Community Infrastructure Levy

Infrastructure Funding Gap Statement

May 2026

WOKINGHAM
BOROUGH COUNCIL

1. Introduction

1.1 The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support growth.

1.2 This statement provides an estimate of the funding gap in the provision of infrastructure identified to support development.

1.3 This statement specifically supports the review of the currently adopted Wokingham Borough CIL Charging Schedule. It shows a substantial funding gap, justifying the continued implementation of CIL. The funding gap further supports an increase of CIL rates to help to fund the infrastructure needs, where it is viable to do so.

2. Context

2.1 Wokingham Borough Council (WBC) is a current CIL charging authority, having adopted a CIL Charging Schedule in February 2015. Since this time, the changes have been updated annually in line with inflation.

2.2 Most new development which creates net additional floor space of $100m^2$ or more, or creates a new dwelling, is liable for CIL. Some developments may be eligible for relief or exemption. This includes social housing, 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.

2.3 Table 1 below shows the CIL Charging Schedule as originally adopted in 2015 and as currently adjusted to reflect inflation.

Table 1: CIL Charging Schedule, adopted 2015 and adjusted for inflation.

Development type	Charging zone	£ per square metre at adoption in 2015	£ per square metre at January 2026
Residential Development (excluding Sheltered Housing, Extra Care Housing and Residential Institutions)	South of M4 SDL	£300	£463.32
	South Wokingham SDL	£320	£494.21
	North Wokingham SDL	£340	£525.10
	Arborfield SDL	£365	£563.71
	Rest of Borough	£365	£563.71
Sheltered Housing	South of M4 SDL, South Wokingham SDL, North Wokingham SDL & Arborfield SDL	£365	£563.71

	Rest of Borough	£150	£231.66
Residential Institutions and Extra Care Housing	South of M4 SDL, South Wokingham SDL, North Wokingham SDL & Arborfield SDL Rest of Borough	£100 £60	£154.44 £92.66
Retail	Existing town/small town/district centres	0	0
	Arborfield SDL	£0	£0
	Rest of Borough	£50	£77.22
All Other Development types	Borough-Wide	£0	£0

2.4 The adopted a CIL Charging Scheduled was introduced with reference to infrastructure requirements linked to the Core Strategy and Managing Development Delivery (MDD) local plans, adopted in 2010 and 2014. A significant level of infrastructure improvement and delivery has taken place to support development enabled by these plans. This has included utilising funding secured from developments through CIL, as well as securing improvements through legal obligations under S106 and S278, and government funding.

2.5 WBC is at an advanced stage of preparing a new local plan, which will supersede the Core Strategy and MDD local plans – the Local Plan Update (LPU). The LPU sets out a strategy for managing development to 31 March 2040 and provides an appropriate basis for housing, employment and infrastructure provision over the longer term. This includes the allocation of land to support that strategy.

2.6 The LPU was submitted to the Secretary of State for examination in February 2025, with Part 1 hearings completed in November 2025 and Part 2 hearings being held through March to June 2026. The LPU is supported by an Infrastructure Delivery Plan (IDP) identifying key infrastructure requirements needed to support the development promoted in the LPU.

2.7 This statement draws on the IDP and shows that a substantial funding gap remains, justifying the continued implementation of CIL.

3. <u>Infrastructure funding gap</u>

3.1 An initial infrastructure funding gap can be estimated by comparing the identified infrastructure costs and known income.

3.2 Table 2 below utilises the IDP, supplemented by information contained in WBC's approved capital programme to estimate the infrastructure funding gap. The presented infrastructure costs reflect infrastructure items classified as critical, essential and policy high priority in the IDP[1]. The costs of infrastructure items considered to be regional matters[2] and those expected to be funded directly by infrastructure providers[3] have been removed.

3.3 Considering all known sources of funding, the aggregate infrastructure funding gap is estimated to be circa £607m.

Table 2: Infrastructure costs (critical, essential and high priority)

Infrastructure category	Cost (£)
Estimates infrastructure costs (IDP, Capital Programme)	679,696,120
Confirmed funding (other sources)	73,042,120
Infrastructure funding gap	606,654,000

3.4 It should be noted that it is not the role of the IDP to identify all infrastructure items and that many costs are estimated with schemes having only been considered at a concept level. The cost of infrastructure and the funding gap are therefore likely to be higher

3.5 National planning practice recognises that there will be uncertainty regarding funding sources, particularly beyond the short-term, as this will depend, among other things, on the spending priorities of future governments. However, it is clear that in the short to medium term there is a significant gap between available funds and the cost of identified infrastructure.

4. Projected CIL income

4.1 To justify charging CIL, it should be demonstrated that the projected CIL income over the relevant period would not exceed the aggregate infrastructure funding gap.

Application of adopted CIL Charging Schedule

4.2 The below projects CIL income based on applying the adopted CIL Charging Schedule to the development enabled and projected to be completed in the period to 31 March 2040. The projected CIL income has taken into account:

- The variation in the floorspace of dwellings anticipated in different locations.
- The anticipated CIL relief for affordable housing and self-build housing.
- Dwellings delivered as caravans which do not constitute relevant building for the purpose of applying CIL.

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[1] The IDP classifies infrastructure items into four categories: Critical, Essential, Policy High Priority and Desirable. Items classified as Desirable are not included in the calculation of infrastructure costs within this statement.

[2] Regional projects are those where regional funds would need to be secured to enable it to proceed. This includes improvements to the highway network on and in proximity to the A329.

[3] Includes projects such as the Arborfield Sewerage Treatment Works capacity improvements.

- The requirement to pass 15% or 25% of CIL income to parish/town councils, depending on whether there is a made (adopted) neighbourhood plan.

4.3 The projected CIL income does not account for income which might be received from windfall residential development due to inherent uncertainties in estimating this. If account were to be taken, the additional CIL income might reasonably be anticipated to be between £2.4m and £5.2m based on historic delivery.

4.4 The projected CIL income also does not account for CIL income from specialist forms of housing or retail development. Given the low incidence of delivery of these forms of development, any additional income would be unlikely to materially alter the projected CIL income.

4.5 The projected CIL income to 31 March 2040 based on the adopted CIL Charging Schedule is circa £248m.

Table 3: Projected CIL income applying the adopted CIL Charging Schedule

Source	Projected CIL income (£)
Sites with detailed permission (excluding SDLs)	17,541,099
Sites with outline planning permission (excluding SDLs)	21,896,751
Arborfield Garrison SDL (adopted)	17,222,527
South Wokingham SDL (adopted)	43,600,612
Arborfield Green SDL (LPU Policy SS11)	22,511,444
South Wokingham SDL (LPU Policy SS12)	27,420,748
Loddon Valley Garden Village (LPU Policy SS13)	63,619,296
Other sites allocated for residential development (LPU Policy SS14)	33,731,489
Total	247,543,966

Application of draft CIL Charging Schedule

4.6 WBC commissioned BNPP to test the ability of developments to accommodate contributions towards infrastructure through CIL alongside policies in the emerging LPU. The assessment and conclusions are set out in the Community Infrastructure Levy Viability Assessment 2026.

4.7 The viability assessment concluded that for residential development (including retirement housing and residential institutions) and retail development were capable of accommodating the adopted CIL charges, but that there was limited additional capacity to absorb costs. The recommendation was that residential and retail CIL rates are left unchanged.

4.8 The viability assessment concluded that new rates can be viably introduced for Purpose built market student accommodation, Hotels, Industrial and Warehousing and Data Centres. It further recommends the creation of a new zone for Loddon Valley Garden

Village with a nil rate. Necessary infrastructure requirements for development within this zone would instead be secured through legal obligations such as the S106 and S278 mechanisms.

4.9 The recommendations of the viability assessment were set out in recommended amendments to the CIL Charging Schedule.

4.10 WBC has accepted the recommended amendments, with the exception of the introduction of a CIL rate for data centres where CIL Regulations may exclude the securing of infrastructure improvements through CIL. Necessary infrastructure improvements to support data centre proposals will continue to be secured through legal obligations.

4.11 Table 4 below replicates the Draft CIL Charging Schedule as proposed to be amended. Please note that only those rows highlighted in blue are subject to consultation. The remaining rows reflect the existing CIL charge, will continue to apply, and are not within the scope of consultation.

Table 4: Draft CIL Charging Schedule

Development type	Area	Indexed Rate £ per square metre at January 2026	Proposed rate £ per square metre
Residential Development (excluding Sheltered Housing, Extra Care Housing and Residential Institutions)	South of M4 SDL	£463.32	£463.32
	South Wokingham SDL	£494.21	£494.21
	North Wokingham SDL	£525.10	£525.10
	Arborfield SDL	£563.71	£563.71
	Loddon Valley Garden Village	n/a	£0
	Rest of Borough	£563.71	£563.71
Sheltered housing	South of M4 SDL, South Wokingham SDL, North Wokingham SDL, Arborfield SDL	£563.71	£563.71
	Loddon Valley Garden Village	n/a	£0
	Rest of Borough	£231.66	£231.66
Residential institutions and Extra Care Housing	South of M4 SDL, South Wokingham SDL, North Wokingham SDL, Arborfield SDL	£154.44	£154.44
	Loddon Valley Garden Village	n/a	£0
	Rest of Borough	£92.66	£92.66

Retail	Existing town/small town/district centres	£0	£0
	Arborfield SDL	£0	£0
	Loddon Valley Garden Village	n/a	£0
	Rest of Borough	£77.22	£77.22
Purpose built market student accommodation	Borough wide	n/a	£500
Hotels	Borough wide	n/a	£50
Industrial and warehousing	Borough wide	n/a	£35
All other development types	Borough wide	£0	£0

4.12 Table 5 below projects CIL income based on applying the Draft CIL Charging Schedule. This would see result in a reduced CIL income of £184m compared to the adopted CIL Charging Schedule. It should be stressed that this reduction is representative of the proposed change in mechanism used to secure necessary infrastructure, not a reduction in what is necessary or what will be secured.

4.13 The projected CIL income does not account for potential income from the proposed new rates for non-residential uses. Given the low incidence of delivery of these forms of development, any additional income would be unlikely to materially alter the projected CIL income.

Table 5: Projected CIL income applying the Draft CIL Charging Schedule

Source	Projected CIL income (£)
Sites with detailed permission (excluding SDLs)	17,541,099
Sites with outline planning permission (excluding SDLs)	21,896,751
Arborfield Garrison SDL (adopted)	17,222,527
South Wokingham SDL (adopted)	43,600,612
Arborfield Green SDL (LPU Policy SS11)	22,511,444
South Wokingham SDL (LPU Policy SS12)	27,420,748
Other sites allocated for residential development (LPU Policy SS14)	33,731,489
Total	183,924,670

5. <u>Residual infrastructure funding gap</u>

5.1 The residual funding gap is calculated by subtracting the projected CIL income from the infrastructure funding gap.

Table 6: Residual infrastructure funding gap, applying the adopted CIL Charging Schedule

	Cost / CIL income (£)
Infrastructure funding gap	606,654,000
Projected CIL income	247,543,966
Residual aggregate infrastructure funding gap	359,110,034

Table 7: Residual infrastructure funding gap, excluding Loddon Garden Village and applying the draft CIL Charging Schedule

	Cost / CIL income (£)
Infrastructure funding gap	274,150,000
Projected CIL income	183,924,671
Residual aggregate infrastructure funding gap	90,225,329

5.2 Securing infrastructure for the Loddon Valley Garden Village through legal obligations would reduce the cost of infrastructure items expected to be fully or partly funded from CIL income and therefore the infrastructure funding gap.

5.3 The residual infrastructure funding gap after applying the draft CIL Charging Schedule demonstrates that continuing to levy CIL charges is justified.

6. <u>Other sources of funding</u>

6.1 The residual infrastructure funding gap shows that other sources of funding will continue to have a key role in the delivery of infrastructure alongside CIL and that WBC will need to proactively and collaboratively work to ensure additional funding opportunities are identified with aim of reducing the residual funding gap.

6.2 Other potential sources include:

- Other forms of developer contributions, such as Section 106 and Section 278 agreements.
- Government funding.
- Provision by infrastructure providers investment programmes
- WBC capital programme.

6.3 WBC recognises that communities will want infrastructure to be provided early in the development process. This may not always be possible and, given the timing of CIL receipts and the availability of other additional funding sources uncertain, WBC will have to prioritise.