

<b>Committee(s):</b>	<b>Date(s):</b>
IT Sub Committee - For decision	02 November 2018
<b>Subject:</b> Applications Management Strategy	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report Author:</b> Kevin Mulcahy Assistant IT Director - Projects and Programmes	
<b>Summary</b>	
<p>This report commends to the committee the Applications Management Strategy proposed by the IT Division for the City of London Corporation ('CoL') and the City of London Police ('CoLP'). The strategy seeks to maximise the value-for-money that CoL and CoLP obtain from their joint applications estate - over 350 items of software – through ownership formalisation, estate consolidation and product optimisation.</p>	
<p>Ownership formalisation focuses on establishing proactive, consistent and reliable processes and roles for managing, maintaining and supporting applications, wherein the business owners of applications work more effectively with the IT Division and third-party suppliers. Estate consolidation focuses on identifying the most cost-effective application for each business need and then making the widest and best use of the resulting rationalised portfolio of applications. Product optimisation focuses on better meeting the accelerating business and customer demand for new (digital) services through appropriate upgrade, integration and mobilisation of each application in the portfolio.</p>	
<p>Implementing the strategy entails meaningful changes to working practices relating to application ownership and operation across business units and the IT Division while remaining aligned to current human resources, finance and procurement principles and policies. A target operating model will be developed to set out this changed way of working in more detail, once the strategy has been endorsed.</p>	
<b>Recommendation(s)</b>	
Members are asked to:	
<ul style="list-style-type: none"> <li>• Note the content of the report.</li> <li>• Endorse adoption of the Applications Management Strategy by CoL and CoLP as the overarching guide to the ongoing ownership, operation and enhancement of their joint applications estate.</li> <li>• Delegate authority to the IT Director to implement the strategy in conjunction with senior officers and the heads of business units.</li> </ul>	

## **Main Report**

### **Background**

1. In 2017 the City of London Corporation and the City of London Police adopted a joint IT Strategy to take them forwards to 2020 at the very least. The first step in implementing this strategy was the Technology Transformation programme, Phase 1 of which in 2017-18 radically changed the technology infrastructure underpinning CoL operations. Phase 2 in 2018-19 will look to do the same for CoLP, while enabling CoL to take fuller business advantage of the changes from Phase 1.
2. Software applications – the means through which most CoL and CoLP staff and customers interact with most of the information and processes needed to deliver business, community and personal benefits – were somewhat impacted by the technology transformation. They had to be reimplemented to work in the new environment but were not optimised beyond that, and there was limited estate consolidation and no ownership formalisation.
3. The IT Strategy envisaged application ownership formalisation, estate consolidation and fuller product optimisation as part of a subsidiary Applications Strategy. It also envisaged a more effective and efficient and thereby leaner Applications team within the IT Division, ready to meet the new challenges resulting from the drive to new (digital) services. A first step to meeting these expectations is the adoption of an Applications Management Strategy that provides rationale and structure for the necessary changes.

### **Current Position**

4. Currently CoL and CoLP have not adopted an Applications Management Strategy that meets the needs set out above.
5. The IT Division has developed a strategy that it deems suitable to meet these needs and to contribute to an eventual wider Applications Strategy.
6. The developed strategy cannot be adopted without its endorsement by this committee and delegation of authority to the IT Director for its implementation.
7. In the absence of the strategy's adoption, the full benefits of the IT Strategy previously endorsed by this committee and adopted by CoL and CoLP will not be realised, with the move to more digital services being particularly hampered.

### **Options**

8. Do nothing:
  - a. Minimises disruption to current working practices and avoids any costs of change.
  - b. Some changes will emerge purely due to the technology infrastructure changes as some practices that have been tolerated in the past are no longer feasible, but these will be reactive rather than proactive and therefore are unlikely to be optimised.

- c. The pressure to move to digital services is growing and will have to be addressed – in the absence of the Applications Management Strategy being adopted, this will be more challenging and riskier than it need be.
  - d. The full benefits of the IT Strategy will not be realised.
9. Endorse the Applications Management Strategy for adoption by CoL and CoLP:
- a. This will provide proactive support for addressing the demand for digital services, including clear mechanisms for evaluating the business case and developing the implementation approach for changes to applications and for then successfully realising both.
  - b. Change costs are expected to be relatively small and will arise from any emergent need to provide additional technology tools and training to members of the Applications team – these costs are expected to be accommodated within existing transformation and training budgets.
  - c. Application change costs might be more significant and will be determined on a case-by-case basis. It might be possible to cover these costs within existing or future budgets at the business unit level, but recourse to a central budget (e.g. part of the transformation budget) might be needed in some instances.
  - d. The primary process impact on business units is the need to identify a business owner for each application, who will undertake this role in addition to other responsibilities of his or her post. The application-related responsibilities are by and large already being carried out by business unit officers; however, in the absence of the new formalisation, this has been to varying standards with varying results. The new formalisation will impose new burdens on some officers, but the improvement in results will reduce the previous burden of dealing with unfavourable results.

### **Proposals**

- 10. It is proposed that this committee endorse the Applications Management Strategy in its entirety for adoption by CoL and CoLP, delegating its implementation to the IT Director.
- 11. This proposal is made on the basis that it is necessary for further realisation of the applications benefits of the IT Strategy previously endorsed by this committee and adopted by CoL and CoLP, noting that the Applications Management Strategy is a contributor to that wider Applications Strategy whose development was envisaged as part of the IT Strategy.

### **Corporate & Strategic Implications**

- 12. The proposed strategy will be a key driver behind outcome 9 'We are digitally and physically well-connected and responsive' of the Corporate Plan whilst also contributing to outcomes 3,4,5,7,8,10,12.

## **Implications**

13. The proposal, through adoption of the Applications Management Strategy, seeks to mitigate existing risks in application ownership and management faced by CoL and CoLP. It is not expected to introduce any new risks if the strategy is properly implemented.
14. The strategy seeks to avoid any significant HR implications by keeping changes to staff working practices within the scope of their existing job descriptions.
15. There may be some limited impact on future contracts with application suppliers and Service Delivery Partners, but these will be appropriately dealt with at the time those contracts are negotiated.
16. The financial implications relate to funding of tools, training and application switching costs. The tools and training costs will be covered by existing transformation and training budgets, with the changes to practices expected to generate savings in the future. The current proposed approach for covering the application switching costs is to consider business unit recourse to a central budget on a case-by-case basis while seeking to limit such recourse as much as possible, e.g. through postponing switching until the business can obtain a budget through the annual budgeting cycle.

## **Conclusion**

17. The committee's endorsement of the Applications Management Strategy for adoption by CoL and CoLP, with authority to implement it delegated to the IT Director, will be a significant step forward in realising the IT Strategy previously endorsed and adopted, which in turn is key to realisation of most, if not all, the outcomes of the Corporate Plan and Policing Plan.

## **Appendices**

- Appendix 1 – Applications Management Strategy v1.0

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