THE UNIVERSITY OF LEEDS

CAPITAL GROUP

**SHORT FORM BUSINESS CASE FOR <INSERT TITLE OF INITIATIVE>**

*The attached Short Form Business Case is for <insert title>. The aim of the initiative is <insert brief description of the initiative aim(s)>. Capital Group is requested to approve the investment of <£xm>.*

**The need for investment**

1. A statement of what you are asking for and why you are asking for it.

**Benefits and financial information**

1. Confirm the headline benefits of the proposal.
2. A financial summary is provided in the table below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Capital Cost (£k)** | **Recurrent Cost (£k)** | **Income (£k)** | **NPV (£k)** |
|  |  |  |  |

**Recommendation**

1. Conclusions and statement of what decision is being requested.

<INSERT NAME OF AUTHOR>

<INSERT ROLE TITLE OF AUTHOR>

ANNEX 1 Short Form Business Case

ANNEX 2 Financial Appraisal Document for Capital Cases (NPV)

ANNEX 1

**THE UNIVERSITY OF LEEDS**

**CAPITAL GROUP**

## SHORT FORM BUSINESS CASE

## (Initiative value £500,000 to £2m)

|  |  |
| --- | --- |
| **Initiative Title** |  |
| **Initiative Code** |  |
| **Faculty/Service** |  |
| **Forecast Date for Approval** |  |

**Background**

* Explain the background to this initiative.
* Describe the problem we are addressing. Why do we need to change?
* What will be the benefits of the initiative? What will be improved and how will we measure this?

**Resource**

The following people have responsibility for this initiative:

|  |  |
| --- | --- |
| **Role** | **Name** |
| **Sponsor** |  |
| **Business Lead** |  |
| **Project Manager** |  |
| **Author** |  |

**Strategic Context**

* Which strategic priorities are supported by this project?



**Identification of Options**

The following options have been considered:

* For each option considered, detail the following:
  + Value of the option considered (capital cost or revenue cost).
  + Recurrent cost: any increase in annual recurrent cost resulting from each option.
  + Net present value (NPV) of each option.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Option** | **Description of Option Considered** | **Value (£k)** | **Recurrent Cost (£k)** | **NPV (£k)** |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |

**Proposal**

* Describe the scope of the solution being implemented.

**Success Criteria**

* Success criteria are the outcomes by which the initiative will be judged at the end to decide whether or not it has been successful in the eyes of the stakeholders.
* For each success criteria, provide a measure of the success e.g. Increase in annual research income from £xk per FTE to £yk per FTE

**Timescale**

The initiative is forecast to meet the following key dates:

|  |  |
| --- | --- |
| **Key Date** | **Forecast Date** |
| Short Form Business Case Approval |  |
| Start Test and Deliver/Start on Site |  |
| Go Live/In Use |  |

**Financial**

* Complete the financial information for the preferred solution in the tables below.
* Funding: enter the sources of funding for the initiative and the value, e.g. faculty funded, University Capital Programme.
* Financial values: enter the following:
  + Capital cost and how this will be split over current and future years.
  + Recurrent cost: record any increase in annual recurring costs as a result of the project.
  + Record any income received as a result of the project.
  + Confirm the net present value (NPV) of the initiative.

The initiative will be funded from the following sources:

|  |  |
| --- | --- |
| **Funding Source** | **Value (£k)** |
|  |  |
|  |  |

The financial values of the initiative are shown in the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial Information** | **Year 1** | **Year 2** | **Year 3** | **Total** |
| **Capital Cost (£k)** |  |  |  |  |
| **Recurrent Cost (£k)** |  |  |  |  |
| **Income (£k)** |  |  |  |  |
| **Total (£k)** |  |  |  |  |

The net present value (NPV) is shown below:

|  |  |
| --- | --- |
| **NPV (£k)** |  |

**Risks**

* Confirm any key risks associated with delivering the initiative, e.g. project, financial, political.
* Confirm how the risks will be mitigated.

The following risks and mitigations have been identified:

|  |  |
| --- | --- |
| **Key Risk** | **Mitigation** |
|  |  |
|  |  |

Confirm the value of contingency for the project.

**Recommendation**

Provide a recommendation to the approval body

<INSERT NAME OF AUTHOR>

<INSERT ROLE TITLE OF AUTHOR>

**Reviewed by:**

|  |  |  |
| --- | --- | --- |
| **Role** | **Name** | **Date of Review** |
| Sponsor |  |  |
| Faculty/ Service Finance Manager |  |  |
| Head of Management Accounting |  |  |
| Head of Finance, Facilities Directorate |  |  |
| Head of Programme Management Office |  |  |
| Director of Estates |  |  |

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Ensure that you use the latest version of this template from the [website](https://facilitiesdirectorate.leeds.ac.uk/investment-appraisal/)