

Natural England Board

Meeting 8
12 December 2007



Paper No: **NEB PU08 04**

Title: **The Transfer of Genesis to Natural England Ownership**

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1. Purpose

1.1. To brief the Board on preparations for the transfer of the Genesis IT system to Natural England and outline how the risks will be managed.

2. Recommendations

2.1. It is recommended that the Board:

- a) endorse the approach to negotiations with Defra over the transfer of Genesis; and
- b) advise on the proposed detailed criteria set out at Annex A, which would provide the minimum acceptance criteria for Natural England to accept ownership of Genesis.

3. Background

3.1 The Board will be aware that Defra has been looking for some time to effect the transfer of ownership of Genesis to Natural England. As the system is an integral part of the design of Environmental Stewardship, and as Natural England is the sole user of the system, this is a logical aspiration for Defra. There are advantages too for Natural England, as ownership under the right terms and conditions will allow us to manage significant external resources to support and further develop the system to best effect, in line with our evolving delivery priorities, for example in relation to better targeting and more integrated delivery. The likely transfer date is at the start of the next financial year, i.e. 1 April 2008. But the default, if transfer terms cannot be agreed, would be for the system to remain in the ownership of Defra.

3.2 Genesis is however a large and complex system, so we must ensure that Natural England's interests are protected, and risks managed, with the change of ownership. The following sections briefly outline the main risks and explain how we propose to manage and/or mitigate them. Annex A contains more detail in each area and identifies the senior managers responsible for securing the required outcome in each area. We envisage that this framework will provide a key tool for use in taking the formal decision over whether to agree to the transfer.

4. Funding

4.1 Risk – the cost of ownership impacts on Natural England’s ability to deliver

Control:

- a pre-requisite of transfer should be that this should be cost-neutral for Natural England. Defra must transfer funds to Natural England to meet the full costs of support for Genesis and the associated GenRep business intelligence system. This must cover the cost of contracts with Atos Origin for hosting the system plus production support and development, some additional staff costs to support Genesis within Natural England (mainly in the area of system testing) and essential external consultancy costs. Our objective will be to position this funding as a ring-fenced resource within our grant in aid, as contract values are known and fixed to 2011/12. This will avoid annual negotiations over the amount of funding required.

5. The Quality, Completeness and Stability of the System

5.1. Risk – the system will have defects or stability issues that are unmanageable for natural England

Control:

- Genesis and the GenRep reporting service must be stable systems before Natural England can agree to take ownership of them. It is inevitable that Genesis will transfer with a number of defects, but these need to be known and understood. Furthermore it will need to be demonstrated that Genesis and GenRep are stable following the Data Centre Move (DCM), which will see a new Genesis built in Andover, Hampshire at Defra’s cost, to facilitate the closure of the current computer centre in Guildford, Surrey so that Defra can close and sell this site. Additionally we must agree a precise definition of ‘stability’ with Defra. The systems must be compliant with BS7799 and ISO 27001 security standards, or at least have plans in place to achieve this by a specific date. Appropriate user monitoring and control arrangements need to be in place. The quality of the data on the systems should be established and significant issues (e.g. over the quality of customer data) either be resolved or have plans in place to resolve them. Genesis and GenRep must also be confirmed as Data Protection Act compliant.

6. Legacy and Liabilities

6.1. Risk – Natural England will be left to deal with a major system failure, or held accountable for past Defra decisions over the development of the system

Control:

- we must secure a firm agreement with Defra over its ongoing liabilities in relation to Genesis. In large measure the system is well understood, having operated for a significant period. The key concern, however, arises with the stability of the ‘new’ Genesis, on which Natural England will be reliant after the Data Centre Move (referred to above). In particular, Genesis will not have undergone a full agreement year cycle of

processing following the move (indeed, Genesis is likely to be transferred shortly after the move). There could be events in the agreement life cycle that trigger a particular Severity 1 (total system failure) or Severity 2 defect (partial system failure mitigated at best by a time limited, difficult workaround) that has been hidden up to that point. Our objective will be to hold Defra liable for any Severity 1 or 2 defects for one year after the Data Centre Move (i.e. until February 2009);

- we will also look to ensure that Defra retains responsibility for decisions it made in relation to the Genesis development and inputs into any future audit or review of the system. There must also be appropriate handover of records and archive materials to NE.

7. People Resource

7.1. Risk – key Genesis experts and/or knowledge will be lost to Natural England

Control:

- Natural England staff have been playing central roles in the Genesis Programme for some time, and new management arrangements within Business Systems Improvement have been put in place to ensure that sufficient capacity and capability is available to support a transfer of ownership. In addition, knowledge transfer is in train between Defra employed and Natural England staff. The area of concern is centered on the continued availability of key external consultants, who have supported Defra to date over particular technical issues, for a period following handover. Availability of key individuals and the funding to continue their contracts should therefore be a condition of transfer.

8. Contractual Arrangements

8.1. Risk – there is a lack of continuity of commercial cover for Genesis hosting and support

Control:

- Defra will need to complete a change to the commercial arrangements around Genesis that will see Atos Origin take over the hosting of Genesis and GenRep infrastructure from IBM as part of the Data Centre Move. This is a pre-requisite for a successful move out of the Guildford Defra site and we have confidence that Defra will handle this aspect effectively. This then places all commercially contracted support and development in agreements with one supplier, Atos Origin. In parallel, we are working with Defra to negotiate an extension to one element of the Atos Origin contract (for production system support) so that the contracts for hosting, support and development all run to 2012, giving us certainty of both cover and cost. All contracts would then be novated to Natural England on the day of the transfer.

9. Future Proofing

9.1. Risk – can Genesis continue to run and can we develop it as required?

Control:

- a condition of transfer must be that Genesis and GenRep can continue to run on the Defra network. Natural England must secure protection from any potential changes to the network that are not known at the time of transfer of ownership. Natural England and Defra will need to agree as part of the transfer deal, responsibility for future changes to Genesis and GenRep resulting from changes to Defra systems that NE have no control over – the objective will be that Defra should be liable to meet such costs;
- in addition, the Atos Origin contract referred to above provides, in part, for some 58 members of Atos Origin development staff to deliver system support and development changes at an annual cost of £5.8m. Currently these resources are used in the main to address system defects and usability issues, but after transfer Natural England will control how much effort is devoted to defect resolution and how much effort needs to be focused on system changes to reflect improved delivery of Environmental Stewardship, in light of, e.g. the Review of ES, our work on Integrated Delivery, etc. This is much needed flexibility over a significant expert resource.

10. Conclusion

- 10.1. We believe this framework of requirements and minimum standards will protect Natural England's interests and ensure that we have adequate, flexible resources to use and further develop Genesis to better secure environmental outcomes. The fall-back position remains, however, that if mutually acceptable terms cannot be agreed with Defra, Genesis will remain in the ownership of the Department.