



**Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta  
National Treasury Management Agency**

**MINUTES OF MEETING OF THE  
NATIONAL TREASURY MANAGEMENT AGENCY  
HELD AT 2PM ON 12 JULY 2022  
VIA VIDEO CONFERENCE AND AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

**PRESENT:** Maeve Carton, Chairperson  
Brian O’Kelly  
David Moloney  
Frank O’Connor  
Gerardine Jones  
John Hogan  
Martin Murphy  
Rachael Ingle  
Susan Webb

**IN ATTENDANCE:** Elaine Hudson, Agency Secretary  
Anastasia-Ilektra Sakellariou, Senior Agency Secretariat Officer  
Susan O’Halloran, Chief Legal Officer (CLO)  
Ian Black, Chief Financial and Operating Officer (CFOO)  
Andrew O’Flanagan, Director NDFA/NewERA (Item 5 only)  
Aislinn Redmond, Head of Operations (Item 5 only)  
David Corrigan, Head of Project Management (Item 5 only)  
John O’Donovan, Deputy Director – ICT (Item 6 only)  
Clayre Roche, ICT Project Manager (Item 6 only)  
Fergal Power, Deputy Director – Finance (Item 7 only)  
Billy Wright, Manager – Financial Reporting (Item 7 only)  
Dave McEvoy, Director, FDM (Item 8 only)  
David Purdue, Chief Economist (Item 8 only)  
Shawn Britton, Senior Economist (Item 8 only)  
Ciarán Breen, Director, SCA (Item 9.2 only)  
Kieran Bristow, Deputy Director – ISIF (Item 9.3 only)

**1. NOTICE AND QUORUM**

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been given to all members entitled to attend the meeting and a quorum was present. The Agency noted that its pre-meeting workshop on NTMA Strategic KPIs, facilitated by the NTMA Strategy Team and **This has been redacted pursuant to Section 37(1) of the FOI Act 2014** had been productive with a number of suggestions/queries identified for the team’s consideration.

## 2. DECLARATIONS OF INTEREST

For the purposes of Section 13A of the National Treasury Management Agency Act 1990 (as amended) and Section 17 of the Ethics in Public Office Act 1995, there were no material interests declared by members in the business to be transacted at the meeting.

## 3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 31 May had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

The Agency noted the status of the matters arising from previous meetings, as set out in the note circulated with the meeting papers.

## 4. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report. He provided a brief update on a number of corporate matters including, *inter alia*, recent events in Treasury Dock, key staffing updates and continued increase in employee turnover/attrition rates. In relation to ISIF, he noted that the updated ISIF Irish Impact Investment Strategy was launched on 16 June 2022, which unveiled plans for a c. €500m investment programme in key regional cities aimed to tackle key strategic challenges including climate action, housing and enabling infrastructure, food & agriculture, as well as scaling indigenous businesses. He also noted the continued reduction of the ISIF Directed Portfolio as the State's ownership in AIB was further reduced.

The Agency discussed the increasing employee turnover levels, noting that emerging resourcing capacity constraints and the NTMA's ability to attract and retain key staff and related costs would form a key part of the budget assumptions at the Agency's September meeting. Following discussion, it was agreed that a further update on employee turnover and ongoing recruitment challenges would be provided at its September meeting **[Action]**.

The Chief Executive presented his reflection on the first hundred days in office and outlined his key priorities for the organisation for the coming months.

Separately, the Chief Financial and Operations Officer provided a brief progress update in relation to the sub-lease of the Treasury Dock first floor, noting a further update would be provided at the September meeting.

## 5. NDFA BUSINESS UPDATE

The NDFA representatives provided an overview of the NDFA's team structure, core mandate and associated business functions. In relation to key project completions in 2021, they highlighted the successful delivery of the TU Grangegorman project, and the delivery of approx. 1,000 homes in Social Housing PPP Bundles 1 and 2. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** The NDFA representatives provided an overview of the NDFA's current activities, project pipeline, challenges and key areas of focus in 2022.

In the ensuing discussion the Agency questioned the NDFA representatives on, *inter alia*, contractor concentration risk and capacity constraints in the construction industry. As regards the main challenges facing the NDFA, the NDFA team highlighted construction price inflation (and related supply chain pressures), market capacity/participation risk and procurement risks. The Director, NDFA and NewERA briefed the Agency, in particular, on challenges in the current inflationary environment, noting the risk of significantly increased tender pricing by comparison with project budgets. The

Agency discussed potential solutions to manage these challenges, noting that continued efforts by the NDFA to encourage new entrants to the market would be important. The Agency also noted the challenge for the NDFA in improving gender balance across the team and efforts being made by the NDFA to address this.

The importance of continued engagement by the NDFA with key external stakeholders to ensure alignment on wider policy issues was discussed, with the Agency noting improvements in the NDFA's stakeholder relationships since its last stakeholder survey was conducted in 2017.

## **6. ICT ANNUAL UPDATE**

The ICT representatives presented an overview of the key activities and initiatives undertaken by the ICT team to date aligned under the five strategic themes of the NTMA ICT Strategy. They advised that the ICT team continued to support the NTMA hybrid working model, with a particular focus on increasing cyber security awareness. The increased importance of the development of digital skills and digital dexterity was also highlighted.

Following the presentation, various aspects of the paper were discussed including, *inter alia*, assessments of employees' home working arrangements, the extra cyber security precautions, and additional data confidentiality considerations/measures in the remote working environment.

## **7. QUARTERLY BUDGET OUTTURNS: Q2 2022**

The Deputy Director, Finance briefed the Agency on the NTMA and ISIF Expenditure Budget outturns in respect of the period to end May 2022. He advised that the June figures (which were not circulated) were in line with the trend year to date. The Agency discussed the update, noting, *inter alia*, that a combination of higher than expected staff attrition rates and longer recruitment lead times was driving the under-budget forecast for 2022 in respect of staff costs.

The Deputy Director - Finance informed the Agency that the NTMA Pension Scheme actuary had been working in conjunction with the Scheme Trustees on the triennial actuarial valuation of the NTMA Pension Scheme which was due this year and that the Scheme Actuary's preliminary valuation results had been recently shared with the NTMA as employer, noting that NTMA management would be meeting with the Trustees in early August to discuss the preliminary results. The CFOO briefed the Agency on the preliminary results and the likely budgetary implications of the final valuation report (which would be available in September) arising from the Scheme actuary's recommendation of the contribution rate payable by the NTMA as employer for the next three years (applied with effect from 1 January 2022). The Agency noted that the Remuneration Committee would be kept informed of this matter. The Agency questioned the Finance representatives on various aspects of the paper, including the variance in relation to ISIF investment manager fees versus budget.

## **8. MARKET UPDATE**

The Agency noted the report, as presented. The Senior Economist outlined the global and domestic economic outlook highlighting emerging challenges in the medium-term due to the adverse impact of inflation and interest rate rises on real consumption growth. She advised that notwithstanding record employment levels and strong tax receipts, there was mounting evidence that domestic economic momentum had moderated, with further disruption to gas supplies in Europe likely to adversely affect same.

**This has been redacted pursuant to Section 40(1)(a) as applies to 40(2)(d) of the FOI Act 2014** the Director, FDM noted that in view of the stronger than expected 2022 budgetary position, the market had been guided and viewed the €10bn lower bound of the funding range as more a maximum

issuance level and indeed a final 2022 issuance level below €10bn, would not be viewed by the market as wholly unexpected. It was noted that any decisions in this regard would be made post Budget 2023 (27<sup>th</sup> September), when the implications of various potential economic headwinds could be considered.

The Agency discussed the update and questioned the FDM team on various aspects of same including, amongst other things, the implications of various competing market and economic dynamics (inflation, interest rates, wage inflation, social policy supports) for Government policy and ultimate funding demand, the NTMA's strategy in respect of Treasury bills, and the outlook for Ireland's benchmark curve across the various maturities.

## **9. COMMITTEE REPORTS**

### **9.1. Audit and Risk Committee**

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 7 July 2022. She advised that the Committee received a briefing on FDM's key strategic and emerging risks, noting that a detailed discussion took place in relation to the rating of the *Long-Term Funding Risk* in the context of the changing macro-economic backdrop. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** She also provided a brief update on the Office of the Comptroller and Auditor General's 2021 Management Letter and the Committee's discussion of the extent of the relevant specialised expertise/experience in the wider KPMG network leveraged in certain NTMA audits. In response to a question from the Agency, the Committee Chairperson noted the reported satisfactory progress in respect of the remainder of remediation actions by a NTMA critical third party arising from a Third-Party Review of **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

#### **9.1.1 Audit and Risk Committee Terms of Reference**

On the recommendation of the Audit and Risk Committee, **IT WAS RESOLVED** that the Terms of Reference of the Audit and Risk Committee, as presented to the Agency, be approved.

### **9.2. SCA Strategy Committee**

The SCA Strategy Committee Chairperson, Martin Murphy, presented the Report of the Committee meeting held on 22 June 2022, providing an overview of the key matters therein. He noted that a paper setting out potential Committee succession planning considerations/options would be tabled at an upcoming Agency meeting.

The Director, SCA informed the Agency that the Government decided there would be no further extension to the July 2022 closing date for applications to the CervialCheck Tribunal, in view of the relatively small number of applications to date. **This is redacted in part pursuant to Schedule 1 Part 1 (w)(ii) of the FOI Act 2014.**

### **9.3. Investment Committee**

The Investment Committee Chairperson, Susan Webb, presented the Report of the Committee meetings held on 27 June and 11 July 2022 respectively. The Agency noted, *inter alia*, the overview of the transactions approved by the Committee and the summaries of the various reports and investment updates, as presented to the Committee.

### **9.4. Remuneration Committee**

The Remuneration Committee Chairperson, Martin Murphy, briefed the Agency on the Committee meetings held on 16 and 23 June respectively. He provided an update on the PAS process in respect of upcoming Board vacancies, noting the PAS assessment panel would likely convene in early September.

## **10. GOVERNANCE ITEMS**

### ***10.1 Other Appointments Procedure***

The Agency reviewed the updated procedure, noting a small number of non-material changes tracked therein. **IT WAS RESOLVED** that the Agency approve the Other Appointments Procedure, as presented.

### ***10.2 Delegated Matters Notifiable to the Agency***

The Agency noted the Report on Delegated Matters Notifiable to the Agency, as presented. The Chief Legal Officer briefed the Agency on a possible Circuit Court claim related to NDFA, noting further details / update would be provided at the Agency's September meeting.

### ***10.3 Annual Workplan – Mid-Year Review***

The Agency noted progress to date against the Agency's 2022 work programme, noting the full year progress update would be presented at the November meeting.

## **11. AOB**

The Chairperson advised that, subject to any requested amendments from Agency members, calendar invites would be issued shortly in accordance with the proposed Board and Committee dates for 2023, as presented under AOB.

It was also noted that the Oversight Agreement had been received following the Minister's review and was pending signature from the Chief Executive.

There being no other items under AOB, the Chairperson brought the meeting to a close.

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Maeve Carton  
Agency Chairperson  
27 September 2022