

Istituto Marangoni Limited
Board of Directors Minutes
27/11/2024 – 14.00 -16:00 UK time

Members	Mark Hunt	IM London Non-Executive Director (Chair)
	Stefania Valenti	Director and Managing Director Istituto Marangoni (Vice-Chair)
	Valerie Berdah-Levy	IM Chief Operating Officer London and Paris
	Fabio Rubino	IM London School Director
	Salvatore Sivari	Group Head of Finance
	Marta Phillips	IM London Non-Executive Director
	Mark Eastwood	IM London Non-Executive Director
Attendees Invited	Adi Maoz-Cohen	IM London Director of Education
	Diane Rainsbury	IM London School Registrar (Secretary)
	Jodette Bagambe	Governance Officer
	Laura Witt	DAP Project Manager
Kim Jacqueline Boisseau		Academic Student Governor

Apologies for absence	None
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Minutes	1. Welcomes, Apologies, Interest and Quoracy 1.1. The Chair outlined the purpose of the meeting as set out on the agenda and welcomed Fabio Rubino, the new School Director to his first meeting. 1.2. There were no declarations of interest other than those already identified on the Register of Interests. 1.3. The Secretary reported on the written resolutions confirming the appointment of Fabio Rubino as the new School Director and Valerie Berdah Levy's appointment as Chief Operating Officer. The Secretary confirmed that the relevant Company House filings had been made accordingly. The Board noted the formalisation of the role of Chief Operating Officer. 1.4. The Chair gave a further update on the financial challenges facing the higher education sector and the increasing interest of the regulator in this area. The recent November publication from the OfS cited reductions in student recruitment particularly international students and while UCAS data showed a slight increase in UK acceptances overall these were significantly below the sector's forecasted 5.8% increase. Additionally, the Board noted that increased UCAS applicants were focused on higher tariff providers at the expense of medium, smaller and particularly specialist institutions including those in creative subjects. From an international perspective the OfS report cited reductions of up to as much as 40% in some key markets and their modelling suggested a net income reduction of £3445 million, Given the above all institutions could expect to see increased scrutiny by the regulator in relation to the robustness of financial and business planning and credible recovery plans.
	2. Previous Minutes & Matters Arising 2.1. The Board received, reviewed, and approved the Board of Directors minutes from the meeting held on 22 July 2024 as an accurate record. 2.2. The Board reviewed the report of matters arising and the following items were noted: 2.2.1. BOD(23)_11_2.2.2 – The Annual Report on Health and Safety had been deferred to the February meeting. 2.2.2. BOD(23)_11_2.2.4 – the incorporation of data reporting and the systems to support TEF was being taken forward as part of the School's forward planning. 2.2.3.BOD(23)_11_3.1.5 and BOD(23)_02_3.1.4 and BOD(23)_07_3.1 – The prospective quality assurance framework governing collaborative provision had been approved by the Academic Board. Academic Board would continue to ensure the framework remained fit for purpose to ensure it remained aligned with any further strategic ambitions in this area. 2.2.4.BOD(23)_02_6.3 - Good progress had been made on the recommendations from last year's Annual Reports and the secretary was in the process of organising the annual planning day.

<p>2.2.5.BOD(23)_07_8.1 – The Terms of Reference for the Social Events Committee had been finalised and was awaiting approval by the SMT.</p> <p>2.2.6.BOD(23)_07_8.1 – The Sinapto Improvement Plan was in progress with the DAP Manager being in regular progress with the IT Manager.</p> <p>2.2.7.BOD(23)_02_2.2.6 - The EDI Strategy had been approved and was in the process of being implemented.</p> <p>2.2.8.BOD(23)_07_8.1 – Data reporting including readiness for the TEF would be taken forward as part of future Internal Audit planning.</p> <p>2.2.9.BoD(23)_04_6.3 KPMG had completed its work on VAT liability while the School was in discussion with HMRC regarding historic liability arising from incorrect advice it received at the time. To date, HMRC had been very understanding and constructive. The Board acknowledged HMRC's confirmation of VAT-exempt status following the partnership with Regent's University as a School, ensuring vital stability and supporting business planning during the transition to DAP.</p>
<p>3. Board Appointments</p> <p>3.1. The Board approved the appointment of Fabio Rubino as the OfS Accountable Officer and the notification of the reportable event for submission to the OfS.</p> <p>3.2. Following completion of the written confirmation of agreement between the Chief Operating Officer the remaining action relating to the agreement on financial would be circulated shortly.</p>
<p>4. Updates on the BOD Committees Terms of Reference and Scheme of Delegation</p> <p>4.1. The Board considered and approved the changes to the Audit and Risk Committee and Finance and Resources Committee Terms of Reference, to incorporate the Chief Operating Officer being in attendance at these committee meetings.</p>
<p>5. Managing Director's Update</p> <p>5.1. The Board considered the Managing Director's Update</p> <p>5.1.1.The Group Managing Director provided an update on recruitment, noting a 3.4% growth in the October intake. Paris and Dubai performed particularly well, while the London School underperformed, prompting mitigation and recovery plans. A new office in Bangkok has been established, expected to positively impact London recruitment. Additionally, the Riyadh School will open in October 2025 as part of a broader Middle East strategy, recognizing the region's growth in luxury fashion. Both Riyadh and Dubai are expected to offset declines in other markets and enhance overall recruitment.</p> <p>5.1.2.QS World University Rankings – The Group is actively engaging in discussions to advocate for a separate ranking category for fashion, rather than its inclusion under art and design.</p>
<p>6. School Director's Report</p> <p>6.1. The Board considered the School Director's Report, including the following:</p> <p>6.2. <u>Student Recruitment</u> – Overall student recruitment fell below target, down 13% compared to last year, largely due to a significant decline in recruitment from India. Other established markets, including China, Spain, and MENA, also experienced reductions, while Turkey and MENA showed areas of growth. Mitigation and recovery plans have been developed, and although the School's position is less severe than that of many institutions, management remains vigilant and proactive.</p> <p>6.3. Staff recruitment and retention: Staff turnover had stabilised and had improved significantly from a couple of years ago. The School Director attributed this to the various well-being initiatives in place and incentives.</p> <p>6.4. Further investment had been made in the staffing establishment with the total headcount now standing at 63.</p>
<p>7. Academic Student Governor's Update</p>

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ACTION	<p>7.1. The Board considered and noted the Academic Student Governor's update including the main goals as being career development, boosting engagement, skills development and mentoring including recognition and reward. Recent initiatives included a series of student led symposia. In terms of recent feedback students had commented on the desire for student led clubs and societies which was being taken forward, some initial confusion with the student hub but which had now been resolved and was proving to be particularly beneficial. A new student app was to be launched in January 2025 in response to earlier feedback. There had been positive feedback on external speakers and the Academic Student Governor spoke positively on the regular meetings and liaison with the Director of Education.</p> <p>7.2. The Board also congratulated the Academic Student Governor on her recent appointment to the IHE Student Advisory Board.</p>
	<p>8. DAP Update</p> <p>8.1. The Board considered the TDAP summary update and associated action plan presented by the DAP Manager and noted that the Chief Operating Officer was due to meet the Office for Students on Friday 29th of November regarding the application.</p> <p>8.2. The DAP Project Manager outlined a number of areas of specific criticality including student well-being and pedagogical support and development which were anticipated to be of specific areas of focus. The Project Manager also emphasised the importance of maintaining progress against the assigned deadlines.</p>
	<p>9. Annual Reports</p> <p>9.1. The Board considered the 2023/2024 Annual Report of the Audit and Risk Committee and approved its recommendations for the year ahead.</p> <p>9.2. The Finance and Resources Committee Annual Report would be deferred to the next meeting to allow sufficient time to review the report.</p> <p>9.3. The Board considered the 2023/2024 Annual Report of the Nominations Committee and approved its recommendations for the year ahead.</p>
ACTION	<p>10. OfS Financial Return, Financial Statements and Management Letter</p> <p>10.1. The Group Director of Finance presented the Accounts and Financial Statements, noting that no dividend was being proposed at this stage but would be addressed later, outside of the Board meeting.</p> <p>10.2. On the recommendation of the Audit and Risk Committee the Board approved the Financial Statements and Management Letter noting no material issues had been identified. Some minor final adjustments had been incorporated and completed via Chair's action prior to formal presentation to the Board.</p> <p>10.3. On the recommendation of the Finance and Resources Committee the Board approved the OfS Financial Return noting there had been no amendments required or issues being referred to it.</p> <p>10.4. The Board noted the FRC's satisfaction with the provisional confirmation of the 2024/2025 Budget, which was approved subject to any necessary adjustments by the Group. It was also noted that the budget included a £750k provision for potential VAT impact.</p> <p>10.5 The Board commented positively on the thoroughness of the information presented and extended its thanks to the finance team.</p>
	<p>11. Prevent Accountability Statement Return</p> <p>11.1. The Board received and approved the Prevent Accountability Statement Return for submission to the OfS following signing by the Chair.</p> <p>11.2. In so doing, the Secretary drew attention to the reporting of the recent third party notification and the importance of completing and implementing the actions within the deadline stipulated by the OfS.</p>
	<p>12. Report on the Assurance/Compliance on Academic Standards from the Academic Board</p> <p>12.1. The Board considered the report on the Assurance on Academic Standards from the Academic Board and commented positively on its thoroughness.</p>

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13. Strategic Risk Register

13.1. The Board noted the Strategic Risk Register, which had been approved by the Audit and Risk Committee. It was also noted that the Committee would conduct a 'deep dive' into the Register at its February 2025 meeting. The Chair highlighted that the upcoming audit on financial controls would further support this work.

14. Briefing Note on Regulatory and Reporting Requirements

14.1. The Board received and noted the Regulatory Updates and reporting requirements.
14.2. The Board received and noted the Register of Interests.
14.3. The Board received and noted the Persons with Significant Control Statement.

15. Minutes of Meetings of Board Sub-Committees

15.1. The Board received and noted the minutes of the meetings of the following Board-sub-committees.
15.1.1. The minutes of the meeting of the Audit and Risk Committee held on 10 July 2024.
15.1.2. The minutes of the meeting of the Finance and Resources Committee held on 24 June 2024.
15.1.3. The minutes of the meeting of the Academic Board minutes of the meeting held on 26 July 2024.

16. Any Other Business

16.1. The Board thanked the DAP Project Manager for her significant contribution to the progression of the DAP Project wished her success in her new role.
16.2. There being no further business the Chair closed the meeting.

17. Committee dates for academic year 2023-2024

18 February 2025

Signed as an accurate record

Prof Mark Hunt
Chair of the Board