

EAMIP PROJECT NO. MR05

TITLE: Long Range Capital Program (LRCP)
Treasury Board Submission

RESPONSIBILITY: Project Manager: R.K. Plowman (MRD)
Project Officer(s): W.R. Graham (MRP)
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PRESENT SITUATION:

The LRCP was last approved by Treasury Board in 1979 (at \$19m., adjusted annually for inflation) for a 5 year term. The Board has requested the Department to present for approval an update/evaluation of the LRCP and a Capital Plan to allow approval of the program beyond March 31, 1984. This would meet the requirements of the TB Circular (1983-25) on approval of capital projects and capital plans. A draft TB submission, with annexes, was prepared and presented to TB officials this year. In the opinion of these officials a number of issues of particular concern to the Secretariat (e.g., priorities, standards, evaluation of results) are not sufficiently detailed in the first draft.

TBS has proposed that, through the Fall MYOP process, they seek TB Ministers' approval for an extension to the LRCP for one additional year (1984/85) with funding at the 1983/84 reference level (adjusted for inflation). The LRCP submission would then be revised to meet these concerns and resubmitted for consideration by Treasury Board prior to the 1985/86 Spring MYOP required by the end of March, 1984.

OBJECTIVE:

The impact of this project on the Department is immediate and serious. Maintenance of the Capital program at required levels and security of funding over the next several years, will depend directly on the positive reaction of Treasury Board to the LRCP submission.

GOAL:

A Treasury Board submission with supporting annexes is to be prepared and presented no later than March 31, 1984.

DESCRIPTION:

The LRCP submission is primarily a responsibility of the Physical Resource Bureau, which manages this capital program. The impact of the program, however, extends over almost the entire range of posts abroad as well as other headquarters Bureaux.

The document will be in standard TB format with extensive annexes outlining the rationale for the capital program, evaluating the activities of the past 4 years and describing the program for the next 5 years. A recent Treasury Board Circular (1983-25) provides specific guidelines for the approval of Long Term Capital Plans.

The Bureau's existing draft submission reports on the trend of rental payments over the last several years in relation to the impact of the LRCP on increased ownership inventory. estimated rental savings arising from the program are also displayed as well as an estimate of required budgetary levels. Constraints on the program are noted (e.g., central agency policies, security, inflation, special purpose needs, etc.). The submission also addresses the major concern over LRCP goals, i.e., what weight the program should give to high economic return projects (rent reduction) as opposed to those justified on political or other operational grounds.