

Dated

2026

THE LEICESTERSHIRE COUNTY COUNCIL

and

DEVELOPER

and

OWNERS - TBC

AGREEMENT

Under Section 278 and Section 72 of the Highways Act 1980
Relating to a development at
in the county of Leicestershire

Leicestershire County Council
County Hall
Glenfield
Leicester
LE3 8RA

Ref: /HTWMT/
Project No :
Planning Ref:

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THIS AGREEMENT is made the day of Two
Thousand and Twenty Six B E T W E E N **LEICESTERSHIRE COUNTY**
COUNCIL of County Hall Glenfield Leicester LE3 8RA (hereinafter called "the
Highway Authority") of the one part and [INSERT DEVELOPER'S DETAILS] of
(hereinafter called "the Developer") of the second part and [INSERT OWNER'S
DETAILS] of (hereinafter called "the Owner") of the third part pursuant to Section
278 and Section 72 of the Highways Act 1980 and Section 106 of the Town and
Country Planning Act 1990

WHEREAS

(1) The Owner/ Developer is seized in fee simple free from encumbrances of land situate at _____ in the County of Leicestershire and registered at the Land Registry under title number LT _____ shown edged [red] on Drawing No _____ annexed hereto (not to scale) ("the Site")

(2) The Highway Authority is the local highway authority and the County Planning Authority for the County of Leicestershire

(3) The Highway Authority is a local planning authority for the purposes of this Agreement for the area in which the Site is situated and is the local planning authority by whom the obligations contained in this Agreement are enforceable

(4) The Developer has by application number _____ ("the Planning Application") applied to District/Borough Council ("the Planning Authority") for and been granted permission ("the Planning Permission") to develop the Site for [residential /commercial] purposes in the manner set out in the Planning Application and in the plans specifications and particulars deposited with the Planning Authority and forming part of the Planning Application

(5) The Highway Authority is desirous that certain works ("the Highway Works") described in the First Schedule hereto and as to matters of construction shown for illustration purposes only on Drawing No _____ annexed hereto (not to scale) are carried out in conjunction with the Planning Permission

(6) The Highway Authority is satisfied the Highway Works will be of benefit to the public

(7) The Chargee has agreed to enter into this agreement to grant the consent contained in clause [37]

(8) The clause headings in this Agreement are for ease of reference only and shall not affect the construction thereof

NOW THIS AGREEMENT is made in pursuance of Section 278 and Section 72 of the Highways Act 1980 and Section 106 of the Town and Country Planning Act 1990 (and is a planning obligation for the purposes of that section) and all other powers enabling and enactments which may be relevant for the purposes of giving validity hereto or for facilitating the enforcement of the obligations herein contained and the Developer for itself and its successors in title (other than purchasers/occupiers of individual residences constructed on the said land) hereby agrees and undertakes with the Highway Authority and (where applicable) the Highway Authority agrees with the Developer as follows:-

Highway Works

1.(a) The Developer hereby agrees to carry out and complete the Highway Works as agent for the Highway Authority and covenants that no building to be constructed on the Site shall be occupied until the Highway Works (including all

works ancillary or incidental thereto) are completed in accordance with the stipulations requirements and conditions laid down in this Agreement

(b) Before commencement of the Highway Works and at no expense to the Highway Authority the Developer shall obtain such consents licences or permissions as may be required for the purposes of carrying out the Highway Works (including all requirements under the Traffic Management Act 2004) and to comply with the Highway Authority's requirements for booking the necessary time and permits to carry out the Highway Works and to indemnify and keep the Highway Authority indemnified from and against all liabilities costs claims actions demands or expenses which may arise from the Developer's failure to obtain or to comply with such consents licences or permissions.

(c) The Developer shall once having commenced the Highway Works proceed with them conscientiously and expeditiously and with all due diligence and shall complete the same not later than twelve months from the date of commencement of the Highway Works (completion of the works shall be taken as the issuing of the Provisional Certificate in accordance with Clause 2 of this Agreement by the Director)

(d) the Highway Authority may in its absolute discretion and by notice in writing extend such period for such further period not exceeding a further twelve months as it considers appropriate and necessary (either prior to or following the expiration of the said period of twelve months)

(e) whenever such extension to the period for completion of the Highway Works is given by the Highway Authority whether for the first period of twelve months or any subsequent period of twelve months the Highway Authority will re-assess the sum payable under Clause 16 of this Agreement **AND** the Developer shall pay to the Highway Authority a further administration charge of 3 per cent based on the

cost of the outstanding works as assessed by the Highway Authority with a minimum charge of **ONE THOUSAND POUNDS** (£1,000.00)

(f) subject to the provisions of this Agreement and from the commencement of the Highway Works the [Owner/Developer] dedicates as public highway (and the Highway Authority accepts) all such land as is within its ownership and is required for the construction of the Highway Works [as shown on drawing no attached hereto (not to scale)] which does not already form part of the public highway or is already maintained as if it were a public highway and such land shall be maintainable by the [Owner/Developer] until the date specified in the Final Certificate, whereupon it shall become maintainable at public expense

Maintenance Period

2(a). When and so soon as the Highway Works have been completed including such Road Safety Audits as required in accordance with Clause 23 of this Agreement to the reasonable satisfaction of the Director of Environment and Transport for the time being of the Highway Authority ("the Director") shall issue a provisional certificate of completion ("the Provisional Certificate") such certificate not to be unreasonably withheld or delayed and the Developer at their own expense shall maintain the Highway Works in a good state of repair and to the satisfaction of the Director for a period of twenty four months from the date of the Provisional Certificate ("the Maintenance Period") and shall carry out such routine maintenance as may be necessary or required by the Director to facilitate use by the public **AND** for the avoidance of doubt the Developer shall undertake all other work and/or maintenance in respect thereof including but not limited to any defect or damage until issue of the Final Certificate in accordance with

Clause 3 of this Agreement and the Highway Works become highways maintainable at the public expense

(b) When the Developer applies for the issue of the Provisional Certificate they shall submit to the Director an “As Built” plan of the Highway Works which shall clearly identify the extent of any land which is dedicated as highway for approval by the Director

(c) Upon receipt of the “As Built” plan and approval of the same the Director shall issue a Provisional Certificate

Final Certificate

3 (a). The Developer shall apply to the Director for issue of the final certificate at the expiration of the Maintenance Period or on a date on which any defect or damage arising during the Maintenance Period is made good to the reasonable satisfaction of the Director or completion of all or any works identified by any Road Safety Audit required in accordance with Clause 23 (whichever date is later) (“the Final Certificate”) and as from the date of such Final Certificate the Highway Works shall become highways maintainable at the public expense

(b) If the Developer does not apply for and receive a Final Certificate within two years of the issue of the Provisional Certificate the Developer shall pay to the Highway Authority a further administration charge of **FIVE HUNDRED POUNDS (£500.00)**

Indemnity

4. The Developer shall indemnify the Highway Authority from and against all costs expenses and liabilities arising from or in connection with or ancillary to any claim demand action or proceedings resulting from the design carrying out and

maintenance of the Highway Works or any part or parts thereof including but without prejudice to the generality of the foregoing any claim against the Highway Authority under the Land Compensation Act 1973 or by virtue of the application of the provisions of the Noise Insulation Regulations 1975 made thereunder including any liability falling upon the Highway Authority by virtue of it exercising its discretionary powers under the said Regulations **PROVIDED THAT**

(i) the foregoing indemnity shall not extend to any damage caused by or arising out of the neglect or default of the Highway Authority or its officers servants agents or contractors

(ii) the Highway Authority shall notify the Developer forthwith upon receipt of any claim

(iii) the Highway Authority shall not accept any such claim without first having given the Developer details of such claim and having given the Developer the opportunity to make representations to the Highway Authority as to the validity and quantum of such claim

(iv) the Highway Authority shall in settling any such claim give full and due regard to any representations made by the Developer in respect thereof

(v) the Highway Authority shall following the acceptance of any claim notify the quantum thereof to the Developer in writing and the Developer shall within 14 days of the receipt of such notification pay to the Highway Authority the amount specified as the quantum of such claim

Construction (Design and Management) Regulations 2015

5. The Developer shall comply with all aspects of the Construction (Design and Management) Regulations 2015 or any statutory amendment or variation of the same and in particular shall ensure that all obligations imposed on the client (as

defined in the said Regulations) are satisfied and will indemnify the Highway Authority against all claims liabilities and actions arising out of a failure to so do

Security

6. Upon execution of this Agreement the Developer shall secure the cost of the Highway Works by depositing with the Director a Bond in the manner and form incorporated in the Second Schedule hereto by deposit with the Highway Authority of a sum equivalent to the Director's reasonable estimate of the cost of the Highway Works in a sum equivalent to the Director's reasonable estimate of the cost of the Highway Works (including any Statutory Undertakers works) together with any commuted sum payable to the Highway Authority in accordance with Clause 25 in the sum of **TBC (£)** ("the Deposit") and upon issue of the Provisional Certificate the Highway Authority shall refund to the Developer a percentage of the Deposit with the remaining balance being refunded after the issue of the Final Certificate FOR THE AVOIDANCE OF DOUBT the refund of any Deposit amount shall be without any interest or any interest accrued on the Deposit

Notices etc

7. Where under this Agreement the Highway Authority or the Director is required to agree to approve to express satisfaction with or to give notice of any matter such agreement approval satisfaction or notice shall be deemed to have not been given or expressed unless given or expressed in writing (and shall not be unreasonably withheld or delayed) and further thereto the Highway Authority agrees to use its best endeavours to ensure that any agreement or approval which is required will be given or refused within 20 working days

Dispute Resolution

8. Any dispute under or arising out of the operation of this Agreement may be referred to a single arbitrator if all parties to the dispute shall agree such arbitrator or in default of agreement to be nominated (upon the application of any party to the dispute) by the President for the time being of the Law Society in accordance with and subject to the provisions of the Arbitration Act 1996 or any statutory modification or re-enactment thereof for the time being in force

Privately and Publicly Owned Apparatus

9. For the avoidance of doubt it is hereby expressly declared that the Developer in carrying out any works which it is required by this Agreement to execute shall at its own expense divert or protect all or any pipes wires cables or equipment belonging to any person or body having power or consent to undertake street works under the New Roads and Street Works Act 1991 as may be necessary to enable such works properly to be carried out or may be reasonably directed by the Director and all alterations to existing services shall be carried out to the reasonable satisfaction of the appropriate persons authorities and undertakers

Design and Specification

10. (a) The Developer shall prepare any detailed drawings for submission to the Highway Authority and shall ensure that the Highway Works are designed and constructed strictly in accordance with the following:

- Design

Leicestershire Highways Design Guide

Design Manual for Roads and Bridges

- Specification

Leicestershire County Council's Specification for highway works for new developments

Leicestershire County Council's Standard drawings

- Street Lighting

Design in accordance with BS5489

Leicestershire County Council's Street Lighting Specification

- Signing and Road Marking

The Traffic Signs Regulations and General Directions 2016

The Traffic Signs Manual (DOT)

(b) The Developer shall not commence, vary, or continue with any Highway Works unless the relevant drawings and specifications have been formally approved by the Highway Authority. Any departure from or revision to the approved documents must be submitted for technical approval and shall not be implemented until written approval has been granted. In the event of any conflict between versions of design standards or drawings, the Developer shall adhere to the most recent standards and most recently technically approved plans as confirmed in writing by the Highway Authority. Moreover, the Developer acknowledges that failure to comply with this clause constitutes a breach of the Agreement, and the Highway Authority may require amendments, suspension of any works, or remedial measures at the Developer's cost

Approval of Design

11. No work is to commence until detailed designs and specifications have been submitted to and approved by the Director notwithstanding that in giving approval the Developer is not relieved of their obligation to design and construct the

Highway Works to the standards and specifications also contained in this Agreement and statutory legislation

Workmanship

12. All work is to be carried out to the reasonable satisfaction of the Director

Conditions

13. The Developer shall comply with the Leicestershire County Council's Standard conditions applying to highway works for new developments

Traffic and Safety Control

14. In carrying out work in or adjoining the public highway the Developer shall comply in all respects with Chapter 8 of the Traffic Signs Manual 2009

Approval of Persons undertaking the Highway Works

15. The Developer shall not engage or permit the engagement of any person to carry out the Highway Works (or any part thereof including their design) unless that person has first been approved by the Highway Authority as suitable to carry out such works (such approval not to be unreasonably withheld or delayed)

Inspection of the Highway Works

16. The Developer shall permit and shall require any contractor or sub-contractor engaged on the Highway Works to permit at all reasonable times persons authorised by the Highway Authority whose identity shall have been previously notified to the Developer to gain access to the Site of the Highway Works for the purpose of inspection to verify compliance with the provisions of this Agreement

and the Developer shall upon execution of this agreement pay to the Highway Authority the sum of **TBC (£)** being the sum calculated by reference to the cost of the Highway Works (as certified by the Director) in respect of the costs incurred by the Highway Authority in such inspection design checking and administration equal to 10% of the cost of the Highway Works

Highway Related Structures

17. The Developer shall pay to the Highway Authority on demand the total costs properly and reasonably incurred in undertaking the technical approval design checking and inspection of any highway related structure such costs being in addition to the sum payable under Clause 16 of this Agreement

Programme of Works

18. The Developer shall prior to the commencement of any of the Highway Works submit to the Director for his approval a programme of works setting out the Developer's proposed timetables for executing the Highway Works and following such approval (which may be given with or without modification but which shall not be unreasonably withheld or delayed) the Developer shall use all reasonable endeavours to ensure that the programme of works is complied with

Power to Execute Works in Default or Emergency

19. (a) If at any time the Developer does not comply with any of the terms of this Agreement or of any stipulations made thereunder then the Highway Authority shall on giving to the Developer fourteen days' notice in writing to that effect be entitled to carry out and complete the Highway Works and any maintenance

works and the Developer shall within 28 days pay to the Highway Authority the cost so incurred by the Highway Authority

(b) Nothing in this Agreement shall prevent the Highway Authority from carrying out any work or taking such action as deemed appropriate forthwith without prior notice to the Developer in the event of an emergency or danger to the public the cost to the Highway Authority of such work or action being chargeable to and recoverable from the Developer

(c) If such works under clause 19 (a) and (b) above carried out by the Highway Authority exceed the Bond in the sum of clause 6 then the Developer shall within 28 days pay to the Highway Authority the cost so incurred by the Highway Authority

Insurance

20. The Developer shall upon execution of this Agreement effect Public Liability insurance until the issue of the Final Certificate with an insurer in the minimum sum of **TEN MILLION POUNDS (£10,000,000.00)** for any one claim the total number of claims to be unlimited such terms to include indemnity with a maximum excess of **TEN THOUSAND POUNDS (£10,000.00)** against any legal liability for damage loss or injury to any property or any persons as a direct or indirect result of the execution and maintenance of the Highway Works or any part thereof. Furthermore, the Developer hereby irrevocably undertakes and agrees with the Highway Authority to be responsible for and indemnify the Highway Authority against any third-party claim, or any part of any third-party claim, which falls within the amount of any such excess

Notice of Commencement of Highway Works

21. The Developer shall prior to the commencement of the Highway Works give the Highway Authority at least five weeks' notice (or such shorter period to be agreed between the Developer and the Highway Authority) in writing of the proposed date on which the Highway Works will start and such date shall be subject to the agreement of the Director which shall not be unreasonably withheld or delayed

Approval of Team Undertaking Road Safety Audits

22. The Developer shall not engage or permit the engagement of any Audit Team unless that Audit Team has first been approved by the Highway Authority as suitable to undertake Road Safety Audits in accordance with the Design Manual for Roads and Bridges GG119 Road Safety Audit (formerly HD19/15) Road safety audit or any replacement or modification thereof (such approval not to be unreasonably withheld or delayed)

Road Safety Audits

23.(a) At any time during the preliminary and detailed design stages the Director may require that an Interim Road Safety Audit be carried out in accordance with the Design Manual for Roads and Bridges GG119 Road Safety Audit and be submitted to the Director and if so required by the Director any recommendations in such Interim Road Safety Audit shall be implemented to his satisfaction

(b) Prior to the approval of the detailed design a Stage 2 Road Safety Audit carried out in accordance with the Design Manual for Roads and Bridges GG119 Road Safety Audit shall be submitted to the Director and if so required by the

Director any recommendations made in the Stage 2 Road Safety Audit shall be implemented to his satisfaction

(c) Prior to the issue of the Provisional Certificate a Stage 3 Road Safety Audit carried out in accordance with the Design Manual for Roads and Bridges GG119 Road Safety Audit shall be submitted to the Director and if so required by the Director any recommendations made in the Stage 3 Road Safety Audit shall be implemented to his satisfaction

(d) A Stage 4 24 Month Road Safety Audit carried out in accordance with the Design Manual for Roads and Bridges GG119 Road Safety Audit shall be submitted to the Director no sooner than 8 weeks and no later than 12 weeks following the second anniversary of the opening of the Highway Works for public use and if so required by the Director any recommendations made in the Stage 4 24 Month Road Safety Audit shall be implemented to his satisfaction AND the Developer will secure by the deposit of a Bond with the Highway Authority a sum equivalent to the Director's reasonable estimate of the cost of the potential liability of the Developer in respect of works arising from the Stage 4 24 Month Road Safety Audit prior to the issue of the Final Certificate

(e) In the event that the Director does not require a Stage 4 24 Month Road Safety Audit to be submitted following receipt of the Stage 3 Road Safety Audit then for the purposes of Clause 3 the Final Certificate may be issued following the implementation of any recommendations made in that report to the Director's satisfaction

Use of Sums Paid

24. The Highway Authority shall use such sums as are payable in accordance with the terms of this Agreement together with any interest which may accrue only for the purposes set out above

Traffic Signal Equipment

25.(a) The design of the traffic signal equipment comprised within the Highway Works shall be undertaken by the Highway Authority based on detailed road layout drawings supplied by the Developer

(b) All permanent traffic control equipment to be installed as part of the Highway Works shall be specified and supplied by the Highway Authority and the reasonable cost of the Highway Authority of supplying and installing such equipment (plus 10% thereof in respect of the Highway Authority's design costs) shall be reimbursed by the Developer

(c) The Developer shall permit the Highway Authority access at all reasonable times to any part of the Site upon which cables pipes ducts or other apparatus associated with the said traffic signal equipment is to be or are located to enable the Highway Authority to undertake works reasonably required for the installation and maintenance of the said cables pipes ducts or other apparatus

Commuted Sum

26. Immediately prior to the issue of the Final Certificate the Developer shall pay to the Highway Authority a commuted sum towards the cost of future maintenance of the [Traffic Signal Works/SUDS/etc] in the sum of **THOUSAND HUNDRED AND POUNDS (£)** adjusted in accordance with the Schedule to the Bond hereto attached to arrive at the Final Sum Payable

Statutory Procedures and Orders

27. The Developer shall pay to the Highway Authority upon demand the total costs properly and reasonably incurred by the Highway Authority in undertaking any statutory procedure or preparing and bringing into force any traffic regulation order or orders necessary to carry out or for effectively implementing the Highway Works and whether or not such procedure or order is or are experimental temporary or permanent

Consultation

28. The Developer shall pay to the Highway Authority upon demand the total costs properly and reasonably incurred by the Highway Authority in undertaking public consultations in respect of the Highway Works be the consultations a statutory requirement or any other form of consultation that the Highway Authority would normally carry out if it were undertaking the Highway Works

Costs

29. The Developer shall upon executing this Agreement pay to the Highway Authority **TWO THOUSAND THREE HUNDRED POUNDS (£2,300.00)** in respect of the costs of preparing this Agreement

Enforceability of Covenants

30. Nothing in this Agreement shall prohibit or limit the right to develop any part of the Site in accordance with a planning permission (other than the Planning Permission as defined herein or any renewal thereof or any reserved matters approval with respect thereto) granted after the date of this Agreement in respect

of which development this Agreement will not apply **PROVIDED THAT** the obligations in this Agreement can be applied to any planning permission granted subsequent to the grant of the Planning Permission as herein defined by agreement between the Developer and the Highway Authority as evidenced by a memorandum endorsed on this Agreement

31. Until such time as there is commencement of development pursuant to the Planning Permission any obligations in this Agreement requiring the payment of money or the carrying out of any works shall be of no effect

32. The Developer shall not be liable for any breach or non-performance of the covenants herein or for the performance of any obligation hereunder in respect of any land of which it is no longer seised save in respect of any prior subsisting breach

Governing Law

33. This Agreement and any dispute or claim (including a non-contractual dispute or claim) arising out of or in connection with it or its subject-matter or formation shall be governed by, and construed in accordance with, the law of England and Wales.

Jurisdiction

34. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including a non-contractual dispute or claim) arising out of or in connection with this deed or its subject-matter or formation.

Agent for Service

35.(a) The Surety irrevocably appoints [NAME] of [ADDRESS] as its agent for service of process in England and Wales and agrees that service of any notice, proceedings or other documents on such agent shall be deemed to be good and effective service on the Surety in respect of any matter arising out of or in connection with this Agreement.

(b) Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Surety) and shall be valid until such time as the Highway Authority has received prior written notice from the Surety that such agent has ceased to act as its agent.

(c) If for any reason such agent ceases to be able to act as the Surety's agent or no longer has an address in England and Wales, the Surety shall forthwith appoint a substitute acceptable to the Highway Authority and deliver to the Highway Authority the new agent's name and address within England and Wales.

Rights of Third Parties

36. It is hereby agreed that the provisions of the Contracts (Rights of Third Parties) Act 1999 be expressly excluded from this Agreement

Chargee

37. The Chargee acknowledges and declares that this Agreement has been entered into by the Developer in its capacity as owner of the Site and with its consent and that the Site shall be bound by the obligations contained in this Agreement provided that the Chargee shall have no liability under this Agreement unless and until it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Developer

FIRST SCHEDULE

(a) The design construction and installation of _____ as _____ shown generally on drawings no:

together with all works ancillary or incidental thereto or associated therewith including but without prejudice to the generality thereof works under Clause 9 of this Agreement

(b) For the avoidance of doubt the works specified in paragraph (a) shall include the kerbing draining and overlaying of the existing carriageway as necessary

SECOND SCHEDULE

*BY THIS BOND WE whose registered office is situate at
 (hereinafter called "the Developer") and TBC whose registered office is situate
at TBC (hereinafter called "the Surety") are held and firmly bound unto
LEICESTERSHIRE COUNTY COUNCIL (hereinafter called "the Authority") in the
sum of **TBC(£)** for the payment of which sum the Developer and the Surety bind
themselves their successors and assigns jointly and severally by these presents*

WHEREAS the Developer has entered into an Agreement with the Authority dated Two Thousand and Twenty Six (hereinafter called "the S.278 Agreement") pursuant to Section 278 of the Highways Act 1980 whereby the Developer has covenanted to carry out the Highway works referred to in the S.278 Agreement (hereinafter called "the S.278 Covenants")

NOW THE CONDITION of the above written bond is such that if the Developer shall well and truly perform and fulfil the S.278 Covenants according to the true purpose intent and meaning of the S.278 Agreement or if on failure by the Developer so to do the Surety shall pay to the Authority the said sum of **TBC(£)** then the above written Bond will be null and void but otherwise it shall be and remain in full force and the giving by the Authority of any extension of time for the performing of the S.278 Covenants or any covenant contained in the S.278 Agreement and on behalf of the Developer to be performed or fulfilled or any forbearance or forgiveness on the part of the Authority to the Developer in respect of any matter referred to in or concerning the S.278 Agreement shall not in any way release the Surety from the Surety's liability under the above written Bond PROVIDED THAT upon the issue of the Provisional Certificate under Clause 2 of the S.278 Agreement the liability of the Developer and the Surety under this Bond shall be reduced to a percentage of the cost of the Highway Works [together with the value of the Commuted Sum as calculated in accordance with the Schedule hereto] upon the issue of the Provisional Certificate or a minimum sum of ten thousand pounds (£10,000.00) whichever is the greater and upon the issue of the Final Certificate under the S.278

Agreement the liability of the Developer and the Surety under this Bond shall absolutely cease

For the avoidance of doubt this Bond and any dispute or claim (including a non-contractual dispute or claim) rising out of or in connection with it or its subject-matter or formation shall be governed by, and construed in accordance with, the law of England and Wales. Furthermore each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including a non-contractual dispute or claim) arising out of or in connection with this deed or its subject-matter or formation and the Surety irrevocably appoints [NAME] of [ADDRESS] as his or her agent to receive on his or her behalf in England and Wales service of any proceedings arising out of or in connection with this deed or the S.278 Agreement. Such service shall be deemed completed on delivery to such agent (whether it is forwarded to and received by the Surety) and shall be valid until such time as the Highway Authority has received prior written notice from the Surety that such agent has ceased to act as its agent. If for any reason such agent ceases to be able to act as the Surety's agent or no longer has an address in England and Wales, the Surety shall forthwith appoint a substitute acceptable to the Highway Authority and deliver to the Highway Authority the new agent's name, address within England and Wales.

SCHEDULE

1. In this Schedule:-

"Index" means the Resource Cost Index of Road Construction (ROCOS) published by the Department for Business, Enterprise & Regulatory Reform (BERR as part of the Quarterly Building and Cost Indices for Public Sector Construction Works or such other index as may from time to time be published in substitution thereof

"Base Index Date" means the date of this Agreement

"Base Index Figure" means the figure last published in respect of the Index prior to the Base Index date at the time of the Base Index Date

"Commuted Sum" means the sum referred to in the S.278 Agreement

"Final Index Figure" means the figure including any provisional figure last published or otherwise agreed or determined in respect of the Index prior to the respective date upon which the Commuted Sum is payable

2. The Commuted Sum shall be increased by such sum if any in pounds sterling as shall be equal to the sum calculated according to the following formula:-

$$\text{Increased Sum} = \frac{A \times C}{B}$$

Where: "A" equals the Commuted Sum

"B" equals the Base Index Figure

"C" equals the Final Index Figure

3. If after the Base Index Date there should be any change in the Base Index Figure by reference to which changes in the Index are calculated, the figure taken to be shown in the Index after such change shall be the figure which would have been shown in the Index if the said Base Index Figure had been retained and the appropriate reconciliation shall be made but if for any reason the Index shall be otherwise altered or shall be abolished or replaced, there shall be substituted for the purposes of this Schedule such index as may from time to time be published by or under the authority of any Ministry or Department of Her Majesty's Government and if no such index is published, the parties thereto shall endeavour to agree such other index as shall most closely reflect changes in the cost of Public Works (Roads)

4. If any substitution for the said Index or any index previously substituted thereof shall occur pursuant to the provisions of Clause 3 of this Schedule, the parties hereto shall endeavour to agree the appropriate reconciliation between

the Index substituted on the one hand and the ROCOS Index or any index previously substituted thereof on the other hand.

EXECUTED AS A DEED by)
acting by two Directors)

Director

Director

Executed as a Deed by the)
Surety acting by)

THE COMMON SEAL OF THE)
LEICESTERSHIRE COUNTY COUNCIL)
was hereunto affixed in the presence of:-)

Authorised Officer

**** END OF BOND ****

Executed as a Deed by the parties hereto the day and year first before written

THE COMMON SEAL OF THE)
LEICESTERSHIRE COUNTY COUNCIL)
was hereunto affixed in the presence of:-)

Authorised Officer

EXECUTED AS A DEED by
acting by two Directors)

Director

Director