

Broadcasting (Radio Multiplex Services) Bill

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START timestamp 12.56 pm

Wendy Morton (Aldridge-Brownhills) (Con) I beg to move amendment 1, page 1, line 4, after “may” insert “after public consultation”.

Madam Deputy Speaker (Mrs Eleanor Laing) With this it will be convenient to discuss the following: Amendment 2, page 2, line 17, at end insert— “(4A) The Secretary of State is not to make an order under this section in relation to small scale radio multiplex services except where the description is of services to be provided primarily for the good of members of the public or of a particular community, rather than for commercial services.” Amendment 3, line 17, at end insert— “(4A) The Secretary of State must not make an order under this section in relation to small-scale radio multiplex services except where the order includes conditions to provide for capacity on small-scale radio multiplex to be reserved for broadcasting services of a description set out in an order under section 262.” This amendment ensures that radio stations that meet the description of Community Radio under section 262 of the Communications Act 2003 are guaranteed carriage on small-scale radio multiplexes.

Wendy Morton I will speak briefly to my two amendments, amendments 1 and 2, because I appreciate that time is marching on. I have supported the Bill, promoted by my hon. Friend the Member for Torbay (Kevin Foster), throughout—I attended Second Reading and was on the Public Bill Committee. However, during the Bill Committee and on reflection afterwards, I felt that a couple of details that are not in the Bill were worthy of a little more probing. Amendment 1 relates to public consultation. The Bill is important, stretching across many different facets, and will potentially reach many different communities. On Second Reading, the Government indicated that they would conduct a form of consultation and review with all the relevant stakeholders on the technical details of the Bill. However, given the Bill’s technical nature, I seek some reassurances from the Minister on that consultation, hence the proposed insertion of “after public consultation”. There are some very small community radio stations, often run by community volunteers, and I want to be certain that they will be part of the consultation process. It would be wrong if they were excluded in favour of the larger stations. Turning to amendment 2, concerns were expressed about the Bill in Committee, particularly those that had been raised by the Community Media Association. I am concerned that the provision in proposed new section 258A(4)(c) of the Communications Act 2003 that an order under clause 1 may “require small-scale radio multiplex services to be provided on a non-commercial basis” is not a sufficient guarantee that such services will be

operated primarily for public and community benefit. We heard much on Second Reading about the benefits of community radio and how it can get into the hard-to-reach communities that Members of all parties are all too familiar with. I seek reassurance about that. Where a small-scale radio multiplex service is run on a commercial basis, there is a high risk that charges to small-scale and community radio content providers could remain excessive, and that opportunities for those radio operators to reduce costs through the sale of spare capacity could be lost, which would be a shame. A commercially operated, small-scale radio multiplex operator might be inclined to populate available capacity with content from providers prepared to pay the highest rate, rather than content of the greatest public value. For example, content providers with low fixed costs, such as those providing semi-automated—predominantly music—services, might be better placed to afford the high costs of transmission than content providers that invest in original local content, including speech and local journalism. Such community stations go to the heart of our communities.

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My amendment 2 proposes that small-scale radio multiplex services be required to operate for public and community benefit, rather than for commercial reasons, in order to favour existing community radio providers or consortia of small-scale local and community media, so that they might come together and operate the multiplex. This would not preclude a small-scale local commercial radio service from playing a lead role in establishing a not-for-profit vehicle to hold the multiplex licence or from operating it on such a basis that local radio services, including small-scale commercial radio services, can be provided with free or low-cost carriage and surpluses generated invested in local content production. This is such a forward-looking and important Bill. I just want to be sure that we reach out to those parts of the community that benefit from community radio. END statement

[Lyn Brown \(West Ham\) \(Lab\)](#) I was going to make a speech echoing the hon. Lady's comments, as I wholeheartedly agree with the principles she is espousing, but I will not now, in the hope that we can get to the Bill in the name of my hon. Friend the Member for Barnsley Central (Dan Jarvis).

[Wendy Morton](#) I am grateful to the hon. Lady. She can be reassured. I was just about to sit down. I hope that my hon. Friend the Member for Torbay and the Minister can give us the reassurances we are looking for and that I will be able to withdraw my amendment.

[Jo Churchill \(Bury St Edmunds\) \(Con\)](#) I rise to speak briefly to my amendment 3. I was here for Second Reading so for me this is episode 2. Like my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), I wish to probe further the provisions as they affect community radio, the importance of which I have spoken about before. The amendment states: “The Secretary of State must not make an order under this section in relation to small-scale radio multiplex

services except where the order includes conditions to provide for capacity on small-scale radio multiplex to be reserved for broadcasting services of a description set out in an order under section 262.” In layman’s language, I want to know that there will be enough space in the system for community radio. Ofcom did some trialling, and, according to the pie chart it produced, existing local commercial radio made up 9.2% of content, existing local community stations made up 18.3% and new formats made up a staggering 72.5%. That shows a real appetite for community stations. The Bill has to take this into account to ensure adequate provision. There is evidently a thirst for radio serving the local community.

Craig Whittaker (Calder Valley) (Con) The same report said not only that was there an appetite for community radio but that it was technically possible and economically sustainable.

Jo Churchill I thank my hon. Friend for adding weight to my desire to probe further and to ensure that local community radio can take its place, rightfully and vibrantly, at the centre of the community. Ofcom, which trialled this, is also keen to deliver the provision. The purpose of the amendment is to establish what access there will be to multiplexes specifically. Forces radio is hugely important to a certain sector of the community. Universities run radio stations that reach out to the student cohorts. Churches and cathedrals have their own stations. However, there are also new forms of media—groups and enterprises that want to reach out to and inform their local communities. They all have minimal budgets, and most have charitable status. If they cannot secure the space that will give them access to a cohort of listeners, what is the point? Surely we can ring-fence a little bit of that space for the people who need it.

Kevin Foster (Torbay) (Con) I urge my hon. Friends the Members for Aldridge-Brownhills (Wendy Morton) and for Bury St Edmunds (Jo Churchill) not to press their amendments. I understand the purpose of amendment 1, and I also noted the comments of the hon. Member for West Ham (Lyn Brown). I realise that the amendment is intended to ensure that the views of local communities can be heard when a licence application is made. However, I hope that my hon. Friend the Member for Aldridge-Brownhills will consider withdrawing it, given that the aim of the Bill is to create a lighter-touch regulatory regime for the smallest radio stations.

Kevin Hollinrake (Thirsk and Malton) (Con) The Bill is indeed about small commercial stations, and about the ability of community groups to broadcast. Does my hon. Friend agree that we must not allow the multiplexes to be dominated by large media companies, so that we do not end up with monopolies or people holding several licences?

Kevin Foster I shall deal with the point in some detail when I speak about amendment 3. However, I agree that the thrust of the Bill is to enable community stations to go on to DAB. Theoretically they are already able to do so, but at present

the scale is so large that very few operators of community stations have that opportunity. The example of London is often given. London's local area is London, so community station operators wishing to operate in a particular part of it would find it extremely difficult to do so, because they would have to pay the costs of transmission to London. The sponsor's message about an MOT for a car in Croydon is unlikely to be very relevant to someone living in Barking and Dagenham. As I said in Committee, the Bill should be seen as the first stage of a three-stage process. It provides a legal framework for Government action. Without it, the DAB community sector simply will not exist, and the 10 trials will disappear. It also provides for a very limited ability to amend primary legislation through the affirmative procedure for specific purposes. That reflects what was done with community radio in 2004 and with local television in 2012, in strikingly similar circumstances and for strikingly similar purposes. I know that Members rightly wish to be careful about provisions of that kind, but I think that this provision makes sense, given its striking similarity to parliamentary precedent. The second stage will be the orders that will be necessary to create the detailed structure, which will be subject to detailed consultation. The third and final stage will be the issuing of licences by Ofcom to the individual multiplex operators. Amendment 1 asks for public consultation. In fact, my right hon. Friend the Minister for Digital and Culture confirmed on Second Reading that the Government would initiate a full consultation on the details of how the new licensing scheme for small-scale digital radio multiplexes should operate. That consultation will enable the Government to take account of the different views expressed by community and commercial radio operators, and provide appropriate protections to ensure that licences offered by Ofcom are taken up and the position of community stations wanting DAB carriage are protected.

Wendy Morton I am not expecting a timeframe to be set today, but may I stress the importance of ensuring that the consultation process is long enough to allow community radio operators to feed in their views?

Kevin Foster My understanding is that the Government will have a suitable timescale to allow all to contribute. It is also worth saying that groups like the Community Media Association are already well aware of this Bill and its provisions, and I suspect that many operators, in particular community stations, will be starting to think about the contributions they will wish to make to the consultation. My hon. Friend is welcome to intervene again if I am wrong, but I assume that her amendment is to ensure that the consultation requirement will apply to orders made under the Bill, rather than requiring a statutory consultation on each individual licence issued under those orders.

Wendy Morton Yes, I confirm that.

Kevin Foster I thank my hon. Friend for her intervention. I therefore hope Members will accept that if every order under this Act were required by statute to be subject to a full public consultation, that would strike at the heart of the intention behind this Bill. The intention is to create a regulatory framework that can be flexible

and adaptable within a defined area under this legislation. It may therefore not always be appropriate for every order made using this power to be preceded by a full public consultation. The Government do need to have the flexibility to act quickly to correct deficiencies or make minor and technical changes without having to wait for the conclusion of a consultation—a consultation that could make very little sense to all but a very small number of those involved in the technical side of digital radio. The technology is moving on significantly. Obviously, internet stations, which are not regulated at all, are able to broadcast with no licence as such, but, with technology moving on and new technologies developing, things can become even more simple, and it is right that the Government have the ability to reflect that, but more serious changes would need to be the subject of consultation. However, if statutorily we say that any order under this power needs to have a consultation, that could be inhibiting or, as I have touched on in previous debates in the House, could lead to consultations that very few people will wish to engage with, or feel there is anything meaningful to be said, as effectively they are about technical details. My understanding is that once the initial consultation on the new regime is complete, the Government will set out the detailed licensing and regulatory arrangements in an order, which will in turn be subject to debate by both Houses of Parliament before coming into effect. There is also parallel work for the Government to do with Ofcom on other detailed arrangements relating to the functioning of the new licensing regime. I hope that gives my hon. Friend the explanation she needs as to what consultation will happen, and she will agree to withdraw her amendment. Turning to my hon. Friend's second amendment, I fully appreciate the sentiment behind it—touched on in the intervention by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)—particularly given the passion of my hon. Friend the Member for Aldridge-Brownhills for promoting legislation that benefits charities, although I hope that for the reasons I am about to set out she will also agree to withdraw this amendment. Under the Bill, proposed new section 258A(4)(c) already enables the Secretary of State to “require small-scale radio multiplex services to be provided on a non-commercial basis.” This gives an opportunity for a requirement to be placed in a licence, where appropriate, that it must seek to provide a basic infrastructure to an area, rather than be done on a profit-making basis. As I mentioned on Second Reading, we must be clear that a multiplex is about providing the infrastructure for small-scale DAB operations; it is not the individual services we would tune into, although of course inherently we need the infrastructure for those services to exist. This means that part of the objective behind the amendment is already provided for in the Bill. It would not be the right approach to definitively require through this Bill that small-scale multiplexes be provided on a non-commercial basis in every instance, because this issue will be subject to the consultation. I believe there are likely to be opposing views in the future consultation as to whether services on the multiplex should include those being run on a commercial basis, and I would not want to prejudge the consultation by closing off this option in the Bill. I would also state that while it is not a specific aim of the Bill, any future move to have a totally digital broadcast system for radio would require an option being provided to small-scale commercial stations to move on to DAB. The current system of national and local multiplexes does not do that, as evidenced by the lack of growth of genuinely local stations going on to

existing multiplexes. The evidence from the 10 trials indicates nearly 70 unique radio services being provided, and the breakdown of them by Niocast Digital—also quoted by my hon. Friend the Member for Bury St Edmunds—showed that 18.3% were existing community stations, 9.2% were existing commercial stations and 72.5% were new formats. I hope this will give significant comfort to my hon. Friend the Member for Aldridge-Brownhills that community stations are getting on to DAB when this kind of structure is in place, as we have seen with the trial schemes, and as I would envisage being the case under the Bill's provisions. Again, as mentioned earlier, the detail of how the new licensing regime should operate will be subject to full consultation and the detailed arrangements will be set out in an order. In turn, that will be subject to debate in both Houses of Parliament, again providing an opportunity for Members to ensure that community radio objectives are included.

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The Government will need to receive views on commercial involvement in small-scale multiplexes, such as on the number of licences a person or organisation can hold, which was mentioned in amendment 4, tabled by my hon. Friend the Member for Thirsk and Malton but not selected. I recognise that these important issues were raised by the Community Media Association, and, to his credit, the hon. Member for Cardiff West (Kevin Brennan) gave voice to them during Committee, rightly seeking several reassurances. I accept all that, but it is right that the Government maintain an open mind and I urge Members to resist amendment 2. If we agree to amendments 1 and 2 now, there will be no opportunity to debate or change things at a later date. One reason why we are here discussing this Bill is that the previous legislation is now too inflexible for an era in which technology has moved on significantly. I hope my hon. Friend the Member for Bury St Edmunds will consider withdrawing amendment 3. I totally appreciate the intention behind reserving space for community stations and, given her strong work in the Ministry of Defence, I suspect that that may be partly motivated by the superb work done by the British Forces Broadcasting Service in several bases around the UK. It would be natural for such stations to be able to migrate on to DAB if they choose. Indeed, I want to be clear that this is about choice. It will not be compulsory for anyone to use a small-scale DAB multiplex instead of a traditional community FM licence. However, if we were going for an all-digital solution, we would need to provide a practical opportunity for licensees to migrate. The problem with amendment 3 is that it would require the Government to adopt a policy position by statute and would effectively prejudice the consultation that will examine the necessity of reserving capacity for community stations. As the Member in charge of this Bill, I want it to allow maximum flexibility in creating the new regulatory regime that will follow. Members must bear in mind that there are literally hundreds of potential locations for small-scale multiplexes, some of which may not be viable with specifically reserved space. Alternatively, other operations may make reserved space unnecessary in the case of a particular multiplex. I want Ofcom to be able to license small-scale multiplexes to operate on conditions that are appropriate for the particular localities that they will cover. I also would not want a provision that creates a radio version of a parliamentary train service: a small bit of capacity kept just to meet a statutory

requirement, not to deliver a real goal. Ultimately, that issue will be the subject of a full consultation that will follow this Bill becoming law, but we can see evidence from the 10 existing trials of what will happen when the suggested system in the Bill is set up and community stations start coming on. It is worth bearing in mind that the whole impetus behind the small-scale trial that the Department for Culture, Media and Sport initiated in December 2013 was about ensuring that small, community stations and commercial stations have a digital option. If the strong shift to digital radio continues, that option needs to be practical. The biggest change in the past few years, and certainly since the previous legislation, has been the expansion of DAB into car radios. Not that long ago, few cars—perhaps only the most expensive vehicles—had a DAB radio installed, but quite a number of cars now have one. When drivers switch to digital radio, they will find a selection of stations, including the national radio stations and almost certainly the syndicated regional stations, but some commercial radio stations that are actually not that small, such as Breeze FM in my constituency, are not on DAB. That will lead to people either migrating to consolidated media services, reducing choice and diversity, or sticking with FM. I suspect, however, that there will be a move in the long run to want to consider when radio could be switched over. END statement

Kevin Hollinrake My hon. Friend makes a good point about small community radio stations that are on FM, rather than DAB. Vale Radio in my constituency has exactly that problem. It covers the Vale of York and the Vale of Pickering, but it cannot currently get on DAB because of the costs and the licensing regime. The Bill is intended to help such organisations.

Kevin Foster I thank my hon. Friend for highlighting the whole purpose of the Bill, and we can discuss the current regulatory system further on Third Reading. If the Bill does not survive today, or if it gets talked out, the national and local multiplexes will continue, which is fine for the largest radio operators because it suits their needs. The small community radio stations would take the hit and ultimately have fewer users. There would be less choice and diversity, and we would have a regulatory system that just does not reflect advancing technology. I made the point on Second Reading that in the 1960s the outcome of an outdated attitude to broadcasting regulation was ships sitting just off our shores. The reality of not passing the Bill would be more community radio stations moving on to the internet. If we wanted to, my hon. Friend and I could set up an internet radio station in our office and start broadcasting. I am not sure how many people would want to listen—I see some nods of assent—but that is how technology is moving. We can broadcast over the internet, but it does not have the ease of access of traditional radio broadcasting mediums. Yes, it is there and, yes, it is growing—the tech-savvy probably have apps on their phones so that they can listen—but it is not as easy as carrying around a simple, portable digital radio that is possibly smaller than a laptop, an iPad or a smartphone. That is why it is so important that we look to progress and look to pass the Bill unamended. There needs to be flexibility for the future. I would not want to set up restrictions in the Bill for well-intentioned reasons and find that, in a year or two's time, we are stunting growth and development in a rapidly moving technology. Let me be blunt. If we told our forefathers 30 or 40 years ago that a

radio broadcasting system could be run off a laptop this big, they would have sat there in amazement. A broadcasting station then was a large room with a whacking great tower on it.

Jo Churchill They might also have asked what a laptop is.

Kevin Foster Yes, and that is the way technology is moving on. The Bill needs to be flexible, but it also needs to be adaptable because there are so many different locations. The Bill does not replicate the BBC's guarantee of carriage on local and national multiplexes. The guarantee was relevant for the time and for the scale of those operations. I am loth to set a specific requirement in every single licence to guarantee community access, but it is almost certain that Ofcom, when looking at licence applications, will want to consider how it keeps diversity on a particular multiplex or how it gives opportunity. The evidence is that community radio stations have benefited fairly well from the small-scale trials. If we start to have a reservation or price controls—that is another thing we could consider—Parliament would get into odd arguments about exactly where we set those price controls in particular areas. The nature of small-scale multiplexes means that there will be lots more of them, which will inevitably bring down some broadcast costs.

Kevin Hollinrake Will my hon. Friend give way?

Kevin Foster Briefly, but I will then make some progress towards a conclusion.

Kevin Hollinrake There has to be an incentive for multiplex owners to invest in technology and equipment. Does this require significant investment? What rate of return can they expect? Obviously we need to create an incentive for such equipment to be established.

Kevin Foster The Bill gives permission for some of these multiplexes to be run not for profit, effectively as community multiplexes, and there is some evidence that other operators—I gave the example of a university or a local authority—might wish to provide the infrastructure. I make it clear that we do not want to get into the game of local authorities running radio stations—that is not a council's job. We could run the infrastructure under this licence for not-for-profit purposes, but a commercial station that makes a profit could be carried. The key issue is that, at the moment, someone can go from running an internet radio station in their bedroom to running a small-scale FM operation, and then build up their business and their listeners to become a more significant company. Under current regulations, someone wanting to go on to the digital system in some areas needs to be turning over £1 million a year to be able to pay the broadcast fees as part of that turnover. That is why this Bill is so important. I am conscious of time, so I will wind up. I urge my hon. Friend the Member for Aldridge-Brownhills to withdraw her amendment for the reasons that I have outlined. I also urge the Community Media Association and groups such Radiocentre, which have been active in contacting Members, which I

welcome, to work with the Government through the consultation to produce the best outcome that can deliver the objectives that I have outlined. This Bill is about opening up an opportunity, giving community stations a chance to go digital and helping stimulate creativity as we have seen in the 10 trial areas. I will say more on Third Reading, but, for now, I hope that my hon. Friend has received the assurance that she needs and will withdraw her amendment.

Wendy Morton I am very grateful to my hon. Friend for his explanation. He has gone a long way to reassure me by explaining the work of the trials. I see this as the start of the process. For that reason and for the need to keep this Bill flexible, I will, with the leave of the House, withdraw my amendment. Amendment, by leave, withdrawn. Third Reading

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Kevin Foster I beg to move, That the Bill be now read the Third time. I thank hon. Members for their contributions today and those who served on the Bill Committee. I do not intend to detain the House hugely on Third Reading, but I do want to set out the wider purposes of this Bill and why I believe that it is right that it now receives its final approval from this House today. The whole purpose of the Bill is to tackle the hole that exists in the broadcasting legislation. There are three levels of radio: national, regional/larger local, and community. At the moment, three of them exist on the analogue frequencies, and two on the digital frequencies. That is why it is now important to create an opportunity for community stations to go on to digital. I am very clear that this Bill is not about forcing any station to go on to a digital platform if they wish to stay on the analogue platform. Obviously, during the passage of this Bill through the House, we have had comments about future moves to have a switchover in the same way that we had with television some years ago, but that is not the intention of this Bill and those requirements are not in this Bill. I also want to be clear that we do need to keep flexibility in this Bill to allow the hundreds of different circumstances to be taken into account during the issue of individual licences. It would clearly be rather bizarre to say—we do not do this in any other community licence—that what might be an appropriate restriction in terms of a community licence to cover, say, Croydon, which is almost the size of Coventry but which is an individual community in London, should be the same as the requirement as that in, say, Whitehaven in Cumbria, which was the very first place to switch over to digital TV. Clearly, it would not be appropriate to put in the same sort of restrictions in that community that we might think would be sensible and reasonable for a large suburban part of London. It is also worth noting the demand that exists. One point that has been made a few times during the passage of this Bill is whether there is a demand for such legislation. It is all very well to sit here and legislate and say that we should have it, but we must consider whether there is the demand. What we see from the 10 small-scale trials is that the system is simple to operate, that there is a demand and that new choices are created.

Craig Whittaker On the digital technology that my hon. Friend the Member

for Thirsk and Malton (Kevin Hollinrake) mentioned earlier, we really struggle with reception in Calder Valley, so for community and small radio stations to go digital, surely we have to have the technology in place first.

Kevin Foster My hon. Friend is right. The thing is, the technology exists for small-scale broadcasting and, bluntly, if the transition equipment is popped on to the top of a tall building, it takes out the cost of maintaining a large radio mast, as we might think of in a traditional broadcasting system. The technology exists, but the ability to license it properly does not. As this was mentioned on Second Reading, I should be clear that if we do not get on and legislate, the trial stations in the 10 areas will ultimately end up closing. A trial system is not an appropriate way to regulate broadcasting in the long term. Yes, that system was used to create the 10 trial areas—I think we all supported the trial and, certainly according to the feedback from the MPs in those areas, it has gone down very well—but that cannot go on forever and must be brought to an end.

Lyn Brown I completely and utterly agree with that sentiment.

Kevin Foster I thank the hon. Lady for that statement. Sometimes in this Chamber we exchange comments that are not quite so supportive of each other's ideas or suggestions, so that intervention is absolutely welcome. I am sure that the many diverse communities in east London are, in reality, not going to go on to a London-wide multiplex—they just cannot do that—but the Bill will mean that they can get small-scale licences and provide competition to larger-scale operations, as well as unique services and individual choice.

Lyn Brown Which is why I am so supportive of it.

Kevin Foster I am absolutely delighted to hear how supportive of the Bill the hon. Lady is. I am pleased to say to her that I suspect we will be moving on to the Third Reading vote in the not-too-distant future; I hope she will be shouting a nice loud “Aye” in her usual style.

Lyn Brown I will indeed.

Kevin Foster It is important to explore, briefly, some of the issues that were picked up by the Community Media Association and explored a bit in Committee, particularly the issue of whether someone could own more than one small-scale multiplex and the suggestion mentioned by the hon. Member for Cardiff West (Kevin Brennan). If we restricted it so that organisations could have only one, there could be some bizarre outcomes in, for example, areas where more than one multiplex would be needed to cover a small community. I suspect that a restriction to one in London might be sensible, but if the British Forces Broadcasting Service was restricted to one, would that be done on the basis of its individual stations or the idea that it is one organisation? It would clearly be sensible to allow the BFBS to own several small-scale radio multiplexes at particular military bases throughout the

country, and to restrict it to one would be strange. I suspect that, were we to put in such a statutory restriction, we could see bizarre things happen, such as a community operation having individual licence holders and trying to structure things to allow them to get around the restriction. It is appropriate that we consider—particularly as part of the consultation, although I would be interested to hear the Minister’s thoughts as well—how we can prevent the provisions from being used by large-scale operators to avoid the national and local multiplex systems. Were the Bill too strict, though, we would end up with some really quite bizarre outcomes that were never intended. That is why the Bill as it is, unamended, is right. I hope that when it heads to the other place their lordships will recognise that there is a specific reason why we have not put that restriction into the Bill. If we ever decide to go for a digital switchover in future, we need to provide an option for companies that are not large-scale media conglomerates but have more than one station. I therefore hope that Members will support the Bill’s Third Reading. As I said on Second Reading, I looked for the list of community radio stations that would be given their first real chance to go on to DAB by the Bill. There are so many of them and there is such wide diversity, in communities that in some cases probably struggle to get their voice heard. I therefore hope that they will see the Bill receiving its Third Reading today as encouragement to continue what they are doing and as a real positive for the future. That is why I am proud to have brought this Bill to the Floor of the House and proud to have got it through the Bill Committee, and I hope that the House will agree to give it its Third Reading and send it on its way.

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Jo Churchill I shall be short and very pithy to give my fellow Members a chance to speak and so that we can move the business on. I thank my hon. Friend the Member for Torbay (Kevin Foster) for giving an expansive reason why he did not think my amendment would provide any greater clarity. I have followed the Bill with interest, and I should like to think that there is space for community radio to have its full place and to allow British forces radio, as he said, and certain ethnic music stations to have their places within their communities to give them their voices. There is an enthusiasm for small and independent commercial stations to broadcast on DAB, and I hope that cost will not stop them doing so. I hope that my hon. Friend’s Bill will enable such broadcasting to happen, and he has my support.

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James Morris (Halesowen and Rowley Regis) (Con) I rise to support the Bill on Third Reading and to congratulate my hon. Friend the Member for Torbay (Kevin Foster) on introducing it. It seems to be very much on the cusp of important new developments in the world of digital radio in helping to open up the market to community radio stations that want to broadcast on DAB. I particularly want to refer to a community radio station that broadcasts to my constituency—Black Country Radio—because, as my hon. Friend may know, it is one of the smaller radio stations that has been taking part in the local DAB trial. It speaks very positively of the trial’s benefits and tells me that broadcasting over DAB before the trial would have cost it thousands of pounds and been unaffordable. Black Country Radio is

beginning to position itself as a vital source of local community news for the Black country, by covering local politics and community events. I am hopeful that when the Bill gets its Third Reading today and has passed through the other place, the trial will be extended, allowing Black Country Radio to continue to extend its reach as an effective local community radio station. I think that my hon. Friend's Bill will be a major contributory factor in enhancing Black Country Radio's offer. As my hon. Friend said, digital radio is a large growth market, and local radio stations that want to tap into that market have proliferated. The Bill will be an effective mechanism to stimulate that market. In the second quarter of 2016, we saw a large set of digital stations posting results for the first time that show that digital radio listening had reached a new high of 45.3%. We have seen considerable annual growth in the audiences for digital radio. We have seen growth of about 5.4% over the past year. The Bill will allow smaller radio stations to take full advantage of the growth in the sector. I have already cited the example of Black Country Radio. It will bring growth and prosperity to small radio stations, and that will in turn benefit local communities. The aim of the Bill, as ably articulated by my hon. Friend the Member for Torbay, is to create a system of radio multiplexes: national multiplexes for UK-wide transmission; local radio multiplexes for county level transmission; and small-scale radio multiplexes for sub-county level transmission. This three-tier system with a lighter touch regulatory framework will open up the market and bring the benefits to which I alluded earlier regarding the deregulation of the industry. The Bill includes a provision that excludes larger radio stations, such as the BBC, that have existing licences in national or local radio multiplex services from holding a small-scale multiplex licence, helping to ensure that the new multiplex sites will not be abused by larger radio stations and that they can be used for the purpose for which they were intended—to let smaller radio stations benefit from using the DAB format. Again, I congratulate my hon. Friend on steering the Bill through to Third Reading. It is an important modernisation of the existing licensing regime that will take into account the different needs of local radio stations, facilitating the creation of a richer market and providing the consumer with a better broadcasting experience. I think we would all agree that the Broadcasting Act 1996 has failed to keep pace with recent technological developments and market changes. The Bill is an important contribution to the modernisation of digital radio, and I very much support it.

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[Kevin Hollinrake \(Thirsk and Malton\) \(Con\)](#) I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on bringing the legislation forward, and on his deep understanding of some of the technologies that lie behind the fantastic evolution in our broadcasting abilities. I very much support the Bill, particularly as my hon. Friend said that it will create more competition for commercial operators in a marketplace that can be dominated by quite large national chains, even though they may present themselves as local operators. Small commercial operators competing for revenue and advertising with larger stations or networks can only be good for the opportunities of local people, businesspeople and community operators. Vale Radio in my constituency is an excellent community operator with

a deep understanding of the local area. It is run by local people, who regularly do slots such as “A day in the life of an MP”. In fact, they came to Westminster only last year to see what happens in a typical MP’s day. That local connection is incredibly important. Of course, these smaller operators need more affordable access, which is what the Bill is about. It will break down the larger DAB areas into chunks that are about 60% smaller than typical schemes available now. That inevitably means better, cheaper accessibility with bandwidth and spectrum put aside specifically for small commercial operators and community stations. As my hon. Friends have mentioned, the equipment, including the multiplexes themselves, can be provided for not-for-profit operators, which again will mean better access at a lower cost that is more suitable for community operators. Community operators may be niche channels, but they very much relate to the local area with the content and local insights of their programmes. There is clearly demand for such channels and for this spectrum. I believe that there are 444 small commercial stations or community operators that would like to get on to DAB, but have no access at the moment. DAB is a growing part of the broadcasting market. Some 45% of consumers today listen on digital, and that figure will grow to 50% by the end of the year. Digital radio is certainly significant in providing access to the market, and it is how people will listen to radio in the future. I would like to question my hon. Friend and the Minister about the number of licences multiplex owners can own. I referred in an intervention earlier to the need to make sure we do not end up in a monopolistic situation, with a media company owning lots of these multiplexes and having control over pricing. It is vital that there is a restriction on the number of multiplexes that one licence holder can hold. At the same time, of course, we need to balance that with the need for investment—clearly, there is investment in the technologies and the equipment and in the staffing—to make sure the Bill delivers a solution that sees the roll-out of multiplexes, while making sure community operators and small commercial stations get access at the right price.

Kevin Foster I will keep this intervention fairly short because I am conscious that the Front Benchers will wish to say something. Perhaps I can reassure my hon. Friend. If he looks at clause 1(4)(b), he will see that Ofcom would be able to “make provision as to eligibility to hold a small-scale radio multiplex licence, including provision disqualifying persons who have an interest in a national or local radio multiplex service”. That means that if it felt a monopoly was emerging in an area, it could use its powers. However, this is probably one more issue for detailed consultation and for the order, rather than for the Bill itself.

Kevin Hollinrake Yes, my hon. Friend makes a good point. Perhaps monopoly is too strong a word. Nevertheless, we could get into a situation with a bit of a hinterland, where the operator of these multiplex licences has too strong a control, particularly in a given area. Putting some protections in place would make sure that affordability of access remained, while retaining an incentive for a commercial operator—these may well be commercial operators rather than not-for-profit operators—to invest. I would like to congratulate the Department on its foresight in starting the trial in 2014 and on putting the time and investment into

this new technology, which has led to its potential roll-out and created a new opportunity for a lot of commercial stations and community operators. To conclude, I congratulate my hon. Friend again on the deep understanding he has shown of the process of Parliament in getting this far—he is nearly over the finishing line—and on his understanding of the technology. His work will help many operators and many communities.

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[Kevin Brennan \(Cardiff West\) \(Lab\)](#) My remarks will also be fairly brief, since we discussed the Bill quite extensively in Committee the other day, and we have had very good debates today on Report and Third Reading. I also know that the hon. Member for Torbay (Kevin Foster) and the Government are as keen as the Opposition are to hear from my hon. Friend the Member for Barnsley Central (Dan Jarvis) by 2 o'clock, so my remarks will not be overly extensive. I congratulated the hon. Gentleman in Committee on bringing the Bill forward, and I do so again today. I also congratulate him on bringing it this far in its parliamentary journey. He said earlier that, had the amendments been accepted, there would have been no chance to do anything about that later. Of course, that is not technically correct, because his Bill now makes its way down to the other end of the building, where the Lords might well have a different view about these things and might want to take out something that we had put in at this end of the building. Nevertheless, similar amendments were discussed, and it will now be for the other place to decide about the reassurances that the hon. Gentleman gave on the amendments, which were subsequently withdrawn. As I say, I congratulate the hon. Gentleman on the Bill. It is a non-controversial, handout Bill from the Government, but he still had to carry it effectively through its parliamentary stages, and he has indeed done that. However, it might not be unfair to observe that there is a Government Bill in Committee in the other place right now—the Digital Economy Bill—that this proposal may well have been a suitable part of had it been ready in time. We support this Bill. We championed community radio while we were in government, introducing the Community Radio Order 2004, which established the community radio fund. The Bill continues that work by updating the infrastructure available to community radio stations and facilitating affordable access to digital frequencies. I am sure that most Members, as we heard particularly on Second Reading, have had a community radio station in their own constituency in mind throughout these debates. Of course I, like others, pay tribute to my local community radio station, Radio Cardiff. Community radio stations are undoubtedly agents for social good. They involve volunteers, they engage listeners, and they contribute to social cohesion. Any measure that supports these stations in extending their reach and expanding their impact is very welcome. Labour Members welcome the Bill and support its Third Reading. I hope that we are sending it on its way to a bright future in the other place and, without too much further delay, into law so that it can have the impact that it undoubtedly will have at a local level in our constituencies.

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[The Parliamentary Under-Secretary of State for Culture, Media and Sport \(Mr](#)

[Rob Wilson](#)) Thank you, Madam Deputy Speaker, for calling me to speak on this important occasion. I congratulate my hon. Friend the Member for Torbay (Kevin Foster)—this is the first opportunity I have had to do so—on getting this Bill through to Third Reading. He has done an extremely detailed and thorough job on it, and it is a great credit to him that it looks as though it is going to pass into law—without taking anything for granted in the other place, of course. The Government support this Bill because it will enable the creation of an appropriate and low-cost licensing regime for the transmission of digital radio on a small scale. It will give small commercial and community stations a platform to broadcast on digital, which is currently beyond their reach due to the costs and constraints of the existing statutory regime. The detail of how the new licensing regime should operate will obviously be subject to full consultation, as we have heard. I thank my hon. Friends, and all hon. Members, for their very thoughtful contributions to this debate and the previous debates—in particular, my hon. Friends the Members for Aldridge-Brownhills (Wendy Morton), for Bury St Edmunds (Jo Churchill), for Thirsk and Malton (Kevin Hollinrake), for Calder Valley (Craig Whittaker), and for Halesowen and Rowley Regis (James Morris). I will quickly try to deal with some of the issues that have been raised. My hon. Friend the Member for Bury St Edmunds asked about access for small community radio stations. I assure her that the aim is to provide a means for all small stations, especially community stations, to go digital. The Bill allows us to put in a protection to reserve capacity and exclude large operators. However this is done, it needs a very flexible approach. My hon. Friend the Member for Thirsk and Malton asked a similar question. I can confirm that the Bill already gives Ofcom the power to exclude holders of existing local and national multiplex licence holders from taking licences in small-scale digital radio multiplexes. This will prevent large groups, particularly large media organisations that operate digital radio multiplexes on a larger scale, from holding small radio multiplexes. That will have the benefit of keeping down the cost of carriage on small-scale multiplexes because they will not be open to existing large-scale commercial radio multiplex operators. The hon. Member for Cardiff West (Kevin Brennan) asked why this measure is not in the Digital Economy Bill. That has been dealt with before by my right hon. Friend the Minister for Digital and Culture, who said that the DCMS needed to see the conclusions of the Ofcom trials before we moved to legislation. Ofcom did not publish that evaluation until September 2016, which was several months after the introduction of the Digital Economy Bill. I think the hon. Gentleman knew that anyway, but we will leave it at that. Listeners have repeatedly said how important local radio is to them. Research commissioned by Ofcom in 2015 indicates that 45% of listeners to local commercial radio value the local news it provides, and 35% value it for local travel and weather information. It is clear that radio remains a very popular medium, with industry figures indicating that 90% of the adult population listens to the radio each week and that overall listening to radio remains strong, with more than 1 billion hours being consumed by adults in the UK each week. Although the popularity of radio as measured by its reach and audience hours has been stable over recent years, radio is changing. Listening on analogue is falling back, while DAB listening on digital platforms continues to grow steadily. Digital radio's share of listening is 45.5%, as I think my hon. Friend the Member for Torbay said, and almost 60% of households own a DAB radio. The radio industry

expects that long-term shift in listening habits to continue, which means that digital will overtake analogue as the default listening mode in the near future. One of the drivers—almost literally—of the change is new cars. According to the Society of Motor Manufacturers & Traders, around 85% of new cars sold have DAB radios installed as standard. According to Digital Radio UK, a quarter of all in-car listening is digital, and it is growing at 39% a year. I endorse what my hon. Friends have said about the important role played by local radio stations. Small commercial and community radio stations continue to provide an important means of informing and engaging with communities, as well as providing entertaining, popular and lively programming. The Government recognise the importance of smaller stations to their local communities, and we have been aware for some time of the desire for small commercial and community radio stations to have a route to broadcast on a digital platform that meets their needs. The objective behind the Bill is to give smaller stations the ability to broadcast on digital. A key success of the small-scale multiplex trial set up by Ofcom has been the strong support from smaller stations, including community radio, and the way in which they have all worked together. The majority of trial small-scale multiplexes are full or nearly full. The development of a layer of small-scale multiplexes will provide the answer, in most cases, to the question of how to provide the 400 small commercial and community radio stations that are transmitting to their local areas on FM or medium wave with the opportunity to broadcast cost-effectively on a digital platform. The development of a tier of small-scale DAB networks across the country could also attract new entrants to launch radio services, some of which have successful programme formats from prior experience of broadcasting via the internet. Overall, we think that the development is likely to result in a wider selection of stations and programme content for listeners. I think we all agree that that can only be a really positive thing. It will create new audiences for advertisers and sponsors, facilitating growth in the sector. The Government welcome the Bill and support it as it moves to the other place. The Bill has had a strong airing in this place and we hope that the other place will give it a fair wind, given its limited but extremely targeted scope, the cross-party support—including all hon. Members here today—and the reassurances that have been given by me and my hon. Friend the Member for Torbay today.

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[Kevin Foster](#) With the leave of the House, I want to thank the Members who have spoken and express my gratitude for the support that the Bill has just received from the Government. It is a welcome measure that will make a difference to many communities across the country, and I am pleased that it will go to the House of Lords with cross-party support, not least given the balance between the parties in the other place. The Bill will have an impact across the whole of the United Kingdom. The previous Bill that we discussed extended to England and Wales, but this Bill will cover the whole of the UK. It will bring the benefits of listening, creativity, diversity and, ultimately, jobs to all parts of the United Kingdom. I am conscious that time is marching on, and there is another Bill that I am keen to discuss in a minute; I want to make some supportive remarks on it. I thank all Members who have spoken. Question put and agreed to. Bill accordingly read the Third time and passed.