WOKINGHAM
BOROUGH COUNCIL

Background Paper:

Wokingham Borough Community Infrastructure Levy (CIL) Draft Charging Schedule

July 2026

Contents

1. Introduction

1.1 The National Planning Policy Framework (NPPF) (2024) at paragraph 8 identifies the importance of new development being supported by appropriate infrastructure to deliver the economic, social and environmental objectives of sustainable development.

1.2 This background paper provides information on the Community Infrastructure Levy (CIL), one of the key mechanisms available to Wokingham Borough Council (WBC) to secure the delivery of new and improved infrastructure to support growth. It continues to explain the reason for WBC to review CIL rates through a partial review of the CIL Charging Schedule, the evidenced used to support the review, and the process going forward.

2. What is CIL?

2.1 CIL is a charge on new developments and is used as a key source of funding for infrastructure. CIL is used in combination with legal obligations such as those made under Section 106 of the Town and Country Planning Act 1990 (as amended) (S106), and other sources such as central government grants, to enable the delivery of new or improved infrastructure.

2.2 A CIL Charging Schedule sets out the CIL charge applied to types of development and any differentiation between areas or zones. The CIL charge is set out in pounds per square metre and is applied to the net increase in floorspace.

2.3 Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for CIL. Some developments may be eligible for relief or exemption. This includes residential annexes and extensions, and houses and flats which are built by 'self-builders'. There are strict criteria that must be met, and procedures that must be followed, to obtain the relief or exemption.

3. Does WBC already implement CIL?

3.1 WBC adopted its current CIL Charging Schedule in February 2015, bringing it into effect on 6 April 2015, establishing the CIL rates that apply to different types of development across the borough. Since adoption, the CIL rates have been increased annually to account for inflation.

3.2 WBC is proposing some targeted changes to the adopted CIL Charging Schedule. The purpose of the proposed changes is to update specific elements of the adopted schedule where evidence demonstrates that a new CIL rate is justified.

4. Why undertake a review of the CIL Charging Schedule?

4.1 WBC is proposing to change specific aspects of the adopted CIL Charging Schedule. The elements not proposed to change will continue to apply, indexed for inflation.

4.2 The proposed changes are limited to:

- Introducing CIL rates borough wide for purpose-built market student accommodation;
- Introducing CIL rates borough wide for hotel development;
- Introducing CIL rates borough wide for industrial and warehousing development;
- Creating a new charging zone for the Loddon Valley Garden Village allocation; and
- Applying a nil CIL rate within the Loddon Valley Garden Village charging zone.

4.3 There are a number of overlapping reasons for progressing the partial review and the proposed targeted changes.

4.4 Evidence shows a residual infrastructure funding gap, following the application of the adopted CIL Charging Schedule. Whilst the existence of a residential funding gap is normal and necessary to allow the implementation of CIL, WBC consider it desirable to sets CIL rates which enable development to more effectively contribute towards the costs of infrastructure. Most CIL rates, including those for residential development, are not proposed to change, however, where evidence on development viability shows that the proposed new CIL rates can be absorbed by the defined types of development whilst maintaining financial viability, these are proposed. Any additional CIL receipt will assist in reducing the residual funding gap.

4.5 The exception to the above is data centre development. In this specific instance, the type of development can be shown to be viable when applying a new CIL rate. Notwithstanding, the CIL Regulations and how they apply to development make it difficult to apply. A new CIL rate is not therefore applied, and any infrastructure improvements will continue to be secured through Section 106 Agreements.

4.6 WBC chose to adopt CIL at a time when national legislation introduced a restriction on the pooling of contributions through Section 106 Agreements. The restriction placed significant practical difficulties in financing larger infrastructure improvements; however, it was impractical to not introduce CIL. The pooling restrictions have since been removed, and as a result, it is now possible to consider what mechanism to secure infrastructure improvements is the most effective for different types and scales of development and delivering related infrastructure.

4.7 In recent years, WBC has been working on a Local Plan Update (LPU) which will put in place new planning policies to direct and manage development. The LPU is currently in the final stages of being examined by government appointed planning inspectors. To meet development needs, the LPU proposed to allocate land between Shinfield, Sindlesham and Arborfield to establish new communities providing around 3,930 dwellings and 100,000 square metres of research and development floorspace, supported by significant infrastructure such as schools, shops, highway connections, and open spaces. Due to the scale, the proposed allocation is expected to be delivered over a period of around 20 years.

4.8 Whilst CIL provides an efficient and effective mechanism to support the improvement of infrastructure, the way CIL rates are applied to developments that deliver over an extended period disadvantages infrastructure delivery. The reason is the regulations governing the calculation of CIL fix the CIL rate that can be placed against the floorspace to that which applied when Outline permission is granted. No subsequent adjustment can be made to account for inflation where applications for Reserved Matters approval are submitted in later years. The CIL rate applied to development floorspace approval in year 15 will therefore pay the cost that applied in year 1, even though the cost of providing that infrastructure will have markedly increased.

4.9 Given the nature and projected delivery of the Loddon Valley Garden Village, WBC consider securing infrastructure improvements through Section 106 Agreements, where inflation can be accounted for, to be the most effective mechanism. To enable this, the partial review proposes the creation of a new charging zone for the Loddon Valley Garden Village and applying a nil CIL charge for residential uses.

4.10 It is important to note that the change in focus from CIL to S106 for the Loddon Valley Garden Village does not reduce infrastructure requirements or expectations. The deliverability and viability of the site has been robustly tested with information published as part of the evidence base for the LPU. This includes a site specific viability assessment, which was produced with the engagement of the site promoters/landowners, and shows the scheme to be viable.

5. What is an Infrastructure Funding Gap?

5.1 The starting point for preparing a CIL Charging Schedule is for local authorities to demonstrate that there is a need for development to fund infrastructure improvements.

5.2 WBC have considered the need for infrastructure improvements in the preparation of the LPU, setting this out in an Infrastructure Delivery Plan (IDP). The IDP shows a clear need to improve infrastructure, and that a residual infrastructure gap remains following the consideration of other funding sources.

5.3 WBC has set out an estimate of the residential infrastructure funding gap within the Infrastructure Funding Gap Statement (May 2026).

6. How has development viability been tested?

6.1 Development viability has been robustly tested by the specialist consultancy Quintic Advisory, with the outcomes presented within the CIL Viability Assessment (April 2026). The development viability of the Loddon Valley Garden Village was tested through the dedicated Loddon Valley Garden Village – Financial Viability Assessment (August 2025), which was part of the evidence base considered through the LPU examination.

6.2 In accordance with the CIL Regulations 2010 (as amended), WBC has sought to strike an appropriate balance between the desirability of funding from CIL (in whole or in part) the actual and expected estimated cost of infrastructure required to support development and the potential effects (taken as a whole) of the imposition of CIL on economic viability of development.

7. What is the process for determining the CIL Charging Schedule?

7.1 The CIL Regulations 2010 (as amended) sets out the procedure for publication, consultation, examination and adoption of a CIL Charging Schedule.

7.2 Following the consultation, WBC will carefully consider all representations received. Where necessary advice will be sought from Quintic Advisory on any issues raised regarding development viability.

7.3 Following this consideration, the CIL Draft Charging Schedule together with supporting documents will be submitted to an appointed independent examiner who will consider whether the proposals meet the requirements set out in the CIL Regulations.

7.4 Should the CIL Draft Charging Schedule be recommended by the examiner, including any modifications, these will be considered by WBC. Where the recommendations are supported, the CIL Charging Schedule will be reported to meeting of Full Council with the recommendation it be adopted.