

Housing Supply - Stepped Trajectory Note

1. Introduction

- 1.1 The purpose of this note is to set out the Council's preferred option for a stepped housing trajectory. This has been produced in response to a request by the Local Plan Inspectors and is to aid discussions at the Housing Supply hearing session on the 21st of November 2025.

2. Reasons for a Stepped Housing Trajectory Approach

- 2.1 The nature of the spatial strategy means several sites will not start to deliver housing until later in the plan period and larger sites will be delivered over a number of years. This is due firstly, to the focus on a brownfield, regeneration led-approach requiring master planning and land assembly to unlock larger strategic urban sites. Secondly, a number of the additional strategic Green Belt sites are expected to deliver from plan year 7 (2032/33) onwards..
- 2.2 A stepped housing trajectory approach recognises that housing delivery may not be evenly distributed each year throughout the plan period. Therefore, it is possible to reflect housing delivery based on when development is likely to come forward. Such an approach is supported in the Planning Practice Guidance (paragraph 12) on Housing Supply and Delivery. The PPG sets out that a stepped requirement may be appropriate where *'strategic sites will have a phased delivery or are likely to be delivered later in the plan period'*.
- 2.3 The letter from Matthew Pennycook to the Chief Executive of PINS dated 09 October 2025 notes the recent pragmatic decisions, for local plans to proceed toward adoption in instances where a five-year housing land supply cannot be evidenced at the point of adoption but where the plan significantly boosts supply and still meets housing needs over the plan period, and references 'considering whether stepped housing requirements may be justified'.
- 2.4 The submitted plan is proposing to focus delivery on several larger, strategic regeneration sites, including those at Furnace Hill, Neepsend and Moorfoot. The proposed additional strategic site allocations on Green Belt land also require significant lead times before the first completions will be achieved. As indicated in Stage 2 and Stage 4 of the hearings, the Council therefore wishes to explore the possibility of a stepped housing trajectory, which would 'step up' the requirement over the plan period and provide a realistic means of ensuring that any shortfall in delivery in earlier years of the Plan is recovered by the end of the Plan period. This would ensure compliance with the National Planning Policy Framework.

3. Meeting the Sheffield Plan Requirement

- 3.1 As set out within the Inspectors' Post Hearings Letter (EXAM 120), the standard methodology baseline figure at 2,236 dwellings per annum represents a justified housing requirement and supports the anticipated growth of the local economy. Over the period of the Plan from 2022 to 2039 this represents a net housing requirement of 38,012 dwellings.
- 3.2 The Housing Supply & Trajectory Update (EXAM 140), concludes that the total delivery within the Plan Period 2022-2039 equates to 38,481 net additional dwellings. This demonstrates how the Council is committed to ensuring the planned housing requirements is met fully within the plan period.
- 3.3 The Plan base date is April 2022 and three years of completions in 2022/23, 2023/24 and 2024/25 are known, with an estimate for year 2025/26. The five-year supply period is from 2026/27 to 2030/31. The scenario below accounts for the known completion figures and the future requirement period.
- 3.4 The Site Capacity Changes Note (Action 19 from the Stage 4 hearings) sets out potential changes to site capacities due to landscape and ownership (SES30, NES37 and NES39), and flood risk (SWS19, NES22). In total, 100 to 163 dwellings could potentially be deducted from the total housing land supply depending on the Inspectors' conclusions. For the purpose of this note, 23 units have been deducted due to flood risk, with any further reduction dependent on the views of the Inspectors. The updated total housing land supply from 2022-2039 is therefore **38,458 units** (previously 38,481 in EXAM 140). This represents a reduction of 23 units.

Shortfall figure

- 3.5 As discussed throughout the Stage 1 and 2 Examination hearings, the supply of housing land in the first four years of the Plan has been constrained. From 2022/23 to 2025/26, there is a shortfall of 2,308 dwellings, against the annual average housing requirement of 2,236 dwellings (this assumes an estimated 1,421 completions in 2025/26).

The modelling assumes the shortfall will be added to the housing trajectory over the first five years of the Plan between 2026/27 to 2030/31 (the 'Sedgefield approach'). However, there remains a question about whether the shortfall in the first 4 years of the plan period should be measured against the housing need figure suggested by the Inspectors (2,236/ year) or an adjusted, lower, housing requirement figure which takes into account likely rates of delivery before the large strategic sites increase the rate of housing supply. The Council is of the view that

the latter option is most appropriate and presented this in the preferred approach below.

4. Appropriate Buffer

- 4.1 The September 2023 NPPF in paragraph 74 sets out that the supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period).
- 4.2 The Housing Supply Update Note (Sept 2025) (EXAM 140) in paragraphs 4.1.1 to 4.1.4, the Council has suggested that a 5% buffer should be applied when calculating the 5-year Housing Land Supply for Sheffield. The reasons for this are set out in paragraph 4.1.3 of EXAM 140 and relate to paragraphs 17 and 18 of the Housing Delivery Test Rulebook, which states that the new housing requirement figure can be used to recalculate the Housing Delivery Test results during the year, in collaboration with MHCLG.
- 4.3 Paragraph 4.1.1 (EXAM 140) notes that the Housing Delivery Test result 2023 for Sheffield was 80%. This was confirmed in writing by MHCLG on 30 April 2025 following a recalculation due to methodological changes to the way certain types of accommodation are counted by the ONS. The calculation is as follows:

Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2023 measurement	Housing Delivery Test: 2023 consequence
2020-21	2021-22	2022-23	6602	2020-21	2021-22	2022-23	5291	80%	20% Buffer
1419	2165	3018		1850	1774	1667			

- 4.4 The NPPF sets out that the Housing Delivery Test (HDT) consequences will apply the day following publication. The 2024 HDT is due to be published December 2025. It is anticipated the Plan would be adopted in 2026, therefore the 2024 HDT would apply.
- 4.5 The following table set out the workings for the 2023 HDT based on the Local Housing Need figure of 3,018 dwellings, the baseline housing requirement of 2,236 dwellings (scenario 1) and the proposed stepped housing requirement (Scenario 2) detailed in paragraph 5.2 onwards.

Scenario	Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2023 measurement	Housing Delivery Test: 2023 consequence (buffer)
2023	2020-21	2021-22	2022-23	6602	2020-21	2021-22	2022-23	5291	80%	20% Buffer
	1419	2165	3018		1850	1774	1667			
1	2020-21	2021-22	2022-23	5820	2020-21	2021-22	2022-23	5291	91%	5% Buffer
	1419	2165	2236		1850	1774	1667			
2	2020-21	2021-22	2022-23	5364	2020-21	2021-22	2022-23	5291	99%	5% Buffer
	1419	2165	1780		1850	1774	1667			

4.6 The 2024 HDT is expected in December 2025 and covers the period 2021 to 2024 (2 years of the Plan period). Paragraph 4.1.4 (EXAM 140) notes that, at the point of plan adoption (2026), the recalculated HDT results would be 89¹% (using the period 2021/22 to 2023/24). The following table sets out the Council's position on the potential HDT results for 2024, based on the Local Housing Need figure, the baseline 2,236 dwellings (scenario 1) and the proposed housing requirement in scenario 2 detailed in paragraph 5.2 onwards.

Scenario	Number of homes required			Total number of homes required	Number of homes delivered			Total number of homes delivered	Housing Delivery Test: 2023 measurement	Housing Delivery Test: 2023 consequence (buffer)
2024	2021-22	2022-23	2023-24	7572	2021-22	2022-23	2023-24	5909	78%	20% Buffer
	2165	3018	2389		1774	1667	2468			
1	2021-22	2022-23	2023-24	6637	2021-22	2022-23	2023-24	5909	89%	5% Buffer
	2165	2236	2236		1774	1667	2468			
2	2021-22	2022-23	2023-24	5725	2021-22	2022-23	2023-24	5909	103%	5% Buffer
	2165	1780	1780		1774	1667	2468			

¹ The number of homes delivered in 2022-23 used to calculate the HDT based on [Live Table 122: housing supply: net additional dwellings, by local authority district](#) is 1,667 dwellings, which is 39 homes more than the Local Plan figure of 1,628 dwellings. This error was addressed by re-calculating completions in 23/24 to ensure no over-counting. When the analysis is run using 1,628 it makes no significant change to the HDT measurement percentage.

4.7 In order to allow a full analysis, the testing of the stepped trajectory below has modelled both the 5% and 20% buffer.

5. Stepped Trajectory Scenarios

5.1 When analysing the supply of homes over the plan period (as set out in EXAM 140), 50% of homes are expected to be delivered over the last 8 years of the plan period (from years 6 to 13). The first 5-year period from 2026/27 to 2030/31, represents 32% of the expected supply, with an annual average peaking in 2027/28 and 2030/31. This is due to the expected completion of apartment schemes in the Central Area (which deliver all dwellings in a single year).

Plan Years		Housing Supply (as a percentage of expected supply)	
2022/23 to 2025/26	Completions prior to adoption	17%	
2026/27 to 2030/31	Years 1 to 5	32%	
2031/32 to 2035/36	Years 6 to 10	34%	50%
2026/27 to 2038/39	Years 11 to 13	17%	

5.2 2 scenarios are considered on the following pages:

1. Non-Stepped Trajectory
2. Council's Preferred Approach: one stepped trajectory (with more than 20% buffer for the first 5 years after adoption (i.e. more flexibility))

Scenario 1: Non-Stepped Trajectory

5.3 The non-stepped trajectory provides a direct comparison alongside the 5-year supply calculation with a 5% and 20% buffer. It shows that at the point of adoption there would only be a 4.41 year supply with a 5% buffer and only a 3.86 year supply with a 20% buffer.

Period	Year	Annual Housing Requirement	Total Housing Requirement	Trajectory - Actual/ Expected Annual Rate of Delivery
17 years	2022/23 – 2038/39	2,236	38,012	38,458

5- year requirement @ 2,236 dwelling per year	11,180
Completions 2022/23-2025/26	6,636
Shortfall 2022/23-2025/26	-2,308
5- year requirement (including shortfall)	13,488
5% Buffer	674
<i>Total net 5-year requirement</i>	<i>14,162</i>
<i>Total net 5-year Supply (2026/27 - 20230/31)</i>	<i>12,498</i>
<i>Number of Years Supply</i>	4.41
20% Buffer	2,698
<i>Total net 5-year requirement</i>	<i>16,186</i>
<i>Total net 5-year Supply (2026/27 - 20230/31)</i>	<i>12,498</i>
<i>Number of Years Supply</i>	3.86

Scenario 2: Council's Preferred Approach: one stepped trajectory (with more than 20% buffer for the first 5 years after adoption (i.e. more flexibility))

5.4 In summary, this would be:

Period 1: 2022/23 – 2030/31 = 1,780 dwellings per annum

Period 2: 2031/32 – 2038/39 = 2,750 dwellings per annum

5.5 In this scenario, the first 9 year period from 2022/23 to 2030/31 of 1,780 dwelling per year reflects the actual rate of completions in the first three years and the expected boost in housing delivery. It also represents a small increase on historic levels of delivery (the annual average completions from 2020/21 to 2024/25 (last 5 years) was 1,768 dwellings).

5.6 The second step up would be in 2031/32 to 2,750 dwellings per year over the remaining eight-year period. It assumes for example sites currently in the Green Belt, will either start to deliver or increase their rate of delivery and the larger brownfield regeneration schemes will do the same. The positioning of the step in 2031/32 for the remainder of the Plan period, reflects the expected years of supply in EXAM 140 over the last 8 years of the Plan period.

5.7 Scenario 2 is the preferred approach and, in the Council's view, represents a realistic option. It allows for flexibility for any unforeseen changes in the expected delivery timeframes in the first 5 years post adoption and then steps up to reflect the boost in housing delivery as the larger strategic sites start to complete. At the point of adoption, it would provide a 6.35 year supply using a 5% buffer or a 5.55 year supply using a 20% buffer. The Council considers that setting the requirement at a lower level for the first 5 years after adoption gives the brownfield regeneration strategy that forms the core of the spatial approach sufficient time to become suitably established.

Period	Year	Annual Housing Requirement	Trajectory - Actual/ Expected Annual Rate of Delivery	Cumulative (Year on Year) Rate of Delivery
Actual Completions prior to adoption	2022/23	1,780	1,628	1,628
	2023/24	1,780	2,468	4,096
	2024/25	1,780	1,119	5,215
Estimated Completions prior to adoption	2025/26	1,780	1,421	6,636
5-Years from Adoption	2026/27	1,780	1,578	8,214
	2027/28	1,780	3,391	11,605
	2028/29	1,780	1,497	13,102
	2029/30	1,780	2,858	15,960
	2030/31	1,780	3,174	19,134
Years 6-10 after Adoption	2031/32	2,750	2,914	22,050
	2032/33	2,750	2,332	24,380
	2033/34	2,750	2,566	26,946
	2034/35	2,750	2,381	29,327
	2035/36	2,750	2,777	32,104
Years 11-13 after Adoption	2036/37	2,750	2,374	34,478
	2037/38	2,750	2,197	36,675
	2038/39	2,750	1,783	38,458
TOTAL		38,020	38,458	38,458

5- year supply

5- year requirement	8,900
Completions 2022/23-2025/26	6,636
Shortfall 2022/23-2025/26	-484
5- year requirement (including shortfall)	9,384
5% Buffer	469
<i>Total net 5-year requirement</i>	9,853
<i>Total net 5-year Supply (2026/27 - 20230/31)</i>	12,498
<i>Number of Years Supply</i>	6.34
20% Buffer	1,877
<i>Total net 5-year requirement</i>	11,261
<i>Total net 5-year Supply (2026/27 - 20230/31)</i>	12,498
<i>Number of Years Supply</i>	5.55