

**Istituto Marangoni Limited
Board of Directors Minutes**

03/02/2022 – 10.00-14.00(UK), 11.00(-14.00(IT), Mezzanine Meeting Room and online

Members

Ms Stefania Valenti	Director and Managing Director Istituto Maragnoni (Chair)
Ms Charlotte Gorse	Director and London School Director (Vice Chair)
Prof Mark Hunt	Non-Executive Director IM Ltd
Prof David Vaughan	Non-Executive Director IM Ltd
Mr Salvatore Sivari	Group Head of Finance and Company Secretary

Attendees:

Ms Diane Rainsbury	London School Registrar and designated minute taker
Ms Ilenya Antonacci	London School Finance Manager
Gayle Ditchburn	Partner Pinsent Masons(item 7)

1. **Welcome and purpose of the meeting**
The Chair welcomed members outlining the purpose of the meeting as set out on the agenda.
2. **Declarations of interest**
There were no declarations of interest.
3. **Minutes of the previous meeting held on 16 December 2021** BoD(22)3
The Board approved the minutes of the previous meeting held on 16 December subject to correction of the appropriate designations relating to the Chair and School Director.
4. **Matters arising** BoD(22)4
The Board received and noted the following report of matters arising and completed actions since the previous meeting:
In progress
BoD/21/4.1 & 7.1.4
The review of the terms of reference, Articles of Association and Scheme of Delegation were included under agenda item 7.1.4 pending final approval.
BoD/21/4.4.9.1 & 3.3 The search process for the replacement NED & Board Director appointment was continuing. ACTION
BoD/21/4.4,9.1 & 3.3
A meeting would be organised between the Chair and NED's to discuss the template for the School Director's salary justification statement. ACTION
BoD/21/5.3 & 5.7 & 5.1.4
The School continued to complete its analysis and potential modelling around VAT exemption following further advice received regarding potential phasing requirements. The School Director confirmed a strategic meeting with MMU to discuss next steps would be organised once the VAT exemption and related strategies were more finalised.

The recruitment of the DAP Project Manager was progressing well with all shortlisted candidates having impressive profiles with final interviews scheduled the following week.
5. **OfS Financial Workbook** BoD(22)5
5.1

The Board considered and approved the OfS Financial Return Workbook subject to resolving some final clarifications prior to submission by 21 February and finalisation of the Management letter to accompany the Financial Statements. The Finance Manager explained that some earlier queries had been closed including the clarification regarding the apparent variation in dividend payments. The Board noted the School was in the process of providing the necessary confirmation around the School's fte calculation of fte and alignment of cash flow with its lowest opening balance. It was further noted that the School would also be submitting its 5 Year Strategic Plan that would provide the necessary transparency around the DAP project and its associated financial impact and projections.

ACTION

5.2**5.2.1****School Director's update**

The School Director reported on the recent student health and safety incident explaining that the School was in the process of gathering all the witness statements including from the student concerned as part of its report to the Health and Safety Executive and insurers. While the reporting process was entirely straightforward, the School had taken the precaution of obtaining early legal advice immediately following the incident. The Incident Group had also been convened immediately following the incident and continued to meet twice weekly as part of the overall management response.

5.2.2

The Board noted that due to the nature of the incident both the School's and the Group's Public Liability Insurers had been informed with the School Director having also met the landlord in relation to any potential liability issues and in connection with any further building works that may be required. In that regard, the School Director explained that although the individual circumstances leading up to the incident may differ, there had been an earlier accident in 2011, (prior to her own appointment), involving the same location. Although no additional measures had been required in response to the 2011 HSE visit the School was taking the precaution of investigating any additional preventative measures taking appropriate advice from Health and Safety specialists and architects. Such measures included the installation of electric blinds and covering the void to mitigate the risk against any future occurrence of students or staff entering a prohibited hazardous area.

5.2.3**5.2.4**

All those witnessing the accident had been offered counselling and/or access to other forms of pastoral support. The Director of Education remained in contact with the student who was making good progress and was about to be transferred to the care of a private hospital.

5.2.5

On the basis of the above and immediate notification from the incident the Board was satisfied that all relevant measures and appropriate risk mitigation had been implemented. The Board would be kept informed of developments including any outcome from the Health and Safety Executive.

ACTION

COVID update

The School Director gave an update on COVID explaining that approximately 330 students remained on site daily with such numbers gradually increasing each week following students' return from their respective home countries. The School's Code of Conduct continued to be updated in response to the greater relaxing of restrictions although the School continued to maintain a cautious approach beyond the basic minimum requirements set by government and public health. While there had been some further student and staff cases none of these had resulted in any outbreak and the School continued to

5.2.6

undertake continuous monitoring and relevant control and preventative measures.

The Board received a data report on the February intake noting that recruitment once again exceeded expectations and the budget forecast. The School therefore continued to remain in a robust financial position with some of the extra fee income being re-invested in additional teaching to maintain the necessary staff student ratios. In terms of overall recruitment trends, the School Director confirmed that overall growth remained at 6% with its Masters provision having the biggest growth and while numbers remained small, UK recruitment continued to increase. Additionally, there had been some recovery in short courses following the more significant releasing of restrictions and the gradual return of travel. The Board noted that feeders and enhanced progression routes from BA to MA were attributed to the growth in Masters.

6.
6.1

Recommendation from the Audit Committee on the re-appointment of the External Auditors

7.
7.1

The Board approved the Audit Committee's recommendation on the re-appointment of Deloitte as the External Auditors that would be forwarded to the Shareholder for approval at the appropriate time.

BoD(22)6

School Director's Announcement

7.2

The School Director notified the Board that she would be moving on from her current position to a strategic consultancy role later in the academic year subject to completion of the relevant negotiations. The Board extended its congratulations recognising the School's significant development and achievements during the School Director's tenure.

BoD(22)7

The Board noted that the outgoing School Director would be closely involved in mentoring her successor as part of the transition plan and would continue to support the School in its progress towards DAP. The Chair reported that potential candidates had been shortlisted with Prof Hunt having agreed to participate in the final selection and interview process later in February. In discussion, the importance of maintaining continuity during the School's progression towards DAP and the strategic objectives set out in its 5 year plan.

ACTION

8.
8.1

**Governance Review
Recommendations from the TDAP Task Force**

The Board considered and agreed in principle to adopt the proposed changes to the governance structure incorporating the disbandment of the Board of Governors, the establishment of the Finance and Resources Committee as a sub-committee of the Board of Directors and the transition of the School Board to the Academic Board.

BoD(22)8

All the principal governing documents would be subject to some further refinement prior to presentation for formal approval with the Articles of Association being subject to shareholder approval.

Revised Articles of Association
Scheme of Delegation

Proposed governance structure including Statement of Primary Responsibilities of the BoD

ACTION

Terms of Reference for the Audit and Risk Committee, Finance and Resources Committee, Academic Board and Inclusivity and Diversity Group.

8.2

Standing Orders

8.3 Final versions of all of the above primary governance documents incorporating any final editorial amendments would be circulated prior to formal approval and adoption. Thereafter, the updated terms of reference of the Academic Board sub-committees would be presented for approval by Academic Board. In response to a query relating to any indirect costs of the Academic Board sub-committees it was clarified this structure was already in place with the main changes focused on a further strengthening of the role of Academic Board and Quality Committee and their associated reporting rather than an entire remodelling. Consequently, there were no additional costs associated with the operation of the Academic Board and its committees.

The implementation plan including the governance calendar of business and briefing activities were already in progress and would be critical to the successful transition to the new committee structure. The Board also acknowledged the importance of appointing an independent Non-Executive Director with the requisite expertise to Chair the Finance and Resources Committee and noted that the search process was continuing in anticipation of the final approval and implementation of the new governance structure.

9. Strategic updates

9.1 The Managing Director informed the Board that the IM Group would be opening its new School in Dubai in Autumn 2022 and that the necessary specification and development work associated with the implementation of the transition to Unit 4 had commenced with a specialist consultant having been appointed to support the project. The Board welcomed these developments including progression of Unit 4 which would be critical to the success of the DAP's project and noted the Dubai School would form part of the initial pilot.

BoD(22)9

10. Regulatory Updates

10.1 The Board noted the report of the latest regulatory and public health updates including the updated OfS (Regulatory advice16) governing reportable events. The Board further noted the School's continuing compliance with all relevant regulatory expectations including the completion of the following statutory returns:

OfS Annual Financial Return Workbook
Annual Prevent Monitoring
Approval and filing of signed externally audited accounts and financial statements.

ACTION

10.2 The Secretary reported that the School was still awaiting the outcome from its UKVI BCA Assessment and the Board would be informed of the outcome in due course.

11.

11.1 Minutes of meetings of Board sub-committees

BoD(22)11

The Board received and noted the minutes of the following meetings:

Minutes of the meeting of the Audit Committee held on 18 November 2022

Minutes of the meeting of the School Board post 7 September 2022.

Any other business

12. There being no other business the Chair declared the meeting closed.

Date of Next Meeting

14 June 2022

Signed.....


Stefania Valenti Chair