

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: HUB PADDINGTON

Notice is hereby given that , Cabinet Member for Business, Culture and Heritage, has made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. That the allocation of £300k of Civic Enterprise Fund (CEF) resources to Hub at Paddington Exchange Ltd in the form of a convertible loan of £150k (to be converted into equity in early April 2017) and an ordinary loan of £150k.
2. That the council become a 25% shareholder in Hub at Paddington Exchange Ltd with board representation (on triggering the option of the above convertible loan).

Reasons for Decision

1. The report proposes support needed for affordable space for start-up businesses. This would:
 - Address the market failure of lack of affordable and flexible space for start-up businesses. The hub would be 43% more affordable than average central London serviced office space.
 - Support socio-economically disadvantaged residents with entrepreneurial aspirations
 - Provide a purpose built enterprise training centre
 - Offer the potential to stimulate more enterprise space, with the council leading by example
 - Create new jobs and add to the vitality of the local economy
 - Raise the level of enterprise in Paddington
 - Retain and enhance Westminster's creative and technology skills base
 - Create new ways of making communities more dynamic and aspirant
 - Create new jobs through increased business survival rates in start-up businesses as we attract new start-up businesses to locate and stay in Westminster.
2. The proposed approach is similar to Great Western Studios, Hub Westminster, Somerset House Studios, Venture 382 and Maida Hill Place. The space would be most similar to Hub Westminster, which had effectively supported entrepreneurs (please see the stakeholder report at www.journeytoimpact.co.uk) as well as providing value for money. The model for this type of enterprise space had been compared with other local authority supported enterprise spaces and was found to secure significant economic impact and value for money.
- 3.3 Hub Paddington would also have a café which is open to the public.
- 3.4 Although Hub Paddington is similar to Hub Westminster, Hub Paddington was a separate company. Decisions made on Hub Paddington would not affect Hub Westminster.

**Charlie Parker, Chief Executive,
Westminster City Hall,
64 Victoria Street
LONDON SW1E 6QP**

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Implementation Date: 2 March 2017, 5pm

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