

**Examination Statement
2026
Matter 2 –Housing Supply & Headroom**

Mid Sussex District Plan

Representations on behalf of Crest Nicholson

13 February 2026

Lucid
Planning

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1. Introduction

- 1.1 This Statement has been prepared by Lucid Planning on behalf of our Client, Crest Nicholson, who has an interest in the land to the north of Old Wickham Lane, Haywards Heath (SHELAA Ref 988). This Statement is prepared in response to the Inspectors' Matters, Issues and Questions.
- 1.2 Representations have been made on behalf of our Client throughout the production of the emerging Local Plan and these representations expand upon earlier representations. While efforts have been made not to duplicate the content of previous representations, this Statement draws on previous responses where necessary.
- 1.3 These representations have been prepared in recognition of prevailing planning policy and guidance, particularly the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).
- 1.4 These representations respond to the Inspectors' 2026 MIQs but do not necessarily respond to all questions raised under this Matter but focuses on those questions of particular relevance to our Client's interests.
- 1.5 These representations have been considered in the context of the relevant NPPF that the District Plan is being examined under - NPPF September 2023 - and tests of 'soundness' as set out at paragraph 35 of that NPPF. This requires that a Local Plan be:
- **Positively Prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

- **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
- **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- **Consistent with National Policy** – enabling the delivery of sustainable development in accordance with the policies in the Framework.

2. Response to Matter 2 – Housing supply & Headroom

Whether enough housing land has been allocated to ensure that, along with existing permissions and commitments, enough housing land will come forward to meet the housing requirement through the life of the plan and that a 5 year housing land supply will be maintained.

- a) Anticipated housing supply over the plan period**
- b) The amount of potential supply headroom over and above the housing requirement**
- c) The supply trajectory over the plan period**
- d) The potential for lower than anticipated supply arising from delivery impediments, longer lead in times and slower build out rates**
- e) The resilience of the plan against such contingencies**
- f) The 5 year housing land supply position at adoption**
- g) The ability to maintain a rolling 5 year housing land supply**

Introduction

- 2.1 It is accepted that the Minister of State for Housing and Planning has removed the Duty to Cooperate for emerging plans coming forward under the current system. However, these representations should be read alongside Crest's previous representations to the MSDC Local Plan Examination on Matter 2: Duty to Cooperate, from paragraph 2.8. This statement is appended to Crest's 2026 Matter 1 Hearing Statement, for ease of reference. While the statutory Duty to Cooperate has been removed for emerging plans, the tests of soundness continue to require that cross-boundary housing needs be addressed where practical and consistent with sustainable development.
- 2.2 Matter 2 must be read alongside Matter 1. If the housing requirement does not clearly embed a defined allowance for unmet need, the calculation of headroom and supply resilience will inevitably be distorted. The correct sequencing is: (i) establish the housing requirement (including any unmet need allowance), and only then (ii) assess supply and contingency above that figure.

The Inspector's Direction

- 2.3 The Inspector made clear in Annex 3 of his 17 December 2025 letter that:

1. The Plan must fully meet Mid Sussex’s own housing requirement.
2. The Plan should seek, as far as reasonably possible, to respond to declared unmet need.
3. Any allowance for unmet need must be specifically identified and form part of the housing requirement, not be conflated with supply headroom.
4. Adequate supply headroom must then sit above the housing requirement as contingency.

2.4 The structure requested by the Inspector is clear and sequential:

Housing Requirement = Local Housing Need
+ Identified Allowance for Unmet Need

Supply = Requirement + Contingency Headroom

The distinction between requirement and contingency is fundamental to transparency and plan resilience.

The Council’s Response – A Conflation Remains

2.5 The Council has responded by identifying a “surplus” of 1,693 dwellings and suggesting this can contribute toward unmet need in the Northern West Sussex HMA, representing approximately a quarter of Crawley’s unmet need.

2.6 However, this response does not fully reflect the structured approach set out in the Inspector’s direction.

2.7 The Council continues to:

- Treat the surplus as discretionary supply headroom
- Use it to demonstrate compliance with the 80% Local Housing Need threshold
- Suggest it may contribute to unmet need
- But does not embed that contribution within the Plan’s housing requirement.

2.8 This remains a conflation of:

- **Headroom (contingency)** and
- **Strategic unmet need provision (policy requirement).**

- 2.9 Without embedding a defined allowance for unmet need within the housing requirement itself, there is no policy commitment to deliver a specific quantum of cross-boundary housing provision. The 1,693 dwellings remain discretionary rather than integral to the Plan’s strategy. This lack of clarity undermines the transparency of both the housing requirement and the calculation of headroom.
- 2.10 It is notable that the 1,693 dwelling “surplus” results in the Council meeting 80.1% of the December 2024 Local Housing Need figure, thereby allowing the examination to proceed. However, the 80% threshold is a procedural gateway, not a soundness benchmark. Compliance with that threshold does not demonstrate that the Plan is positively prepared or resilient.

Supply Trajectory and Delivery Risk

- 2.11 The robustness of the supply trajectory must be considered in the context of:
- Increasing build-out times on larger strategic sites
 - Infrastructure dependencies
 - Market absorption rates; and
 - The potential for slippage in early years of the Plan.
- 2.12 Larger allocations often require significant lead-in periods. Where a substantial proportion of the anticipated supply arises from such sites, delivery risk is inherently elevated. In that context, headroom is not over-provision but necessary contingency.
- 2.13 If the 1,693 dwellings are relied upon simultaneously as unmet need provision and as headroom, genuine contingency above the housing requirement is materially reduced. This weakens the Plan’s resilience and increases the risk of falling below a rolling five-year housing land supply.
- 2.14 A plan with minimal or absorbed headroom is more vulnerable to delivery shortfalls, policy challenge and loss of development management control.
- 2.15 The Inspector has emphasised that adequate headroom protects the Plan from becoming out of date. If contingency is eroded by being treated as strategic provision rather than surplus, the Council may struggle to maintain a rolling five-

year housing land supply, particularly if delivery rates underperform trajectory assumptions.

- 2.16 The Sustainability Appraisal should also test the resilience of alternative housing requirement scenarios against delivery risk. There is no evidence that higher growth options incorporating unmet need were assessed in terms of supply resilience or trajectory robustness. Without such testing, it is difficult to conclude that the selected housing supply strategy represents the most appropriate approach.

Conclusion

- 2.17 The Plan currently treats the 1,693 dwellings as both discretionary headroom and a potential contribution to unmet need. This conflation reduces transparency and weakens contingency.
- 2.18 To ensure soundness, the Plan should:
- Clearly embed a defined allowance for unmet need within the housing requirement
 - Recalculate headroom above that revised requirement
 - Demonstrate that sufficient contingency remains to maintain a rolling five-year housing land supply; and
 - Confirm that the supply trajectory is robust against realistic delivery risks.
- 2.19 Without these steps, the housing supply strategy cannot be said to be positively prepared, justified, effective or resilient.