

**Istituto Marangoni Limited
Board of Directors Agenda**

26/1/2021 – 10.00-11.30(UK), 11.00(UK), 11.00-12.30(IT) via Blackboard

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 Antonaccl	IML Finance Manager

1. **Welcome and purpose of the meeting**
The Chair reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the Chair declared the meeting open. The purpose of the meeting was as set out on the agenda.
2. **Declarations of Interest**
In accordance with the requirements of section 177 of the Companies Act and the Company's Articles of Association, there were no declarations of interest.
3. **Minutes of the previous meeting held on 18 November 2020**
The minutes of the previous meeting held on 18 November were confirmed as an accurate record.
4. **Matters arising**
The Board noted the following report of matters arising and completed actions since the previous meeting:
 - BoD20/4 & 19/5.1 Further work was continuing on the review of the terms of reference and Scheme of Delegation pending a meeting of the TDAP Taskforce. ACTION
 - BoD/20/4 & 19/11.5 The Inclusivity Advisory Group would be presenting to the next School Board on its recommendations relating to showcasing diverse student backgrounds. ACTION
 - BoD20/4&12 The search process for a replacement Director was continuing in conjunction with the replacement of the Non-Executive Director. ACTION
 - BoD20/4 & 9.1 & 20.5 The assessment of the need to update the Persons with Significant Control was in progress and the School Director and Chair would update the Board following their meeting with GGE UK. ACTION
 - BoD20/5 The Outbreak Plan was scheduled for discussion at the next meeting of the Board of Governors. ACTION
 - BoD20/6 The Board was now awaiting the detailed information setting out how the cash pooling arrangement would operate with a formal resolution presented to the Board following completion of the due diligence and agreement from GGE. ACTION
 - BoD20/5 The 2019/2020 audited accounts had been approved, signed filed with Companies House and posted to the IML website ACTION

BoD20/7 The new Company Bank Account had been opened as approved at the previous meeting.

ACTION

5.

5. OfS 2019/2020 Financial Return

5.1

OfS Workbook and commentary

The Board considered the School's OfS 2019/2020 financial return including the final OfS Workbook and noted the accompanying queries and project management report. The Finance Manager gave a status report of actions undertaken to date and required subsequent actions prior to formal submission. The Board was pleased with the evident progress to date and noted there remained just a small number of remaining queries and no validation warnings. In terms of the overall schedule, the School Director confirmed that all remaining workbook queries needed to be addressed and concluded by the final deadline of 5 February for submission of the workbook, commentary and supporting appendices. The IML Finance Manager was already in the process of following up on the remaining queries including those relating to staff Fte and HESA definitions with the HR Manager and ensuring any remaining tables aligned with the Financial Statements. Subject to the satisfactory resolution of the remaining queries and identified actions the Board approved the Workbook return for final submission.

ACTION

ACTION

In relation to the legally binding letter of comfort, the Board questioned whether there was a need to update it given the financial guarantee was only until June 2021. The Chair explained that the financial guarantee was tied to the financial year. The Board agreed to undertake further advice on the scope of the existing letter prior to submission.

ACTION

The Board thanked the Finance Manager for the continuing improvements she had implemented since her appointment and noted that further adjustments were planned to support the School's financial reporting obligations.

The Board agreed to provide further feedback on the commentary which would be finalised and approved by Chair's action. In the meantime, the Board drew attention to the importance of commenting on the strong student recruitment and overall cash and surplus position. Given the regulator's current interest in financial sustainability and value for money and the on-going impact of Covid 19, the NED's advised on the importance of explaining how the award of the dividend had been linked to the School's solid financial performance and projected continued profitability. Similarly, an overview of the School's continuing strategic investment in support of the academic and student experience should be highlighted.

The Chair congratulated the School on its solid performance in terms of student recruitment and fee income which was ahead of many of its competitors and other IM Schools. Recruitment for February 21 intake had also held up well.

5.2

2019/2020 Audited financial statements and EY Management Letter

The Board received the approved and signed audited Financial Statements for the period ended 30 June 2020 and noted that the audit opinion was positive with no significant findings, the auditors having been satisfied with the outcome of its going concern assessment and the School's compliance with relevant accounting standards and systems of internal control.

The Board further noted that EY had not issued a formal Management Letter as part of its presentation of its audited accounts. The Chair of the Audit Committee in conjunction with the School Director, Company Secretary and IML Finance Manager were following up with EY in terms of ensuring that their alternative confirmatory letter would suffice for OfS purposes.

ACTION

5.3

GGE 5 Year Business Plan

The Board noted and discussed the 5 Year Business Plan following its approval by GGE. Projected growth was based on the School's historic, year on year growth while incorporating a gradual levelling in the projected rate of growth. The projected decline in EU population in response to the impact of Brexit would be offset by the projected growth in both UK and international recruitment. An important focus of the next five year financial plan was the change in pricing strategy for Undergraduate fees for UK students and scholarship and bursary support. The School would also apply for a further increase in its CAS application once the new application cycle opened in April.

The Chair explained that as part of the School's financial planning and budget round a further cost benefit analysis of TDAP was being undertaken. The remaining moratorium on TDAP applications was also starting to impact on the School's TDAP milestones and the consequent transition and renewal of programme validation with MMU. Within this context, the School was in the process of evaluating its options in terms of its future partnership arrangements and associated cost benefits.

The NED's drew attention to the importance of making appropriate upfront investment in terms of TDAP capacity building and specifically in terms of the necessary administrative infrastructure to demonstrate the School's readiness of implementation. The NED's would also brief the Chair on the TDAP process and further steps required.

ACTION

6.
6.1**Covid reopening plan and regulatory Updates
Covid Update and reopening plans**

The School Director updated the Board on Term 1 delivery the latest Covid management response for Term 2 and the School's reopening plans. The School Director confirmed that the School remained closed while the existing UK government lockdown restrictions continued to be in place.

The Board discussed the impact of the continuing lockdown restrictions on student learning and academic completion. While the Board was assured that the School continued to put in place appropriate measures it recognised that in common with other creative and practice based subjects, academic completion and attainment could be impacted more significantly if the School were unable to reopen after Easter. In the meantime, the School's scenarios were based on the staggered return to teaching commencing from 15 February, 1 or 15 March depending on the UK Government's lifting of restrictions and the staggered reopening of higher education.

The School Director confirmed that if the School were unable to reopen by mid February the retention of online delivery for the entirety of Term 2 looked increasingly likely. The School was also planning to move to weekend, (including the possibility of Sunday opening), to provide recovery for practice based work. In that regard, fashion design particularly in terms of pattern cutting remained the most critical in terms of practical skills recovery.

In discussion the Chair drew attention to the importance of retaining the current term dates with no extension of teaching beyond the end of the current academic year (week commencing 26 June). The Board noted that the retention of term dates was necessary for revenue maximisation and planning. The School was already planning to continue to give access to studio and practice based facilities over the summer as it had done the previous year. Current planning indicated that recovery was still feasible providing the School was able to reopen by Easter. However, the situation for student learning and achievement and particularly for finalists in creative subjects would be more significant if the School were unable to open after Easter. The Board also recognised the

importance of being able to provide certainty to students on their options for Term 3.

6.2

Ministerial correspondence

The Board noted the latest ministerial correspondence to the OfS regarding changes in the Minister's funding priorities and changes to the teaching grant funding for the 2020/2021 financial year.

7.

Any other business

There being no further business the Chair declared the meeting closed.

Date of Next Meeting

25 February 2021

Signed

Stefania Valenti

