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[BBC Future Funding](#)

A submission from the [UCL Institute for Innovation and Public Purpose](#)

1. Summary of the recommendations

To inform the future thinking of the British Broadcasting Corporation as well as the UK Government on the future of the BBC and charting a long-term vision for the organisation, we advance the following recommendations (Mazzucato et al., 2020):

- **Reimagining the BBC's public value creation**
Firstly, it is pivotal to capture and assess the broader range of public values that the BBC creates. To do so, they can be usefully grouped under three categories - namely, **individual, societal, and industry value**, which would allow us to understand that the BBC has created value not only for individuals in their experiences as consumer and citizens; but also for society at large in contributing to a more inclusive, tolerant and diverse culture; and in industry in taking the kinds of risks necessary for new markets to emerge.
- **Re-conceptualisation of the BBC as market shaper**
Secondly, it is time to move beyond the market failure paradigm for public service media organisations like BBC, and understand them also as **market-shapers, as creative and innovative forces** within the market that constitute a third space, a public sphere, independent from state, political and commercial interests, which is critical to the healthy development of innovation ecosystems. Boldly reimagining the BBC as a market shaper would enable us to look at how it crowds in private investments and fosters creative processes through “de-risking” or opening up activity in the media innovation chain.
- **Reconfiguring the assessment and measurement framework for such public value creation**
Thirdly, to assess and measure the value of BBC, a narrow price and value-for-money driven approach is not only insufficient, but it could have counterproductive effects in the current debate around the BBC's future funding. Thus, to overcome the limitations of current assessment frameworks, we explore the concept of **dynamic public value** and considers what would be needed to build a **new analytical framework** that can assess the BBC's role as market-shaper and innovator. The prototype framework advanced distinguishes between direct impact, dynamic added value, and market-shaping effects – across all three components of public value.
- **Defending against “defunding” while demanding accountability**
Finally, to maintain its key market shaping role and foster its public value creation processes, it is paramount the **BBC secures sufficient stable funding with adequate scrutiny and accountability systems**. To achieve this, greater transparency and a widening of the understanding of the real value created from the investment into the BBC is therefore urgently needed.

2. Introduction

Understanding the BBC's contributions to the British economy and society – and the contribution of public value more broadly – requires a new conceptual framework rather than a new funding model. This was the conclusion of the UCL Institute for Innovation and Public Purpose's 2020 research project "[Reimagining Public Value with the BBC](#)" (Mazzucato et al., 2020), whose findings were also published in several articles (Conway and Mazzucato, 2021; Mazzucato, 2021). The research found that rather than viewing public institutions' role as being limited to fixing market failures, organizational structures like the BBC are also market shapers and creators of new markets in the digital and cultural industries, producing value across the public and private spheres.

The BBC reaches around 465 million people globally every week and is one of Britain's strongest and best-known brands serving local, national and international audiences. Its success is both due to its quality content, but also its attention to technological change and setting new standards. In these activities, it has taken risks and created new markets, creating value across multiple domains: for individuals in their experiences as consumer; for society in contributing to a more inclusive, tolerant, informed and diverse culture; and for the broader media industry in taking the kinds of risks necessary for new markets to emerge.

However, the BBC is also facing increasing challenges. In today's globally and digitally convergent landscape, competition is fierce and growing rapidly, while costs of production and distribution are rising and consumer habits constantly changing (Ofcom, 2020a, 2020b). At the same time, the BBC is under public and political pressure in view of its mid-term Charter Review and the broader debate around its future funding system (e.g. Paton, 2020; Sandle and Holton, 2022; Waterson, 2022).

In such fast-moving and challenging context, one question stands out: **what is the role of the BBC and how should we value it?** It is this question – over all others – that should inform decisions surrounding the BBC's funding and future.

To address this question in a comprehensive way, the BBC must be understood not just as a public service broadcaster that *fixes market failures*, but as a dynamic public sector organisation that *shapes and creates new markets*. Reimagining the BBC as a market shaper means moving beyond seeing the BBC just as a content provider. Instead, the BBC plays a range of different roles throughout the media and industry ecosystem, including inventor, investor of first resort, innovator, and platform. In doing so, we broaden the scope of which roles the BBC has played in the past and how it could become even more successful in playing these roles in the future. It is through the lens of market shaping, not market fixing, that we begin to understand the potential of the BBC's public value creation and what implications this has for its funding structure.

3. BBC in a changing world¹

Broadcasting systems have significantly changed since their creation in the 1920s and 1930s. In the first revolution in the 1950s-70s, with the introduction of cable television and later satellite channels, public broadcasting monopolies were broken up by market competitors as audiences started to gain access to an increasing number of services and a variety of content. Fast-forward to today, and users primarily rely on over-the-top (OTT) distribution, 'narrowcasting' and personalised on-demand viewing experiences (e.g. Evens and Donders, 2018). As technologies and consumer habits change, also public service media

¹ Addressing the question n° 1 "How will new technologies and consumer habits change the future broadcasting landscape?"

organisations (PSM) – of which the BBC is exemplary – face new challenges to evolve and innovate in order to stay relevant, retain their audiences and leverage on the potential of this ongoing digital transformation in an extremely competitive environment (European Broadcasting Union, 2018, 2020).

From a theoretical perspective, the ongoing transformation of these organisations has been characterised by a number of researchers as a shift from public service broadcasting to fully-fledged media companies (Lowe et al., 2017; Tambini, 2015), and now to public service platforms (Bonini and Mazzoli, 2022), where the communications means and paradigms have moved towards a more interactive, multi-media and multi-platform offer. Whether this transformation is constrained or enabled by legal remits and regulatory framework, and whether it leads PSMs closer to commercial logics and models, heavily depends on local conditions and national contexts. Throughout these processes it is vital to ensure that any PSM's public service remit is not only up to date but sufficiently flexible to allow innovation and adaptation to the fast-moving digital environment and to deliver value to its audiences (European Broadcasting Union, 2017; Lowe, 2016; Lowe and Martin, 2013).

Setting PSMs apart from their market competitors is a distinctive public interest mission. Achieving this public interest mission in such a fast-moving digital environment not only requires the development of new digital services and the distribution of content on different platforms, but means addressing the more fundamental and structural question of how the core principles of independence, diversity, and universality can be upheld in an ecosystem that is significantly different from the traditional broadcasting industry (Bonini and Mazzoli, 2022; Mazzoli, forthcoming).

However, as also argued by the Manifesto of InnoPSM – the Research Network on Innovation in PSM Policies – to maintain their key role as public value creators and to remain drivers of change requires a continuing commitment to guaranteed funding and stable resources (InnoPSM, 2020: 2–3). Any PSM's remit is indeed closely linked to public funding and other forms of direct and indirect subsidies. As established in 1997 with the Treaty of Amsterdam, public funding should be driven by the scope of activities and mission of the organisation. Too often in practice, however, this relation is reversed: funding shortfalls and budget cut threats tend to drive broader revisions of PSM remits and missions – as is currently happening in the UK context.

The global media landscape has drastically changed over the last decade and in some sense the BBC – facing severe uncertainty over its funding and future – has struggled to keep pace. The BBC launched the pioneering iPlayer in 2007 – when Netflix only started to move away from selling DVDs to its Subscription-based VoD model – and has navigated profound change in consumption patterns as digitalisation has driven a “revolutionary” restructuring of the audiovisual industry, opening up new avenues for innovation (Tambini and Labo, 2016). Despite today's “golden age of TV” being dominated by private sector players like Netflix, Amazon Prime, Apple TV+ and Disney +, the BBC has managed to stay in the game and punch well above its weight, maintaining a high profile and high investment into original and popular content alongside its commercial rivals (Conway and Mazzucato, 2021).

In these activities, the BBC has taken risks, invested in innovation and created new markets. In doing so it has created value for individuals in their experiences as consumers; for society in contributing to a more inclusive, tolerant, informed and diverse culture; and in industry in taking the kinds of risks necessary for new markets, creative ecosystems and supply chains to emerge (Mazzucato et al., 2020). However, to fully understand such value – distributed across multiple domains; located at both a collective and individual level – and to translate this value into a source of stable and adequate funding, we urgently need a new analytical lens and appropriate assessment framework that better reflects the complex and key role of the British Broadcasting Corporation in today's media ecosystem.

4. A public interest mission and purposes²

The value of PSMs is intrinsically linked to their funding, remit and public purpose. Inaugurated in the 1920s with the launch of the BBC, the original purpose of a national PSM was the creation of a third space between state and commercial media – one “that is paid for out of public funds, independent of government, equally accessible to all, provides trusted information and analysis of issues that are of common concern, makes programmes that reflect the diversity and complexity of contemporary life” (InnoPSM, 2020: 2). Throughout the years, this ideal vision of a PSM was then further adopted and adapted around the world. The PSM’s public interest mission and purpose are recognised to be driven by normative principles whose definition and interpretation inevitably varies depending on the context in which they are applied – both in terms of the organisational context of individual PSM, but also the broader economic, political and societal context in which these organisations operate (Mazzoli, forthcoming).

In the UK case, Ofcom has established the so-called “public purposes” for PSM, which are high level principles that should be upheld by PSMs in the UK. For the BBC, these principles have been transposed into its mission to “educate, inform and entertain” – further translated into its five public purposes that are part of its Royal Charter and Broadcasting Agreement (BBC, 2016a, 2016b). While public value is perhaps less explicitly articulated under this Charter, it remains enshrined in processes such as “The Public Interest Test”, which is now used to assure that the BBC is creating public value.

As we have argued in our 2020 study, however, the ways in which public value is currently evaluated and assessed still relies heavily on static notions of value and on a conceptualisation of PSM as market fixer rather than market maker and shaper (Mazzucato et al., 2020). In practice, this approach leads to an inherent tension as these public institutions are “torn between evidencing market value, a concept strongly embedded in commercial logic where success depends on achieving sufficient popularity and embodying its mandate as a not-for-profit institution with values that are in principle contrary to that logic.” (Lowe and Martin, 2013: 20). For the BBC, this tension resides in the balance between maximising the provision of universal services to increasingly complex and fragmented audiences and assessing public value predominantly through static efficiency measures. There is therefore an opportunity for the BBC to provide global industry leadership as a leading PSM and to conceive of a novel perspective on public value and innovation in this context – a perspective that could provide the blueprint for assessing PSMs globally.

So how can this be achieved? To inform the future thinking of the British Broadcasting Corporation as well as the UK Government on the future of the BBC, we suggest two key steps for charting a long-term vision for the BBC: 1) reimagining the BBC’s public value creation and its market shaping role; and 2) reconfiguring the assessment and measurement framework for such public value creation (Mazzucato et al., 2020).

4.1. Reimagining BBC’s public value creation and its market shaping role³

First, in order to understand the broader spectrum of value creation by the BBC we need a measure that can capture the dynamic components that static efficiency measures simply cannot. To do so, we looked at the BBC through a market-shaping lens across different dimensions: types of value; domains of value; and the nature of value (Mazzucato et al., 2020). The two core starting points of this framework are the categorisation of the broad range of public values that the BBC creates (Fig. 1), and the re-conceptualisation of the BBC as market shaper (Fig. 2).

² Addressing Question n° 2 “What is the purpose of a national broadcaster?”

³ Addressing Question n° 4 “How should the BBC change over the next five years to adapt to evolving consumer habits and needs - and what does the Corporation need to do to prepare for the future in the longer term?”

Taking each in turn, public value at the BBC can be usefully grouped under three categories (Mazzucato et al., 2020: 24–28):

- **Individual value:** Individual value relates to the direct relationship the BBC has with every user and licence fee payer. To derive public value, individuals must find BBC content and activity informative, educational, entertaining and useful. In mainstream economic terms, individual value might be described as “consumer surplus”. For example, during the Coronavirus pandemic BBC News served as a vital source of reliable information, with no less than 81 million UK browsers coming to BBC News Online in the week of 16 March (BBC, 2020).
- **Societal value:** Defining societal value in purely economic terms will always be too reductive and should therefore not be described as just a positive externality or by-product of individual value. In this sense, societal value refers to the broader contribution to society, intended as the contribution that the BBC makes to the democratic process, to inform individuals, to create a sense of nationhood, togetherness and social cohesion, to represent the different cultural norms, diverse identities and communities that reflect the richness of UK communities, and to empower underrepresented groups to take a greater stake in the cultural life and political decision-making that constitutes British society. For example, the production of Blue Planet II had wide-ranging societal ramifications: independent research suggests that 62% of the British population watched the series, 88% of which have since changed their behaviour as a result (Waitrose & Partners, 2019).
- **Industry value:** Industry value refers to the contribution the BBC makes to the cultural, media and digital sectors, with an emphasis on the BBC’s continued support of the UK creative industries through investments in original productions, especially local, regional and national productions, talent development, training, and strategic partnerships. The aim is to capture the value created by the spillovers and multiplier effects of the BBC’s own supply chains and its broader support of creative innovation ecosystems. For example, the BBC has led on setting Digital Video Broadcasting standards, such as Second Generation Terrestrial (DVB-T2) technologies. What is more, the BBC supports industry in making the standard viable for manufacturer investment and the building of compatible equipment. DVB-T2 has since been adopted by 166 countries, creating economies of scale for electronics manufacturers selling DVB-T2 compatible equipment around the world (BBC, 2018).

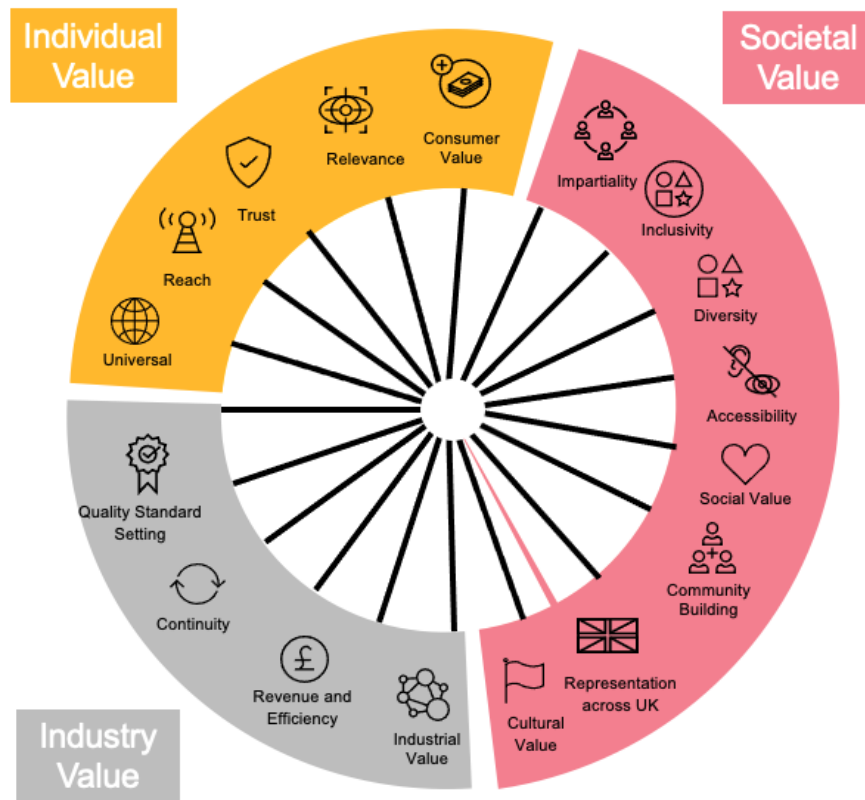


Figure 1. Capturing a broader account of public value in its three interconnected components individual, societal and industry (Mazzucato et al., 2020: 24–25).

Secondly, the study integrated this multifaceted notion of public value with a market shaping lens. Under market-fixing policy mandates, public sector actors, such as the BBC, may not see themselves as critical to the healthy development of innovation ecosystems, but without them, their contribution to public value may be limited to sustaining the efficiency of their existing products and services with the wider catalytic effects of their participation in the market lost. While its Royal Charter and Agreement seeks to minimize any negative market impact, to minimize the crowding out effect, it also clearly sets an expectation of the BBC as a “market shaper”, an innovator, as an organization with a strong and clear mission. Public value creation viewed in this way focuses on the creation of new resources to shape markets and innovation — rather than merely the allocation of existing resources.

Thus, boldly reimagining the BBC as a market shaper enables us to look at how it crowds in private investments and fosters creative processes through “de-risking” or opening up activity in the media innovation chain (Mazzucato & O’Donovan, 2016; Mazzucato, 2013). To do so, we reconceptualized the innovation chain to show the role that the BBC can and does play as an *entrepreneurial public actor* (building on the concept of the *Entrepreneurial State* in Mazzucato, 2013; Mazzucato et al., 2020: 31–32), both through the upstream R&D-end of the innovation chain as an inventor and investor of first resort (e.g. though the invention or development of novel ideas, bold new content formats and new technologies), as well as at the downstream consumption-end, as a mainstream consumer platform (e.g. through the process of turning these inventions and processes into consumer value and economic returns) (see Fig.2). Public value can be created in each of these phases across the innovation chain — and, by strategically managing this across a portfolio, the BBC can then monitor how it seeds new markets, as well as how it efficiently capitalizes on its platform and existing services.

A helpful example of the BBC's role as a successful market shaper is its coverage of the 2019 Fifa Women's World Cup. The BBC's editorial decision to prominently cover the Women's World Cup in the schedule, derived from values such as equality and diversity, and had the spillover effect of creating role models and "normalising" new attitudes about women in sport. This had a range of different outcomes — increased interest in women's sport (with 28.1 million people watching the BBC's coverage of the 2019 Women's World Cup which is 47% of the population) (BBC, 2019). 42% of surveyed viewers had not watched women's football before and 16% said they were more likely to participate in football following the BBC's coverage; as well as other broadcasters also adding more women's sports (improving content outside of BBC) (GfK, 2019).

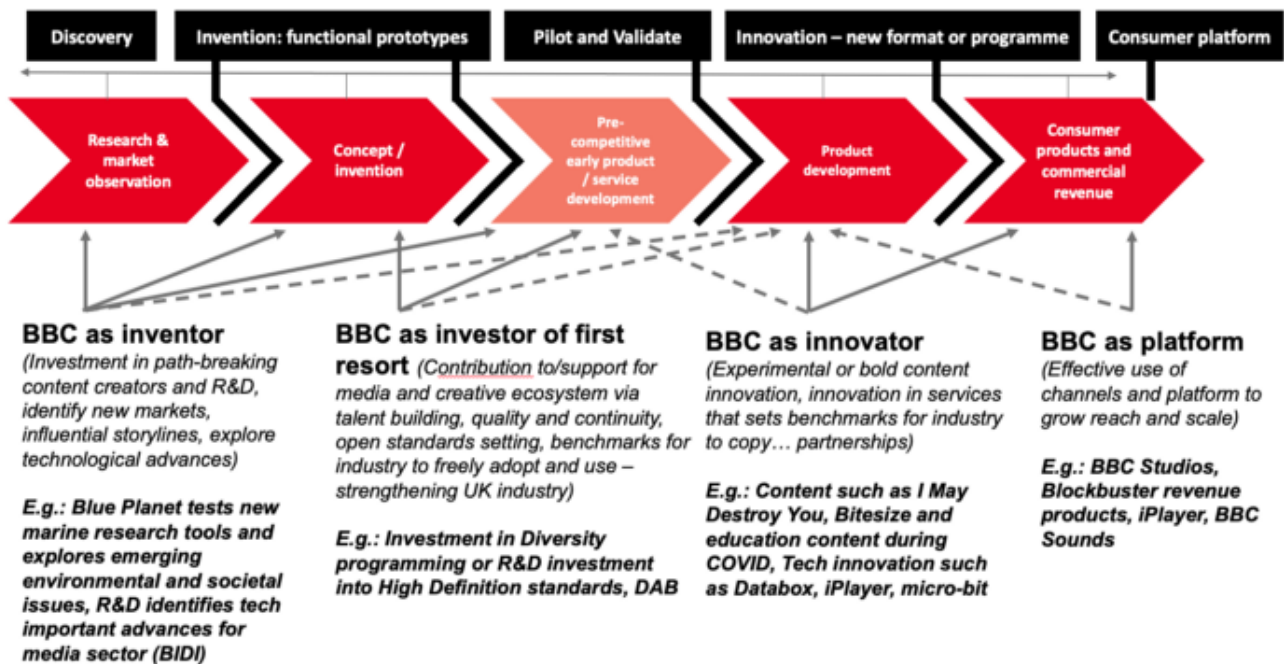


Figure 2. The BBC reimagined as a market shaper

The areas through which the BBC creates value by shaping markets

- **Platform and content** – By investing in creative programming over the last decade the BBC has considerably grown its commercial revenues via BBC Studios through global sales, franchising and partnerships, making up nearly a quarter of its overall income (a total of £1.42 billion in 2020) (Stoll, 2021). Successful shows include Peaky Blinders, Killing Eve, and I May Destroy You.
- **Spillovers** – The production of Blue Planet II led to new technologies for filming under water. For the programme, the BBC Natural History team tested a range of new technologies and filmed ancillary education programmes that have provided legacy benefits for scientific research, as well as underwater technology for the wider media industry (BBC, 2019).
- **De-risking industry innovation** – The BBC iPlayer de-risks investment in internet streaming technology, reducing the investment costs for other companies.
- **Official standard setting** – The BBC establishes new technology that becomes an industry standard, such as Second Generation Terrestrial (DVB-T2) technologies (BBC, 2018).

- **Training and retaining talent** – To support new talent, the BBC makes a £9m annual investment in BBC apprenticeships; an annual commitment of £500k to Screenskills; and an annual commitment of over £250k to the National Film and Television School, which is focussed on outreach to those from diverse backgrounds. Here, industry value is created by setting a skills standard and making highly-skilled talent available (BBC, 2022).

Box 1. The areas through which the BBC creates value by shaping markets.

4.2. Assessing and measuring public value⁴

Reimagining the BBC as public value creator and market shaper is the first step; but how can its value be assessed and measured in an accountable and independent way?

On the one hand, BBC executives and representatives often use the “value-for-money” or “value for license fee payers” argument to justify the BBC’s license fee, which is taken as a proxy for the BBC’s overall value. The BBC itself recently tried to put a “market price” on its goods in the BBC Value for Audience report which defends the £157.50 license fee, stating that “an equivalent subscription to cover all BBC services would cost £453.45” (BBC 2021). While this may be a useful price comparison, it actually obscures the wider social, cultural and industrial value the BBC creates. On the other hand, the regulator and government primarily focus on direct value measures using cost benefit analysis (CBA) or cost effectiveness analysis (CEA), which are useful as “temperature checks” and, when measured over time, can demonstrate changes and fluctuations in value. However, as standalone metrics, CBA and CEA do not provide a narrative or correlative understanding of how the BBC impacts wider public value creation (Mazzucato et al., 2020: 42–43).

As one of us argues in the 2018 book *The Value of Everything*, if we continue to confuse value with price, we will eternally fail to grapple with the deeper questions of what public value really means. If we follow a traditional economist’s “market fixing” rationale, the role of the BBC would be simply to provide universal access to impartial news, factual programming and the arts — like PBS in the USA. But in practice, the BBC is much more than this: it is a creative force within the market, not separate from it. If everything it does is reduced to financial values driven by static notions of efficiency, there could be real and damaging consequences as its “license to innovate” is evermore curtailed (Conway and Mazzucato, 2021). Moreover, a narrow price and value-for-money driven approach has counterproductive effects in the current debate around the BBC’s future funding in leading to a misevaluation and underestimation of its true public value.

Traditional public governance and evaluation tools are designed for accountability and play an instrumental role. However, assessment in this way is often static and captured *ex-post*, as it is “valued for its perceived scientific and technical authority and as a way to legitimize government activities” (Chouinard, 2013). To develop a dynamic assessment framework, the premise of this research was that the BBC is already effective in demonstrating its direct value *ex-post*, but fails to effectively understand its wider value creation, and so the way it is currently appraised is too narrow. With market-*shaping* metrics, the focus shifts to a broader notion of value creation. For this the BBC will need to develop a new perspective that purposefully builds on concepts of “adaptive efficiency” (Song and Simpson, 2018) and “dynamic efficiency” (Kattel et al., 2018; Huerta De Soto, 2008) — looking at the allocative, discovery and creative functions from a new perspective.

To fill this gap, in this timely moment, our study explores the concept of dynamic public value and considers what would be needed to build a new analytical framework that can assess the British Broadcasting

⁴ Addressing Question n° 4 “How should the BBC change over the next five years to adapt to evolving consumer habits and needs - and what does the Corporation need to do to prepare for the future in the longer term?”

Corporation's role as market-shaper and innovator. To do this, we conceived of an analytical framework that distinguishes between direct impact, dynamic added value, and market-shaping effects – across all three components of public value (Fig. 3). By developing these value frames, it is possible to explicitly state a direction of travel for value creation, addressing the *ex-ante* question of what kind of markets we would like to shape. Following through the framework, measurement happens at three levels (Mazzucato et al., 2020: 41–45):

- 1) **the direct layer**, which constitutes the essential baseline, through **direct value metrics** that are widely understood within the BBC. Such metrics track scale, reach and value-for-money (through more traditional impact assessment analysis) and without these foundational elements, the capacity to deliver widespread public value is questionable. Examples of direct measures for the three types of value include, but are not limited to:
 - *Individual value*: reach (including among the harder to reach), time-spent, awards and appreciation indexes, hours of content, quotas of commissioned and original productions, cost per viewing hour (including among less well served), willingness to pay/ willingness to accept.
 - *Societal value*: willingness to pay/accept, deliberative research and ad-hoc audience research (e.g. consumer surveys measuring performance against the mission and public purposes).
 - *Industry value*: measures of employment (direct and indirect), investment in companies in the supply chain, aggregate net changes in profitability of suppliers due to BBC production.

- 2) **the “dynamic” layer**, which accounts for the spillover effects of activity, through **dynamic indicators**. Dynamic indicators refer to those metrics that show how the organization is responsive to audience and market signals, highlighting promising and beneficial activities that need further resourcing, or providing warning signals on projects, showing areas for improvement, lack of traction and weak signals of value. Examples of direct measures for the three types of value include, but are not limited to:
 - *Individual value*: audience engagement, applied data analytics that show user activity and journeys.
 - *Societal value*: Tracking growth or decline in underrepresented audiences, ripple effects correlated with BBC activity (e.g. participation in sport).
 - *Industry value*: Tracking investment and follow-through of industry-wide innovation, collaborative partnerships, spillovers from BBC activity (e.g. new talent / capability).

- 3) **the “market shaping” layer**, which looks at how value is catalysed by the BBC and co-created with others through market-shaping effects and ecosystem-wide dynamics rather than efficiency metrics. Market shaping requires an explicit direction toward a desired outcome. Indicators of market shaping cannot be linear, but rather require systems thinking which considers how the BBC's actions impact its ecosystem. Not everything the BBC does will be market shaping — so rather than a single market-shaping framework, embedding the concept into an end-to-end process from option appraisal to evaluation will make identifying evidence

considerably simpler. Examples of direct measures for the three types of value include, but are not limited to:

- *Individual value*: Behaviour change (e.g. reduced use of plastics after Blue Planet II), Community cohesion (e.g. increased feelings of individual connection to British society).
- *Societal value*: Shift in population attitudes towards e.g. women playing sports as a result of broadcasting female players on television; BBC investments in data and evidence directly informing and impacting public policies based on social habits and behaviours.
- *Industry value*: Spillover effects from positive externalities which benefit domestic UK broadcasters (i.e. ITV and Channel 4 benefits from the BBC's presence in the market), de-risking industry innovation (e.g. launching iPlayer de-risks investment in internet streaming technology, reducing the investment costs for other companies), official standard setting processes.

This framework is not a definitive single point solution, rather it is an early stage prototype that proposes a combination of different metrics, including direct measures, dynamic indicators and market-shaping indicators, which can be used to pursue *ex-ante*, and evaluate *ex-post*, the creation of public value. This would in turn create an adaptive learning process for new services and strategies, where evaluation becomes iterative and requires ongoing and reflexive assessment of whether the system is moving in the right direction via achieving intermediate milestones and user engagement. Thus, this framework could be seen as a wireframe through which the BBC could test various measurement methods, starting in a controlled environment with a selected sample of services and/or projects, and eventually developing it into a scalable framework that can be applied at organisational level. One of the options to do so that we are currently exploring is through a collaboration between BBC and the UCL IIPP Policy Lab.

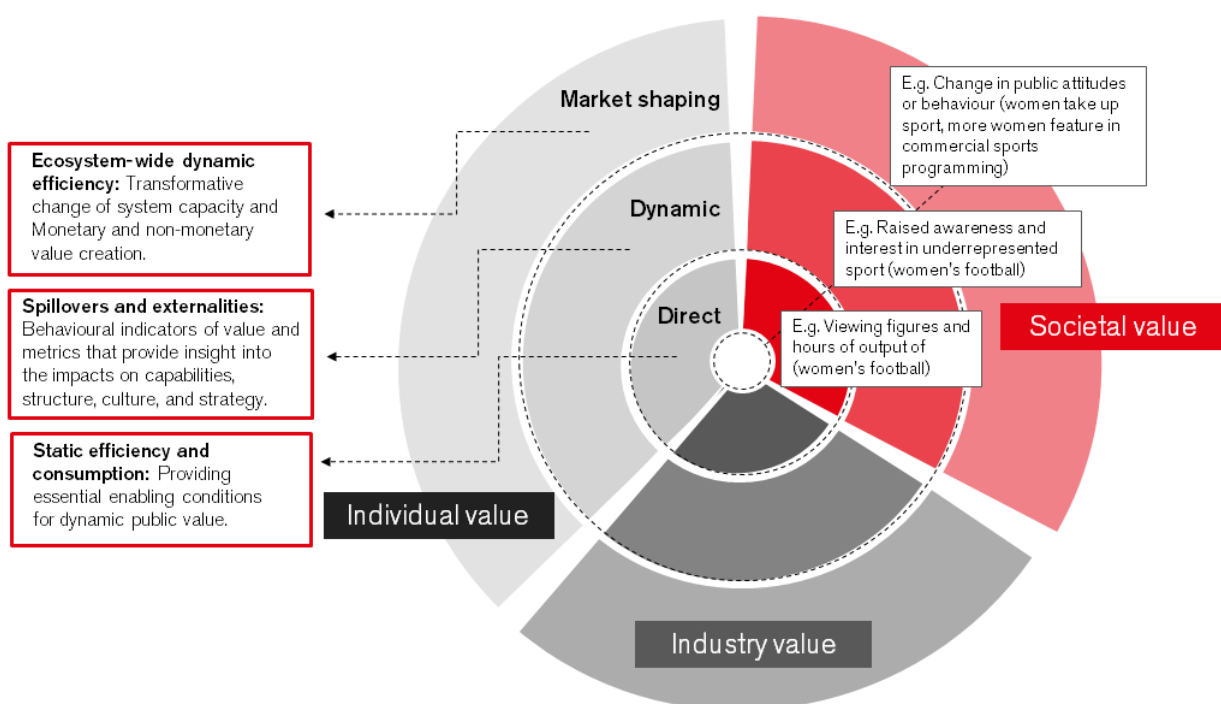


Figure 3. Building blocks of dynamic public value creation (Mazzucato et al., 2020: 42)

5. Defending against “defunding” while demanding accountability⁵

To conclude, this contribution is not meant to be an uncritical defence of the BBC. On the contrary, it is important to note that we fully recognise that this is an institution like any other: not without its flaws. However, defending its place in British society is vital. Fundamentally as a public body it is accountable to its citizens; its Charter is there to ensure it works in the public interest. There will always be room for improvement, not least in managing concerns raised about bias, misrepresentation and impartiality; and there are undoubtedly internal decisions to be taken on organisational structure, efficiency, process and executive pay (Conway and Mazzucato, 2021). To maintain though its key market shaping role and its function as a third space, a public sphere, independent from state, political and commercial interests, it is paramount the BBC secures sufficient stable funding with adequate scrutiny and accountability systems. To achieve this, greater transparency and a widening of the understanding of the real value created from the investment into the BBC is therefore urgently needed. By building new evaluative tools, the bigger picture can also be grasped by the government and the regulator — expanding Ofcom’s understanding of the public value of the BBC’s services and performance (Mazzucato et al., 2020: 52).

As Mazzucato and Conway (2022) previously argued, the lessons from this go beyond those for the BBC. Alternative methods of evaluation are needed for all public investment.⁶ We must think more deeply about public value. We need to ask what governance structures are required in public and private organisations that can combat the challenges facing us with climate change and health innovation. While there is much talk about purpose in corporate governance circles, so far we are not seeing change. Real change will come about when purpose is nested within organisational structures and interrelationships between public and private — and when public value goes beyond theory and becomes best practice.

While budgets come and go, organisations don’t. They can take decades, sometimes a century, to build. If a cultural or ideological war gets in the way of intelligent conversation and debate, organisations can come under attack and get weakened in the process, and have difficulty coming back. Given the softpower, global branding, and market shaping influence of the BBC, this intelligent debate is needed more than ever to make sure it continues to thrive, guided by dynamic metrics of public value and public purpose.

6. About this written evidence submission

This written evidence submission is based on Mazzucato, M., Conway, R., Mazzoli, E., Knoll, E and Albala, S. (2020). *Creating and measuring dynamic public value at the BBC*. UCL Institute for Innovation and Public Purpose, Policy Report, (IIPP WP 2020-19).”

7. About us

The UCL [Institute for Innovation and Public Purpose](https://www.ucl.ac.uk/bartlett/public-purpose/publications/2020/nov/alternative-policy-evaluation-frameworks-and-tools) (IIPP) is a department within University College London (UCL) — founded in 1826 to solve grand challenges — and part of The Bartlett faculty, known internationally for its radical thinking about space, design and sustainability. We apply our critical thinking

⁵ Addressing Questions n° 3 “What principles and priorities should inform the choice of the BBC’s funding model? And how would any alternative funding models affect what the BBC can provide?” and n° 5 “What actions and consultations are needed from the government to inform its future BBC funding plans?”

⁶ Another practical example of how this can be done is shown in the recent work that IIPP did with the Better Regulation Executive at the Department for Business, Energy and Industrial Strategy, to identify alternative policy evaluation frameworks and new tools for the Treasury Green Book. This work analysed a spectrum of alternative policy evaluation and appraisal methodologies looking at ways to capture the value created when dynamic, market shaping innovation oriented policies are implemented (see: <https://www.ucl.ac.uk/bartlett/public-purpose/publications/2020/nov/alternative-policy-evaluation-frameworks-and-tools>).

to research and thought leadership; teaching and training; influencing public policy; and engaging the broader public.

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