



LEWIS & CO

MID SUSSEX DISTRICT PLAN
2021 - 2039

MATTER 2: HOUSING SUPPLY AND HEADROOM

ON BEHALF OF VISTRY GROUP

SITE: LAND AT MALTHOUSE LANE, BURGESS HILL

SITE REF: 1105/710

RESPONDENT REF: 1191618/1191628



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1.0 INTRODUCTION AND SUMMARY

- 1.1 This Matter Statement has been prepared on behalf of Vistry Group who are promoting Land at Malthouse Lane, Burgess Hill (SHELAA ID: 1105) for a major residential-led development comprised of a new neighbourhood of 750 homes. The eastern parcel of the site (Maltings Grange) is also being promoted in isolation for a development of 360 new homes (SHELAA ID: 710) and is located within the Brighton and East Sussex Housing Market Area (HMA), Northern West Sussex HMA and the Coastal Urban Area Functional Economic Market Area (FEMA).
- 1.2 The site was identified as a sustainable option for allocation but has not been included as an allocation within the Plan, despite a request from Brighton and Hove City Council (at Regulation 18 stage) for the site to be allocated to assist with their unmet housing needs – see paragraph 6.15 of our Regulation 19 representation.
- 1.3 These Hearing Matter Statements submitted on behalf of Vistry Group individually address select questions under each Matter to be considered at Hearings beginning on 24th February 2026. However, these matters and others considered pertinent to the soundness of the Plan are addressed in greater detail within our Regulation 19 responses (references 1191618 and 1191628).
- 1.4 It is Vistry Group’s position that:
- The Plan has not been *justified* as the spatial strategy is overly reliant on an unprecedented level of windfall delivery and does not proactively seek to address the main strategic planning issues affecting the district including the unmet needs across the sub-region and the evidence base therefore fails to reflect national planning policy requirements;
 - The Plan has not been *positively prepared* and is not *effective*, as the Council have made no meaningful efforts to reach agreement with neighbouring areas to assist with their unmet needs (even where these neighbouring authorities have made specific requests of this nature) nor have they proposed allocating additional sites to respond to declared unmet housing need or deliver additional housing provision as directed by the Inspector in IDJB-01;



- The Plan is not *consistent with national policy* as the plan period is insufficient and the Plan fails to deliver a sufficient supply of homes as required under paragraphs 11, 22, 35 and 61 of the Framework

1.5 We consider these to be significant shortcomings that render the Plan unsound in its current form.

1.6 It is Vistry Group's view that the Plan can be made sound through the reconsideration of the overall spatial strategy and housing requirement, and re-assessment of all Stage 3 sites that could assist in meeting the unmet needs of neighbouring authorities against the criteria at Paragraph 11 (b) of the NPPF. Main modifications to allocate additional housing sites at the district's most sustainable settlements could remedy these identified issues.



MATTER 2: HOUSING SUPPLY AND HEADROOM

2.1. The Inspector's Matters and Issues document (IDJB-05) raises the question below:

"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, that a 5 year housing land supply will be maintained.

2.2. This matter is addressed below. Where relevant, references to the National Planning Policy Framework (NPPF) relate to those within the December 2023 version unless otherwise stated.

ISSUE 1: WHETHER ENOUGH HOUSING LAND HAS BEEN ALLOCATED TO MEET THE HOUSING REQUIREMENT THROUGH THE LIFE OF THE PLAN

2.3. We have five primary concerns in relation to this question:

- The Council's windfall allowance is not justified and there is no evidence that this level of windfall delivery will be achieved;
- A large quantum of the proposed new homes are reliant on the delivery of two poorly located sites lacking existing infrastructure - and assumptions on delivery are unreliable as a result;
- The District Council's approach in reducing their own calculation of housing need is not a necessary modification to address the soundness of the Plan, reduces delivery and creates a 'cliff-edge' scenario for a future review of the Plan;
- The Council's failure to adequately address the unmet needs of neighbours fails to address one of the main strategic planning considerations for the district and will continue to result in negative economic and social sustainability outcomes throughout the Plan period until they are addressed; and
- The Plan is incapable of looking ahead over "a minimum 15 year period from adoption" as required under paragraph 22 of the NPPF.



- 2.4. We address each concern in brief below, however given the degree of overlap relevant considerations are also addressed across our Regulation 19 representations and statements on other matters.

Windfall Allowance

- 2.5. The Council's housing supply includes the delivery 1,664 new homes from windfall sites. This includes 158 units within the first five years of the Plan and a further 1,506 units in what will be the final nine years of the Plan (167 dwellings per annum).
- 2.6. However, the Council's recently submitted housing trajectory (document reference H8) also includes a further windfall allowance from "small sites" of 144 in years 3 – 5, without reference to why these figures are not already accounted for in the wider windfall allowance.
- 2.7. The adopted District Plan includes a windfall allowance of 450 units for the entire Plan period, an average of 45 dwellings per annum in the final ten years of the Plan.
- 2.8. The proposed windfall allowance in the submission Plan therefore amounts to a 75% increase in years 4 and 5 and a 371% increase in windfall delivery in the final nine years of the Plan. There is no compelling evidence that windfall delivery will increase in this way, and the policies within the submission District Plan do not provide any specific catalyst that could provide a sharp increase in delivery from sources that cannot be specifically identified through allocations.
- 2.9. This reliance on windfalls is a fundamental failing of the District Council's housing strategy and was raised by Vistry Group in our Regulation 18 response – however the Council proceeded to increase their windfall numbers in the Regulation 19 version of the Plan due to the removal of a large site allocation.
- 2.10. This does not amount to good spatial planning and introduces a significant uncertainty over the reliability of the figures proposed within the Plan, as well as



the proposed contribution towards unmet needs of neighbours in document reference MS-TP2.

- 2.11. The Council point to their Urban Capacity Study (H3) as justification for this figure, however this document contradicts the figures within document MS-TP2 and the submission District Plan. The Urban Capacity Study reviews evidence of past windfall delivery and concludes (at Paragraph 4.12):

“A windfall allowance of 79 homes per year appears reasonable, comprising on average 55 homes within the category 1 and 2 settlements in the district, and a further 24 homes outside these. This includes a discount of 20%, so as not to place over-reliance on this supply.”

- 2.12. If this recommended figure were to be applied over the final nine years of the Plan would result in the delivery of only 711 new homes – 953 homes less than the Council is relying on in their own figures.

- 2.13. We also dispute whether this figure of 79 dwellings per annum is even realistic basis for future delivery as the figure is based on completions from 2014 – 2021. This period followed the introduction of Class O office-to-residential permitted development rights in May 2013 – a unique catalyst for additional windfall delivery that is unlikely to be replicated.

- 2.14. Official statistics from the Ministry of Housing, Communities and Local Government¹ show that new homes from changes of use peaked in 2016/17 at 16.66% nationwide and have now dropped to 8.49% in 2024/25 (the lowest level since 2010/11).

- 2.15. The study period also consisted of four years during which the District Council did not have an up-to-date development plan and could not demonstrate a five-year supply of housing land (from 2014 to early 2018) as well as the trailing three-year period during which the higher volume of developments that would have otherwise been granted planning permission would have been implemented.

¹ <https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2024-to-2025> [accessed 11/02/2026]



- 2.16. Instead of taking this recommended windfall allowance from the Urban Capacity Study, the Council have instead added a further allowance of 25 homes a year from office to residential conversions, despite this already being accounted for in their calculation of 79 dwellings per year over 2014 - 2021. There is no evidence that there will be an uplift of delivery from this source (evidence suggests the opposite). As a result, the Council's inclusion of 25 units a year from 'other sources' is not *justified* and should be discounted.
- 2.17. The Council also includes the allowance of 466 dwellings on 'physically identifiable large sites' identified through the Urban Capacity Study. The study was produced in September 2022 and it is not clear why these identified sites do not form allocations within the submission Plan and site selection process if the Council is confident in their delivery. The reality is that the vast majority of these sites have been included within Council's Strategic Housing Land Availability Assessment and Site Selection Process and either rejected as options for allocation, or already form part of the Council's current list of commitments.
- 2.18. The result is that these 466 dwellings (as well as the 25 dwellings per annum from office to residential) are not a reliable source of supply and/or are being double counted in the Council's housing figures. There is not justifiable reason why windfall delivery would increase within Mid Sussex by 371% and the Plan is not *effective* or *consistent with national policy* as a result.
- 2.19. There is no requirement for a local planning authority to identify a windfall allowance within their housing strategy, but Paragraph 72 of the NPPF states:
- "Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends"*
- 2.20. If a windfall allowance is considered appropriate, it is Vistry Group's position that this should fall below the 79 dwellings per annum figure identified within the Council's evidence base (H3) due to the unique factors that influenced historic delivery from 2014 - 2021.



- 2.21. The above matters would result in a shortfall from the Council's current housing delivery figure of 953 homes.
- 2.22. The Land at Malthouse Lane, Burgess Hill site could deliver at least 750 of these homes at a Category One settlement and provide a clear and reliable source of supply. The Council have identified the site as a sustainable site for allocation within the Site Selection Process (see SSP3) and there are no constraints that would prevent the development from being delivered in its entirety during the Plan period. The allocation of Land at Malthouse Lane would enable the Council to deliver the same number of homes already envisioned (and assessed as sustainable within the Plan) but from a reliable source that can ensure that the Council maintain a suitable supply of housing land throughout the Plan period.

Reliance on large sites

- 2.23. A large quantum of the proposed new homes are reliant on the delivery of two poorly located sites lacking established existing infrastructure and assumptions on the delivery of these key sites are unreliable as a result. 54.4% of the Plan's proposed housing allocations are located at DPSC2 (Land at Crabbet Park) and DPSC3 (Land to the south of Reeds Lane, Sayers Common) alone.
- 2.24. These two sites form the largest allocations in the Plan. DPSC2 is described within its Vision Document as 'Crabbet Park Village' and would form a new settlement physically separated from Crawley by the M23. There is no existing community infrastructure within this area and while the quantum of development proposed will allow a significant amount of associated infrastructure to be delivered alongside the development this creates clear risk in terms of delivery and timing.
- 2.25. Similarly, the DPSC3 site is located on the edge of the village of Sayers Common (a Category Three settlement in the adopted District Plan). The adopted Hurstpierpoint and Sayers Common Neighbourhood Plan (2015) allocates 30 - 40 dwellings within the Plan period to 2031 "*subject to existing water drainage*



issues being resolved, to remove the incidence of localised flooding"². The Council's transport evidence shows that critical improvements are needed at the relevant junction on the A23 directly as a result of increased traffic generation from this development.

- 2.26. The Statement of Common Ground (SoCG) between site promoters at Sayers Common (document reference S1) confirms that relevant infrastructure will be delivered through pooled Section 106 contributions and therefore the delivery of this infrastructure will potentially be limited by the grant of permission on all sites and the payment of these contributions. The SoCG assumed the submission of planning applications for four sites by Autumn 2024, but none were submitted in 2024 and to date only three sites have submitted applications with none yet determined by the local planning authority. No application has been submitted by the largest site (site allocation DPSC3) and therefore the assumption within the SoCG that the first phase of infrastructure delivery would be completed by the end of 2027 seems unrealistic.
- 2.27. The Council's latest Infrastructure Delivery Plan (document reference IV6) identifies major highways interventions on the A23/B2118 Northbound on slip merge; A23/B2118 Northbound on-slip merge and A23/B2118 Southbound off-slip diverge that are needed to support the allocations at Sayers Common. The IDP refers to these interventions as needing to be "*developer-led, funded and delivered*". There is no identified timescale for their delivery.
- 2.28. Wider timing risks include a multi-stage planning application process and the delivery of highways works, gas/electricity/water utilities, foul water and sewage treatment upgrades and telecommunication infrastructure. The Council's current delivery assumptions represent a best-case scenario for both sites. Given the clear potential for multi-year delays on complex sites of this nature we consider it necessary for the Council's headroom (identified in MS-TP2) to include more than one year's worth of delay. This is particularly relevant in light of the fact that the Plan period would only extend nine years from year 6 onwards (if only extended to 2040), rather than the ten years assumed in the Council's evidence – see comments on Plan period below.

² Policy Hurst H3, Hurstpierpoint and Sayers Common Neighbourhood Plan 2014 - 2031



- 2.29. Given the above, the Council's reliance on these large sites that lack existing infrastructure is a risk to the overall delivery of the District Plan housing strategy and the Council's ability to maintain a reliable supply of housing land.
- 2.30. In addition to these risks to delivery, we also have reason to doubt that the delivery speed accounted for in the Council's housing trajectory within MS-TP2 is realistic. The Council's housing trajectory assumes that both sites will deliver an average of 200 dwellings per annum from year 6 onwards.
- 2.31. Various research by public and private bodies suggest that this is likely to be unrealistic. The previous Government's Letwin Review assessed sites of 1,500 units or more across England and is a useful point of comparison with these sites in question. The review identified 50 sites of between 1,500 units and 2,999 units. The final report was published in October 2018 with a supplementary June 2018 draft analysis report providing the underlying figures³.
- 2.32. The June 2018 data showed a median build-out period from planning permission to full completion of 15.5 years on sites of this size. The earliest build-out time from the grant of planning permission was 8.4 years. Delivery rates averaged out at 6.5% of the total units per annum. Given that neither site has been subject to an application for planning permission at the date of writing and there are no specific reasons to believe the either site could be delivered at rate that is faster than average, the Council's assumption that both sites can be delivered within the next fourteen years and at a rate closer to 10% of units per annum appears overly-optimistic.
- 2.33. Separate research by Savills⁴ on sites with capacity for 500 or more homes showed only 30% of sites were able to deliver an average rate of 175 dwellings per annum or greater.

³

https://assets.publishing.service.gov.uk/media/5b2d1b0640f0b67f7f306102/Build_Out_Review_Annexes.pdf [accessed 11th February 2026]

⁴ Planning and housing delivery (2019), Savills Research - <https://pdf.euro.savills.co.uk/uk/spotlight-on/planning-and-housing-delivery---2019.pdf> [accessed 11th February 2026]



- 2.34. For these reasons, the Council's assumed delivery rates of around 200 dwellings per annum (on both sites) represents a best-case scenario in our view. It appears more likely than not that at least one of these sites will be incapable of delivering at this rate and that these figures do not form a reliable basis on which to base the future supply of housing within Mid Sussex. Furthermore, all three largest sites within the submission Plan are promoted by a single developer which may limit delivery timescales.
- 2.35. Lewis & Co Planning produced a detailed Housing Delivery Study in support of the Land at Malthouse Lane site which was shared with Mid Sussex District Council in support of our assumed delivery rates. This work identified a mid-range estimate of 140 dwellings per annum for a large-scale residential development in Mid Sussex. Whilst the supporting evidence suggests some uplift can be applied to larger sites with multiple delivery partners, both DPSC2 and DPSC3 are promoted by a single developer.
- 2.36. On this basis we consider that an assumed average delivery rate of 150 dwellings per annum would be more appropriate. Assuming delivery from year six onwards, this would mean that approximately 450 dwellings from DPSC2 (Land at Crabbet Park) and 500 dwellings from DPSC3 (Land south of Reeds Lane, Sayers Common) would fall outside of the Plan period even with an extension to 2040. For these reasons we do not consider the Council's current housing trajectory to be a reasonable estimate of future supply.
- 2.37. Given these clear risks to delivery and the subsequent risk overall to the supply of housing in Mid Sussex as a result, the headroom identified within the Council's MS-TP2 document is insufficient and will not be *effective* as a contingency.

Updated calculation of local housing need

- 2.38. This matter is addressed in detail within our Matter 1 Statement and will not be repeated in full here. However, in summary, the Council's updated calculation of need within MS-TP2 is not required by Planning Practice Guidance and is not necessary to make the Plan sound – and therefore cannot form a main modification to the Plan. The effect of this re-calculation of local need would



suppress delivery of housing within the District in a way that is inconsistent with Government policy expressed through the NPPF and future housing need.

- 2.39. The result of this proposed modification is that there will be a significant jump in local housing need during the Plan period and the Council will be incapable of maintaining a five-year supply of housing land through the lifetime of the Plan as a result.

Unmet Needs

- 2.40. This matter is addressed in greater detail within our Matter 1 Statement. However, in relation to the question posed, the Council's failure to address the housing needs of neighbouring authorities (and the significant risks to the delivery of the housing figures that are proposed within the Plan for reasons set out above) will continue to impact affordability within the district itself.

- 2.41. As a result, the Council's local housing need figure will continue to rise in the absence of any cross-boundary solution to unmet housing needs – as a result of the upward adjustment for affordability contained within the standard method⁵.

Plan Period

- 2.42. The Plan is incapable of looking ahead over “*a minimum 15 year period from adoption*” as required under paragraph 22 of the NPPF. This matter has been addressed in full in our Matter 1 Statement and will not be repeated here.

End

⁵ Planning Practice Guidance, Reference ID: 2a-002-20241212