

READING BOROUGH COUNCIL INFRASTRUCTURE FUNDING STATEMENT 2021-2022



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Executive summary

This Infrastructure Funding Statement reports on contributions from development towards infrastructure between 1st April 2021 and 31st March 2022. It covers both Community Infrastructure Levy (CIL) and Section 106 contributions.

CIL

- The total CIL collected by Reading Borough Council in 2021-2022 was **£5.625 million**
- The total CIL allocated in 2021-2022 was **£9.400 million**
- The total CIL spent in 2021-2022 was **£6.688 million**
- CIL liability notices were issued in 2021-2022 for **£11.485 million**

Section 106

- The total of financial contributions under Section 106 collected by Reading Borough Council in 2021-2022 was **£4.314 million**
- The total of financial contributions under Section 106 allocated in 2021-2022 was **£0.221 million**
- The total of financial contributions under Section 106 spent in 2021-2022 was **£8.974 million**
- Financial contributions were agreed in Section 106 agreements signed in 2021-2022 for a total of **£12.736 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, alongside the amended CIL Spend Protocol from February 2021. 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.

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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 2021 and 31st March 2022. An IFS is published annually, and the 2021-2022 version is the third 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 years prior to 2019-20, 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 Section 106 ([section 3](#)). It gives information on some of the infrastructure schemes delivered over the year. It also estimates future contributions ([section 5](#)) and details the priorities for spending contributions that are received ([section 6](#)).

2. CIL Report 2021-2022

- 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 2021-22.

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](#)

CIL collected 2021-2022

- 2.3 This is the seventh year of operating the CIL regime. The amount of CIL collected (£5.625m) is a very slight reduction in the level collected in 2020-21 (£5.857m).

Table 2.1: CIL collected 2021-22

Element of CIL	Amount collected
Total CIL collected 2021-22	£5,624,561.16
Strategic CIL (80%)	£4,509,959.97
Neighbourhood CIL (15%)	£833,373.13
CIL available for administration costs (5%)	£281,228.06

- 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. Reading was previously divided into four neighbourhood zones for these purposes, under which CIL collection was reported in the last two versions of the IFS, although Policy Committee in February 2021 adopted an amended CIL protocol which moved away from the neighbourhood zones.
- 2.5 The biggest contributors to the total CIL collected were developments at: Land between Chatham Street and Weldale Street (170326 - £2.304m); Plot E of Station Hill (201532 - £1.292m); Kenavon Drive (170509 - £1.000m); Jackson's Corner, 1-9 Kings Road (171238 - £0.208m); and 1-2 Market Place (180863 - £0.158m).

CIL allocated 2021-2022

- 2.6 Total CIL allocated in 2021-2022 was £9.400m. This was divided as set out in Table 2.2.

Table 2.2: CIL allocated 2021-22

Element of CIL	Amount allocated
Total CIL allocated 2021-22	£9,400,468.01
Strategic CIL (80%)	£5,939,239.95
Neighbourhood CIL (15%)	£3,180,000.00
Administration (up to 5%)	£281,228.06

- 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 2.6](#)). 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 2021-22, there was £12.165m of strategic CIL which remained unallocated. This represents a reduction on the amount unallocated at the end of

2020-21, but is still a significant amount, stemming in particular from the large amount of CIL collected in 2019-20 and the low amount of allocations in 2020-21.

- 2.9 The process of allocating 15% neighbourhood CIL is different, in that allocation of funds does take place by a formal decision before spend. Allocation of £1.557 of 15% neighbourhood CIL was agreed at Policy Committee on 14th June 2021. There was a subsequent alteration to this allocation in January 2022 to reallocate a £0.035m underspend at Arthur Newbery Park to Oxford Road Recreation Ground. A further allocation of £1.623m of 15% neighbourhood CIL was agreed at Policy Committee on 7th March 2022.

Table 2.3: Projects to neighbourhood CIL allocated 2021-22

Project	Amount allocated
Addington Road pedestrian crossing	£50,000.00
Arthur Newbery Park play area improvements	£65,000.00
Borough-wide graffiti removal project	£75,000.00
Brook Street West improvements	£100,000.00
Church End Lane pedestrian crossing	£50,000.00
Coley Park Community Centre laptops	£2,000.00
Coronation Square lighting improvements	£25,000.00
Coronation Square new westbound bus shelter	£8,000.00
Dover Street play area improvements	£85,000.00
Gateway area pedestrian crossings (Imperial Way and Basingstoke Road)	£150,000.00
Hexham Road Community Centre facelift	£15,000.00
High Street Heritage Action Zone project	£275,000.00
John Rabson Recreation Ground skate park	£95,000.00
Kings Meadow Thames cycle path	£100,000.00
Lower Mount green space	£33,000.00
Lulworth Road communal area improvements	£110,000.00
The Meadway lining alteration	£10,000.00
Moriston Close play area improvements ³	£50,000.00
Morpeth Close road markings	£5,000.00
Norcot Road pedestrian crossing	£50,000.00
Northcourt Avenue speed reduction	£200,000.00
Oxford Road and streets around 20 is plenty zone	£200,000.00
Oxford Road Recreation Ground improvements	£130,000.00
Palmer Park green gym equipment	£75,000.00
Palmer Park play area improvements	£100,000.00

³ Two separate allocations of £30,000 and £20,000

Project	Amount allocated
Robert Hewett Recreation Ground	£100,000.00
Shaw Road and Boston Avenue traffic calming measures	£50,000.00
Sheeps Lane staggered barriers	£3,000.00
Shinfield Road Recreation Ground improvements	£75,000.00
South Whitley Park landscaping improvements	£15,000.00
South Whitley Park improvements	£170,000.00
Southcote Linear Park, Brunel Road improvements	£13,000.00
Town centre monuments and statues	£50,000.00
Town centre new street lights	£20,000.00
Victoria Recreation Ground improvements	£231,000.00
War memorials and public art	£100,000.00
Waterloo Meadows play area improvements ⁴	£295,000.00

2.10 At the end of the reported year, £0.198m of neighbourhood CIL was available to allocate.

CIL spent 2021-2022

2.11 Total CIL spent in 2021-2022 was £6.688m. This was divided as set out in Table 2.4.

Table 2.4: CIL spent 2021-22

Element of CIL	Amount spent
Total CIL spent 2021-22	£6,687,730.06
Strategic CIL (80%)	£5,939,239.95
Neighbourhood CIL (15%)	£467,262.05
Administration (up to 5%)	£281,228.06

2.12 The spend of CIL during 2021-22 in each of the infrastructure categories specified by Planning Practice Guidance (PPG) is set out in Table 2.5. 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. Spend of neighbourhood CIL in 2021-22 was mostly on highways and open space projects.

Table 2.5: CIL spent 2021-22 by infrastructure type

Category of contribution	Spend
Affordable Housing	£0.00
Education	£0.00
- Primary education	£0.00

⁴ Two separate allocations of £95,000 and £200,000

Category of contribution	Spend
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£0.00
Health	£0.00
Highways	£5,249,842.83
Transport and travel	£20,308.40
Open space and leisure	£860,487.21
Community facilities	£11,679.98
Digital infrastructure	£0.00
Green infrastructure	£33,393.10
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	£512,018.54
- Air quality	£0.00
- Carbon offset	£0.00
- CIL administration	£281,228.06
- Public realm improvements	£230,790.48
- S106 legal fees	£0.00
Total	£6,687,730.06

2.13 The specific projects on which strategic CIL was spent in 2021-22 are set out in Table 2.6.

Table 2.6: Projects on which strategic CIL spent 2021-22

Project	Amount spent
Bridges and carriage way works programme and highway infrastructure works	£5,152,000.00
Street lighting (invest to save energy savings)	£200,576.29
Leisure centre procurement	£265,915.09
Playground equipment and refreshment - Boroughwide	£278,263.54
Sun Street community hub	£10,379.98
Tree planting	£33,393.10
West Reading Transport Study - Southcote/Coley improvements	-£1,288.05

2.14 The projects on which neighbourhood CIL was spent in 2021-22 are set out in Table 2.7.

Table 2.7: Projects on which neighbourhood CIL spent 2021-22

Project	Amount spent
Addington Road pedestrian crossing	£1,218.00
Arthur Newbery Park play area improvements	£51,762.43
Broad Street refurbishment of the seating areas	£29,952.00
Brook Street West improvements	£262.19
Church End Lane pedestrian crossing	£1,682.50
Cintra Park play area improvements	£90,000.00
Coley Park Community Centre laptops	£1,300.00
Dover Street play area improvements	£55,951.10
Gosbrook Road zebra crossing	£4,483.25
Kings Meadow Thames cycle path	£21,596.45
Long Barn Lane Recreation Ground improvements	£0.09
The Meadway lining alterations	£278.40
Moriston Close play area improvements	£12,531.00
Morpeth Close road marking	£1,329.00
Norcot Road pedestrian crossing	£1,409.68
Oxford Road and Overdown Road pedestrian crossings	£48,722.50
Oxford Road Recreation Ground play area improvements	£52,798.84
Palmer Park play area improvements	£35,483.76
Reading Girls School extension of 20mph zone	£60.00
Redlands enforcement of 20mph areas	£38,659.50
Shinfield Road Recreation Ground improvements	£7,528.00
South Whitley Park landscaping improvements	£4,455.36
Waterloo Meadows play area improvements	£5,798.00

2.15 The first allocation of neighbourhood CIL took place in November 2018. There were subsequent allocations in June 2021 and March 2022. The projects in table 2.7, along with many more, were from the first two allocations of funds, as the March 2022 allocations were not made in time for any spend in 2021-22. Section 4 contains additional details on the specific schemes that have been completed in 2021-22.

2.16 Please note that, for some neighbourhood CIL schemes that have been delivered in full in 2021-22 and are highlighted in section 4, the full spend is not yet recorded in table 2.7. This is due to the way spend has been managed internally, and some spend will therefore be recorded in future years even though the works on the ground have been delivered.

CIL retained at the end of 2021-2022

2.17 In total, £16.052m of CIL was retained at the end of 2021-22. Most of this is strategic CIL. This is slightly lower than in 2020-21, which was related in particular to the very high level of CIL collected in 2019-20, but is still a considerable figure, most of

which is strategic CIL. The Council will need to focus on ensuring that this funding is allocated and spent in the near future, albeit that in some cases other funding streams that are time-limited may need to be used first.

3. Section 106 Report 2021-2022

- 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 2021-22.

Section 106 collected 2021-2022

- 3.2 In total, £4.31m of financial contributions has been collected by the Council to fulfil requirements in Section 106 agreements during 2021-22. By far the largest contribution was related to the development at Thames Quarter (162166 - £2.873m), followed by developments at Jackson's Corner, 1-9 Kings Road (171238 - £0.574m), Station Hill North (192032 - £0.211m) and 45 Caversham Road (201420 - £0.115m).
- 3.3 Table 3.1 breaks the collected Section 106 contributions down by type of contribution. The vast majority of the collected contributions were 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 2021-22 by infrastructure type

Category of contribution	Collected contribution
Affordable Housing	£3,486,925.91
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	£560,952.66
Open space and leisure	£85,853.36
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£0.00
Flood and water management	£0.00
Economic development	£67,405.52

Category of contribution	Collected contribution
Land	£0.00
Section 106 monitoring fees	£16,410.01
Bonds (held or repaid to developers)	£0.00
Other	£96,520.32
- Air quality	£0.00
- Carbon offset	£0.00
- Public art	£27,050.33
- S106 legal fees	£69,469.99
Total	£4,314,067.78

Section 106 allocated 2021-2022

- 3.4 In total, £0.221m of Section 106 contributions was allocated to projects in 2021-22. 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 require 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. Only very limited amounts have been allocated during 2021-22.

Table 3.2: Allocated Section 106 contributions 2021-22 by infrastructure type

Category of contribution	Allocated contribution
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	£30,685.41
Transport and travel	£0.00
Open space and leisure	£32,270.38
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£0.00
Flood and water management	£0.00
Economic development	£72,208.19
Land	£0.00
Section 106 monitoring fees	£16,410.01
Bonds (held or repaid to developers)	£0.00

Category of contribution	Allocated contribution
Other	£0.00
- Air quality	£0.00
- Carbon offset	£0.00
- S106 legal fees	£69,469.99
Total	£221,043.98

- 3.6 The specific projects to which Section 106 funds were allocated in 2021-22 are set out in Table 3.3.

Table 3.3: Projects to which Section 106 funds allocated 2021-22

Project	Amount allocated
Delivery of employment and skills plans	£72,208.19
Meadow Road and Milford Road local traffic scheme	£30,685.41
Palmer Park hammer throws cage	£32,270.38

- 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 2021-2022

- 3.8 Spend of Section 106 contributions totalled £8.974m in 2021-22. Table 3.4 breaks the spent Section 106 contributions down by type of infrastructure.

Table 3.4: Section 106 contributions spent 2021-22 by infrastructure type

Category of contribution	Spend
Affordable Housing	£2,387,935.74
Education	£667,607.16
- Primary education	£379,889.38
- Secondary education	£0.00
- Post 16 education	£0.00
- Other education	£287,717.78
Health	£0.00
Highways	£30,871.76
Transport and travel	£4,742,154.23
Open space and leisure	£811,691.60
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£0.00

Category of contribution	Spend
Flood and water management	£0.00
Economic development	£248,231.92
Land	£0.00
Section 106 monitoring fees	£16,410.01
Bonds (held or repaid to developers)	£0.00
Other	£69,469.99
- Air quality	£0.00
- Carbon offset	£0.00
- S106 legal fees	£69,469.99
Total	£8,974,372.41

- 3.9 The specific projects on which Section 106 funds were spent in 2021-22 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 2021-22

Project	Amount spent
Abbey Quarter	£6,256.20
Arthur Hill Pool housing development (LANB)	£729,038.77
Avenue Centre SEN provision	£71,635.00
BUZZ42 bus service	£80,363.00
Courage Park grounds maintenance	£5,000.00
Courage Park works	£102,610.24
Employment and skills plans delivery	£248,231.92
Emmer Green Primary School roof works	£69,912.93
Geoffrey Field Infant School heating and electrical works	£37,400.00
Geoffrey Field Junior School heating and electrical works	£31,650.00
Green Park Station	£3,550,268.34
The Heights School Maplehurham Playing Fields mitigation	£82,098.54
The Hill Primary School windows	£11,745.10
Katesgrove Primary School heating and electrical works	£229,181.35
Leisure procurement	£285.38
Maitland Road one way	£6,269.00
Meadow Road and Milford Road local traffic scheme	£24,602.76
National Cycle Network route 422	£19,595.30
Palmer Park hammer throws cage	£31,985.00
Phoenix College priority school build programme	£216,082.78
Portman Road neighbourhood equipped area for play	£96,576.13

Project	Amount spent
Prospect Park play	£486,880.11
South Reading Mass Rapid Transit phases 3 & 4	£1,091,927.59
Wensley Road housing development (LANB)	£1,658,896.97

Section 106 retained at the end of 2021-2022

- 3.10** At the end of 2021-22, £18.677m of Section 106 funds was retained by the Council. This is a significant figure, but most of those funds are allocated to projects. For instance, £5.869m is allocated to provide new local authority housing, and £2.779m is allocated to transport schemes. Much of the remaining unallocated Section 106 funding was collected during 2021-22 and there has not yet been a chance to allocate this to particular projects. There is £5.978m that was collected before the start of 2021-22 that remains unallocated.

4. Infrastructure Delivered

- 4.1** This section highlights specific items of infrastructure that have been delivered in 2021-22 through either CIL or Section 106 contributions (in whole or in part). It is not intended to be a comprehensive list, but sets out a selection of completed infrastructure projects in the reported year.

Section 106

- 4.2 South Reading Mass Rapid Transit:** The South Reading Mass Rapid Transit (MRT) project provides dedicated public transport priority measures on the A33 corridor, linking Reading town centre to Green Park and Mere oak park and ride. This project is being delivered in phases, and Phase 3 (covering London Street, Bridge Street and the A33 outbound approach to Rose Kiln Lane) was completed in 2020, with work on Phase 4 (outbound between Rose Kiln Lane and Lindisfarne Way and upgrade of signals at A33/Bennet Road gyratory) largely completed in 2021-22 with only snagging issues with signal upgrades still outstanding.
- 4.3** Funding for South Reading MRT is from the Local Growth Fund (LGF) and from Section 106 contributions. Spend of Section 106 funding on South Reading MRT during 2021-22 totalled £1.092m, to add to the £1.003m spent in 2019-20 and 2020-21.

Neighbourhood CIL

- 4.4** A number of the projects allocated neighbourhood CIL funding in November 2018 and June 2021 have been delivered during 2021-2022.
- 4.5 Cintra Park play area improvements:** £95,000 was allocated in November 2018 to refurbish the playground at Cintra Park. This included removing some outdated play equipment and replacing with new equipment, as well as surfacing work and improvements to accessibility. The project was completed in July 2021.
- 4.6 Long Barn Lane Recreation Ground outdoor gym:** £150,000 was allocated to improvements at Long Barn Lane recreation ground in November 2018, comprising a new BMX track and an outdoor gym. The BMX track opened in February 2021, and

was reported on in the last version of the IFS. The outdoor gym element of the project was completed in May 2021.

- 4.7 Refurbishment of the seating areas in Broad Street:** £15,000 was originally allocated in November 2018 to a project to refurbish seating areas within Broad Street. This was subsequently increased to £65,000 in August 2020, and then reduced to £50,000 in June 2021. This project involved repairs, cleaning and treatment of the existing seating. The project was completed in June 2021.
- 4.8 Enforcement of 20mph areas in Redlands:** £100,000 was allocated in November 2018 to enforcement of existing 20mph areas within Redlands ward. This included installation of speed cushions, humps, priority flow traffic islands, junction island, build-outs, pinch point, repeater signing and refresh of roundels. The project was completed in October 2021.

Figure 4.1: 20mph zone on Kendrick Road



- 4.9 Oxford Road and Overdown Road pedestrian crossings:** £50,000 was allocated in November 2018 to implement pedestrian crossing facilities around Oxford Road and Overdown Road. These facilities included a tiger crossing at Oxford Road, linking with existing facilities, and uncontrolled crossing enhancements on Overdown Road. The project was completed in June 2021.
- 4.10 Arthur Newbery Park play area improvements:** £100,000 was allocated in June 2021 to play area improvements in Arthur Newbery Park in Tilehurst. This involved replacement of the multi-unit, which had reached the end of its life. The project was completed in December 2021, and, as it was under budget, it allowed for the reallocation of £35,000 to Oxford Road Recreation Ground, which was agreed in January 2022.
- 4.11 Dover Street play area improvements:** £85,000 was allocated in June 2021 for improvements to Dover Street play area, involving replacement of the play

equipment and replacement fencing, railings and handrail. The project was completed in November 2021.

Figure 4.2: Dover Street play area



- 4.12 Laptops for Coley Park Community Centre:** £2,000 was allocated in June 2021 for the provision of laptops, printer and associated licenses for Coley Park Community Centre. This project enables provision for digital inclusion for the local area. The project was completed in March 2022.
- 4.13 Morpeth Close road marking:** £5,000 was allocated in June 2021 for the installation of parking bay markings in Morpeth Close to help to address some of the parking issues in the road. The project was completed in February 2022.

Figure 4.3: Morpeth Close road marking



- 4.14 Lining alteration on The Meadway:** £10,000 was allocated in June 2021 for addressing the lining around the roundabout at the junction of The Meadway and St Michaels Road to improve use of the roundabout and reduce the number of vehicles cutting across it. The project was completed in October 2021.

Figure 4.4: Lining alteration on The Meadway



5. Future Contributions Income

- 5.1** 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

- 5.2** Liability notices have been issued during 2021-22 totalling £11.485m. The most significant developments were Plot E of Station Hill (201532 - £5.169m) and the Gas Holder, Alexander Turner Close (190627 - £2.195m). Some of the liability notices raised this year have already been paid in full or part during 2021-22, 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 wholly new liabilities for 2021-22.
- 5.3** Demand notices for £2.972m were issued in 2021-22. By far the most significant development was Plot E of Station Hill (201532 - £2.584m), followed by the Woodley Arms, Waldeck Street (171893 - £0.174m), 34-36 and 38 Southampton Street (181117 - £0.112m) and 112 Southcote Lane (180148 - £0.077m). 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.

- 5.4 The Council has previously set out forecasts for CIL income in future years, but the accuracy of these forecasts is dependent on so many factors that it is not considered to be particularly useful. In particular, the amount of CIL collected is highly dependent on a small handful of very large liabilities, the timing of which can be very variable, and some of which may not be commenced at all. Therefore, this document does not attempt to forecast future income. However, average CIL income for the period 2017-22 is approximately £5.9m per annum, and this is perhaps the most useful basis for forward planning. Annual CIL income of £5.9m would mean strategic CIL of £4.7m, neighbourhood CIL of £0.9m and CIL admin of £0.3m per annum.

Section 106

- 5.5 New Section 106 agreements have been signed during 2021-22 that would result in financial contributions of £12.917m. Table 5.1 summarises how this breaks down into different infrastructure types.

Table 5.1: Agreed contributions 2021-22 by infrastructure type

Category of contribution	Agreed contribution
Affordable Housing	£7,484,967.50
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	£2,436,000.00
Open space and leisure	£2,384,700.00
Community facilities	£0.00
Digital infrastructure	£0.00
Green infrastructure	£0.00
Flood and water management	£0.00
Economic development	£88,475.00
Land	£0.00
Section 106 monitoring fees	£20,400.00
Bonds (held or repaid to developers)	£0.00
Other	£502,101.74
- Air quality	£0.00
- Carbon offset	£414,651.74

Category of contribution	Agreed contribution
- S106 legal fees	£87,450.00
Total	£12,916,644.24

- 5.6 The majority of the total contributions agreed in 2021-22 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. However, this year there were more site-specific contributions agreed towards transport and leisure than has been the case in recent years, in particular for developments in the town centre. In addition, this is the first year where carbon offset contributions in line with the Local Plan adopted in 2019 have been agreed. Employment, skills and training plans only result in a financial contribution where the developer does not provide a plan themselves, and this is often not known at the point of signature.
- 5.7 The most significant developments in terms of financial contributions agreed this year were Station Hill North (192032 - £7.112m), Gas Holder at Alexander Turner Close (190627 - £2.411m) and Broad Street Mall (182137 - £1.730m).
- 5.8 Some legal agreements may result in financial contributions being made that are not defined in the agreement itself. For instance, carbon offset contributions are calculated once the building is completed and the performance is assessed, so no specific contributions are usually set out in the agreement. In addition, 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 2021-22, none of the figures in Table 5.1 result from such contributions.

6. Future Spending Priorities

- 6.1 This section identifies anticipated future spending priorities for infrastructure contributions. It is not necessarily comprehensive, and infrastructure not referred to below may also 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.
- 6.2 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.

6.3 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.

6.4 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.

6.5 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.

6.6 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

6.7 The Council approved a revised CIL Spend Protocol in February 2021, which sets out the headlines for how CIL will be allocated and spent in Reading. This Protocol is set out in full in [Appendix 3](#).

6.8 The Protocol identifies the priorities for funding from strategic CIL (i.e. 80% of the total) as being education, strategic transport projects and strategic leisure and culture. These tend to be the forms of infrastructure most directly affected by new development. In addition, the Protocol sets additional criteria, such as the need to relate to priorities in the IFS, inclusion in the Infrastructure Development Plan and/or approved Capital Programme and the relationship to new development including the delivery of key Local Plan development sites.

- 6.9 Until 2019, the specific projects that were to be funded from strategic CIL 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 6.1. 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 6.1: Infrastructure to be funded by strategic CIL (80%)

Infrastructure Type	Exclusions
Transport <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, Nighttrack</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>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>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> <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.
Education initiatives <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>
Social/community facilities projects <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>

Infrastructure Type	Exclusions
Leisure and culture facilities projects Enhancement of access to and interpretation of heritage assets 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.	See below Site specific heritage asset protection and enhancement resulting from a specific planning proposal. None
Open spaces, sports, recreation, green infrastructure, public realm, and environmental improvement projects Enhancement and management of and access to outdoor recreation, open space and water courses serving the Borough 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	See below Local outdoor recreation and open space directly serving a specific new development Site related environmental mitigation measures and environmental improvements to the public realm and green environment necessitated by the development.
Economic support The provision of incubator business space in Central Reading	See below None
Renewable energy infrastructure 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	See below 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.
Air quality The infrastructure required to undertake Borough wide continuous monitoring of air quality	See below None

- 6.10** 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%.
- 6.11** The CIL Protocol sets out expectations for how neighbourhood CIL will be spent and allocated. This requires particular processes in Reading as there are no parish or town councils to which to pass the neighbourhood CIL funding.

6.12 The 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.

6.13 The approach is that the Council will consult on the priorities for spend of neighbourhood CIL, in terms of general headline types of infrastructure rather than specific projects. A consultation on the general priorities for use of neighbourhood CIL took place between February and April 2021, and the results will be considered when making future allocations.

6.14 The Council's approach is no longer to necessarily spend the money within the specific neighbourhoods in which it is raised. This is because Reading is a geographically compact area and a single settlement where residents make use of infrastructure in different parts of the Borough. The degree to which infrastructure relates to the areas where development is taking place will be a consideration in allocation of neighbourhood CIL funding, but this will be weighed against other considerations. The criteria for allocating neighbourhood CIL as set out in the Protocol are as follows:

- Deliverability (timescales, risks, resources required, dependence on external partners);
- Financial considerations (value for money, additional capital funding required, revenue considerations);
- Accordance with spending priorities identified in consultation;
- Relationship with identified strategic priorities; and
- Degree to which projects meet infrastructure needs arising from or enabling development.

6.15 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

6.16 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.

- 6.17 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 new home or more 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.
- 6.18** 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.
- 6.19 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.
- 6.20 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.
- 6.21** 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.

6.22 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).

6.23 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.	£2,972,289.41	No further comment
1(b)	The total amount of CIL receipts for the reported year.	£5,624,561.16	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.	£7,264,935.24	This is the total CIL receipts for 2015-21, minus all allocations for 2015-21 and strategic and neighbourhood allocations for 2021-22. 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.	£8,484,194.13	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.	£6,687,730.06	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.	£2,924,615.29	In Reading, this relates to neighbourhood CIL only because strategic CIL and admin are allocated and spent at the same time.
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.	£5,152,000.00 £200,576.29 £265,915.09 £278,263.54 £10,379.98 £33,393.10 -£1,288.05 £467,262.05	Bridges and carriageway works programme and highway infrastructure works. Street lighting (invest to save energy savings) Leisure centre procurement Playground equipment and refreshment - Boroughwide Sun Street community hub Tree planting West Reading Transport Study - Southcote/Coley improvements 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.	£281,228.06 (5.00%)	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.	£75,000.00	Borough-wide graffiti removal project
		£50,000.00	Town centre monuments and statues
		£100,000.00	War memorials and public art
		£78,403.55	Kings Meadow Thames cycle path
		£275,000.00	High Street Heritage Action Zone project
		£67,472.00	Shinfield Road Recreation Ground improvements
		£95,000.00	John Rabson Recreation Ground skate park
		£289,202.00	Waterloo Meadows play area improvements ⁵
		£13,237.57	Arthur Newbery Park play area improvements
		£77,201.16	Oxford Road Recreation Ground improvements
		£48,590.32	Norcot Road pedestrian crossing
		£29,048.90	Dover Street play area improvements
		£700.00	Coley Park Community Centre laptops
		£99,737.81	Brook Street West improvements
		£37,469.00	Moriston Close play area improvements ⁶
		£64,516.24	Palmer Park play area improvements
		£3,671.00	Morpeth Close road markings
		£48,782.00	Addington Road pedestrian crossing
		£48,317.50	Church End Lane pedestrian crossing
		£9,721.60	Lining alteration on The Meadway
		£10,544.64	South Whitley Park landscaping improvements
		£231,000.00	Victoria Recreation Ground improvements
		£20,000.00	Town centre new street lights
		£200,000.00	Northcourt Avenue speed reduction
		£100,000.00	Robert Hewett Recreation Ground
		£50,000.00	Shaw Road and Boston Avenue traffic calming measures
		£3,000.00	Sheeps Lane staggered barriers
		£200,000.00	Oxford Road and streets around 20 is plenty zone
		£75,000.00	Palmer Park green gym equipment

Ref	Requirement	Amount	Comment
		£15,000.00	Hexham Road Community Centre facelift
		£33,000.00	Lower Mount green space
		£13,000.00	Southcote Linear Park, Brunel Road improvements
		£8,000.00	Coronation Square new westbound bus shelter
		£25,000.00	Coronation Square lighting improvements
		£170,000.00	South Whitley Park improvements
		£150,000.00	Gateway area pedestrian crossings (Imperial Way & Basingstoke Road)
		£110,000.00	Lulworth Road communal area improvements
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.	£833,373.13	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.

⁵ Consists of two separate allocations - June 2021 and March 2022

⁶ Consists of two separate allocations - June 2021 and March 2022

Ref	Requirement	Amount	Comment
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.	<p>£29,952.00</p> <p>£4,483.25</p> <p>£90,000.00</p> <p>£60.00</p> <p>£0.09</p> <p>£38,659.50</p> <p>£48,722.50</p> <p>£21,596.45</p> <p>£7,528.00</p> <p>£5,798.00</p> <p>£51,762.43</p> <p>£52,798.84</p> <p>£1,409.68</p> <p>£55,951.10</p> <p>£1,300.00</p> <p>£262.19</p> <p>£12,531.00</p> <p>£35,483.76</p> <p>£1,329.00</p> <p>£1,218.00</p> <p>£1,682.50</p> <p>£278.40</p> <p>£4,455.36</p>	<p>Broad Street refurbishment of the seating areas</p> <p>Gosbrook Road zebra crossing</p> <p>Cintra Park play area improvements</p> <p>Reading Girls School extension of 20mph zone</p> <p>Long Barn Lane Recreation Ground improvements</p> <p>Redlands enforcement of 20mph areas</p> <p>Oxford Road and Overdown Road pedestrian crossings</p> <p>Kings Meadow Thames cycle path</p> <p>Shinfield Road Recreation Ground improvements</p> <p>Waterloo Meadows play area improvements</p> <p>Arthur Newbery Park play area improvements</p> <p>Oxford Road Recreation Ground play area improvements</p> <p>Norcot Road pedestrian crossing</p> <p>Dover Street play area improvements</p> <p>Coley Park Community Centre laptops</p> <p>Brook Street West improvements</p> <p>Moriston Close play area improvements</p> <p>Palmer Park play area improvements</p> <p>Morpeth Close road marking</p> <p>Addington Road pedestrian crossing</p> <p>Pedestrian crossing on Church End Lane</p> <p>The Meadway lining alteration</p> <p>South Whitley Park landscaping improvements</p> <p>NB - figures above are for 2021-22 spend, not allocation</p>
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

Ref	Requirement	Amount	Comment
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.	£4,509,959.97	This is all of the 2021-22 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.	£7,899,981.06	No further 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.	£198,327.31	Majority of 2021-22 neighbourhood CIL receipts allocated March 2022.
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.	£2,808,257.20	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.	£12,735,538.50	No further comment
3(b)	The total amount of money under any planning obligations which was received during the reported year.	£4,314,067.78	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.	£5,977,567.13	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.	259 dwellings	Includes securing 12.5% on-site affordable housing for Station Hill North, but outline permission includes wide range of total dwellings. Maximum of 94 dwellings counted here.
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.	£78,576.22	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).	£8,974,372.41	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.	£72,208.19 £6,082.65 £285.38	Delivery of employment and skills plans Meadow Road and Milford Road local traffic scheme Palmer Park hammer throws cage

Ref	Requirement	Amount	Comment
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.	£6,256.20 £729,038.77 £71,635.00 £80,363.00 £5,000.00 £102,610.24 £248,231.92 £69,912.93 £37,400.00 £31,650.00 £3,550,268.34 £82,098.54 £11,745.10 £229,181.35 £285.38 £6,269.00 £24,602.76 £19,565.30 £31,985.00 £216,082.78 £96,576.13 £486,880.11 £1,091,927.59 £1,658,896.97	Abbey Quarter Arthur Hill Pool housing development (LANB) Avenue Centre SEN provision BUZZ42 bus service Courage Park grounds maintenance Courage Park works Employment and skills plan delivery Emmer Green Primary School roof works Geoffrey Field Infant School heating and electrical works Geoffrey Field Junior School heating and electrical works Green Park Station The Heights School Mapledurham Playing Fields mitigation The Hill Primary School windows Katesgrove Primary School heating and electrical works Leisure procurement Maitland Road one way Meadow Road and Milford Road local traffic scheme National Cycle Network route 422 Palmer Park hammer throws cage Phoenix College priority school build programme Portman Road NEAP Prospect Park play South Reading Mass Rapid Transit phases 3 & 4 Wensley Road housing development (LANB)
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.	£16,410.01	

Ref	Requirement	Amount	Comment
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.	£18,676,856.52 £14,411.76	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.

Appendix 3 - CIL Spend Protocol, February 2021

This protocol sets out proposed procedures for dealing with the allocation and monitoring of the spending of income arising from the Community Infrastructure Levy (CIL).

CIL differs fundamentally from S106 in that the funds collected are not tied to a specific development or the provision of specific infrastructure. Unlike infrastructure provided through S106 planning obligations, which must be necessary to mitigate the impact of a particular development and used only for that specific purpose, CIL funds can be used flexibly to fund any infrastructure as defined within the regulations. The Council's Infrastructure Funding Statement (IFS) will set out priorities for CIL spend, but this will not exclude spend on items that are not identified in the IFS. CIL funds can be pooled freely to fund infrastructure priorities and collectively between authorities towards larger strategic investments. They should be seen as a contribution to assisting with the provision of overall infrastructure priorities which may well change over time.

Framework for Determining Expenditure of CIL Monies

Authorities are required to set out their priorities for expenditure through an annual IFS. The current IFS for Reading Borough was based on an Infrastructure Delivery Plan that was produced as part of the preparation of the local plan, and in consultation with the various spending services, and which drew on the previous Regulation 123 list. A Regulation 123 list was a now-superseded requirement for a list of items to be funded by CIL. A copy of the Council's original Regulation 123 list was approved as part of the papers submitted to the Secretary of State for approval of the Council's CIL Charging Schedule.

The spending priorities in the IFS refer to the types of infrastructure but does not specify particular schemes or projects. The priorities are based on adopted Local Plan policies, and relate to:

- Transport infrastructure
- Education facilities projects
- Social / Community facilities
- Leisure and Culture facilities
- Open spaces, sports, recreation, green infrastructure, public realm and environmental improvement projects
- Economic Support
- Renewable Energy Infrastructure
- Air Quality

The CIL regulations set out specific requirements on local authorities to monitor, report and publish, annually, details of all funding received and all expenditure of CIL funding. This will be completed through the annual IFS which the Council is required to produce by 31st December each year.

Regulation 59F of the CIL Regulations 2010 (as amended) requires that at least 15% of CIL monies should be spent in the 'relevant local area' in which development is occurring. The requirement is that the local authority ensures that at least 15% of receipts are directed

to areas subject to development. It should be noted that these monies (which are referred to as the 'meaningful proportion') do not have to be spent on items identified in the IFS, but could be spent on anything to help mitigate the impact the development has on the area.

Proposed Allocation of Expenditure

The principles are that expenditure will be;

80%:

- on infrastructure as defined in the regulations.
- in accordance with priorities set out in the Council's IFS at the time the expenditure is authorised; The contents of the Council's IFS will reflect the Council's infrastructure priorities as set out in the Infrastructure Delivery Plan, adopted policies and capital programme.

15%:

- at least 15% must be allocated to areas in which CIL liable development is taking place, but, in the absence of any parish councils, this can mean the whole Borough.
- can be allocated to 'infrastructure' listed or not listed on the IFS.
- spending needs to meet the requirement to 'support the development of the area'.
- A consultation on the approach to how the Council uses the local contribution will be required. The final allocation of any CIL money, including the local contribution will be made by the Council's Policy Committee.
- Allocations for spending the 15% local contribution will be for CIL receipts received up to the end of the previous year.

5%:

- 5% of receipts will be allocated to cover administration costs.

The Council's February budget report includes the Council capital programme and an indication of how it will be financed overall including any planned use of CIL receipts. The programme shows proposals for the forthcoming year with some forward planning/commitments for the following two years (i.e. a rolling 3 year programme) based on development monitoring and CIL database information. When the Council approves the budget it will also therefore approve in principle the allocation of how 80% of CIL receipts will be spent.

The financial year end report (presented in the early summer) will provide as necessary a listing of CIL receipts received or expected imminently. It will indicate the level of CIL receipt from each listed development and thus a calculation of the level of 15% that should be allocated to the relevant area. For the purposes of CIL the relevant local area in the absence of any parish councils is the whole Borough, because Reading is a geographically compact area and a single settlement where residents make use of infrastructure in different parts of the Borough. 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. In any event, when

allocating the 15% local contribution, consideration needs to be given to the location of the development providing the CIL receipt and the impacts that the development has on its neighbourhood.

There is provision within the regulations for the local authority to allocate up to 5% of CIL receipts to the administration of the scheme. Set up costs, the costs of items such as the purchase of software, and the staffing costs involved in administering the scheme can be paid for directly from CIL receipts. Costs will be incurred by Planning, Finance and Legal Sections and any other sections with an input into the administration of CIL within the authority. Accordingly, up to 5% of CIL receipts will be allocated to cover all administration costs, albeit this figure can be reviewed from time to time.

Infrastructure Prioritisation Criteria

The use of 80% of CIL will be focused on:

- Education
- Strategic Transport Projects
- Strategic Leisure / Culture

Which accord with the following:

- Should relate to priorities identified in the IFS
- Be included in the Infrastructure Development Plan and / or Approved Capital Programme.
- May enable other funds that would not otherwise be available or offer a financial return on investment, e.g. needed to match or draw grant funding
- Address a specific impact of new development beyond that which has been secured through a S106 obligation or S278 agreement
- Contribute to the delivery of key development sites in the district to realise the Local Plan proposals

The use of the 15% of CIL which is allocated 'locally' could, as alternatives to the priority projects in the area being funded under the 80% above, be focused on:

- Open space improvements / small scale leisure;
- Local highway improvement projects
- Air quality
- Community improvements
- Renewable energy infrastructure
- Economic Support
- Other measures which help to mitigate the impact the development has on the area.

Which must accord with following:

- Support:
 - (a) the provision, improvement, replacement, operation or maintenance of local facilities and/or infrastructure; or

(b) anything else that is concerned with addressing the demands that development places on a local area.

- May be included in the IDP and / or Approved Capital Programme.
- May enable other funds that would not otherwise be available or offer a financial return on investment, e.g. needed to match or draw grant funding
- Address a specific impact of new development beyond that which has been secured through a S106 obligation or S278 agreement
- Contribute to the delivery of key development sites in the district to realise the Local Plan proposals

In regards to how the 15% allocation will be processed:

- Projects can be nominated by officers, members, community groups or members of the public, using a standard form available on the website setting out key details; these could be from proposals that have been identified via committees, on work programmes, through surveys or elsewhere. Such proposals may include improvements to Parks and Open Spaces or highway schemes, for example. Nominations will need to be made by the end of the calendar year to feed into final allocations in the following Spring;
 - Initial proposals will be discussed with lead councillors;
 - Given that funds are limited the use of 15% local CIL funds will be normally allocated to small scale projects or around £100k or less;
 - Public consultation on the general spending priorities under the local community 15% spend will take place every 3-4 years, at the beginning of the calendar year. These will not be based on specific projects, but on overall type of infrastructure;
 - The final allocation of funds will be made annually by the Policy Committee. The following considerations will be taken into account when making allocations:
 - Deliverability (timescales, risks, resources required, dependence on external partners)
 - Financial considerations (value for money, additional capital funding required, revenue considerations)
 - Accordance with spending priorities identified in consultation
 - Relationship with identified strategic priorities
 - Degree to which projects meet infrastructure needs arising from or enabling development.
- A Policy Committee report on new allocations each year would also report on the progress of the allocations from previous years and would give the opportunity to re-allocate unspent funds or put additional funds towards existing projects if required.

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