

READING BOROUGH COUNCIL INFRASTRUCTURE FUNDING STATEMENT 2019-2020



www.reading.gov.uk



Reading
Borough Council

Working better with you

Executive summary

This Infrastructure Funding Statement reports on contributions from development towards infrastructure between 1st April 2019 and 31st March 2020. It covers both Community Infrastructure Levy (CIL) and Section 106 contributions.

CIL

- The total CIL collected by Reading Borough Council in 2019-2020 was **£8.979 million**
- The total CIL allocated in 2019-2020 was **£1.586 million**
- The total CIL spent in 2019-2020 was **£1.753 million**
- CIL liability notices were issued in 2019-2020 for **£30.624 million**

Section 106

- The total of financial contributions under Section 106 collected by Reading Borough Council in 2019-2020 was **£3.510 million**
- The total of financial contributions under Section 106 allocated in 2019-2020 was **£2.527 million**
- The total of financial contributions under Section 106 spent in 2019-2020 was **£1.739 million**
- Financial contributions were agreed in Section 106 agreements signed in 2019-2020 for a total of **£9.426 million**

Future priorities for spend

Future priorities for spend of CIL will be informed by policy CC9 (Securing Infrastructure) of the Reading Borough Local Plan (adopted 2019) and for the time being will continue to be based on the priorities identified in the Council's previous Regulation 123 list. Future priorities for the spend of the 15% neighbourhood portion of CIL will need to be identified taking the results of local consultation into account.

Future priorities for spend of Section 106 contributions will be in line with the agreed use within each agreement. These agreements are informed by policies CC9 (Securing Infrastructure), H3 (Affordable Housing) and H5 (Standards for New Housing) of the Reading Borough Local Plan, as well as any other policies that are relevant to the impacts of a particular development.

Contents

Executive summary.....	2
CIL	2
Section 106	2
Future priorities for spend	2
1. Introduction.....	4
2. CIL Report 2019-2020.....	4
CIL collected 2019-2020	4
CIL allocated 2019-2020	5
CIL spent 2019-2020	6
CIL retained at the end of 2019-2020.....	8
3. Section 106 Report 2019-2020.....	8
Section 106 collected 2019-2020	9
Section 106 allocated 2019-2020	10
Section 106 spent 2019-2020.....	11
Section 106 retained at the end of 2019-2020	13
4. Future Contributions Income	14
CIL	14
Section 106	14
5. Future Spending Priorities	16
CIL	17
Section 106	20
Appendix 1 - Full CIL report	22
Appendix 2 - Full Section 106 report	25

1. Introduction

- 1.1 The purpose of this Infrastructure Funding Statement (IFS) is to report on contributions from development towards infrastructure in Reading between 1st April 2019 and 31st March 2020. An IFS is published annually, and the 2019-2020 version is the first such statement to be published by Reading Borough Council.
- 1.2 Recent changes to legislation¹ mean that there is a statutory requirement for the Council to publish an IFS covering the financial year by 31st December after the financial year ends. The first year that this was required was for 2019-2020. Legislation specifies much of the information that must be included in the IFS, although it is up to individual authorities what else to include.
- 1.3 The Council currently secures infrastructure contributions from developers in two ways. Firstly, it charges the Community Infrastructure Levy (CIL), which is a levy charged on development depending on the amount of floorspace and use. Secondly, it agrees legal agreements under Section 106 of the Town and Country Planning Act 1990 (Section 106 agreements) as part of planning permissions which can include both financial and non-financial obligations. Both types of contribution are covered by this IFS.
- 1.4 For previous years, summary information on CIL and Section 106 has been set out in the Annual Monitoring Reports (AMR), and these remain available on the Council's website.
- 1.5 This IFS details financial contributions received, allocated and spent under both CIL ([section 2](#)) and S106 ([section 3](#)). It also estimates future contributions ([section 4](#)), and details the priorities for spending contributions that are received ([section 5](#)).

2. CIL Report 2019-2020

- 2.1 Reading Borough Council began charging the Community Infrastructure Levy (CIL) on 1st April 2015. The Charging Schedule² and other relevant information is set out on the Council's website.
- 2.2 Regulation 62 of the CIL Regulations 2010 (as amended) requires local authorities that charge CIL to report on CIL collected and spent during each financial year by no later than the 31st December after the end of that year. There are a number of individual items that need to be reported on. [Appendix 1](#) contains the full CIL report, covering each matter that needs to be reported, and the following sections summarise the CIL report for 2019-20.

CIL collected 2019-2020

- 2.3 This is the fifth year of operating the CIL regime. The amount of CIL collected (£8.979m) is by some distance the highest level collected in Reading since CIL was introduced, and is close to double what was received in the previous year, 2018-

¹ Regulation 121A of the Community Infrastructure Levy Regulations 2010, as inserted by the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019

² [Link to CIL Charging Schedule on the Council's website](#)

2019. The figures were boosted by a number of developments commencing earlier than anticipated.

Table 2.1: CIL collected 2019-20

Element of CIL	Amount collected
Total CIL collected 2019-20	£8,978,959.64
Strategic CIL (80%)	£7,192,633.95
Neighbourhood CIL (15%)	£1,337,377.71
- Central Zone Neighbourhood CIL	£910,065.46
- North Zone Neighbourhood CIL	£12,238.60
- South Zone Neighbourhood CIL	£355,742.68
- West Zone Neighbourhood CIL	£59,330.97
CIL available for administration costs (5%)	£448,947.98

2.4 Under the CIL Regulations, where no neighbourhood development plan is in place, 15% of CIL raised is to be spent in the neighbourhood in which development takes place. For these purposes, Reading is divided into four zones, as follows:

- Central - Abbey, Battle, Park wards;
- North - Caversham, Mapledurham, Peppard, Thames wards;
- South - Church, Katesgrove, Redlands, Whitley wards; and
- West - Kentwood, Minster, Norcot, Southcote, Tilehurst wards.

2.5 The majority of CIL received came from within the Central zone. The biggest contributors to the total CIL collected were developments at: Thames Quarter, Kings Meadow Road (162166 - £2.796m); Kenavon Drive (170509 - £1.864m); Green Park Village phase 6A (171019 - £1.782m); and Battle Hospital, Portman Road (180319 - £1.037m).

CIL allocated 2019-2020

2.6 Total CIL allocated in 2019-2020 was £1.586m. This was divided as set out in Table 2.2.

Table 2.2: CIL allocated 2019-20

Element of CIL	Amount allocated
Total CIL allocated 2019-20	£1,585,983.39
Strategic CIL (80%)	£1,282,901.90
Neighbourhood CIL (15%)	£0.00
- Central Zone Neighbourhood CIL	£0.00
- North Zone Neighbourhood CIL	£0.00
- South Zone Neighbourhood CIL	£0.00
- West Zone Neighbourhood CIL	£0.00
Administration (up to 5%)	£303,081.49

- 2.7 The allocation process for strategic CIL in Reading is that funds are used to cover spending against the capital programme, ensuring that the items that receive funds comply with the requirements of the Regulations. Therefore, for strategic CIL, allocation does not occur before spend. For this reason, the allocation of strategic CIL is the same figure as spend, and the list of projects to which strategic CIL was allocated is the same list as the projects on which strategic CIL was spent (see [Table 2.5](#)). The same is true for administration, which is allocated to cover spend which has already taken place during the year.
- 2.8 At the end of 2019-20, there was £10.065m of strategic CIL which remained unallocated. Whilst £2.424m of this was from money received up to 31st March 2019 and which has not yet been allocated, the vast majority, £7.642m, is from money collected during the reported year, and for which the allocation process has not yet taken place. A further allocation of CIL money to 2019-20 capital spend that accounted for money collected before 31st March 2019 took place in summer 2020, and will be reported in next year's IFS.
- 2.9 The process of allocating 15% neighbourhood CIL is different, in that allocations of funds does take place by a formal decision before spend. However, no 15% neighbourhood CIL was allocated in 2019-20. At the end of the reported year, £1.804m of neighbourhood CIL (comprising £0.467m unallocated at 31st March 2019 and £1.337m raised during 2019-20) was available to allocate. This breaks down as follows:
- Central - £1.291m;
 - North - £0.005m;
 - South -£0.420m; and
 - West - £0.088m.

CIL spent 2019-2020

- 2.10 Total CIL spent in 2019-2020 was £1.753m. This was divided as set out in Table 2.3.

Table 2.3: CIL spent 2019-20

Element of CIL	Amount spent
Total CIL spent 2019-20	£1,753,299.68
Strategic CIL (80%)	£1,282,901.90
Neighbourhood CIL (15%)	£167,316.29
- <i>Central Zone Neighbourhood CIL</i>	<i>£107,758.79</i>
- <i>North Zone Neighbourhood CIL</i>	<i>£0.00</i>
- <i>South Zone Neighbourhood CIL</i>	<i>£0.00</i>
- <i>West Zone Neighbourhood CIL</i>	<i>£59,557.50</i>
Administration (up to 5%)	£303,081.49

- 2.11 The spend of CIL during 2019-20 in each of the infrastructure categories specified by Planning Practice Guidance (PPG) is set out in Table 2.4. Although PPG suggests that

neighbourhood CIL spend should be a separate category, as the Council also spends the neighbourhood portion rather than passing it to another body, this is reported under the general headings. All neighbourhood CIL spent in 2019-20 was on open space and leisure.

Table 2.4: CIL spent 2019-20 by infrastructure type

Category of contribution	Spend
Affordable Housing	£0.00
Education	£0.00
- Primary education	£0.00
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£0.00
Health	£0.00
Highways	£838,875.58
Transport and travel	£49,223.88
Open space and leisure	£286,409.38
Community facilities	£252,655.00
Digital infrastructure	£0.00
Green infrastructure	£23,054.35
Flood and water management	£0.00
Economic development	£0.00
Land	£0.00
Section 106 monitoring fees	£0.00
Bonds (held or repaid to developers)	£0.00
Other	£0.00
- Air quality	£0.00
- Carbon offset	£0.00
- CIL administration	£303,081.49
- S106 legal fees	£0.00
Total	£1,753,299.68

2.12 The specific projects on which strategic CIL was spent in 2019-20 are set out in Table 2.5.

Table 2.5: Projects on which strategic CIL spent 2019-20

Project	Amount spent
Bridges and carriageways	£822,193.18
Chestnut Walk improvements	£48,995.05
Demountable swimming pool	£56,648.05

Project	Amount spent
Oxford Road community centre	£30,601.61
Palmer Park essential playground equipment	£13,449.99
Pinch point schemes	£16,682.40
South Reading community hub	£38,863.43
Southcote community hub	£103,727.99
Sun Street community hub	£79,461.97
Tree replacement works	£23,054.35
West Reading transport study	£49,223.88

2.13 The projects on which neighbourhood CIL was spent in 2019-20 are set out in Table 2.6.

Table 2.6: Projects on which neighbourhood CIL spent 2019-20

Project	Amount spent
Canal Way replacement of Avon Place play area	£2,446.60
Chestnut Walk heritage lamps	£8,909.25
Coley Recreation Ground - new sports and fitness facilities	£57,762.50
Ivydene play area improvements	£96,402.94
Prospect Park improvements	£1,795.00

2.14 The first allocation of neighbourhood CIL took place in November 2018, after a consultation in the summer of 2018. The projects in table 2.6, along with many more, were from this initial allocation of funds. The outdoor gym at Coley Recreation Ground and improvements to the Ivydene play area were completed and opened during 2019-20. It has taken some time for many of the other projects to reach the point where CIL funds are being spent. We anticipate being able to report considerably more progress on neighbourhood CIL spend next year.

CIL retained at the end of 2019-2020

2.15 In total, £12.906m of CIL was retained at the end of 2019-20. This is a high figure, but the significant majority of this (£8.676m) was from the unusually large amount of CIL collected during 2019-20, so it is not surprising that it had not yet been spent at the end of that year.

3. Section 106 Report 2019-2020

3.1 The IFS is required to report on the collection and spend of financial contributions required under Section 106 agreements. [Appendix 2](#) contains the full Section 106 report, covering each matter that needs to be reported, and the following sections summarise the Section 106 report for 2019-20.

Section 106 collected 2019-2020

- 3.2 In total, £3.510m of financial contributions has been collected by the Council to fulfil requirements in Section 106 agreements during 2019-20. The largest contributions were related to developments at 120 Kings Road (150019 - £0.706m), 400 Longwater Avenue (160569 - £0.581m), 1-9 Berkeley Avenue (101656 - £0.436m) and Kenavon Drive (170509 - £0.373m).
- 3.3 Table 3.1 breaks the collected Section 106 contributions down by type of contribution. The largest figures were generated for affordable housing. Whilst many of the other types, such as transport, education and leisure, are now covered by CIL, and therefore Section 106 contributions under these headings are lower than they were in the past, there remain site-specific impacts for matters such as leisure and transport that require mitigation through Section 106. In addition, some developments permitted before the introduction of CIL have reached payment triggers.

Table 3.1: Collected contributions 2019-20 by infrastructure type

Category of contribution	Collected contribution
Affordable Housing	£1,593,556.77
Education	£199,390.03
- Primary education	£164,741.09
- Secondary education	£0
- Post 16 education	£0
- Other education	£34,648.94
Health	£0
Highways	£0
Transport and travel	£845,493.68
Open space and leisure	£490,617.45
Community facilities	£0
Digital infrastructure	£0
Green infrastructure	£0
Flood and water management	£0
Economic development	£315,469.45
Land	£0
Section 106 monitoring fees	£15,759.26
Bonds (held or repaid to developers)	£0
Other	£50,190.74
- Air quality	£0
- Carbon offset	£0
- S106 legal fees	£50,190.74
Total	£3,510,477.38

Section 106 allocated 2019-2020

- 3.4 In total, £2.527m of Section 106 contributions was allocated to projects in 2019-20. Many contributions are fettered to specific projects in the agreement in any case, and therefore the allocation of those funds takes place automatically as soon as they are collected. Other contributions may be more generally identified as being for improvement of transport or education facilities, and therefore requires further allocation to specific projects. Sums are not necessarily allocated every year.
- 3.5 Table 3.2 breaks the allocated Section 106 contributions down by type of infrastructure.

Table 3.2: Allocated Section 106 contributions 2019-20 by infrastructure type

Category of contribution	Allocated contribution
Affordable Housing	£2,282,000.00
Education	£0.00
- Primary education	£0.00
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£0.00
Health	£0.00
Highways	£0.00
Transport and travel	£0.00
Open space and leisure	£169,793.53
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£0.00
Flood and water management	£0.00
Economic development	£0.00
Land	£0.00
Section 106 monitoring fees	£24,836.50
Bonds (held or repaid to developers)	£0.00
Other	£50,190.74.00
- Air quality	£0.00
- Carbon offset	£0.00
- S106 legal fees	£50,190.74
Total	£2,526,820.77

- 3.6 The specific projects to which Section 106 funds were allocated in 2019-20 are set out in Table 3.3.

Table 3.3: Projects to which Section 106 funds allocated 2019-20

Project	Amount allocated
Arthur Hill Pool housing development	£2,282,000.00

Project	Amount allocated
Lorenzo Quelch Play Area	£3,897.78
Oxford Road Community Garden	£3,856.75
Portman Road neighbourhood equipped area of play improvements	£162,309.00

- 3.7 For the purposes of this report, we have counted funds as being allocated if they have been put towards specific projects as a result of a decision by elected members during the year. Section 106 agreements may be specific about funds being fettered towards certain projects, or may be more generally related to a type of infrastructure. Other than legal and monitoring fees, the fettering in a Section 106 agreement is not considered as an allocation for these purposes unless there has been a formal decision.

Section 106 spent 2019-2020

- 3.8 Spend of Section 106 contributions totalled £1.739m in 2019-20. Table 3.4 breaks the spent Section 106 contributions down by type of infrastructure.

Table 3.4: Section 106 contributions spent 2019-20 by infrastructure type

Category of contribution	Spend
Affordable Housing	£14,092.00
Education	£93,370.86
- Primary education	£93,370.86
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£0.00
Health	£0.00
Highways	£116,195.62
Transport and travel	£406,576.42
Open space and leisure	£597,659.51
Community facilities	£330,768.75
Digital infrastructure	£0.00
Green infrastructure	£0.00
Flood and water management	£0.00
Economic development	£104,972.00
Land	£0.00
Section 106 monitoring fees	£24,836.50
Bonds (held or repaid to developers)	£0.00
Other	£50,190.74
- Air quality	£0.00
- Carbon offset	£0.00

Category of contribution	Spend
- S106 legal fees	£50,190.74
Total	£1,738,662.40

- 3.9 The specific projects on which Section 106 funds were spent in 2019-20 are set out in Table 3.5. Please note that this excludes the Section 106 monitoring and legal fees referred to above.

Table 3.5: Projects on which Section 106 funds spent 2019-20

Project	Amount spent
Abbey Quarter	£72,549.28
Alfred Sutton Primary School	£884.03
Arthur Hill Pool housing development	£14,092.00
Arthur Newbery Park	£918.00
Battle Community Hub	£330,768.75
Chestnut Walk scheme	£56,798.06
Churchend Primary School	£12,172.24
Cintra Park infrastructure	£11,234.00
Economic development - developing STEM skills	£12,050.00
Economic development - Growing Opportunities	£34,000.00
Economic development - project administration	£4,000.00
Economic development - recruitment support	£20,800.00
Economic development - sector support	£5,622.00
Economic development - small business support	£10,500.00
Economic development - start-up business training	£18,000.00
Forbury Gardens	£4,112.65
Geoffrey Field Infant School	£337.45
Geoffrey Field Junior School	£228.30
John Rabson Recreation Ground play area	£9,235.00
Katesgrove Primary School	£10,238.77
Kensington Road Recreation Ground	£164.00
Local traffic management & road safety schemes	£116,195.62
Long Barn Lane improvement project	£164.00
Lorenzo Quelch Play Area	£1,977.62
Lousehill Copse	£10,774.41
Mapledurham Playing Fields & Pavilion	£320,734.89
New Town Primary School	£20,323.90
Oxford Road Academy	£5,496.65
Oxford Road Community Garden	£3,586.75

Project	Amount spent
Palmer Park	£2,111.00
Robert Hewett Recreation Ground	£1,749.50
South Mass Rapid Transit Scheme	£406,576.42
Southcote Primary School	£640.30
St John's Primary School	£8,731.75
Thames Park Plan	£101,550.35
Thameside Primary School	£1,171.80
The Hill Primary School	£228.31
The Ridgeway Primary School	£32,917.36

Section 106 retained at the end of 2019-2020

- 3.10 At the end of 2019-20, £24.057m of Section 106 funds was retained by the Council. This is a significant amount, but there are good reasons why the position is as it is.
- 3.11 Firstly, £3.44m was money collected in 2019-20. As this has only just been collected, there was not an opportunity to spend this money in the reported year.
- 3.12 Of the remainder, £10.84m was money that had been allocated to projects in 2018 or 2019. Whilst the spend had not yet happened by 31st March 2020, it has been earmarked for specific infrastructure and further spend will be reported in 2020-21. This includes:
- £8.38m allocated to transport schemes in March 2018³ and not spent by the end of 19-20, although it is understood that the spend is in hand;
 - £2.27m allocated to the Arthur Hill housing development in September 2019⁴ and not spent by the end of 19-20;
 - £0.2m allocated to leisure schemes in March 2018⁵ and not spent by the end of 19-20.
- 3.13 The remaining sum of around £10m is neither allocated nor spent. The majority of this is money that has been collected towards affordable housing provision. The council is undertaking delivery of new affordable homes as part of its Local Authority New Build programme, the first phase of which has now been completed, and Section 106 will fund future phases of this programme. The two main funding sources are Section 106 and sales receipts under the Right to Buy, and the Council is not allowed to combine the two sources of funding a project. Spend of Right to Buy receipts has so far taken precedence as it must be spent within three years of receipt. However, it is expected that most of the remaining money towards affordable housing will be allocated in 2020-21. There are much smaller sums of money collected towards leisure, education, transport and employment and skills

³ See [minutes of SEPT Committee on 18th March 2018](#)

⁴ See [item at Policy Committee meeting on 26th September 2019](#)

⁵ See [minutes of Housing, Neighbourhoods and Leisure Committee on 14th March 2018](#)

which have not yet been allocated, but the Council will be working on allocating and spending these sums in 2021.

4. Future Contributions Income

- 4.1 This section indicates potential future income, and provides useful context in terms of the funding that may be available to provide infrastructure in the future. However, it can only be an indication, as funding is generated at milestones in the development process, in particular implementation and occupation, which are not within the Council's control.

CIL

- 4.2 Liability notices have been issued during 2019-20 totalling £30.624m. The most significant developments were Royal Elm Park (160199 - £6.306m), Plot E of Station Hill (190465 - £5.808m), Thames Quarter, Kings Meadow Road (190809 - £5.003m) and land at Weldale Street (170326 - £4.607m). Some of these liability notices have already been paid in full or part during 2019-20, whilst others may not be implemented or may benefit from a future relief, and therefore not all of this represents future income. It is also worth noting that some of these liability notices replaced notices that had been issued before the reported year, so are not new liabilities for 2019-20.
- 4.3 Demand notices for £11.919m were issued in 2019-20. There is much greater certainty about this as an indicator of future income than liability notices, because demand notices are issued once a development has commenced.
- 4.4 Based on the latest information available, the Council forecasts that CIL income for the next four years will be as set out in Table 4.1. This is informed by latest housing land supply information as well as latest information on each site. However, it is clearly subject to uncertainty, not least due to the effects of Covid-19 and the economic circumstances that may follow, and is likely to be less accurate the further into the future it looks.

Table 4.1: Latest forecast CIL income for 2020-24

Year	Total CIL	Strategic CIL (80%)	Neighbourhood CIL (15%)	Administration (5%)
2020-21	£2,834,716.77	£2,267,773.41	£425,207.52	£141,735.84
2021-22	£4,697,854.39	£3,758,283.51	£704,678.16	£234,892.72
2022-23	£3,756,945.00	£3,005,556.00	£563,541.75	£187,847.25
2023-24	£1,332,173.91	£1,065,739.13	£199,826.09	£66,608.70

Section 106

- 4.5 New Section 106 agreements have been signed during 2019-20 that would result in financial contributions of £9.426m. Table 4.2 summarises how this breaks down into different infrastructure types.

Table 4.2: Agreed contributions 2019-20 by infrastructure type

Category of contribution	Agreed contribution
Affordable Housing	£8,790,354.63
Education	£0.00
- Primary education	£0.00
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£0.00
Health	£0.00
Highways	£0.00
Transport and travel	£21,198.29
Open space and leisure	£388,800.00
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£25,495.00
Flood and water management	£0.00
Economic development	£22,826.93
Land	£0.00
Section 106 monitoring fees	£18,808.83
Bonds (held or repaid to developers)	£0.00
Other	£181,076.93
- Air quality	£103,000.00
- Carbon offset	£0.00
- S106 legal fees	£55,250.00
Total	£9,425,733.68

- 4.6 Almost all of the total contributions agreed in 2019-20 were towards affordable housing. This is because much of the remaining infrastructure, in particular education, transport, leisure and other environmental matters, is usually covered by CIL, unless there is specific site-related mitigation required. Employment, skills and training plans only result in a financial contribution where the developer does not provide a plan themselves, and carbon offset is a new category stemming from the Local Plan adopted in November 2019, so this did not yet apply to any of the signed Section 106 agreements.
- 4.7 Some legal agreements may result in financial contributions being made that are not defined in the agreement itself. For instance, a deferred contribution towards affordable housing may be agreed should viability circumstances change or an on-site provision not be made. Other examples include a financial contribution towards employment, skills and training should a developer not provide their own Employment and Skills Plan, or a transport contribution resulting from a traffic or parking survey. These contributions should only be included in the figures above

where it is expected that they will be provided, and, because no additional financial contributions had resulted at the end of 2019-20, none of the figures in Table 4.2 result from such contributions.

5. Future Spending Priorities

5.1 This section identifies anticipated future spending priorities for infrastructure contributions. It is not necessarily comprehensive, and infrastructure not referred to below may be funded from infrastructure contributions where required, but provides a broad guide to where spend is expected to be targeted, based on information which has already been published.

5.2 The main priorities for spend of infrastructure contributions are set out in policy CC9 (Securing Infrastructure) of the Reading Borough Local Plan (adopted 2019). This relates to all sources of infrastructure contributions. It identifies the main priorities as being:

- Transport infrastructure, including major cross boundary or sub-regional infrastructure projects;
- Open space, green infrastructure and other measures to improve or enhance biodiversity;
- Education, including cross-boundary facilities;
- Economic development services and infrastructure, including employment, skills and training development initiatives and childcare provision.

5.3 It should be noted that the policy does not cover some other matters not traditionally regarded as being ‘infrastructure’, but which are nevertheless also high priorities for the use of contributions, notably:

- Affordable housing; and
- Carbon offset.

5.4 Policy CC9 also states that, where relevant, a high priority will be given to:

- Energy infrastructure, including decentralised energy projects;
- Health provision; and
- Police Service infrastructure.

5.5 Finally, the policy also identifies the following as needing consideration where a specific need is identified:

- Community facilities;
- Leisure and cultural infrastructure;
- Reading Central Area infrastructure and amenities, including public realm and street care enhancements;
- Environmental improvements outside the Central Area, such as within local centres, including off-site street tree and other tree planting;
- Measures to tackle poor air quality or for on-going air quality monitoring; and

- Flood mitigation and prevention measures.

5.6 Some of these priorities will be covered primarily by CIL, and some by Section 106. In some cases, a mix of funding from both sources may be used.

CIL

5.7 Until 2019, the projects that were to be funded from strategic CIL (i.e. 80% of the total) were set out in a published Regulation 123 list. These lists were replaced by the requirement for an Infrastructure Funding Statement. However, it remains the Council’s intention that the projects on the most recent version of the Regulation 123 list will continue to be funded from CIL. These are set out in Table 5.1. Please note that appearance on this list is an indication that the item has potential for spend of CIL, it does not mean that CIL will be able to fund all items.

Table 5.1: Infrastructure to be funded by strategic CIL (80%)

Infrastructure Type	Exclusions
<p>Transport</p> <p>Active Travel Infrastructure and Public Realm - Works to improve walking routes, including street lighting, cycle parking, etc (e.g. schemes referred to in the West Reading Transport Study).</p> <p>Active Travel Initiatives - Including Cycle Development Officer and Challenges, Bike It</p> <p>Public Transport Infrastructure Enhancements - Infrastructure for bus stops, shelters, bus clearways, bus lanes, bus gates, bus priority at junctions, maintenance, etc. (e.g. schemes referred to in the West Reading Transport Study)</p> <p>Public Transport Service Contracts - Running South Reading services, Park and Ride, Nightrack</p> <p>Public Transport Information and Ticketing - Real Time Passenger Information, Variable Message Signing, Website and Journey Planning, Fares and Ticketing Information and Management</p> <p>Network Management, Junction Improvements and Road Safety (e.g. schemes referred to in the West Reading Transport Study).</p> <p>Major Repair & Improvement projects - Repair structures such as retaining walls, culverts, subways, footbridges and also flood reduction schemes, including Kennetside</p> <p>Park & Ride/Park & Rail - East Reading Park and Ride (TVP); North Reading Park and Ride; Park & Rail (Tilehurst Station) access improvements</p> <p>Green Park Station - New station at Green Park on Reading-Basingstoke Line</p>	<p>See below</p> <p>The Council may consider alternative projects within these categories as suitable for delivery through a site specific Section 106 Planning Obligations or Section 278 Highway Agreement, provided this complies with all relevant legislation and the infrastructure is required to make the development acceptable in planning terms and that S106 and CIL do not fund the same item of infrastructure.</p>

Infrastructure Type	Exclusions
<p>Mass Rapid Transit - Higher capacity, higher frequency and reduced stopping public transport service (south and east) as follows:</p> <ul style="list-style-type: none"> • MRT South Phase 3; • MRT South Phase 5; • MRT South Phase 6: • MRT South Phase 7. • MRT East 	<p>Mass Rapid Transit South will be funded using Section 106 monies and other non-CIL funding as follows:</p> <ul style="list-style-type: none"> • MRT South Phase 1; • MRT South Phase 2; • MRT South Phase 4.
<p>Education initiatives</p> <p>The provision, improvement, replacement, operation or maintenance of new and existing public education facilities</p>	<p>See below</p> <p>Primary provision within Green Park</p>
<p>Social/community facilities projects</p> <p>The improvement, reconfiguration and extension of existing community provision to create Community Hubs</p> <p>Provision of new facilities such as youth and community centres, other meeting places, and other community facilities.</p>	<p>See below</p> <p>None</p> <p>Where a specific development generates the need for new provision in its own right.</p>
<p>Leisure and culture facilities projects</p> <p>Enhancement of access to and interpretation of heritage assets</p> <p>Upgrading provision, including enhancement, access to and interpretation of strategic cultural, arts and sports centre provision in accordance with a facilities strategy and related plans.</p>	<p>See below</p> <p>Site specific heritage asset protection and enhancement resulting from a specific planning proposal.</p> <p>None</p>
<p>Open spaces, sports, recreation, green infrastructure, public realm, and environmental improvement projects</p> <p>Enhancement and management of and access to outdoor recreation, open space and water courses serving the Borough</p> <p>Improvements to the public realm and green environment. This includes implementation of a tree strategy, access to green space and improvements to landscapes and habitats</p>	<p>See below</p> <p>Local outdoor recreation and open space directly serving a specific new development</p> <p>Site related environmental mitigation measures and environmental improvements to the public realm and green environment necessitated by the development.</p>
<p>Economic support</p> <p>The provision of incubator business space in Central Reading</p>	<p>See below</p> <p>None</p>

Infrastructure Type	Exclusions
<p>Renewable energy infrastructure</p> <p>The provision and installation of wide area decentralised energy equipment and infrastructure as a strategic network, including the provision and installation of retrospective connections from existing developments to facilitate the linking of these to existing decentralised energy centres</p>	<p>See below</p> <p>Site related decentralised energy provision in accordance with Local Plan Policy CC3 and infrastructure for new development schemes to link to existing decentralised energy centres.</p>
<p>Air quality</p> <p>The infrastructure required to undertake Borough wide continuous monitoring of air quality</p>	<p>See below</p> <p>None</p>

- 5.8 The CIL Regulations also state that a portion of collected CIL must be spent in the ‘relevant local area’ in which development takes place. Where there is no neighbourhood development plan, as is the case in Reading, this portion is 15%.
- 5.9 For these purposes, Reading was divided into four neighbourhood zones, as agreed by Policy Committee in July 2018:
- Central - Abbey, Battle, Park wards
 - North - Caversham, Mapledurham, Peppard, Thames wards
 - South - Church, Katesgrove, Redlands, Whitley wards
 - West - Kentwood, Minster, Norcot, Southcote, Tilehurst wards
- 5.10 An approved protocol sets out a focus for the use of neighbourhood CIL as below and subject to the project according with a number of principles:
- Open space improvements/small scale leisure;
 - Local highway improvement projects;
 - Air quality;
 - Community improvements;
 - Renewable energy infrastructure;
 - Economic support; and
 - Other measures which help to mitigate the impact the development has on the area.
- 5.11 The Council will periodically consult on the priorities for spend of neighbourhood CIL. The most recent consultation was undertaken in July 2018, with a new consultation beginning in February 2021.
- 5.12 In February 2021, the Council’s Policy Committee decided to move away from the approach of four neighbourhood zones for future allocations because Reading is a geographically compact area and a single settlement where residents make use of infrastructure in different parts of the Borough. An amended CIL Protocol was agreed

which removed references to those zones and stated that the degree to which infrastructure relates to the areas where development is taking place will be a consideration in allocation 15% CIL funding, but this will be weighed against other considerations.

- 5.13 Charging authorities are also able to retain 5% of collected CIL to cover administration of the levy. The Council will continue to retain up to 5% to cover these costs.

Section 106

- 5.14 Section 106 agreements will continue to be used to mitigate site-specific impacts, which will vary from site to site. Therefore, there will be instances where there are certain contributions usually covered by CIL where a specific impact needs to also be reflected in a Section 106 contribution, for example to address a specific transport, open space or public realm issue. However, financial contributions will most frequently be secured as part of Section 106 agreements for spend on the matters in the paragraphs below.
- 5.15 **Affordable housing:** There is a very substantial need for affordable housing in Reading. Under policy H3 (Affordable Housing) of the Local Plan, developments for one or more new home will be expected to make a contribution towards affordable housing. For developments of less than 10 dwellings, the policy requires this to be in the form of a financial contribution to provision off-site. In exceptional cases, a larger development may also make a financial contribution where the requirement cannot be met on site.
- 5.16 Financial contributions towards affordable housing will be spent on provision of new affordable homes in Reading. The Council is building new affordable homes through its Local Authority New Build programme, and this is likely to be the main spending priority, but the Council may also grant fund other Registered Providers to deliver new affordable homes.
- 5.17 **Employment, skills and training:** Under policy CC9 of the Local Plan, as supplemented by the Employment, Skills and Training SPD (adopted 2013), major developments should be accompanied by an employment and skills plan. This is required for the construction phase for all major developments, and also for the end user phase for major commercial developments. These plans maximise the ability of the existing population to compete for the jobs being created. Where a developer chooses not to provide an ESP, they are able to instead make a financial contribution through a Section 106 agreement, which is used to fund employment, skills and training initiatives.
- 5.18 **Carbon offsetting:** Reading Borough Council declared a climate emergency in February 2019, and addressing this is an urgent priority. Policy H5 of the Local Plan expects new build housing of 10 or more dwellings to meet zero carbon homes standards. At a minimum, this means a 35% improvement over building regulations standards, with the remainder as a financial contribution to carbon offsetting. The Sustainable Design and Construction SPD (December 2019) gives more information on securing these contributions.

5.19 Carbon offset contributions will be ring-fenced for projects which deliver a carbon saving in Reading, including energy-efficiency improvements or renewables projects. The carbon saving will need to be at least equivalent to the amount of carbon offset via the financial contributions. Detailed decisions on spend have not yet been made, but the SPD gives the following as possible measures:

- Upgrading and retrofitting of existing housing;
- Home visits for energy saving advice that leads to installation of energy efficiency saving measures;
- Installation of heat pump based heating system where carbon emission savings can be demonstrated;
- Generating and supporting renewable and low carbon energy and heat projects;
- Provision of grants for renewable energy and energy efficiency;
- Energy projects for community buildings, e.g. solar panels;
- Installation of electric vehicle charging infrastructure; and
- Tree planting and greening measures.

5.20 Section 106 monitoring: Monitoring the requirements of Section 106 agreements is a long-term cost to the Council, and financial contributions are therefore secured in Section 106 agreements to cover the expected costs of monitoring the agreements. This is in line with Regulation 122(1) of the CIL Regulations 2010 (as amended).

5.21 Section 106 legal fees: Financial contributions are secured in Section 106 agreements to cover the Council's legal fees in preparing the agreements.

Appendix 1 - Full CIL report

Table A1.1: Full CIL report setting out the information required under Regulation 121A and Schedule 2 of the CIL Regulations

Ref	Requirement	Amount	Comment
1(a)	The total value of CIL set out in all demand notices issued in the reported year.	£11,918,774.05	No further comment
1(b)	The total amount of CIL receipts for the reported year.	£8,978,959.64	No further comment
1(c)	The total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year but which have not been allocated.	£3,193,547.11	This is the total CIL receipts for 2015-19, minus all allocations for 2015-19 and strategic and neighbourhood allocations for 2019-20. Admin allocations must come from the in-year CIL receipts.
1(d)	The total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year and which have been allocated in the reported year.	£1,282,901.90	This does not include allocations within the reported year for administration (up to 5%) as this does not come from CIL collected before the reported year.
1(e)	The total amount of CIL expenditure for the reported year.	£1,753,299.68	Consists of items in g.i, g.iii and j.ii
1(f)	The total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year.	£1,036,483.71	There are differing interpretations of this requirement. We have interpreted this as meaning the total CIL allocated in all years but not yet spent at the end of the reported year.
1(g)(i)	Summary details of the items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item.	£822,193.18 £48,995.05 £56,648.05 £30,601.61 £13,449.99 £16,682.40 £38,863.43 £103,727.99 £79,461.97 £23,054.35 £49,223.88 £167,316.29	Bridges and carriageways Chestnut Walk improvements Demountable swimming pool Oxford Road community centre Palmer Park essential playground equipment Pinch point schemes South Reading community hub Southcote community hub Sun Street community hub Tree replacement works West Reading transport study Neighbourhood CIL projects (see (j)(ii) below for detail of projects)
1(g)(ii)	The amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part).	£0.00	No further comment

Ref	Requirement	Amount	Comment
1(g)(iii)	The amount of CIL spent on administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.	£303,081.49 (3.37%)	No further comment
1(h)	In relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item.	None	No CIL was allocated to items that was not also spent during the reported year - see notes in paragraphs 2.7-2.9.
1(i)(i)	The amount of CIL passed to any parish council under regulation 59A or 59B.	£0.00	No parish councils in Reading
1(i)(ii)	The amount of CIL passed to any person under regulation 59(4).	£0.00	No funds passed on
1(j)(i)	Summary details of the total receipts that regulation 59E and 59F applied to.	£1,337,377.71	This is not exactly 15% of the CIL receipts because according to the Regulations, surcharges and late payment interest do not make up part of neighbourhood CIL.
1(j)(ii)	Summary details of the items of infrastructure to which the CIL receipts to which regulations 59E and 59F applied have been allocated or spent, and the amount of expenditure allocated or spent on each item.	£2,446.60 £8,909.25 £57,762.50 £96,402.94 £1,795.00	Canal Way replacement of Avon Place play area Chestnut Walk heritage lamps Coley Recreation Ground - new sports and fitness facilities Ivydene play area improvements Prospect Park improvements NB - figures above are for 2019-20 spend, not allocation
1(k)(i)	Summary details of notices served in accordance with regulation 59E, including the total value of CIL receipts requested from each parish council.	£0.00	No notices served, as no parish councils in Reading
1(k)(ii)	Summary details of notices served in accordance with regulation 59E, including any funds not yet recovered from each parish council at the end of the reported year.	£0.00	No notices served, as no parish councils in Reading
1(l)(i)	The total amount of CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied.	£7,338,500.44	This is all of the 2019-20 collected non-neighbourhood CIL minus that applied to administration.
1(l)(ii)	The total amount of CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied.	£2,726,920.13	No further comment

Ref	Requirement	Amount	Comment
1(l)(iii)	The total amount of CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year.	£1,337,377.71	All 2019-20 neighbourhood CIL receipts retained.
1(l)(iv)	The total amount of CIL receipts from previous years to which regulation 59E or 59F applied retained at the end of the reported year.	£1,503,110.69	No further comment

2. For the purposes of paragraph 1–

- a. CIL collected by an authority includes land payments made in respect of CIL charged by that authority;
- b. CIL collected by way of a land payment has not been spent if at the end of the reported year–
 - i. development (within the meaning in TCPA 1990) consistent with a relevant purpose has not commenced on the acquired land; or
 - ii. the acquired land (in whole or in part) has been used or disposed of for a purpose other than a relevant purpose; and the amount deemed to be CIL by virtue of regulation 73(9) has not been spent;
- c. CIL collected by an authority includes infrastructure payments made in respect of CIL charged by that authority;
- d. CIL collected by way of an infrastructure payment has not been spent if at the end of the reported year the infrastructure to be provided has not been provided;
- e. the value of acquired land is the value stated in the agreement made with the charging authority in respect of that land in accordance with regulation 73(6)(d);
- f. the value of a part of acquired land must be determined by applying the formula in regulation 73(10) as if references to N in that provision were references to the area of the part of the acquired land whose value is being determined;
- g. the value of an infrastructure payment is the CIL cash amount stated in the agreement made with the charging authority in respect of the infrastructure in accordance with regulation 73A(7)(e).

Appendix 2 - Full Section 106 report

Table A2.1: Full Section 106 report setting out the information required under Regulation 121A and Schedule 2 of the CIL Regulations

Ref	Requirement	Amount	Comment
3(a)	The total amount of money to be provided under any planning obligations which were entered into during the reported year.	£9,425,733.68	No further comment
3(b)	The total amount of money under any planning obligations which was received during the reported year.	£3,510,477.38	No further comment
3(c)	The total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority.	£9,748,476.05	No further comment
3(d)(i)	Summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of, in relation to affordable housing, the total number of units which will be provided.	36	No further comment
3(d)(ii)	Summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of, in relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided.	0	Contributions to education are not usually now included in new Section 106 agreements as they would usually be funded by CIL
3(e)	The total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure.	£2,432,137.16	No further comment
3(f)	The total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend).	£1,738,662.40	No further comment
3(g)	In relation to money (received under planning obligations) which was allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item.	£2,267,908.00 £1,920.16 £162,309.00	Arthur Hill Pool housing development Lorenzo Quelch play area Portman Road Neighbourhood Equipped Area of Play Improvement

3(h)(i)	The items of infrastructure on which money (received under planning obligations) was spent during the reported year, and the amount spent on each item.	<p>£75,549.28</p> <p>£884.03</p> <p>£14,092.00</p> <p>£918.00</p> <p>£330,768.75</p> <p>£56,798.06</p> <p>£12,172.24</p> <p>£11,234.00</p> <p>£12,050.00</p> <p>£34,000.00</p> <p>£4,000.00</p> <p>£20,800.00</p> <p>£5,622.00</p> <p>£10,500.00</p> <p>£18,000.00</p> <p>£4,112.65</p> <p>£337.45</p> <p>£228.30</p> <p>£9,235.00</p> <p>£10,238.77</p> <p>£164.00</p> <p>£116,195.62</p> <p>£164.00</p> <p>£1,977.62</p> <p>£10,774.41</p> <p>£320,734.89</p> <p>£20,323.90</p> <p>£5,496.65</p> <p>£3,586.75</p> <p>£2,111.00</p> <p>£1,749.50</p> <p>£50,190.74</p> <p>£24,836.50</p>	<p>Abbey Quarter</p> <p>Alfred Sutton Primary School</p> <p>Arthur Hill Pool housing development</p> <p>Arthur Newbery Park</p> <p>Battle Community Hub</p> <p>Chestnut Walk scheme</p> <p>Churchend Primary School</p> <p>Cintra Park infrastructure</p> <p>Economic development - developing STEM skills</p> <p>Economic development - Growing Opportunities</p> <p>Economic development - project administration</p> <p>Economic development - recruitment support</p> <p>Economic development - sector support</p> <p>Economic development - small business support</p> <p>Economic development - start up business training</p> <p>Forbury Gardens</p> <p>Geoffrey Field Infant School</p> <p>Geoffrey Field Junior School</p> <p>John Rabson Recreation Ground play area</p> <p>Katesgrove Primary School</p> <p>Kensington Road Recreation Ground</p> <p>Local traffic management and road safety schemes</p> <p>Long Barn Lane improvement project</p> <p>Lorenzo Quelch Play Area</p> <p>Lousehill Copse</p> <p>Mapledurham Playing Fields and Pavilion</p> <p>New Town Primary School</p> <p>Oxford Road Academy</p> <p>Oxford Road Community Garden</p> <p>Palmer Park</p> <p>Robert Hewett Recreation Ground</p> <p>Section 106 legal fees</p> <p>Section 106 monitoring fees</p>
---------	---	---	---

Ref	Requirement	Amount	Comment
		£406,576.42 £640.30 £8,731.75 £101,550.35 £1,171.80 £228.31 £32,917.36	South Mass Rapid Transit scheme Southcote Primary School St John's Primary School Thames Parks Plan Thameside Primary School The Hill Primary School The Ridgeway Primary School
3(h)(ii)	The amount of money (received under planning obligations) spent on repaying money borrowed during the reported year, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part).	£0.00	
3(h)(iii)	The amount of money (received under planning obligations) spent during the monitoring year in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations.	£24,836.50	
3(i)	The total amount of money (received under any planning obligations) during any year which was retained at the end of the reported year, and where any of the retained money has been allocated for the purposes of longer-term maintenance ("commuted sums"), also identify separately the total amount of commuted sums held.	£24,056,884.05 £24,411.76	Total amount retained at year end Committed sums held
4(a)	Summary details of any funding or provision of infrastructure which is to be provided through a highway agreement under section 278 of the Highways Act 1980 which was entered into during the reported year.	N/A	This is not being reported by the IFS this year.
4(b)	summary details of any funding or provision of infrastructure under a highway agreement which was provided during the reported year.	N/A	This is not being reported by the IFS this year.

5. For the purposes of paragraph 3–

- a. where the amount of money to be provided under any planning obligations is not known, an authority must provide an estimate;
- b. a non-monetary contribution includes any land or item of infrastructure provided pursuant to a planning obligation;
- c. where the amount of money spent in respect of monitoring in relation to delivery of planning obligations is not known, an authority must provide an estimate.