

Istituto Marangoni Limited
Board of Directors Minutes

16/12/2021 – 11.30-12.30(UK), 12.30-13.30(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 (item 5.2)
	Gayle Ditchburn	Partner Pinsent Masons (item 9)

- 1. Welcome and purpose of the meeting**
- 2. Declarations of interest**
There were no declarations of interest.
- 3. Minutes of the previous meeting held on 29 November 2021** BoD(21)3
- 3.1** The minutes of the previous meeting held on 29 November were confirmed as an accurate record. The Board also received the minutes of the meeting held on 18 June (Part A) and (Part B) previously confirmed via Chair's action. It was noted that the confirmed version of Part B minutes would be recirculated.
- 4. Matters arising** BoD(21)4A
- 4.1** The Board received and noted the following matters arising and completed actions since the previous meeting.
 - In progress**
 - BoD21/4 Significant progress continued to have been made with the revised Terms of Reference, Articles of Association and Scheme of Delegation being presented for formal consideration at the next meeting. ACTION
 - BoD21/4&4&9.1 and 3.3
 - The School Director confirmed that the search process for the replacement NED was in progress and was being prioritised. ACTION
 - BoD21/6 & 6.2 The Group Finance Manager confirmed the status of the Dividend payments as agreed by the Board.
 - BoD/21/6.2.1 A further meeting would be held between the Chair and the NED's to finalise the template for the School Director's salary justification reporting and KPI setting. ACTION
 - BoD21/7.1.4 Final drafts of the Articles of Association and subsidiary governance documents had been prepared with Pinsent Masons and were awaiting final review ahead of formal presentation of the Special Resolutions setting out the proposed changes. ACTION
 - Completed actions**
 - BoD/2116.1 The updated PSC Registration had been filed at Companies House.

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BoD/21/7.1 The Financial Statements had been published on the website.

BoD/21.5 &3 & 7 The External Auditors had been appointed on a casual basis.

BoD/21/10 Completion and progression of Resolution from the last meeting.

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| 5. | TDAP Project: Timeline for Submission | BoD(21)5 |
| 5.1 | The School Director gave a progress update on the TDAP project explaining that the main focus was currently directed towards working through the recommendations from the external consultants' recommendations. Although all the consultants' findings had been generally positive, there were some distinct differences between each of them in relation to timeframes and sequencing including those relating to Fee cap. | BoD(22)5.1 |
| 5.1.2 | The Chair confirmed the importance of ensuring any application was appropriately timed and sequenced and that further work was being undertaken around the strategic risk analysis in terms of critical timeframes. The Chair explained that a further impact assessment was being fully scoped in relation to the School's overall strategic positioning in terms of financial planning and its future VAT liability. | ACTION |
| 5.1.3 | | |
| 5.1.4 | The Board concurred that the School would need to adjust its original DAP submission target despite management continuing to work at pace to progress as quickly as possible during 2022. | |
| | In discussion the importance of developing a strategy around the School's existing validation relationship with MMU and reaching agreement on transitional plans was identified as an important priority. The School Director confirmed that detailed negotiations with MMU would be activated in conjunction with resolution of the VAT exemption. | ACTION |
| 5.2 | Overview of findings from Andrew Bates' external review of IM's Planning and Risk Management in preparation for Degree Awarding Powers | BoD(21)5.2 |
| 5.2.1 | The Board considered and discussed the Executive Summary setting out the findings from the review of the School's planning and risk management in preparation for Degree Awarding Powers. While the report was supportive of the School's potential to be successful, it recommended some adjustment to the overall timescale suggesting September 2024 being a more realistic target for enrolling the first cohort of students. The report also advised on the importance of running at least one cycle of meetings under the revised governance arrangements prior to submission. | |
| 5.2.2 | Other detailed recommendations including the timing of any application for fee cap status, further refinement to the format of the Project Plan, including the development of a strategic report against the key strategic milestones. The report also drew attention and made recommendations regarding projected staffing requirements and the need for a dedicated DAP's Risk Register drawing attention to identified risks associated with the project. | ACTION |

External Advice on Fee cap status

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- 6.1 The Board discussed the briefing paper on Fee Cap status presented by its legal advisers, Pinsent Masons. Noting the differing views regarding the preferred sequencing between the DAP'S application and change of registration status, Ms Ditchburn commented on the advisability of exploring this directly with the OfS. The Board noted that the OfS may also be willing to advise on the likelihood of any further requirement to undergo a Quality and Standards Review as part of the re-registration process. In the meantime, Ms Ditchburn agreed to follow up with the OfS regarding whether fee cap status would apply to existing enrolled students or just new cohorts. The Board agreed that it would be important to explain in the self-analysis any decision or intention to apply for fee cap status in the future. BoD(21)6
ACTION
- 6.2 In addition to the vat exemption, fee cap status would be advantageous in terms of the School's eligibility for UKRI research funding as well as recurrent and capital grants but needed to be considered against the financial impact of fee capping for home students and additional regulatory responsibilities. Of these, the Board acknowledged the requirement for an approved Access and Participation Plan, Freedom of Information obligations, greater financial scrutiny and additional reporting responsibilities were all important factors. The Board recognised the importance of implementing the recommendations from the management and governance review prior to any application and in the meantime also agreed on the advisability of waiting for the government's outcome from the Augar review given its further significance for fee cap institutions. ACTION
- 6.3 The Board thanked Ms Ditchburn for providing such a thorough and insightful briefing.
7. **Governance Review Update from the TDAP Governance Task Force**
- 7.1 The School Director gave an update on the main recommendations from the TDAP Governance Task Force including proposed changes to the governance structure principally involving the following:
- establishing a Finance and Resources Committee as a sub-committee of the Board, Chaired by a Non-Executive Director to strengthen financial governance;
 - broadening the remit of the Audit Committee to encompass academic risk;
 - repositioning the School Board as the Academic Board;
 - strengthening the role of the inclusivity Advisory Group.
- 7.2 Definitive proposals including the updated Articles of Association, Statement of Primary Responsibilities and sub-committee Terms of Reference would be presented to the next meeting. The Board agreed on the importance of ensuring clarity and transparency around the School's management and governance arrangements which were fundamental to the DAP criteria and assessment. Following on from the discussion at the previous meeting, the Board acknowledged the Board's existing model of collective decision making within the context of whether there were any need for the Chair to be an independent member. It was agreed that there may need to be further discussion of any regulatory requirement for the

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role of an independent Chair and of the role of any attendees without fiduciary responsibility. Within the existing Chairing arrangements, it was noted that it would be important to strengthen the arrangements governing Chair's action and provide safeguards preventing any unilateral powers to override decision-making.

- 7.3 In response to the existing role of the ultimate beneficial owner, the Chair confirmed this was set out in the form of a matrix, with the Group being routinely kept informed of key strategies, particularly those that were integral to the School's business model and/or that had any impact for the Group as a whole.

8. **Regulatory and public health updates**

- 8.1 The School Director gave a verbal update on the implementation of Covid measures explaining there was a reduced staffing presence onsite following the end of term. Overall, student term time attendance had been much better than the previous year with approximately 350 students onsite each day and the School Director was pleased that the School had managed to sustain onsite teaching without any further outbreaks with a relatively low incidence of cases amongst both students and staff. While the School remained open to enable students to access facilities approximately 20 students in attendance following the end of term teaching. The School was continuing to plan for the term ahead while awaiting any further government guidance in anticipation of maintaining face to face teaching for students not overseas.

9. **Any other business**

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

10. **Date of Next Meeting**

14 January 2022 (subsequently rescheduled to 3 February).

Signed


Stefania Valenti Chair