

Lewisham CIL Charging Schedule Review: Funding Gap Statement

August 2025



Lewisham Community Infrastructure Levy (CIL) Charging Schedule Review: Funding Gap Statement

Purpose

This Infrastructure Funding Gap Statement has been produced to provide evidence in support of the London Borough of Lewisham's proposed Draft CIL Charging Schedule.

This statement demonstrates the need for a revised CIL Charging Schedule to support the delivery of the newly adopted Lewisham Local Plan (2020–2040). It is prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and the National Planning Practice Guidance (NPPG) (2014, amended 2024).

It has been prepared by collating the aggregate funding gap identified in the Lewisham Infrastructure Delivery Plan 2024 (IDP 2024) and demonstrates the amount of funding needed to deliver key infrastructure required to support the Lewisham Local Plan.

Introduction

The Community Infrastructure Levy (CIL) is a levy that local authorities can charge on new development to fund infrastructure needed in the local area. Lewisham Council adopted the current CIL Charging Schedule in 2015 which is indexed annually in accordance with rates published by BCIS (Building Cost Information Service).

Infrastructure Requirements

The Lewisham IDP 2024 identifies the physical, social, green, and utility infrastructure required to support planned growth over the Local Plan period.

The Council consults annually with internal stakeholders and every other year with external stakeholders to identify the borough's infrastructure requirements to support the growth promoted in the Local Plan has been identified and published within the IDP. Each project is accompanied by:

- an indicative timescale for delivery,
- the growth that the provision is supporting,
- anticipated sources of funding,

- total indicative costs
- prioritisation level.

The IDP 2024 formed part of the supporting evidence submitted to the examination of the Lewisham Local Plan. In the 'Report on the Examination of the Lewisham Local Plan 2020 – 2040' (June 2025) the inspectors stated that they *“are satisfied that the revised IDP will ensure that the necessary infrastructure is delivered to support the growth strategy of the Plan [Lewisham Local Plan 2020 -2040]”*. This funding gap statement has been prepared using an IDP which has been acknowledged by the Local Plan examiners as sufficiently supporting the growth promoted through the Lewisham Local Plan.

The IDP identifies the Bakerloo Line Extension (BLE) and the Bakerloo Line upgrade as significant infrastructure projects within the Borough. However, the delivery of the BLE would be subject to a complex funding stack, and contributions would come from multiple funding streams, including central government, Transport for London (TFL), and the London Borough of Southwark; with Lewisham Council contributing to that stack. The level of this contribution has not yet been agreed.

The BLE represents a significant infrastructure project that will support the growth as promoted through the Lewisham Local Plan, however the Local Plan is not predicated on the delivery of the BLE.

The IDP identifies several major infrastructure projects including healthcare, education and transport that would be subject to a complex funding stack for which Lewisham Council would contribute towards.

Due to the long-term delivery nature of the IDP, not all costs for infrastructure have been fully identified resulting in some projects providing estimated figures based on the information available at the time of consulting with stakeholders. Such figures may be subject to change during the annual consultation with internal and external stakeholders.

Similarly, infrastructure projects that are not yet planned or assigned an indicative cost are included as pipeline projects (IDP appendix B). These projects will be reviewed during the annual update to the IDP. If an indicative cost is assigned the project can be promoted to the list of Planned projects (IDP appendix A).

Estimated Costs

The total cost of infrastructure identified in the IDP:

Infrastructure	Total / range (£)
Expected total cost of infrastructure (inc. BLE and Bakerloo Line upgrade)	£9.6–£12.7 bn
Expected total cost of infrastructure (excl. BLE and incl. Bakerloo line upgrade)	£3.3–£4.2 bn
Expected total cost of infrastructure (excl. BLE and Bakerloo Line Upgrade)	£1.9 - £2.8 bn

Table A

Available Funding

Funding currently held by the Council includes:

Funding Allocated	Total
Allocated/committed s106	£18.5 million
CIL Allocated / Committed	£23.4 million
Total	£41.9 million

Table B

Funding Unallocated	Total
Unallocated s106	£12.5 million
CIL Receipts Unallocated	£5.1 million
Total	£17.4 million

Table C

Other external funding (e.g., government grants, GLA, NHS, TfL) are not guaranteed and are typically allocated on a project-by-project basis. The IDP notes that many projects, especially large-scale transport and health schemes, will require significant additional funding beyond what is currently secured.

Projected CIL Income (Proposed Rates)

Using the existing CIL rates and the Local Plans housing trajectory, Table C outlines the proposed CIL income for the Council over the plan period:

CIL Zone	0-5 yr	6 – 10 yr	11 – 15 yr	Total
Zone 1	£33,791,455	£18,328,570	£17,536,814	£69,656,839
Zone 2	£15,637,131	£22,053,746	£17,171,809	£54,862,686
Total	£49,428,586	£40,382,316	£34,708,623	£124,519,525

Table D

Table D below shows the CIL rates proposed by Lewisham Council in its review of the CIL charging schedule:

Development type	Zone	Proposed Rate
Residential C3 use class	Zone 1	£200
	Zone 2	£150
	Zone 3	£120
Residential with care for elderly people	Zone 1	£145
	Zone 2	£0
	Zone 3	£0
Student housing/purpose built shared living/co-living	Whole Borough	£200
Hotels	Whole Borough	£121.24
Retail	Whole Borough	£121.24
Large format convenience retail	Whole Borough	£150
Logistics, Warehousing and Data Centres	Whole Borough	£100
All other uses	Whole Borough	£121.24
Offices / Affordable Workspaces	Whole Borough	£0
Industrial	Whole Borough	£0
Publicly provided education	Whole Borough	£0
Publicly provided healthcare	Whole Borough	£0

Table E

Based on the proposed CIL rates and the Local Plan's housing trajectory, the projected CIL income over the plan period is as follows:

CIL Zone	0–5 years	6–10 years	11–15 years	Total
Zone 1	£64,196,678	£57,701,098	£41,642,146	£163,539,922
Zone 2	£4,284,735	£3,392,571	£4,393,908	£12,071,214
Zone 3	£3,263,442	£2,746,926	£6,094,889	£12,105,257
Total	£71,744,855	£63,840,595	£52,130,943	£187,716,393

Table F

The potential income presented in table C & D represents residential use class C3 income only assuming a gross GIA per unit of 90 sqm and that 35% of units delivered would receive a CIL affordable housing exemption. As the above figures do not include other use classes or development types presented in the proposed CIL rates in table C & D, the Council can assume a higher proposed income than presented in table D.

However, this demonstrates that even by adopting the draft Lewisham CIL Charging Schedule, the projected CIL income (£187.7 million) is only a small fraction of the total infrastructure funding requirement. However it would still represent a significant potential uplift to the Council's CIL income of £63.2 million.

Funding Gap Outcomes

The following tables summarise the gap in funding expected by the Council in delivering key infrastructure as identified in the IDP over the life of the new Lewisham Local Plan.

The funding gap is calculated as the difference between total infrastructure costs and the sum of available s106/CIL/ projected CIL income. Even with the adoption of the proposed CIL rates, a substantial funding gap will remain.

Estimated funding gap (Incl. BLE and Bakerloo Line Extension)	
	Total
Total s106/CIL held	£17.4 million
Projected CIL income (proposed rates)	£187.7 million
Total projected funding available	£205.1 million
Total infrastructure cost 2020 – 2040 (IDP)*	£9.6–£12.7 billion
Indicative funding gap*	£9.39 - £12.49 billion

Table G

Estimated funding gap (Excl. BLE / incl. Bakerloo Line Extension)	
	Total
Total s106/CIL held	£17.4 million
Projected CIL income (proposed rates)	£187.7 million
Total projected funding available	£205.1 million
Total infrastructure cost 2020 – 2040 (IDP)*	£3.3 - £4.2 billion
Indicative funding gap*	£3.09 – £3.99 billion

Table H

Estimated funding gap (Excl. BLE and Bakerloo Line Extension)	
	Total
Total s106/CIL held	£17.4 million
Projected CIL income (proposed rates)	£187.7 million
Total projected funding available	£205.1 million
Total infrastructure cost 2020 – 2040 (IDP)*	£1.9 – £2.8 billion
Indicative funding gap*	£1.69 - £2.59 billion

Table I

**Total estimated costs of projects, some of which will be funded through complex funding stacks that Lewisham Council will contribute towards*

Conclusion

This analysis demonstrates a significant aggregate funding gap between the cost of infrastructure required to support planned growth and the funding available from existing sources. The introduction of revised CIL rates is therefore deemed necessary and justified to help address this gap and continue to support the delivery of key infrastructure.

This statement concludes that a significant shortfall in funding will remain, even with the adoption of a new CIL Charging Schedule. The Council will continue to proactively seek additional funding opportunities where they become available to reduce the funding gap and prioritise the delivery of key infrastructure that is critical in supporting growth outlined in the Lewisham Local Plan.

