



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

**MINUTES OF MEETING OF THE  
NATIONAL TREASURY MANAGEMENT AGENCY  
HELD via VIDEO CONFERENCE AT 2.00PM ON 22 SEPTEMBER 2020 AT  
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

**PRESENT:** Maeve Carton, Chairperson  
Brian O'Kelly  
Conor O'Kelly  
Derek Moran  
Gerardine Jones  
Martin Murphy  
Rachael Ingle  
Robert Watt  
Susan Webb

**IN ATTENDANCE:** Elaine Hudson, Secretary  
Ian Black, Chief Financial and Operating Officer (CFOO)  
Susan O'Halloran, Chief Legal Officer (CLO)  
Jim Deery, Senior Manager, Corporate Strategy, Planning and  
Development (Item 5 only)  
Fergal Power, Head of Finance (Item 6 only)  
Andrew O' Flanagan, Director NewERA and NDFA (Item 7 only)  
Paul O'Neill, Head of Financial Advisory, NDFA (Item 7 only)  
Susanne Fitzpatrick, Sector Head/Programme Manager, NDFA (Item 7  
only)  
Frank O'Connor, Director, FDM (Item 8 only)  
Rossa White, Chief Economist, FDM (Item 8 only)  
Eugene O'Callaghan, Director, ISIF (Item 9.2 only)  
Ciaran Breen, Director, SCA (Item 9.3 only)  
Breda Macnamara, Head of Compliance (Item 10.3 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 meeting then proceeded to business.

**2. DISCLOSURES 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 14 July 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 update on 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 an overview of recent bond market conditions and noted that c. 90% of the revised 2020 funding target, as approved by the Agency at its April 2020 meeting, had been completed. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Chief Executive noted that pending appeal by the European Commission of the General Court of the European Union's (GCEU) July annulment of the European Commission decision (the deadline for submission of which appeal was late September), the NTMA was preparing for either outcome (i.e. appeal and continuation of the escrow arrangement or no appeal and release of the Escrow Fund).

In relation to *ISIF*, the Chief Executive outlined progress in relation to the Pandemic Stabilisation and Recovery Fund (PSRF), noting the investments approved to date and the pipeline of potential transactions which were all in sectors directly impacted by the pandemic.

In relation to the *NDFA*, the Agency noted that 200 tenants had moved into completed homes under the Social Housing Bundle 1 PPP project. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Chief Executive updated the Agency on a number of corporate matters including the NTMA's planned working arrangements for living with Covid-19 and key personnel changes including the stepping down of the Director, ISIF at year end (noting an executive search process had commenced in that regard involving the Chairperson of the Investment Committee) and the appointment of a new Head of Compliance on foot of the imminent retirement of the current incumbent.

#### **5. CORPORATE STRATEGY: PART 2 – NTMA BUSINESS AND CORPORATE FUNCTION GOALS**

The Senior Corporate Strategy, Planning and Development Manager presented a summary of the Corporate Strategy: Part 1 – KPI Outturns to end-July 2020 and Part 2 – NTMA Business and Corporate Function Goals 2021 for the Agency's review and comment. He noted that, as previously advised, the full KPI tracker and the detailed 2021 Goals had been circulated to the Agency on BoardPad. He advised that, subject to the Agency's comments, Part 2 would be submitted to the Minister for his views prior to finalisation. He noted, *inter alia*, that there were no out-turns against enabling pillars at this time, as these would be presented at year-end. He also provided an overview of the three key drivers of change for the targets and deliverables for 2021.

The Agency reviewed the Business Unit and Corporate Function Goals 2021 and KPI out-turns (end July 2020), and queried the rationale for certain KPI ratings.

The Agency requested that the full KPI tracker and the detailed 2021 Goals, which had been circulated to the Agency on BoardPad, would be summarised at a higher level when presented in the future [Action]. Subject to this request and a small number of drafting points, the Agency was satisfied for the Part 2 document to be submitted to the Minister and to be brought back to it for final approval.

#### **6. NTMA & ISIF 2021 EXPENDITURE BUDGETS ASSUMPTIONS**

The CFOO and Head of Finance presented, *inter alia*, the 2020 actual expenditure year to date, the full year 2020 trend expenditure versus the budget and the initial budget assumptions for the 2021

financial year in respect of the NTMA and ISIF Expenditure budgets. The Head of Finance noted that the latter was provided in response to a request by the Agency at its 26 November 2019 meeting for the key budget assumptions to be submitted to it for review, ahead of the proposed NTMA and ISIF expenditure budgets being presented to the Agency for approval at its November 2020 meeting.

**This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

**This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.** In the course of the discussion, the Agency queried whether there had been any consideration of the potential implications of Covid-19 as part of the budgetary process. In response to a question from the Agency, the NTMA Finance undertook to revert with an analysis of the potential impact of Covid-19 on 2021 budget expenditure at the next Agency meeting [Action]. It was noted that the NTMA and ISIF Expenditure budgets for 2021 would be presented to the Agency at its November meeting for approval.

## **7. NDFA UPDATE**

The NDFA representatives provided an update of its work to the Agency, which included an overview of the key projects under its financial advisory and delivery (construction and operational) activities, the pipeline of potential projects and opportunities for the NDFA and a brief overview of the Higher Education PPP Programme. They highlighted the impact of Covid-19 on various projects and advised that the NDFA had early and continued engagement with all its key stakeholders and were closely monitoring return to work practices on its construction sites with ongoing compliance with health and safety guidance/regulations a key area of focus. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

In a question and answer session following the presentation, the Agency discussed, *inter alia*, progress in terms of delivery of the TU Dublin Grangegorman PPP project, **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

## **8. MARKET UPDATE**

The NTMA Chief Economist provided an overview of recent market conditions and the impact of the Covid-19 pandemic on the economy. He noted the bifurcation of the economy: defensive multinational and public sectors (tech and pharmaceutical companies) were showing more resilience than the aviation, tourism and to a lesser extent construction and retail sectors. He provided an indication of the likely General Government deficit to end 2020. It would likely be within the initial range the Economics team had presented at the outset of the crisis on March 31<sup>st</sup>. He noted that Brexit risk had increased and was complicated further by the impact of Covid-19.

Finally, the Chief Economist noted that the NTMA had completed an extensive programme of virtual investor meetings in September; adding that Ireland's funding plans and Brexit were key areas of investor focus.

The Director, FDM, updated the Agency on recent funding activity noting, *inter alia*, that the September bond auction included the issuance of €1bn of the March 2031 Green Bond. He noted that total funding year to date amounted to c. 90% of the revised funding target for 2020. In the course of the discussion, the Agency noted that the NTMA had undertaken all necessary preparations ahead of IBOR benchmark reform, with limited implications expected to arise from same.

## 9. COMMITTEE REPORTS

### 9.1. Audit and Risk Committee

The Audit & Risk Committee Chairperson, Gerardine Jones, presented the report of the Committee meeting held on 15 September. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Committee Chairperson provided an overview of the substance of the report noting, *inter alia*, the Committee's review of the governance and oversight of policies within the NTMA and the ICT hardware failure operational event which had resulted in a brief disruption to ICT Services. It was noted that the latter had served to test the NTMA's business contingency arrangements.

### 9.2. Investment Committee

The Investment Committee Chairperson, Susan Webb, presented the report of the Committee meetings held on 30 July, 27 August and 14 September. She noted that, further to Agency approval of the PSRF Strategy at its 14 July 2020 meeting, the formal consultation process with the Minister for Finance and Minister for Public Expenditure and Reform (as required by Section 40 of the National Treasury Management Agency (Amendment) Act 2014) had now completed. In response to a question from the Agency, the Committee Chairperson outlined the governance arrangements in respect of transaction declines, noting that the Investment Committee and recently established Clearing Committee provided oversight of the process including the rationale for declines. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

### 9.3. SCA Strategy Committee

The SCA Strategy Committee Chairperson, Martin Murphy, presented the report of the Committee meeting held on 9 September. He highlighted the actuarial cash flow projections, prepared by Lane Clark & Peacock, actuaries, for the SCA's indemnity schemes in respect of 2020 and 2021, noting that Catastrophic Injury claims continued to account for a significant majority of projected payments and noting the limited visibility, beyond 2021, in relation to the impact of Covid-19 on the cash flow projections. He outlined the potential impact the introduction of a Pre-Action Protocol (PAP) could have in transforming the way clinical negligence cases were managed and determined, **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Director, SCA briefed the Agency on progress in relation to the introduction of a Pre-Action Protocol, recent developments in respect of the Pandemrix/Narcolepsy and CervicalCheck mass action litigation, progress in terms of the Neonatal Encephalopathy Action Group in its efforts to reduce the incidence of catastrophic birth injuries and the SCA's continued provision of support in the form of Covid-19 related indemnity advices to various Government Departments.

The Committee Chairperson indicated that the Committee had agreed to recommend the proposed minor amendments to its Terms of Reference. On the recommendation of the SCA Strategy Committee, **IT WAS RESOLVED** that the terms of reference of the Remuneration Committee be amended as presented to the Agency.

### 9.4. Remuneration Committee

The Remuneration Committee Chairperson, Martin Murphy, presented the report of the Committee meetings held on 22 July and 14 September. He briefed the Agency on the Committee's (i) conclusions in relation to the 2021 budget assumptions (as discussed under Agenda item 6), (ii) satisfaction with

the robust succession planning process and detailed plans in place and **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Committee Chairperson advised that the Committee had agreed to recommend the relatively minor amendments proposed to the Committee's terms of reference and outlined the rationale for same. On the recommendation of the Remuneration Committee, **IT WAS RESOLVED** that the terms of reference of the Remuneration Committee be amended as presented to the Agency.

## **10. GOVERNANCE ITEMS**

### **10.1. Investment Committee Appointments**

The Agency noted the paper as presented. **IT RESOLVED TO APPROVE**, subject to the consent of the Minister for Finance as required under Section 5A(3)(b) of the Act, that Julie Sinnamon and Richard Leonard be reappointed to the Investment Committee as members for a further term of three years effective 27 February 2021 until either resigned or the Agency decided otherwise (whichever was the earlier).

### **10.2 National Surplus (Exceptional Contingencies) Reserve Fund ('Rainy Day Fund') Annual Investment Plan**

The Agency noted the paper as presented, including that approval of the National Surplus (Exceptional Contingencies) Reserve Fund Annual Investment Plan was a reserved matter for the Agency having been added to the Agency's *Schedule of Matters Reserved for Decision by the Agency* at its November 2019 meeting. It noted further that there were no significant changes to the first Annual Investment Plan being proposed.

**IT WAS RESOLVED** that the second National Surplus (Exceptional Contingencies) Reserve Fund Annual Investment Plan as presented to the Agency, be approved.

### **10.3 Agency Personal Accounts (PA) Transactions Policy**

The Agency reviewed proposed minor updates to the Personal Account Transactions Policy for the Agency and its Committees.

**IT WAS RESOLVED** that the updated Personal Account Transactions Policy for the Agency and its Committees, as presented to the Agency, be approved.

Noting this was the Head of Compliance's final appearance before the Agency on account of her imminent retirement, the Chairperson, on behalf of the Board, thanked her for her significant contribution and guidance to the Agency.

### **10.4 Travel and Expenses Policy**

The Travel and Expenses Policy, which applied to members of the Agency and its Committees, was scheduled for annual review. It was noted that no amendments were proposed to the Policy at this time. The Agency was satisfied to proceed on this basis.

## **11. DELEGATED MATTERS NOTIFIABLE TO THE AGENCY**

The Agency noted the Report on Delegated Matters Notifiable to the Agency.

## **12. AOB**

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

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Maeve Carton  
Chairperson