



Ministry of Housing, Communities & Local Government

Alex Norris MP

*Parliamentary Under Secretary of State for
Building Safety, Fire and Local Growth*
2 Marsham Street
London
SW1P 4DF

Ruth Jones MP
Chair, Welsh Affairs Committee

2nd September 2025

Dear Ruth,

Funding Simplification: Levelling Up Fund, Towns Deals and Simplification Pathfinders Pilot

I am writing to you with exciting news on changes to the MHCLG Levelling Up Fund, Town Deals and Simplification Pathfinders Pilot that will reduce the administrative burden on local authorities and maximise their freedom and flexibility.

We have listened to local authority feedback on wanting less bureaucratic micromanagement, and more local control and I am delighted to inform you that we are consolidating the MHCLG Levelling Up Fund, Town Deals and Simplification Pathfinders Pilot Fund together into a single funding pot. This reform will increase local authority flexibility to adapt schemes to local needs, allowing them to focus on getting spades in the ground. Where previous governments made unfunded promises to places they couldn't keep, we will fulfil those promises.

In consolidating this funding please be assured that we will continue to honour the funding awarded via the constituent funds. This new fund will be called the **Local Regeneration Fund**.

As we set out in the Devolution White Paper released in December 2024, this Government was elected on a manifesto that promised a partnership approach with local authorities, resetting the relationship between central and local government and supporting local leaders to drive growth. This consolidation takes another step towards that goal.

The decision to bring together these three funds into one will reduce the burden on local authorities in a number of ways:

1. Significantly reduced reporting requirements more aligned to our Government Missions: reduction of indicators down from 150 to 45 to be reported at a portfolio level so that we are looking at the place and not the individual projects.
2. Reducing the Project Adjustment Request process, giving greater powers and flexibility to local authorities to move funding between schemes, overcome barriers to progress caused by changing conditions as projects have developed and maximising the benefits of this investment in communities.
3. Simplified and combined CDEL payments at set intervals providing greater certainty for local authorities to plan.

4. A single user-friendly digital platform to reduce the administrative efforts of local authorities.

We want this new flexibility to enhance delivery. It is our firm expectation that projects already underway will be completed, for the benefit of local residents. In the small number of cases where projects are no longer viable, our consolidation means that money can still be used to deliver change. We expect that councils will rescope their plans and use the funding available for a new project in the area that originally stood to benefit, so local residents can feel the improvements to their everyday lives that they have been promised within the timeline of the fund.

The simplification detailed in this letter relates to local authorities in receipt of the aforementioned MHCLG funds. It does not include other Levelling Up Fund schemes previously announced due to their different delivery mechanisms e.g. non-local authority applicants in Northern Ireland or major culture projects announced in February this year, nor any funding provided by other government departments e.g. Department for Transport led Levelling Up Fund. For these projects the existing procedures will still apply.

I am confident that through these new ways of working between central and local government, we can deliver impact and growth for the people and communities we serve.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'A. Norris', with a stylized, flowing script.

ALEX NORRIS MP

Parliamentary Under-Secretary of State for Building Safety, Fire and Local Growth