



**Department for Levelling Up,
Housing & Communities**

**Towns Fund: Project Adjustment Requests
Frequently Asked Questions
Updated July 2023**

The Department for Levelling Up, Housing and Communities (DLUHC) has recently introduced a delegated Project Adjustment Request (PAR) process for some of its Levelling Up programmes. Following this announcement, we have updated the Towns Fund PAR guidance and republished some general principles and criteria for places making changes to their projects.

In our experience, early engagement between the Department and Accountable Bodies makes for a more streamlined process and reduces the likelihood of further information being requested once a PAR is submitted. If you are thinking of making a change to a project, you should engage in the first instance with your CLGU Area Lead and/or Towns Fund central team lead. This will help determine whether a PAR is required and, if so, whether it is a delegated decision or requires Departmental approval.

This guidance covers both Town Deals and Future High Streets Fund (FHSF). However, as FHSF is in its final year of delivery we do not expect places to make significant changes to projects and would encourage local authorities to focus on delivering agreed plans by programme-end.

This guidance includes:

- 1. What constitutes a Project Adjustment Request (PAR)?**
- 2. What is out of scope for a PAR?**
- 3. What criteria PARs need to meet?**
- 4. How are PARs assessed?**
- 5. How to Submit PARs**

1. What constitutes a Project Adjustment Request (PAR)?

Project adjustments include but are not limited to:

- An overall change of scope.
- Re-scoping of outputs/outcomes.
- Change to a project's Towns Fund funding amount.
- Change to a project's match funding amount (if this impacts on outputs and outcomes).
- Movement of funds between projects within the programme.
- Merging projects or splitting projects into multiple interventions.
- Cancellation of projects.
- A change in location.

2. What is out of scope for a PAR?

- **Solely moving project funding across years with no change to planned outputs and outcomes, for example as a result of delivery slippage.** There is no need to submit as part of a PAR as this is reconciled via our performance reporting process and reflected in subsequent payments. However, if you are submitting a PAR because your project outputs and/or scope have changed then you **should** include a revised financial profile. This will provide assurance that your changes remain deliverable before programme end as we cannot agree to project changes that go beyond the stated spend deadlines.
- **New projects** – new projects are no longer allowed to be brought into the programme during the delivery stage. If a project does need to be cancelled, a reallocation of funding to ensure the successful delivery of other projects is permitted subject to meeting the PAR criteria. If you are unsure whether your proposal constitutes an entirely new project, please contact the Department.
Changing a project's name - This can be amended by informing your area and central team contacts or via the performance reporting process.

3. What criteria do PARs need to meet?

A PAR form should be submitted which includes your most recently approved project baseline and the changes you want to make to that.

The PAR should also meet the following criteria:

Town Deals:

- The changes have been approved by the Town Deal Board, which includes the local MP
- The project can be delivered and spend achieved by 31 March 2026
- The project BCR is above 1. For BCRs close to 1 you may be required to submit additional information.
- The change has Section 151 Officer approval
- The changes do not exceed the town's funding envelope

- Outputs and outcomes are consistent with the themes set out in Town Investment Plans
- Changes align with the strategic priorities set out in Town Investment Plans

FHSF:

- Investment is within the parameters of the Fund
- FHSF funding will be spent by 31 March 2024
- Overall proposal has co-funding
- A review of the overall proposal will be undertaken to ensure it meets minimum BCR of 2:1 or 1.5:1 provided there is a strong strategic case
- No more than 5% on 'beautification'
- The change has approval from LA SRO and Section 151 officer
- Addresses Market Failure: market failure arises where the market fails to deliver regeneration and infrastructure and the public sector is required to intervene as a result

4. How are PARs assessed?

The section below covers the recently announced delegations, as well as how changes to financial profiles will be dealt with. There are now two routes for assessment and approval of PARs, both routes require a PAR form to be submitted to the Towns Fund team at DLUHC

Route 1: Delegated:

The following changes can be agreed by Town Deal Boards and Accountable Bodies, provided they meet the Acceptable PAR criteria set out at Section 3:

- Up to 30% change to agreed project outputs and outcomes
- 30% flexibility to move spend across years (although please see Question 2 on what to do if your PAR solely relates to slippage across financial years)
- Reallocating up to 30% of project funding to another project within the specific Towns Fund programme, provided:
 - i) the change does not exceed 30% of the source project value.
 - ii) the projects remain good value for money as per the requirements of each fund and,
 - iii) outputs, outcomes and spend timetable (approved Annex A-1) do not move or reduce by more than 30%.

We are unable to accommodate movement of funding between Future High Streets Fund and Town Deals.

The delegations only apply to outputs and outcome indicators that have already been agreed with the Department. Therefore, if your PAR is removing an agreed output and adding a new activity this would need to be submitted to DLUHC for approval as it could be fundamentally different to what was originally agreed.

Some worked examples are included at **Appendix A** as a guide to what would or wouldn't be considered a delegated change. However, we also recommend early engagement with the Department which will help identify the decision-making route.

In exceptional circumstances, the Department may "call in" projects for review. This could be where there is considerable local disagreement, or the changes are novel and contentious. It could also apply if the PAR is considered to be a material change on the original project agreement. However, we would notify places if this is the case.

For delegated PARs, you should still complete the PAR form and submit it to the Towns Fund central inbox. Whilst DLUHC is not formally approving these PARs, it is important for monitoring purposes that we are aware of the changes you are making (see Question 5).

Route 2: Standard:

PARs above the delegations set out above should be submitted to DLUHC for approval in the usual way. We will aim to ensure that all approvals take place within 20 working days.

This will be measured by calculating the time from which a review commences to receiving approval notification: therefore, it will not be from the point of submission but from the point the Department has triaged the form and confirmed no further information is required from the local authority before the PAR is assessed. As noted previously in this guidance, early engagement with DLUHC will minimise the risk that approvals are delayed due to missing information. We will notify you if your PAR approval is likely to take longer than 20 working days.

5. How to Submit PARs

For Delegated and Standard PARs:

- Please use the following forms: [Town Deals PAR](#) or [FHSF PAR](#), and,
- Submit to towns.fund@levellingup.gov.uk, copying your local Area and/or Central Lead.
- Indicate in the body of the email if you consider your PAR to be a delegated change.

APPENDIX A – Examples of Delegated / Standard PARs.

Delegated PAR

Due to cost increases **Town A** is reducing the length of Cycle & Walking routes by 30%. This is part of a wider regeneration project which will also create a 1000m² public square, plant trees and develop shop units. This change forms one element of multiple developments. Therefore, the change can be seen as minor and the route to approval is via the local authority as the accountable body.

Outputs – Town A	Current	Revised
Length of new cycle ways	2km	1.4km
Length of new pedestrian paths	2km	1.4km
Created new Public Realm	1000m ²	1000m ²
Trees planted	15	15
Commercial Units	5	5

Town C is progressing with a project and would now like to incorporate an area of land adjacent to the building they are renovating. As there is no change to the original outputs and the change will provide additionality for no extra costs, the change can be seen as minor and the route to approval is via the local authority as the accountable body.

Outputs – Town C	Current	Revised
Heritage buildings renovated or restored	1	1
Trees planted	10	20
Existing parks improved	1	2

Standard PAR

Town B's 1000m² of rehabilitated land will no longer be delivered through the programme **but** the project will retain the public realm outputs. The loss of outputs forms a key element of the proposed project. It is therefore a significant change to the projects scope requiring DLUHC approval.

Outputs – Town B	Current	Revised
Public Ream	1000m ²	1000m ²
Amount of rehabilitated land	1000m ²	0

Town D needs to move location for one project, instead of developing a commercial space to support businesses, the space will now provide a community training space. There is a swap between outputs for (current) enterprises assisted and (new) learners enrolled. The changes still fit within the strategic objectives of the programme and the town's TIP. However, this is a significant change to the scope of the project and the route to approval is via DLUHC.

Outputs – Town D	Current	Revised
Heritage buildings renovated restored	1	0
Improved cultural facilities	0	1
Enterprises assisted	20	0
Learners enrolled	0	300