These changes are being proposed to ensure that probation decisions can be concluded effectively before employees obtain protection from unfair dismissal protections.
6. The revised arrangements also strengthen support for employees through clearer objectives, regular reviews, reasonable adjustments and a more structured probation process.

[1] Employment Rights Act 2025.

Why are we suggesting change now?

7. In preparation for the implementation of the Employment Rights Act 2025, and following benchmarking against other London local authorities, the City Corporation has reviewed its probation arrangements.
8. We are keen to implement as soon as possible and will support this change through a training package launched in the Autumn.

Consultation summary

9. The policy was developed in consultation with:

- HR.
- Employee Relations.
- EEDI.
- City of London Police.
- City Bridge Foundation
- Trade Unions GMB and Union.
- Senior Employee Representatives.

10. Feedback received through consultation has informed the final draft policy. Consultation included an HR Working Group session, an Equality Impact Assessment, engagement with recognised Trade Unions and engagement with Senior Employee Representatives. Capacity challenges with Trade Union colleagues as a result of Pay and A25 negotiations has meant consultation has taken longer than originally planned.

Key policy changes.

11. Key changes contained within the revised Probation Policy include:

- A reduction in the standard probation period from six months to four months.
- A reduction in the maximum probation extension period from three months to four weeks, with extensions limited to exceptional circumstances.

- Greater emphasis on reasonable adjustments, including consideration of adjustments when assessing performance.
- A more structured probation framework, including scheduled one-to-one meetings, probation review meetings and defined timelines.
- Enhanced documentation requirements, including probation review forms, improvement plans and a probation procedure map.
- A right to be accompanied at formal probation meetings, and clarification that it is Senior Employee Representatives for employees in Grades H – J.
- A formal appeal process, with defined grounds of appeal and time limits for submission.
- Increased managerial accountability and HR oversight, including escalation where probation reviews are not completed.
- Supporting resources for managers and employees, including a Manager Guide, Employee Guide and Quick Guide

It is a more structured, supportive and procedurally robust process than the previous policy.

12. Options

1. Two options have been provided:

   a. Adopt the new policy.

      This option supports organisational readiness for the Employment Rights Act 2025 and provides a clearer framework for managing probation periods.

   b. Maintain the current policy.

      While we could opt to “do nothing” this would increase the risks described above.

13. Corporate & Strategic Implications

Strategic implications – this proposal supports the People Strategy by promoting the effective management of performance during probation, encouraging early intervention where concerns arise and ensuring decisions are evidence-based. The revised policy has been developed through consultation with HR, EEDI, City of London Police, City Bridge Foundation, recognised Trade Unions and Senior Employee Representatives.

Legal implications – The revised probation period applies to new starters only and will be reflected in new contracts of employment. Existing employees are unaffected

by the change. The policy has been subject to consultation with recognised Trade Unions and Senior Employee Representatives.

Risk implications – Failure to adopt the revised policy would increase the risks associated with the reduced qualifying period for unfair dismissal. This may mean that, in a case where an employee fails to pass their probation period, the organisation could be open to legal dispute risks. The proposed approach is in line with other London Councils.

Equalities implications – An Equality Impact Assessment Form has been completed and will be kept updated. The EEDI team and trade unions have provided feedback which we are implementing.

14. Conclusion

It is proposed that the revised Probation Policy be adopted. The revised policy sets out the new probation arrangements to be introduced for new starters, provides clearer guidance for managers and employees, strengthens procedural safeguards and supports the organisation's preparations for the implementation of the Employment Rights Act 2025.

Appendices

- Appendix 1 – Proposed Probation Policy
- Appendix 2 – Current Probation Procedure
- Appendix 3 – London Councils' Probation Policy

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