

Graham Richards
Director Planning and Performance



Paul McMahon
Director Planning & Regulation
Network Rail Infrastructure Limited

1 July 2026

Dear Paul,

Rail Network Investment Framework (RNIF) fee rate changes and implementation

Since March 2025, we have undertaken a deep dive review of the Rail Network Investment Framework (RNIF) as part of the Chancellors new approach to ensure regulators and regulation support economic growth. As part of this work, we have carried out an [actuarial review of the Network Rail Fee Fund \(NRFF\) and Industry Risk Fund \(IRF\)](#). Our [phase 3](#) work has now concluded and I am writing to set out our position on implementing changes to the fee rates that Network Rail charges to investors via the RNIF.

The review identified that current fee rates within the NRFF and IRF are not aligned with a break-even position, and therefore a substantial surplus has been generated within both funds. Having considered the findings and recommendations from the actuarial review, we have concluded that it is appropriate to instruct Network Rail to adjust the fee rates so that they are closer to the break-even rate.

In doing so, we have also considered the timing of implementation. Whilst we recognise the administrative implications of introducing changes part-way through the financial year, we have determined that these changes should be made as soon as practicable. This reflects the need to move at pace to support the Government's wider growth agenda, as well as to provide better value for investors in the Rail network.

We are therefore instructing Network Rail to proceed as follows:

- Network Rail should update fee rates for the NRFF and IRF to bring them closer to break-even levels. The revised rates are set out in annex A attached to this letter;
- Network Rail should retain the current £50 million threshold, so it remains unchanged; and

- Network Rail should make no further changes to the existing governance and administrative arrangements for the risk funds as they are deemed fit for purpose at this time.

We would be grateful if you could take the necessary steps to facilitate the implementation of these changes as soon as practicable. Please confirm the date on which you will republish the relevant template terms. The revised fee rates should take effect from the date of publication of the updated templates and apply to contracts executed on or after that date. This approach is intended to provide clarity and certainty for all parties.

We understand that internal approvals will be required and would welcome continued engagement as you progress this through your governance processes.

Yours sincerely

Graham Richards

Annex A – Changes to fee rates

Table 1 – Changes to the Network Rail Fee Fund fees

Fund	Agreement Type	Current rate	Revised rate
NRF	APA	7.5%	7.5%
NRF	BAPA	5.0%	2.4%
NRF	BIA	2.5%	0.3%
NRF	BSA	1.0%	0.2%
NRF	DSA	1.0%	0.1%
NRF	IA	5.0%	5.0%

Table 2 – Changes to the Industry Risk Fund fees

Fund	Agreement Type	Current rate	Revised rate
IRF	APA	1.0%	0.5%
IRF	BAPA	1.0%	0.1%
IRF	BIA	1.0%	0.4%
IRF	DSA	1.0%	0.2%
IRF	IA	2.0%	1.5%