EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke, with a saving, certain provisions of specified designation orders listed in the Schedule to these Regulations ("the principal Orders"). These Orders were made under section 18 of the Agriculture Act 1986 ("the Act") and designate certain areas in England as environmentally sensitive areas, but were amended *inter alia* by Regulations (referred to below as "the principal Regulations") made under section 2(2) of the European Communities Act 1972. The Orders implement in part a zonal programme approved by the European Commission under Article 7 of Council Regulation (EEC) No. 2078/92 (OJ No. L215, 30.7.92, p. 85) on agricultural production methods compatible with the requirements of protection of the environment and the maintenance of the countryside ("the Agri-environment Regulation"), as last amended by Commission Regulation (EC) No. 2772/95 (OJ No. L288, 1.12.95, p. 35) (as in turn rectified by Commission Regulation (EC) No. 19612/96 (OJ No. L259, 12.10.96, p. 7).

These Regulations revoke certain provisions of the principal Orders in so far as they were inserted by the Environmentally Sensitive Areas (England) Designation Orders (Amendment) Regulations 1996 (S.I.1996/3104) ("the principal Regulations"), which made provision to implement Commission Regulation (EC) No. 746/96 (OJ No. L102, 25.4.96, p. 19) laying down detailed rules for the application of the Agri-environment Regulation, as now amended by Commission Regulation (EC) No. 435/97 (OJ No. L67, 7.3.97, p. 2). The provisions which are revoked by these Regulations amended those provisions of the principal Orders which relate to penalties for breach of requirements imposed by agreements under section 18(3) of the Act, and which (except in so far as revoked by these Regulations) are revoked by Orders respectively amending each of the principal Orders and coming into force on 22nd June 1998.

Section 18(4A) of the Act (introduced by S.I. 1997/1457) now makes provision enabling agreements made under section 18(3) of the Act to contain provision requiring the payment of penalties or enabling the withholding of payments in certain circumstances.

Also by virtue of these Regulations, certain other provisions of the principal Orders which were inserted by the principal Regulations (supplementary provisions relating to penalties for breach of requirements imposed by agreements under section 18(3) of the Act) cease to have effect save in so far as they apply to agreements to which they applied before the coming into force of these Regulations.

The principal Orders are among those specified in the list in Section A of Part I of the Schedule to the principal Regulations. The remaining Orders in that list (in so far as they consisted of provisions introduced by the principal Regulations) were revoked by the Environmentally Sensitive Areas (England) Designation Orders (Revocation of Specified Provisions) Regulations 1997 (S.I. 1997/1456) except in so far as they applied to subsisting agreements. In so far as these remaining Orders were made under the Act, they were severally revoked by Orders designating the respective areas afresh and coming into force on 1st July 1997 (respectively, S.I. 1997/1444, S.I. 1997/1443, S.I. 1997/1440 and S.I. 1997/1441).

No regulatory appraisal has been prepared in respect of these Regulations.