

Istituto Marangoni Limited Board of Directors Minutes

29/11/2021 – 11.00-13.00(UK), 12.00(-14.00(IT), Mezzanine Meeting Room 1 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
Professor David Baker	Independent TDAP Consultant(item 7.1)
Gayle Ditchburn	Partner Pinsent Masons(item 7.2)

1. **Welcome and purpose of the meeting**
2. **Declarations of interest**
C Gorse item 6 who withdrew for this item
3. **Minutes of the previous meeting held on 8 October 2021** BoD(21)3
The minutes of the previous meeting were approved as an accurate record.
4. **Matters arising** BoD(21)4A
The Board noted the report of the following matters arising and completed actions since the previous meeting:
On-going/inprogress ACTION
BoD/21/4 The review of the terms of reference and Scheme of Delegation was nearing completion.
BoD/21/4&20 The search process for the replacement NED ACTION
continued.
BoD/21/6.1 & 6.2 The Dividend Payment had not been processed in the anticipation that this would be offset by the earlier loan payments.
Completed
BoD/21/16.1&20 TDAP AwayDay.
BoD/21/5.3 & 7 Appointment of External Auditors on a casual basis
BoD/21/10 The completion and progression of the Resolution from the last meeting.
5. **2020//2021 Accounts and Financial Statements** BoD(21)5
- 5.1 The Board considered and approved the 2020/2021Accounts and Financial Statements based on the Audit Committee's recommendation. The accounts would be filed at Companies House and published on the School's website immediately following signature of the Chair. BoD 5.1 ACTION
- 5.2 The Chair of the Audit Committee reported that the Audit Committee had been very impressed by the thoroughness and professionalism of the Auditors and anticipated making a formal recommendation for their reappointment at the next meeting of the Audit Committee. ACTION

Members welcomed the detailed management letter that would be able to inform the internal audit schedule next year. Noting the higher cost of the audit fees compared to previous years, the Board was content the auditors had already provided considerable value added. The Board was agreed on the importance of

	maintaining the continuity of auditors and anticipated that this may be helpful in terms of any negotiation regarding subsequent audit fees.	
6.	OfS Senior Staff Remuneration 2019-2020 Disclosures	
6.1	The Board received and noted the OfS report on Senior Staff Remuneration 2019-2020 Disclosures.	BoD(21)6.1
6.2	School Director's review of remuneration and salary justification	BoD(21)6.2
6.2.1	The School Director withdrew for this item. The Chair explained the process set out in the financial statements regarding the process for determining the School Director's annual remuneration review as set out in the Financial Statements. Additionally, an independent competitor market pay scale analysis was undertaken by independent consultants, Korn Ferry for all School salaries. In terms of performance against achievement of the KPI's, the Chair explained these KPI's were based on an enrolment target and personal targets, (usually linked to projects) identified at the start of the performance review cycle. The Board approved the salary justification statement and recommended increase noting the impressive levels of performance particularly given the additional COVID impact. The Board was agreed on the importance of maintaining an appropriate balance between financial and qualitative indicators with the Board being having early input on the final determination of the chosen KPI's for the year ahead. The Registrar would organise a meeting in mid January to finalise the salary justification template for subsequent presentations to the Board. The timing of this meeting would help to inform the setting of the personal KPI's for next year's Statement.	ACTION
7.	TDAP and Governance	
7.1	Pinsent Masons Review of academic governance	
7.1.1	Gayle Ditchburn on behalf of Pinsent Masons outlined the key findings and recommendation from their report to ensure the School was appropriately positioned for its TDAP application including its ability to demonstrate compliance with the OfS on-going management and governance conditions of registration. The Board discussed the report's main findings and recommendations which were as follows: <ul style="list-style-type: none"> • disbanding the Board of Governors and repositioning the School Board as the Academic Board; • broadening and clarifying the remit of the Audit Committee which would be re-titled to the Audit and Risk Committee ensuring its oversight of both academic and corporate risks; • updating the Articles of Association to incorporate academic governance through the role of the Academic Board; • the importance of consolidating the work of the Board of Directors which would in effect become closer to all aspects of the School's governance. 	BoD(21)7.1
7.1.2	The Board welcomed the report noting that many of its recommendations relating to the proposed governance structure aligned with the interim findings from the School's Task Force. The Board also concurred that having both a Board of Governors and Board of Directors had proven overly complex given the size of the School and the proposal would give greater clarity on the body with ultimate governance authority.	
7.1.3	The Board noted several implications arising from the governance proposals including the importance of updating the terms of reference for each of the Board's sub-committees and boards and revising and reframing the Scheme of Delegation. A clearly set out protocol between the Board of Directors and Academic Board, distinguishing between those items that were fully delegated and those that needed to be brought to the Board for approval would	ACTION

	<p>also be developed. The role of student engagement within the new governance structure was discussed. It was acknowledged that it may not be mutually desirable for a student to become a Director of the Company with an alternative option being to have a student with observer status without the obligation of the Company's fiduciary responsibilities.</p>	
7.1.4	<p>There was a discussion on the role of Chair and the extent to which the Chair should be appointed from the Independent Directors. Pinsent Masons confirmed that an independent Chair was common practice within the higher education sector and was a more familiar model to the QAA and that the Board would need to be able to justify any different model. The Board noted the advantage of having a more familiar structure was likely to ease the QAA scrutiny process and that independence was not an OfS requirement and more of a QAA expectation. The Board further noted the example of another Pinsent Mason's client that was judged not to meet the management and governance criteria whereas an independent Chair helped to provide greater confidence. In discussion, the Chair drew attention to the collective decision making of the Board, with the Chair having no specific powers over Directors and decision making with no casting vote. In conclusion, the Board noted that while an independent Chair was not mandatory, it would need to demonstrate appropriate checks and balances were in place.</p>	ACTION
7.1.5	<p>The Board was agreed on the importance of retaining its current practice of having a Board of Director member on the Academic (formerly School Board). As part of this work, specific emphasis would need to be given in terms of how the Board receives assurance on academic governance both from the Academic Board and also the Audit and Risk Committee.</p>	ACTION
	<p>Detailed work would proceed with the necessary proposed changes to the Articles of Association and subsidiary governance documents for consideration at the next meeting. The Board thanked Gayle for the very thorough review conducted.</p>	ACTION
7.2	<p>Key findings and priorities following Prof Baker's review of the School's TDAP readiness</p>	
7.2.1	<p>Professor Baker reported on his key findings from his desk based TDAP readiness review and the range of primary evidence that informed his judgement. The report concluded that the School could demonstrate it was a self-critical academic community that met the TDAP criteria. The report also estimated that the School should be ready to submit for assessment within the next three to six months. An important recommendation was the appointment of an experienced Project Manager to support the process including finalisation of the self-assessment and various developmental actions.</p>	ACTION
7.2.2	<p>In discussion Professor Baker drew attention to various developmental actions identified in his report as well as commenting that he had been particularly impressed by the School's Research Strategy and its student representation and engagement practice. Specific action points included the following:</p> <ul style="list-style-type: none"> • the importance of the self-assessment being sufficiently self-critical demonstrating a sound rationale for seeking daps including the School's ambition around TNE; • ensuring existing good practice is captured in the self-assessment; • demonstrating how the Research Strategy and individual scholarship supported pedagogical effectiveness and quality of teaching; • demonstrating a clearly thought through and structured Transition Plan with sufficient commitment and investment 	

	<p>in any additional infrastructure to support awarding powers;</p> <ul style="list-style-type: none"> • recognition of the capability of the student record system and its planned development; • the importance of having an approved financial and budget plan in place by the time of any scrutiny visit; • having a consistent house style for minutes, reports and papers with greater use of narrative papers rather than slides; • audit trails could be more explicit in terms of the recording of completion of actions within the same board; 	
	<ul style="list-style-type: none"> • the importance of appointing an experienced Project Manager. 	ACTION
7.3	Overview of draft findings from the review of IM's Planning and Risk Management in preparation for Degree Awarding Powers	
7.3.1	<p>The School Director reported on the initial findings from the consultant pending receipt of his report. While the report was positive overall it projected a March timeline being more realistic in practice. The main findings were as follows:</p> <ul style="list-style-type: none"> • recommendations relating to increased seniority of roles within the proposed HR plan particularly around Registry support, the importance of the appointment of a Project Manager and a professorial appointment to support the development of research; • advertising risks around CMA and its implications in terms of sequencing of any transitional arrangements potentially involving a one year extension for BA Fashion • clearer and more granular milestones in the project plan including the importance of the schedule for the development of new degrees to be validated under TDAP; • specific inclusion on the overall risk register. 	ACTION
7.3.2	<p>The Board welcomed the positive progress and findings overall and agreed that confirmation of a finalised timeline could be confirmed at the next meeting based on full consideration of all the reports.</p>	ACTION
8.	Regulatory Updates	BoD(21)8
8.1	<p>The Board received and noted the report on regulatory and public health updates and with the exception of the slight delay in filing the PSC annual return further noted that the School's continued on-going compliance with all regulatory requirements. The late filing of the PSC was outwith the School's control as a consequence of the unforeseen actions of the Company's legal advisers.</p>	BoD(21)8.1
8.2	<p>Ministerial correspondence The Board noted the most recent Ministerial correspondence announcing the appointment of the next Director for fair access and participation and arrangements for A Level, GCSE and vocational and technical qualifications in 2022.</p>	BoD(21)8.2
9.	Minutes of meetings of Board sub-committees	BoD(21)9
9.1	<p>The Board received and noted that minutes of the meetings of the following sub-committees:</p> <p>Minutes of the meeting of the Board of Governors held on 9 June 2021</p>	

Minutes of the meetings of the Audit Committee held on 18 June 2021
Minutes of the School Board held on 20 April 2021, 20 July 2021 and 7 September 2021.

BoD(21)9.1
BoD(21)9.2
BoD(21)9.3

- 10. **Any other business**
- 10.1 There being no other business the Chair closed the meeting.
- 11. **Date of Next Meeting**
3 February 2022

Signed 
Stefania Valenti