

Istituto Marangoni Limited
Board of Directors Minutes

28/11/2023 – 11.00 -13:30 UK time

Members	Professor Mark Hunt Stefania Valenti Valerie Berdah-Levy Salvatore Sivari Abdullah Abo Milhim Marta Phillips OBE Mark Eastwood	IM London Non-Executive Director (Chair) Director and Managing Director Istituto Marangoni (Vice-Chair) IM London School Director Group Head of Finance Director of Education IM London Non-Executive Director IM London Non-Executive Director
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Attendees Invited	Diane Rainsbury Jodette Bagambe Laura Witt	IM London School Registrar (Secretary) Governance Officer DAP Project Manager
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Apologies for absence	None
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Minutes	<p>1. Welcomes, Apologies, Interest and Quoracy</p> <p>1.1. The Chair opened the meeting, welcoming the two new Directors, Marta Phillips and Mark Eastwood, and noted the purpose of the meeting as set out on the agenda.</p> <p>1.2. There were no interests declared.</p> <p>1.3. The Chair observed that the papers demonstrated the sub-committees were undertaking the necessary detailed scrutiny required to advise the Board accordingly and demonstrated a step change in terms of the effectiveness of the governance processes in practice.</p>
ACTION	<p>2. Previous Minutes & Matters Arising</p> <p>2.1. The Board received, reviewed, and approved the Board of Directors unconfirmed minutes from the meeting held on 18th July 2023.</p> <p>2.2. The Board reviewed the report of matters arising and the following items were noted:</p> <p>2.2.1. BOD(23)_07_4 – Mapping the 14 pillars and ESG reporting against the School’s supporting strategies remained pending but was linked with the strategy development being undertaken by the DAP Manager.</p> <p>2.2.2. BOD(23)_3_6.1 & BOD(23)_07_9.1 – Future editions of the Annual Report on Health and Safety would incorporate relevant statistics and KPI’s as recommended by the Audit and Risk Committee while the need for improved reporting of incident and near misses to inform subsequent reporting remained on-going. The desirability of having some performance indicator was discussed and the Board drew attention to the importance of confirming the format of data reporting benchmarked against relevant sector practice. The new Facilities Manager would be asked to take forward the data reporting format and present at a future meeting.</p> <p>2.2.3. BOD(22)_11_07 & BOD(22)_11_11.1 – Relevant assurance reports on the OfS conditions of Registration were in progress with the Academic Board’s assurance report included on the agenda.</p> <p>2.2.4. BOD(23)_07_8.1 – Data reporting including readiness of TEF would be taken forward as part of future Internal Audit planning.</p> <p>2.2.5. BOD(23)_07_8.1 – The Student Protection Plan had been approved by the OfS.</p>
ACTION	<p>3. Managing Director’s Update</p> <p>3.1. The Board considered the Managing Director’s Update</p> <p>3.1.1. The Managing Director reported on the Group’s performance for the previous year ending 30 June 2022 achieving an overall growth of 14% while forecasted growth for</p>

ACTION

- new starters was 9%. The London School had also performed exceptionally well having achieved 11% growth.
- 3.1.2. The acquisition of University status represented a significant achievement for the Dubai School which was already establishing itself as an important player in the field of fashion and design being strategically located for the luxury sector. The Dubai School had also successfully launched two Masters Programmes during the year.
- 3.1.3. As part of its expansion strategy, the Group was working with the Minister of Education in Saudi Arabia where it was planning to open a new School in Riyadh, Saudi Arabia, which represented one of the most promising locations and growing market for major luxury fashion brands.
- 3.1.4. The Group's successful track record in Dubai meant the Group was a highly trusted and preferred partner for the Minister of Education, while the location was also particularly attractive to applicants from India. A full business plan to open a training centre was being developed and would be presented to the holding company for approval within the next couple of months. Other new market priorities included the Africa region, where the Group was also developing its presence in some key African countries, including Johannesburg, South Africa.
- 3.1.5. The Managing Director also discussed the potential benefit of degree awarding powers for the Group with a UK degree still being most coveted amongst several important markets. In terms of any longer term intention to offer IML degrees across other Marangoni Schools or more widely, the Board advised on the importance of ensuring that this was clearly articulated within the DAP self-assessment and that it was supported by a robust strategy and collaborative provision quality assurance framework.
- 3.1.6. The Board also noted and was impressed with the Group's further investment in the metaverse that was enabling it to launch a digital fashion show across all Marangoni Schools and various initiatives to support digital student learning across the creative specialisms.
- 3.1.7. The Board conveyed its thanks for the informative update on the Group's strategic developments and commented on the impressive growth levels being achieved.

4. School Director's Report

- 4.1. The Board considered the School Director's Report.
- 4.1.1. The School Director noted the continued positive recruitment trend with an overall growth of 10%. Despite the positive growth in student recruitment in October 2023, Masters had performed less well but appeared to have improved for the February 2024 intake.
- 4.1.2. The School Director also outlined the main trends for the October intake including the significant growth in UK students, the decline in recruitment from India, which was attributed to inflationary pressures and the equal distribution between direct and agent channels.
- 4.1.3. The School Director outlined how employee turnover had much improved having declined from 5% the previous year to 3%. The School had grown by 10% recruiting new roles in the Registry, Communications and Academic Department with the recruitment of a further 29 employees to fill vacancies. In replacing vacancies, the School Director had also taken the opportunity to enhance the seniority of specific roles as managers.
- 4.1.4. Following the completion of validation, the Board noted that 67% of students had chosen to remain with MMU while the remaining 33% had exercised their right to transfer to Regents.

5. Academic Student Governor's Update

- 5.1. The Board considered and noted the Academic Student Governor's update, including the main themes he would be focusing on: academic excellence, student well-being, diversity and inclusion, campus events, career development and financial accessibility.

<p>ACTION</p> <p>ACTION</p>	<p>5.1.1. With regard to academic excellence, the Academic Student Governor explained that he had observed that students were not necessarily always well-motivated and he would like to encourage greater competitiveness and aspiration for excellence and ‘best in class’.</p> <p>5.1.2. The Academic Student Governor highlighted students’ main concerns centred around financial challenges, accommodation costs (currently average increases well above inflation at 11%), Regent’s students not being fully aware of the advantages of the partnership, the demand and lack of professional internships and motivation in class.</p> <p>5.1.3. In relation to student internships, this was very competitive, the most coveted places going to the best students hence the need to maintain and enhance student achievement. In discussion, the School Director explained that the Careers Department was working on a new strategy, including a more hands on approach. Many more activities were planned, including the introduction of a Careers Week dedicated for design students and the promotion of competitions and projects with major brands to support employability and industry skills.</p> <p>5.1.4. The Academic Student Governor suggested that the use of greater incentives for excellence (through scholarships, student awards and competitions) could be effective strategies in addressing student concerns. It was suggested that the Director of Education and Academic Student Governor could explore further options, including the promotion of competitions for internships and report back to the next meeting.</p> <p>5.1.5. In recognition of the considerable inflationary pressures and specifically in London, the Vice-Chair and School Director agreed to explore any options that might support the development of an accommodation strategy to ease students’ financial pressures, noting that the School already had well established agreements with the accommodation providers.</p>
<p>ACTION</p> <p>ACTION</p> <p>ACTION</p>	<p>6. DAP Update</p> <p>6.1. The Board considered the TDAP summary update and associated action plan, noting that in response to the feedback from the Audit and Risk Committee, the main risks from the Risk Register had been incorporated in the main body of the report.</p> <p>6.1.1. The DAP Project Manager reported that risk levels in a number of key areas had reduced following the completion of the validation with Regent’s University and regulatory uncertainty following the publication of updated OfS guidance.</p> <p>6.1.2. A number of important priorities remained including the appointment of the Head of Learning and Teaching, (which the Board concurred needed to be filled ahead of any submission and was becoming a critical priority), and Assessment Coordinator.</p> <p>6.1.3. Further the DAP Project Manager highlighted that improvement was still needed to the operation of academic committees in terms of the timeliness and circulation of papers to support committee preparation and participation, improvements to SINAPTO and the need to engage students in the process.</p> <p>6.1.4. The DAP Project Manager was also working on the School Strategy and the EDI Strategy both being significant actions requiring completion ahead of submission. Evidencing a cohesive academic community remained a challenge given the large proportion of self-employed tutors although there were plans to increase the proportion of contracted staff to alleviate such difficulties.</p> <p>6.2. The Board received and considered the Governance Effectiveness Review and the supporting action plan.</p> <p>6.2.1. The Board noted that good progress had already been made against the action plan many of which resonated with the overarching TDAP Implementation Plan specifically in relation to the execution of committee preparation and planning.</p>
	<p>7. Annual Reports</p> <p>7.1. The Board considered the 2022/2023 Audit and Risk Committee’s Annual Report, which was commended as a very informative account of activities undertaken throughout the year.</p>

	<p>7.1.1. The Board noted ARC's recommendations regarding its planned work relating to information and reporting on counter fraud and the continued improvements it had initiated in discharging its role, its work it would undertake with UNIAC for a further year and the tender process for replacement.</p>
ACTION	<p>8. OfS Financial Return, Financial Statements and Management Letter</p> <p>8.1. The Board considered the presentation of Accounts and Financial Statements.</p> <p>8.1.1. Management drew attention to the very strong financial performance with the benefit of £5 million reserved with the pricing strategy supporting overall profitability and sustainability. Moreover, improved fee collection at 90% further helped to support strong financial performance with the majority of students also paying in advance,</p> <p>8.1.2. The Board resolved to approve the Audit and Risk Committee's recommendation of the Financial Statements and Management Letter, noting no material issues had been identified. Some minor adjustments had been incorporated following completion of the Auditor's final review and progressed and confirmed with the Audit and Risk Committee Chair.</p> <p>8.2. The Board considered the Finance and Resources Committee's recommendation on the OfS Financial Return.</p> <p>8.2.1. The Board resolved to approve the recommendation of the Finance and Resources Committee of the OfS Financial Return for submission, subject to one amendment relating to the level of CAPEX investment over the planning period.</p> <p>8.2.2. The Board concurred with the view of FRC that it would be important to provide reassurance that the level of investment would be reviewed in line with the growth in student population and corresponding increased income as part of the business planning and review process.</p> <p>8.2.3. The Board also noted that TDAP CAPEX had not been referenced in the submission and should be added to both the narrative and supporting data.</p> <p>8.3. Confirmation of 2023/2024 Budget</p> <p>8.4. The Board considered the Finance and Resources Committee's confirmation of the 2023/2024 Budget.</p> <p>8.4.1. The Board resolved to approve the 2023/2024 Budget based on the recommendation of the Finance and Resources Committee.</p>
ACTION	<p>9. Dividend Resolution</p> <p>9.1. The Board received and considered the Resolution governing the award of the proposed Dividend payment, noting the Company's strong financial position and sustainability.</p> <p>9.1.1. Each Director having declared they have no direct or indirect situational conflict of interest in the business to be transacted under this Resolution, as outlined in section 175 of the Companies Act 2006 (Act), and had no direct or indirect interest in any proposed arrangement considered under this Resolution which they are required by section 177 of the Act and the Articles to disclose, considered the Resolution to pay an interim dividend for the financial year ended on 30 June 2023 of (EUR) 8, 000, 000.00 (Dividend).</p> <p>9.1.2. The Directors having satisfied themselves that its payment would not affect the Company's ability to pay its foreseeable debts as they fell due, RESOLVED and declared a dividend of EUROS (8,000,000.00) for the 2022/23 (Interim Dividend) to be paid to Istituto Marangoni Srl, the sole member whose name appears on the Company's register of members at the time the resolution is passed. The payment of the Interim Dividend would be satisfied using the available financial resources of the Company.</p>
ACTION	<p>10. Prevent Accountability Statement Return</p> <p>10.1. The Board received and considered the Prevent Accountability Statement Return.</p> <p>10.1.1. The Board approved the Prevent Accountability Statement and accompanying Monitoring Return, subject to the inclusion of an additional clarification in the accompanying supporting data explaining that students had not requested any prevent related events.</p>

ACTION	10.1.2. The amended statement would be submitted to the OfS following signature by the Chair.
	11. Schedule of Business 11.1. The Board received and approved its 2023/2024 Schedule of Business for the forthcoming year.
	12. Nominations Committee 12.1. The Board received and confirmed the Nominations Committee Terms of Reference recently approved via written resolution. 12.2. The Board considered the appointment of an Independent External Member for the Audit and Risk Committee. 12.2.1. The Board resolved and approved the appointment of Antonello Leogrande as an Independent External Member of the Audit and Risk Committee on the recommendation of the Nominations Committee, following a detailed recruitment and selection process. 12.2.2. The Board noted satisfactory completion due diligence checks and that Antonello would bring legal expertise and knowledge of corporate governance structures across different jurisdictions, including the UK and Europe. 12.3. The Board noted the minutes of the meeting of the Nominations Committee held on 10 November 2023.
	13. Terms of Reference for Board Committees 13.1. The Board resolved and approved the Terms of Reference of the Audit and Risk Committee. 13.2. The Board resolved and approved the Terms of Reference of the Finance and Resources Committee.
	14. Code of Governance 14.1. The Board received and considered the proposal to adopt a Code of Governance. 14.1.1. The Board resolved and approved the proposal to adopt the Independent Higher Education (IHE) Governance Code having compared the findings from the detailed mapping exercise against both the Committee University Chancellors (CUC) and IHE Codes. 14.1.2. The Board concurred that the IHE Code had the advantage to being less prescriptive and designed for organisations with diverse corporate structures and such adoption would provide a stronger narrative for the TDAP submission and compliance against its management and governance conditions of registration. 14.1.3. In granting the approval, the Board noted that there were a number of developmental actions arising from the mapping that needed to be taken forward.
	15. Report on the Assurance/Compliance on Academic Standards from the Academic Board 15.1. The Board considered the report on the Assurance/Compliance on Academic Standards from the Academic Board. 15.1.1. The Director of Education highlighted the aspects of the report which set out the School's structures and quality assurance framework for the management of quality and standards, a summary of principal issues identified through internal and external review mechanisms, and student feedback.
	16. Financial Regulations 16.1. The Board noted the 2023/2024 Financial Regulations, there being no changes from the previous year.

<p>17. Strategic Risk Register 17.1. The Board noted the Strategic Risk Register approved by the Audit and Risk Committee.</p>
<p>18. Briefing Note on Regulatory and Reporting Requirements 18.1. The Board noted the Regulatory Updates, including the submission of regulatory returns. 18.2. The Board received and noted the Letter from Minister of Skills Apprenticeships and Higher Education regarding Freedom of Speech. 18.3. The Board received and noted the Register of Interests and members were reminded to notify the Registrar if there were any changes requiring inclusion on the Register. 18.4. The Board received and noted the Persons with Significant Control Statement with filings having been duly executed.</p>
<p>19. Minutes of Meetings of Board Sub-Committees 19.1. The Board received and noted the minutes of the meetings of the following Board-sub-committees. 19.1.1. The minutes of the meeting of the Audit and Risk Committee held on 6 July 2023. 19.1.2. The minutes of the meeting of the Finance and Resources Committee held on 6 June 2023. 19.1.3. The minutes of the meeting of the Academic Board minutes of the meeting held on 17 July 2023.</p>
<p>20. Any Other Business 20.1. There being no further business, the Chair closed the meeting.</p>
<p>21. Committee dates for academic year 2023-2024 15 February 2024</p>