



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2PM ON 7 FEBRUARY 2023
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

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

IN ATTENDANCE: Elaine Hudson, Agency Secretary
Frank O’Kelly, Associate - Agency Secretariat
Susan O’Halloran, Chief Legal Officer (CLO)
Ian Black, Chief Financial & Operating Officer (CFOO)
Mary MacNamara, Deputy Director, ISIF (Item 5 only)
Eimhin Ni Mhuircheartaigh, Deputy Director, ISIF (Item 5 only)
Nick Ashmore, Director, ISIF (Items 5 and 10.2 only)
Sinéad Brennan, Chief People Officer (Item 6 only)
Siobhan Keeling, Head of HR (Item 6 only)
Angela Gallagher, Head of Learning and Development (Item 6 only)
Fergal Power, Head of Finance (Item 7.1 only)
Karen Toal, Senior Manager – Financial Reporting (Item 7.1 only)
Jim Deery, Head of Corporate Strategy (Item 7.2 only)
Alex O’Donnell, Manager Corporate Strategy and Development (Item 7.2 only)
Dave McEvoy, Director, FDM (Items 8 and 9 only)
David Purdue, Chief Economist (Item 8 only)
Murray McCarter, Head of Retail Debt (Item 9 only)
Ann Shearer, Senior Manager, State Savings (Item 9 only)
Ciarán Breen, Director, SCA (Item 11.1 only)
Deirbhile Brennan, Head of Compliance (Item 11.3 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 briefing session, presented by *John Fitzgerald*, economist and former Head of the research programme at the Economic and Social Research Institute (ESRI), had provided an excellent overview of Ireland’s macro-economic outlook.

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.

This has been redacted pursuant to Section 37(1) of the FOI Act 2014.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 29 November 2022 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 Committee 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 and provided an update on various matters including, *inter alia*, potential Primary Dealer applications, financial close of the Higher Education PPP Programme Bundle 1 in late December, and steady progress in the adoption of the Climate Action Framework by the relevant Commercial State Bodies (CSB). Addressing corporate matters, the Chief Executive advised that updates to the NTMA Hybrid model had been communicated to staff at the recent NTMA Town Hall event with the objective of ensuring the advantages of both working from home and on-site were achieved.

In considering the report, the Agency discussed, *inter alia*, the ongoing progress in identifying potential sub leases for the first-floor lease in Treasury Dock, with a further update to be brought to the next meeting. In response to a query from the Agency in relation to the status of the National Reserve Fund (NRF), it was noted that following the transfer of €2 billion to the Fund in November 2022, a further €4bn was expected to be received by the NTMA on 7th February. The Agency noted that the Chief Executive had briefed the newly-appointed Minister for Finance on the NTMA's current activities and focus for 2023 in early January. In the context of the Chief Executive's attendance at the *Housing For All Stakeholder Conference* in January 2023, the Agency discussed the various NTMA related housing initiatives.

5. BUSINESS UNIT UPDATE: ISIF

The Director, ISIF and Deputy Directors of Portfolio Management and Operations briefed the Agency on, *inter alia*, the Fund's performance and activities for 2022 and outlook (including challenges and opportunities) for 2023, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

In relation to the ISIF's Housing activities, the Director, ISIF outlined the evolution of the ISIF's role in Housing investments from the initial provision of debt financing (e.g. Activate), subsequent mezzanine funding vehicles (e.g. Pearl Residential Partners) to more recent direct equity investment (e.g. DRES). He also highlighted the ISIF's role in Infrastructural investment to support Housing development (e.g. HISCO). **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

6. HR PEOPLE FIRST STRATEGY

The NTMA Chief People Officer, Head of HR and Head of Learning and Development presented the NTMA People First Strategy 2023 – 2025 highlighting, *inter alia*, the strategic context (including

significant HR trends) for the three-year strategy, and key strategic themes ('Cultivating Our Culture', 'Ready for our Future' and 'Growing and Developing our People').

The Agency noted the presentation and discussed, amongst other things, the extent to which managers within the NTMA felt adequately supported, particularly in a hybrid environment. The HR representatives indicated that feedback from the Survey did not raise any concerns in this regard and outlined the broad range of supports available to all staff (Pathways Programme and training provided in Team Charter workshops in the context of Hybrid working roll-out).

This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.

7. EXPENDITURE BUDGET

7.1. Budget Outturns: FY 2022

The NTMA Head of Finance and Head of Financial Planning and Operations presented the preliminary expenditure outturns for the twelve-month period ended 31 December 2022 compared to budget and prior years in respect of the NTMA Admin Account (incl. SCA) and the ISIF. The Agency reviewed the reports, noting that the actual expenditure for both the NTMA (incl. SCA) and the ISIF was below budget.

7.2. NTMA Corporate Strategy Outturns 2022

The Head of Corporate Strategy and the Corporate Strategy Manager presented the summary outturns paper to the Agency which noted, amongst other things, the majority of the Key Performance Indicators (KPIs) had been achieved or were on track to be achieved, with a small number of deliverables/KPIs being adversely impacted due to external factors. It was noted that the complete NTMA Corporate Strategy Outturns to end-December 2022 were available in the relevant Resource Centre on *Diligent Boards*.

This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.

8. MARKET UPDATE

The Agency noted the report as presented. The Chief Economist provided an overview of central bank activity and market movements. In response to a question from the Agency, he and the Director, FDM outlined the implications of recent ECB announcements for the Irish bond market, **This has been redacted pursuant to Section 40(1)(a) as it applies to 40(2)(d) of the FOI Act 2014** The Chief Economist advised however, that Irish bond yields would ultimately continue to reflect changes in ECB base rates.

The Agency discussed the report **This has been redacted pursuant to Section 40(1)(a) as it applies to 40(2)(d) of the FOI Act 2014.**

9. STATE SAVINGS INTEREST RATES

It was noted at the outset that this Agenda item was highly confidential and commercially sensitive

The Director, FDM, Head of Retail Debt and Senior Manager, State Savings presented a number of proposed changes to longer term State Savings interest rates and outlined the rationale for same. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**

Following due consideration, the Agency **resolved to approve** the increase in longer-term State Savings fixed rates and instalment savings, i.e. 10-year National Solidarity Bond increase from 10% to 16% total return, the 6-year Instalment Savings increase from 3.5% to 5.5% total return and the 5-year Savings Certificates increase from 3% to 5% total return. It was agreed that Management would seek Ministerial approval for the proposed interest rate changes, and subject to Agency and Ministerial approval, (i) produce the associated Statutory Instrument in respect of the 5-year Savings Certificates, and (ii) work with the Agent (An Post) to give effect to these changes.

10. COMMITTEE REPORTS

10.1. *Audit and Risk Committee*

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 31 January 2023. She noted that the Committee had reviewed the effectiveness of the Compliance, Risk and Internal Audit functions and concluded, on the basis of the reviews as presented; Enterprise Risk Management Committee confirmations¹ in respect of Risk and Compliance; and oral confirmations at the meeting that all three functions were operating effectively. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

10.2. *Investment Committee*

The Investment Committee Chairperson, Martin Murphy, presented the Report of the Committee meeting held on 25 January 2023. The Agency noted, inter alia, the brief overview of the two transactions approved by the Committee **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**

11. GOVERNANCE ITEMS

11.1. *SCA Strategy Committee Review*

The SCA Strategy Committee Chairperson and Director, SCA briefed the Agency on the summary conclusions (as set out in the Agency paper) of the Working Group² established to consider and recommend to the Board the most appropriate functional model and terms of reference for a committee structure to provide advice, guidance, and challenge to the SCA in the years ahead.

The Agency discussed the paper noting, amongst other things, the rationale for the proposals in the context of developments relative to the SCA and key relevant considerations. Following discussion, the Agency **resolved to approve** (a) the establishment of a new SCA Advisory Committee to replace the SCA Strategy Committee on the basis set out in the Agency paper; and (b) the dissolution of the SCA Strategy Committee, in its current format, with effect from 28 February 2023, with no further meetings of that Committee required. The Agency acknowledged the valuable contributions of the Committee in respect of the SCA over the past five and a half years and asked that this be conveyed to retiring SCA Strategy Committee members.

¹ It was noted that in the interest of independence, the ERM did not conclude on the effectiveness of the Internal Audit Function.

The SCA Strategy Committee Chairperson briefed the Agency on, *inter alia*, proposed next steps and arrangement for the interregnum hiatus, noting that the Working Group would revert to the Board at its March meeting with the Advisory Committee's terms of reference and outline of skills requirements.

The Director, SCA briefly updated the Agency on the SCA's ongoing engagement with the Department of Justice in respect of Pre Action Protocols. **This is redacted in part pursuant to Schedule 1 Part 1 (w)(ii) of the FOI Act 2014.**

11.2. Pension Trustee Membership & Appointments

This has been redacted pursuant to Section 37(1) of the FOI Act 2014.

The Chief Legal Officer presented the paper to the Agency which noted, *inter alia*, the background to the proposal, the proposed changes to the pension trustees and the rationale for same.

Following due consideration, the Agency resolved to approve:

1. the following:
 - the appointment of Law Debenture Ireland (Trustees) Limited as a Trustee of the NTMA Pension Scheme for a period of up to 5 years as outlined in the Agency paper;
 - the acceptance of Brendan McDonagh's notice of resignation and his removal as Trustee of the NTMA Pension Scheme; and
 - the appointment of Rachel Wallace as a Trustee of the NTMA Pension Schemein each case in accordance with Clause 11 of the Trust Deed, and with effect from such date as was specified in the relevant deed of appointment and removal.
2. Upon the above changes taking effect, that Ian Black be the trustee nominated as Chairperson of the Scheme in accordance with the Rules of the NTMA Pension Scheme.

11.3. Statutory Obligations Update (Annual Review)

The Head of Compliance presented the annual formal review of the schedule of significant relevant statutory obligations applicable to the NTMA, noting that the highlighted changes (since last presented to the Agency in February 2022) were not material and were largely comprised of refinements to existing obligations. She noted that further details, set out in a tracked changes version of the Schedule, were available in the Resource Centre on Diligent Boards for reference purposes.

11.4. Delegated Matters Notifiable to the Agency

The Agency noted the Report on Delegated Matters Notifiable to the Agency, as presented.

12. AOB

The Chairperson noted that a Compliance refresher session would be held in the hour session immediately preceding the upcoming Agency meeting in March. She invited members to revert to her/ the Secretary with any suggestions for topics for future pre-Board briefing sessions.

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

13. PRIVATE SESSION

The Agency met in private session. This item was minuted separately.

Susan Webb
Agency Chairperson
28 March 2023