

Follow-up Response to the Senate Standing Committee on National Finance (NFFN)**Main Estimates for the fiscal year ending March 31, 2025, with the exception of Library of Parliament Vote 1****October 1, 2024**

- 1. Respond to the Committee with a one pager that details (1) changes to SSC's budgeting which moves funding from operations to human resources to better manage costs spent on contractors and (2) explains the ongoing zero-base budget exercise. – Senator Larry Smith**

Response:

Shared Services Canada (SSC) continues to focus on minimizing the use of consultants on an ongoing basis, aligned to the Budget 2023 commitment for whole-of-government savings measures. As part of meeting this budget commitment, which also includes eliminating non-standard and legacy services and reducing travel, SSC is endeavouring to reduce professional services. Specifically, SSC is reducing reliance on long-term or management consultants, and will continue to lean on public servants to deliver services.

Additionally, while there was growth in our staffing through the pandemic, we are ensuring that hiring is 'smart' so that any growth is focused. Thus, in addition to reducing expenditures on professional services, we are also committed to ensuring that we have sufficient funding required for the human resource complement in the department. This means shifting funding from operations to human resources to ensure that any deficit is covered. This exercise is allowing SSC to ask the right questions in what we are investing in so we can better serve Canadians.

Finally, a zero-based budgeting exercise is also underway with the intent to review how budget is being spent and will identify opportunities to reallocate funds to more important work, find activities that can be stopped and where structural changes can be made to permanently change the cost structure of IT service delivery while maintaining full accountability and transparency. In the near term, specifically in-year, we undertake a regular prioritization exercise which analyzes all our initiatives against the available funding with the goal to ensure that we are focusing on the most important initiatives to SSC and we're aligned to other GC priorities.

2. Follow-up with the Committee with details regarding the proportion of SSC's work that is performed by consultants. – Senator Éric Forest

Response:

2023-24: 56% allocated to regular/operational activities, 25% to projects/initiatives, and 19% for Partner/Client activities.

2022-23: 64% allocated to regular/operational activities, 20% to projects/initiatives and 16% for Partner/Client activities.

2021-22: 61% allocated to regular/operational activities, 20% to projects/initiatives and 19% for Partner/Client activities.

2020-21: 47% allocated to regular/operational activities, 36% to projects/initiatives and 17% for Partner/Client activities.