



Communications and Digital Committee

Corrected oral evidence: BBC future funding

Tuesday 1 March 2022

2.30 pm

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Members present: Baroness Stowell of Beeston (The Chair); Baroness Bull; Baroness Buscombe; Baroness Featherstone; Lord Foster of Bath; Lord Griffiths of Burry Port; Lord Hall of Birkenhead; Baroness Harding of Winscombe; Lord Lipsey; Baroness Rebuck; Lord Vaizey of Didcot; The Lord Bishop of Worcester.

Evidence Session No. 2

Heard in Public

Questions 16 - 26

Witnesses

I: David Goodhart, Head of Demography, Immigration and Integration, Policy Exchange; Polly Mackenzie, Chief Executive Officer, Demos; Rory Sutherland, Vice-Chairman, Ogilvy UK; Dr Adrian Wooldridge, Global Business Columnist, Bloomberg.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

David Goodhart, Polly Mackenzie, Rory Sutherland and Dr Adrian Wooldridge Lee.

Q16 The Chair: This is the Communications and Digital Committee, and our current inquiry is into BBC future funding. As I said at previous sessions, these early sessions are to look at the bigger picture. Today, we have a panel who can talk to us about social trends, changing landscapes and how they influence people's expectations, and the role and purpose of the BBC in today's world and the near future. Before we get to questions, could each of you introduce yourselves?

Rory Sutherland: I am vice-chairman of the advertising agency Ogilvy and a columnist for the *Spectator*.

Polly Mackenzie: I am the chief executive of Demos, which is a think tank.

Adrian Wooldridge: I am the global business columnist for Bloomberg.

The Chair: Thank you very much. We are also expecting David Goodhart; I imagine he has been caught up in the transport problems we are experiencing because of today's Tube strike. I am sure he will be with us shortly.

I will start with the first question and will ask it of each of you, directed at Rory in the first instance. Can you talk us through the main trends and issues you see shaping our society over the next 10 years? How will they make the concept of a national broadcaster more or less important than it has been in the past? How might that change?

Rory Sutherland: How shall I describe it? First, the definition of a national broadcaster probably needs to fragment, in that there are various reasons why you may want a national broadcaster, one of which is water-cooler television. A strange property of TV is that the more people who watch something, the more value it acquires, because television is a shared good in many ways. It is rather like a nightclub; the other people attending contribute to the overall enjoyment of the content. This is unusual in economics. Usually, other people diminish the value of something, if they consume it rivalrously.

It is also worth noting that the technology that made it necessary to fund the BBC in the way it currently is no longer applies. In other words, television of its nature had to be free to air when the BBC was launched, which is also true of radio.

I will caveat everything I say about viewing figures, because 10 years ago I met a very senior person from Nokia who told me that it was likely that people would watch a lot of television on their mobile phones, which I thought a slightly bizarre suggestion at the time. Our ability to predict viewing patterns and behaviour is extremely difficult; it is very complex.

It is worth noting one thing that has changed. Ten years ago, if you claimed never to watch the BBC, you were probably lying, as it was

largely implausible. If you said such a thing now, you are probably lying still, but it is just about plausible now. By the way, people are very bad at recording their past viewing patterns.

As for wider trends, I suppose I have to mention Covid, but peer-to-peer video is very interesting in remote working and videoconferencing. It is interesting because it took Covid to get the behaviour to critical mass. The technology is tediously old, but the behaviour is new. That is interesting.

We have to ask why higher education is still delivered effectively in a medieval way. Even when I was at university in the late 1980s, it occurred to me that you might be able to video lectures. It was not beyond the bounds of technology even then.

With increasing wealth, we also have a fragmentation of taste to some extent. In the 1950s and 1960s, broadly speaking, rich and poor people wanted the same things and rich people bought more of them. Now, there is perhaps a signalling value to adopting slightly abstruse or unusual tastes. The fragmentation of general taste and the use of content for its signalling value is a trend we should bear in mind.

As an overall general trend over the next 10 to 15 years, I see the world being less optimised towards optimism, if you want to put it neatly. Smugly, perhaps, over the last 20 to 30 years we have assumed a perfect future. We have reached up to the shelf and found a couple of economic models that fit and effectively optimised on the basis of future perfectability. That has proven risky, and I do not think we will be doing it as much in the future.

Polly Mackenzie: I do not want to talk about media consumption trends in particular, because Rory has given us a hint of that. I am interested in what makes a nation and a demos—a sense of a people. We often talk about democracy being “the will of the people”, but to me it is “the will of a people”. That sense of nationhood, togetherness and unity is at the heart of what makes a democracy work.

The trends we are facing are challenging for the sense of common destiny and shared purpose that we need if we are to make the compromises necessary to live in a complicated and changing world. The trends that I worry about include media consumption trends and the massive diversification that is driven in part by technology and in part by the diversification of our peoples. I celebrate and welcome that, but we should not pretend that it does not have consequences.

One of the greatest challenges is that, for the first time in human history, five generations are alive. That is a remarkable thing to have and to hold together, and we do not even let the under-18s vote. We have increasing diversity of cultural taste, religious background and media consumption, with increasing challenges to our sense of a shared understanding of what the truth is and what facts are. I do not think we can hold back the trends of this hyperpersonalisation. Technology is enabling the personalisation of so much. It is algorithmically driven and has the potential to push people towards extremes, but it is affecting so

much of how we interact and everything we buy and do. We can buy different items from different screens at different prices without ever having to smile politely at a shop clerk. We can get over the social interactions of an economy.

I think about the scene in "The Full Monty", where a group of steel-workers find something of their identity again standing in the dole queue and dancing together. When you claim your benefits now, you interact through a computer screen. It is you and the computer. That sense that you are interacting with others by accident, through the nature of public service design in a geographical space, has gone. We cannot hold back these trends.

Just as a world with cars perhaps requires us to think about obesity and an active travel policy in a way that we did not before we had cars and everyone had to walk, we are in a world in which our economic, social and public service experiences are incredibly diverse and individualised, in the nature of interactions we have with others in simply going about our daily lives. We are able to live in bubbles of people similar to us, so we might need to think about nation-building much more proactively than we have. If you assume that a nation is a giant membership group and your approach to making people feel loyalty to that group is "Like it or lump it. Sod off to France if you want to", how are people going to feel a sense of solidarity between citizens and towards the nation?

Public service broadcasting has a vital role to play in the way we come together as a nation but, as Rory has said, it is extremely difficult to figure out how to do it in this modern age, because all the reasons why it is more important are precisely the reasons why it is harder than ever. Two national institutions unite us in this country, even though both irritate plenty of people plenty of the time. They are the BBC and the NHS. We need to be cautious about the thought that we do not need them anymore, because everything is more diverse. In fact, perhaps we need them more because everything is more diverse.

Adrian Wooldridge: I will talk about five things, three of which are very bad for the BBC and two of which are very good for the BBC. The first is choice and exit. We have a massive amount of digital choice, and part of having choice is that you can just get out of something that you do not like. You can exit from it. This is the opposite model from the BBC, which is inclusive, so is a philosophical challenge to the very notion of the BBC: if you do not want it, get rid of it. That is inexorable, in the sense that we are not going to have less choice over media, both in what we consume and where we consume it.

The second factor is economic stagnation. We are in for a decade of very low growth. We have had low productivity growth in this country for a long time, and sustained low growth produces resentment. That resentment expresses itself in bashing things that are there to be bashed, and the BBC is the perfect bashing thing. The left can find reasons to bash it and the right can find reasons to bash it. We love to hate it, and we constantly bash it. There will be more of that. If your

alternative national institution to bash is the NHS, you will always go for the BBC.

The third thing is polarisation and culture war. That will get only worse, partly as a result of this stagnation and partly because it is politically very useful to fight these culture wars. Both sides are very determined. These culture wars are getting into more and more sensitive and difficult issues, particularly gender identity, which creates an enormous amount of fury.

The BBC is damned as a national institution whatever it does on those things, because it is trying to straddle a divide which it is impossible to straddle. I think the BBC has a tendency to think about the classical political divisions of left and right, and to negotiate them in those terms. The culture-war divisions are much deeper, much more complicated and much more dangerous for any institution that claims to be national. It is not very good at dealing with those.

There are two things that are good for the BBC. The first is the sense of community—the reverse side of atomisation and choice—and the rest of it, a longing for community; we see this whenever England plays and fails to win the World Cup. There are moments of coming together; we saw it during the Covid crisis and with Prince Philip's death, and we will see it with the Queen's death. That is a chance for the BBC to assess its role as something that draws together an otherwise fragmented and commercial society.

The second thing that is good for the BBC—actually, immensely good for the BBC—is the ageing of society. Part of our long-term stagnation is that we are an ageing society, and the one thing we know about broadcasting is that the people who watch the BBC are old. The older you are, the more likely you are to watch the BBC. People of 60 or 70 or more watch seven hours of BBC television a day. For people in their twenties, the number is rather different. It is one of the great paradoxes that, as you get older, you become more Tory and more dependent on the BBC for your information. I do not know why the Tory party is fighting this strange cultural war against the BBC, because the BBC's viewers are its voters, basically.

Those are the two good things and the three bad things, in my view.

The Chair: Thank you. Mr Goodhart, I am sorry that we started without you.

David Goodhart: Not at all. I am sorry I am late.

The Chair: No, not at all. Before you answer, could you introduce yourself?

David Goodhart: Yes. I am a journalist, first and foremost. I worked at the *Financial Times* for many years. I set up a magazine called *Prospect* in the early 1990s and edited that for 15 years. Since then, I have been working part time at think tanks—first at Demos, which Polly now runs, and now at Policy Exchange. I have written a couple of books: the

anywhere/somewhere *The Road to Somewhere* and, most recently, *Head Hand Heart*.

The Chair: Thank you. You were not here when I asked the question, but you have probably gathered that we are asking you all how you see the social trends and the changing landscape and how they might impact on the purpose of the BBC in the future.

David Goodhart: I agree with most of what has already been said, and quite a lot of what I was going to say has already been said. I will just trip through a few points.

Obviously for a national institution like the BBC, particularly one that deals quite a lot of the time in news and opinion, the much greater value diversity—the diversity across all sorts of different spectrums that we have seen in the last 20 or 30 years—creates a real problem. We are richer and therefore more individualistic. As others have said, we are more value diverse, and we are generationally diverse; as Polly said, five generations are now alive. We are much more ethnically diverse; about 20% of the UK population is now not white British—it is about 25% in England—and nearly a third of all school children in England are not white British.

Although most people welcome that in the abstract, it has led in some parts of the country to a sort of hunkering down and a much greater awareness of ethnic difference, exacerbated in some ways by the relatively recent much greater focus on identity in the political sphere. We are also much lonelier than we used to be. About 8 million now live alone, and something like 38% of British people say that they sometimes feel like a stranger in their own country.

There are all sorts of other trends that are much more positive, but in my gloomy moments I look across the Atlantic at the United States and wonder whether we could develop our own version of the red state/blue state distinction that has evolved there and that seems to be tearing politics apart.

Blue-state Britain would be metropolitan—big-city London and the other big cities. It would be value-diverse and very ethnically diverse—most definitely, minorities would live there and do live there, as would well-educated white professionals, and the ethos would be much more liberal modernity and much less attachment to tradition, even to national norms.

Red-state Britain, on the other hand, would be small-town, suburban, rural, much more ethnically homogenous, with fewer graduates and much less well educated. Of course, we saw some version of this in the Brexit vote.

I think the question is how the BBC avoids doing the splits. It cannot take sides in these great value divides, which I think are out there. Indeed, I think part of the function of the BBC is to act as a kind of bridge between these two great versions of my anywhere/somewhere distinction. I think the accusation that there is a liberal metropolitan bias in the BBC is completely justified. The good thing about the BBC's liberal

metropolitan bias is that is now much more aware of it than it used to be. This is obviously rather anecdotal, but whenever I turn on Radio 4 when I am in the car, half the time they seem to be talking about trans issues or white privilege—literally 50% of the time; I might just have had bad luck.

David Aaronovitch is regarded as a completely neutral arbiter of debate. I think his “The Briefing Room” is pretty good, actually, but I know him quite well and I can see the biases. The phrase “climate catastrophe” is routinely used on the BBC without any inverted commas or explanation; it is just as though it is a given that we are heading for a climate catastrophe.

As I say, I think the BBC is a lot more aware of its bias than it used to be. I had some personal experience of this more than 15 years ago, when I wrote an essay in *Prospect*—the magazine I then edited—about the tension between diversity and solidarity in Britain. It was reprinted in the *Guardian* and it caused a bit of a furore. I was leapt on by the BBC. Every time there was a programme about immigration or multiculturalism, it was, “Here’s somebody who is basically one of us. He’s sort of liberal, but he’s quite sceptical about large-scale immigration and multiculturalism”. I could have spent my entire life appearing on BBC programmes at that time. Fortunately, that period has passed.

Two recent events have in some ways been helpful to the BBC’s “doing the splits” problem. One, counterintuitively, perhaps is Brexit. Again, it became a bit more self-aware of the metropolitan bias. The whole country has now become more aware of some of these divisions and more sensitive to them. We have become more aware of how, as a country, we need to overcome them. In some ways, the old leaver/remainer divisions remain, but in other ways I think we are seeing shifts. There has been a much more relaxed attitude to immigration post the end of free movement, as people think that the situation is under control. Anxiety about immigration, at least for the time being, has declined quite a lot, although it is creeping up, partly because of the channel.

The other thing, as Adrian said, is the pandemic. Most of the polling on the pandemic I have seen shows that nearly two-thirds of people think that it brought us together more than it divided us. As somebody said, in this more diverse, potential red/blue divided state, the BBC is more important than ever. That then begs the question of how it continues to work away at reducing our liberal metropolitan bias, so that more of the country feel that their voices are there, as well as the completely legitimate liberal metropolitan one. How does it exploit its position on things like “Strictly”? As Adrian said, we love being different, but we also love coming together in those great moments, for which the BBC is still essential.

Q17 The Lord Bishop of Worcester: Thank you very much indeed for coming and for what you have said already, which is really helpful. I want to tease out further something of what you were saying about fragmentation. It is sometimes observed that our society has never been

more divided than it is now. I struggle with that a bit, having lived through the days of Margaret Thatcher and Arthur Scargill, but it is no doubt true that we are more diverse. You have referred to that and, Polly, you referred to diversity of taste. I wonder whether that is necessarily a bad thing or means that a national broadcaster cannot function. I have very good friends who have very different tastes from me—in my book, they have no taste—but the BBC has long recognised diversity of taste. That is why we have Radio 1, 2, 3, 4 and so forth. Is it impossible to hold it together now and will it be in the future? Are the culture wars really more polarising than in the Thatcher/Scargill generation to which I referred?

I am always a bit worried about predicting the future by means of extrapolation, but my other thinking on this is what will happen as a result of what is going on in Ukraine. We have seen a coming together of the West in a way that has not happened for a very long time and a recognition of the precious values that we hold in common. Will that be a change that is more influential than the divisions that exist within our society? Does this fragmentation need to threaten the national broadcaster and will it continue? Polly, will you start, as you talked about diversity of taste?

Polly Mackenzie: I agree with you entirely that it must not. The argument is that we all want different things and are all consuming them differently. We had an argument in our office yesterday about whether radio has any value at all—honestly, some people. That diversification of our needs is a reason for us not to have the BBC. The BBC will have to adapt, and there is no question that it has, with some of the innovations in its output. The explainer videos by Ros Atkins, for example, are transforming what news content looks like. These are not full bulletins, but useful bite-size chunks.

There is no question that it has to diversify; the question is whether, if everybody gets a different version of the BBC, it still feels like a BBC and something that holds us together. That is a challenge. It is probably a challenge for branding and for us to recognise the genuine value of that. It is using the tools and techniques that advertisers have algorithmically—Rory will be able to speak about this in much more depth than I can—to pull us towards the content that we want.

YouTube works by pulling us away from the mainstream. What if the BBC works in the opposite direction to help people pull together? Instead of going from a video about vaccines to a video about how vaccines might be dangerous to a video about anti-vax, what about going in the other direction? How could the BBC get involved as an anti-disinformation service like that? That is an interesting question, but not an easy one to answer.

Rory Sutherland: It is interesting that, when the BBC annoys people, we are generally talking about a small segment of society being very angered by BBC news, which is a very small proportion of the BBC's budget. What the BBC spends on radio and news is a kind of rounding

error. Nobody is really angry about “Strictly Come Dancing”, for example.

Lord Vaizey of Didcot: You would be surprised.

Rory Sutherland: You might be right. I am a non-participant; I do not watch it. But there are some interesting questions here, one of which is whether there is also an opportunity for the BBC to produce media that currently does not exist at all—in particular, local television, which has completely failed. I think I am right to say that Birmingham, Alabama, has a population of 200,000 and two local TV stations. Birmingham, England, which has a population of 2 million, does not have one. It might do now.

Lord Vaizey of Didcot: It was a terrible line used by Jeremy Hunt to roll out our pathetic local TV programme.

Rory Sutherland: But it is a strange thing. There is also a question about media and news bias. Robert Cialdini wrote that most bias does not manifest itself in the views expressed but in what is paid attention to. The extent to which stories are made big or small is a much more pernicious form of bias, in many ways. As an example, perhaps 30% of the population think that the Downing Street parties were bad, but that they are a page-five story. They do not think they deserve to be leading the news for two or three weeks in a row. I work in advertising and they do not even constitute a party, in my view—barely a meeting, to be honest. The presence of tinsel barely qualifies as a serious meeting. None the less, the relative attention and the biggest bias in news is negativity bias, in that every journalist is trying to be Woodward and Bernstein.

In sympathy to you guys, when I first came into this building I was surprised to see cross-party groups of people like this sitting down and collaboratively trying to solve problems using all the intelligence and good intent at your disposal. It never occurred to me that the entire place was not dominated by factional in-fighting and absolute fury. The extent of the negativity bias in news is interesting. The only things in the news media that provide any optimism are local news and advertising. That is it. Our job as an advertising agency is to provide small smatterings of optimism in between the generally dismal portrayal of life on which the news media focus.

Part of that is not totally the journalists’ fault. It is because bad news is fast and good news is slow. Things that improve tend to improve over five, 10 or 15 years. The eradication of severe world poverty has been a consistent pattern of life, but it has been very slow. As a result, it is not newsworthy. Most people think the world is getting poorer, for example.

There is a fundamental problem there, but it is worth noting that this is a small part of the BBC’s budget. I worked out that the salaries of a couple of BBC1 celebrities could effectively fund Radio 4 for a month. It is interesting that the bit of the BBC that really riles people is not the recipient of most of the money.

Adrian Wooldridge: There are two very different forms of fragmentation, which have very different logics. One is fragmentation of consumption habits, which is technologically driven. You can watch pretty much whatever you want, wherever you want. That is a fact of the world and is very bad for the BBC; it undermines its logic and erodes its viewer and listener base. As I said earlier and say again, the number of young people who watch is much smaller than the number of older people, because they live in a different media environment. The BBC is one among a vast number of choices and they do not have habits that will direct them to the BBC.

The second form of fragmentation is over values. I do not see why that would necessarily make it impossible for the BBC to be a national broadcaster. I do not think it does, because there is a sense of *e pluribus unum*. One set of values is dominant, with commitments to liberalism, freedom, racial equality and all other forms of tolerance. These values are very widely shared. Even people who differ significantly on smaller things agree about them.

As you mention—quite rightly—we have seen with Ukraine an assertion of what makes us British, in a sense, or western. So technology is bad, but values are not necessarily bad.

David Goodhart: Your point about Thatcher and Scargill is true, but I note the whole post-war period leading up to that time and immediately afterwards, when social class and economic divisions were the key motors of politics. It is a lot easier to come to compromises over economic differences; the left wants a 20% increase in public spending and the right wants no increase, so you can compromise on 10%, to put it crudely. It is much harder to split the difference on cultural differences.

I do not think that the BBC should be complacent. Contrary to what Rory was saying, there is quite a lot of evidence. Ofcom has done some work that shows that a very large minority of the population, and on some issues even a majority of the population, is quite alienated from and disillusioned by the BBC. I do not have the numbers to hand.

The BBC has made a mistake in chasing younger audiences and viewers. I was shocked when Covid came along: I had not watched the 6 pm or 10 pm news for decades—I used to watch them religiously, but you grow older and life happens, and you stop watching—and I was horrified by how tabloid and emotional it was when I went back to watch it. For the first few weeks in particular it seemed that half of the programme was people weeping. I lived and worked in Germany for three and a half years, and I speak German, so I watched German and French TV, which I thought were hugely more authoritative in their basic coverage of the crisis.

On the idea that we do broadcast news brilliantly, I think that we throw everything at things like Ukraine but tabloidisation has affected much of the mainstream media. This is one of the reasons why all of these intelligent podcasts have arisen: a lot of people feel that they are not being catered for. I think it was James Purnell who suggested that one option for the Government is to suggest that the BBC takes over Channel

4, so that it could have its hysterical youth wing there and the mainstream BBC can be serious and not emotional and tabloid in its presentation of news of current affairs.

Q18 Baroness Buscombe: Thank you very much. Some of this is music to my ears. I was educated by the BBC but—it is a huge “but”—I see life through the prism of radiators and drains, and I think that we are talking about drains here. I know huge numbers of people who love the BBC but do not listen or watch anymore because it is so negative. This is not about bias, which exists everywhere: it is on our Cross Benches in the House of Lords, which are supposed to be apolitical but are not, believe me. I hope that this is all being broadcast.

The truth is that there is a real concern out there that so much of what the BBC produces, delivers and presents is so negative that it is depressing, and people then turn to other stations. You cannot find any decent programme on business on the BBC—it is as if “business” is a dirty word. Only programmes like “From Our Own Correspondent” are even a little intellectually stretching, in terms of the world that we inhabit. That is one of the problems with Brexit: the BBC had ignored the EU for 40 years.

Do you think that we should focus less on bias, in terms of thinking about what a national broadcaster needs to think about over the next 10 years? People are generally aspirational, so should not the state broadcaster be much more aspirational and intellectually challenging, rather than talking to us all as if we are five years old and not very bright?

The Chair: I am conscious that we have quite a lot to get through, so could you direct that to just one person?

Baroness Buscombe: I will choose the nearest person to me: David Goodhart.

Lord Vaizey of Didcot: It is directed to the nation.

David Goodhart: I think that there is that pessimism, but a pessimism bias is inherent to journalism generally—although it seems to have got worse. It is counterintuitive, in a way, because, as a society, we have become somewhat better educated. We can exaggerate the extent to which we have: the fact that 50% of school leavers now go to university does not mean that they are necessarily hugely better educated than their parents who did not go. None the less, news and current affairs should be becoming more serious, not less, as a result of that.

However, quite a lot of research has shown that better-educated people tend to be more ideological, even in the minimal sense that they tend to have relatively coherent world views, like most of us in this room. Most people do not: they are a little bit to the left here and a little bit to the right there—

Rory Sutherland: You cannot afford a coherent world view if you are poor. It is a bit of a luxury good or belief.

David Goodhart: Yes, most people do not have one. But the more educated you are, the more consistent you are, even if you are only consistent in your inconsistency. Young journalists are bound to be graduates and are probably mainly graduates of Russell group universities—this has been true for decades—and they will carry all sorts of biases, including the pessimism bias of the social justice warrior, which is that the world is a vale of tears and we have to do something about it.

Adrian Wooldridge: There is no pessimism bias: it is called realism.

Polly Mackenzie: We have fallen into Rory's trap of talking about the BBC's news and current affairs output. That is an important matter that is obviously relevant to the purview of the committee, but the BBC also has a drag race, which is not very pessimistic.

The Chair: That is a good point. This is not meant to be a hearing about analysing the BBC's current output, as important as that is.

Q19 **Lord Foster of Bath:** I will direct this question to Rory, because we have all fallen into the trap, as Polly said. Very early on, Rory said that the definition of public service broadcasting should be fragmented. If you or others have views, they can write to us.

The conversation has been about the huge fragmentation of our society: different values, views, opinions and so on. We are well aware that, with modern technology, there has been a huge range of opportunities to cater for lots of these things, from internet radio, potentially local TV—the first attempt at introducing this was a bit of a screw-up, but it will come—different music stations et cetera. Very few of them are public service broadcasters.

The question really is: should we also fragment the delivery of public service broadcasting? Everyone has tried to say, "Can the BBC continue to meet this fragmentation?" Perhaps we should not bother, or perhaps we should have a contestable fund—as was once suggested by someone who has already been referred to—with some god up there deciding which bits of money should go to which things to meet what they define as public service broadcasting. Should we give up the old model and change to something new? I will ask Rory first, because he started it off.

Rory Sutherland: I genuinely do not know. I honestly have to answer that way. There is a reason for asking whether it is separable, because you have multiple functions. A very large part of the BBC's function is experimenting with a kind of programming that would not otherwise get produced, some of which will turn out to be extraordinarily successful. It has produced extraordinarily global properties with programmes that were almost non-starters at the very beginning. So that experimental role is important.

Then you might argue that there is an impartial news role. There is a kind of national town-hall role. You see viewing gravitating towards the BBC for things like Queen's Speeches, coronations, World Cup finals—

those kinds of things. There tends to be a strong centripetal urge for people to watch the same thing at the same time on certain occasions.

You could argue that those things are separable and ask whether it is fair to make everybody pay the same. It is regressive as a tax in some respects to make everybody pay the same amount. You might argue that the BBC can also make money by offering premium versions of what it does, with a back catalogue and other functions. How to do that? I genuinely do not know.

One of the great criticisms of the BBC was that you had to pay by making an annual payment—a terrible mistake, by the way; if the BBC had introduced monthly payments quite a lot sooner, some of the pain of payment would have been significantly reduced. What is amusing is that Netflix, Amazon Prime and Disney+ have all come along with pretty much exactly the same model: it is monthly subscription rather than pay-as-you-go.

Logically, you would think that people would want to pay for content one programme at a time or one film at a time, but provably they do not. Interestingly, one thing that the BBC or government could do is demand that we have the equivalent of the pay-as-you-go mobile phone tariff alongside the monthly subscription, because there is a problem in broadcasting in general in that the monthly subscription is a kind of winner takes all game; there will be room for only three or four players of the Disney/HBO/Netflix variety, before people effectively hit the ceiling of what they are prepared to commit each month for content.

Polly Mackenzie: There is that on Amazon Prime. On Amazon Prime, you can also pay for additional smaller content. It has a platform for smaller content streaming subscriptions.

Rory Sutherland: Yes, that is right. That is fair, but it is still a subscription, having said that.

Lord Foster of Bath: I am very conscious not to take up the time. It would be interesting to hear more, but we have to end it there. I will make two points very quickly. One is that universality is very important and would be missed if what you are saying was adopted. The other is that, as an ex-physics teacher, I was really pleased that you talked about centripetal rather than centrifugal force. Well done.

Q20

Lord Griffiths of Burry Port: Thank you for this stimulating conversation. We have the advantage over you in that we see all the questions ahead of time. I wonder whether we will be coming at the same issues from a variety of different directions. I have been asked to look at this from the public's rather than the organisations' point of view, and much of that has been covered already in some of our conversations. I would quite like to put my questions at the level of the ideas of philosophy, of the prevailing climate of ideas and opinions. That is much more general than the media.

We are living in post-modern times, or perhaps we are even beyond that now. The metanarrative has gone, the narrative that held the possibility

of coming together around a set of views that undergirded the thinking in the Judeo-Christian metanarrative, if you like, or whatever you want to call it. It is being replaced by the metaverse, and I would love to have a discussion about the way those two—the metanarrative and the metaverse—play out in contrast to each other.

Then there are post-colonial ideas—the falling apart of the ancient world of empires and so on, and all the striving for particularist points of view and the honouring of different cultures and all the rest of it. It has been everywhere. I am a specialist in Haiti, and a woman called Edwidge Danticat in New York has written three extraordinary novels that have said something about Haitian identity that nobody has ever said.

We are operating at the level of broadcasting and the media in an environment where ideas are in free flow. There is a very avant-garde post-colonial Indian writer called Homi Bhabha, who is pushing the discussion beyond affirming difference and identity towards hybridity, cross-culture and the third way. I just wonder whether, when we look at these ideas, we are not triggering other lines of thought than merely extrapolating from statistics, trends and processes.

Of course, there is the oldest philosophical idea of them all, which is the one and the many—read Plato, or Aristotle, or anybody like that. Is the BBC not challenged by solving that conundrum: that is, by being the one where Clive Myrie, on the top of a building in Kyiv, can command the nation's attention by the extraordinary nature of what he is doing? "Strictly Come Dancing" can do the same thing at an entirely different level with these pan-events. At the same time they offer lodging places—

The Chair: Lord Griffiths, is there a question?

Lord Griffiths of Burry Port: I wish I was the witness. I do agree.

Lord Vaizey of Didcot: We know it is St David's Day.

Lord Griffiths of Burry Port: You are quite right. Indeed, I would have finished if you had not interrupted me. My question is simply to say that we cannot situate this kind of discussion in the abstract, away from what is happening in the realm of ideas as a whole.

The Chair: And the question?

Lord Griffiths of Burry Port: The question was—

The Chair: This has the potential to take us off in a very different direction.

Lord Griffiths of Burry Port: David's book, the "dream" book, is what forces me go down this line.

David Goodhart: I think you are right. The BBC is a product of modernity, and it struggles with post-modernity. Broadcasting assumes hierarchy and a collective identity; it assumes collectivism, in a way.

A small addendum. Forget about the meta ideas. The BBC, like much of the liberal media in Britain, does not understand the current UK Government. It does not understand what one might call the Gove-Cummings world view, a kind of red Tory—a little bit to the left on

economics, a little bit to the right on culture. It is a cliché, but a lot of the mainstream, particularly liberal, media—I would include the BBC in that—does not really get our own post-Brexit politics. Forget about meta and multicultural, although those are issues too.

Polly Mackenzie: Lord Griffiths point, I think, is partly whether, in this diversification, it is possible to do what Adrian mentioned: the *e pluribus unum*. Do you need collective identity?

Adrian Wooldridge: Yes.

Polly Mackenzie: I think you are completely right. That is where I will get to. You are right to ask the questions of high philosophy, because there is a narrative, which you might call a tech-bro narrative—probably for people who like having dinner with Ed—

The Chair: There is nothing wrong with liking having dinner with Ed.

Lord Vaizey of Didcot: What? Did you say you did not like having dinner with me?

Polly Mackenzie: —which is about the metaverse or the dislocation from the real, about the potential to end the Westphalian state as a concept and move to an environment in which people can have non-geographical states that are on an opt-in basis. People make the observation that the cartography of the Westphalian state is now done by private companies, and we see the challenge from cryptocurrencies that refuse to participate in the sanctions regime against Russia. There is an intellectual force in making the case for the end of geographical communities and the end of geographical states.

I think those people are wrong, stupid and dangerous, but it is at that metalevel that we need to win that battle and say that, no, collective identity in geographical communities, even between incredibly diverse people with different lives, matters more than those individual identities. That is painful and difficult, because it requires a certain surrendering of the self to the collective, which is not fashionable.

Adrian Wooldridge: I could not agree more. I think that post-modernism is the problem, and modernism is probably the solution to the problem. The BBC has three very important roles. The first is to assert national unity in a world that is atomised and fragmented, with very many people who want to opt out of it. It is to assert not just national unity but what is best in our traditions and ourselves. The Matthew Arnold tradition has never been more important than it is now. The Reithian tradition of being a bit above the country and bringing it up is exactly what we should be doing. We should not be ashamed of that and think it western imperialism or fuddy-duddy values; it is essential to civilisation.

Secondly, we should be aware of the possible role of the BBC as a national champion and catalyst of cultural production that can be produced and sold all around the world. Having a nationalist view of a cultural industry is not reductionist at all. As South Korea, with its idiosyncratic culture, has been very good at this, I do not see why we,

with a longer tradition of exporting our culture, cannot do it through the BBC.

Thirdly, and most importantly—I have been longing to say this all the way through—an essential function of the BBC is to keep us part of the reality-based community. It is to give us news that is true, objective and sensible, and a reference point that the whole country can look at for news that is sensible and roughly sane. I say this having lived in the United States for 13 years. What Fox television, and the reaction to it on the part of CNN and MSNBC, did to the culture and democracy of the United States was tragic beyond belief. Having a world in which people cannot agree, not just on their values but on what constitutes reality, is death to democracy. Ultimately, it produced Trump and endless tragedies in the United States. The BBC, as a life-support system for a news service that puts an emphasis on truth and trying as much as possible to be impartial, is of incalculable value to the country.

The Chair: Just before I move on to the next question, I will ask one supplementary directly of Rory. Having listened to what Dr Wooldridge just said, from your perspective, is there an expectation gap between the public at large, who are paying their licence fee, and the BBC, which delivers on what has just been described?

Rory Sutherland: There is an opportunity to reshape what you get for your money. One complicated thing with all bundled goods is that nobody has a clue where the money goes and nobody really knows what is and is not expensive. One of the bizarre things about people who complain about the licence fee is that quite a lot of them would pay that amount for Radio 4 on its own, if it were sold that way. Bundled goods are very complicated in terms of perception of value for money. People disproportionately resent paying for things they do not like, but that would be irrelevant to a logical person.

"I don't know" is the answer. There is an opportunity for a completely different kind of news coverage, but let us not fall into that trap again. There is also an opportunity for innovation. It is interesting that, as national broadcaster, the BBC has never thought of creating a YouTube equivalent, by which I mean of user-generated content. We do not have to go as far as the metaverse.

Polly Mackenzie: It has a CBBC version of user-generated child content, which is then heavily moderated.

Rory Sutherland: That is interesting. I would genuinely see that as acceptable, if it has a reasonable appetite for failure. I see it as perfectly acceptable for the BBC to experiment in areas of broadcasting where commercial broadcasters would perhaps not go.

Q21 **Baroness Rebuck:** When I saw this question, for me it was about what the public should expect from a national broadcaster and what kind of programming it should prioritise. I have a lot of sympathy for the BBC. On the one hand is the question of nationhood and reflecting the nation back to itself. On the other hand is the multiplicity of verticals and different interests and a 30% cut in real funding and competition from

Netflix.

One statistic I was told is that one episode of "The Crown" could have funded eight BBC dramas. I am talking not about news but about entertainment. I am interested in the role of the BBC to discover new talent and put out edgier programming, which does not necessarily reflect the nation back to itself—"Fleabag", Michaela Coel—but actually tells people something or enhances the conversation in a helpful way. I am concerned that there is only so much budget and you want to appeal to older and younger people. In fact, one of our witnesses suggested that the BBC should stop broadcasting "Pointless" and some other daytime programmes, which would horrify my mother if she were alive, in favour of edgier documentaries. Within the context of public service and giving back value, I am interested in the role of the BBC to enhance the national conversation. That is slightly different from reflecting nationhood. Adrian, you are nodding, so I will ask you.

Adrian Wooldridge: I agree with that. The BBC has to provide every licence fee payer with something, because that is the only justification of universality. It has to provide the country with something that the market would not provide if it were left to itself. That is the great dilemma at the heart of the BBC. It should err on the side of enhancing the conversation, as I said about Matthew Arnold, both in giving people something a bit better than commercial TV would and in sponsoring innovation, new things and new talent.

I could list an enormous number of complaints about the BBC, not least those dismal alternative comedy programmes on the radio between 6.30 pm and 7 pm. There is a failure in the experts and talent they talk to. The same people are always being interviewed in news and current affairs, and there is much more room for diversity.

Baroness Rebuck: I am pushing the tolerance of our chair, but I do not know if any of you are familiar with a programme called "Sex Education", which came out on Netflix. That had 40 million viewers, was made by British writers and actors, and was filmed in Wales—not a Wales I recognise, but none the less.

Adrian Wooldridge: It was a version of Wales that does not exist.

Baroness Rebuck: Yes, it was, but my point, and it is quite a serious one, is this idea that it had 40 million viewers, was a British-made production, won lot of plaudits, but was a monoculture. It did not exist in a time and place. How dangerous is that?

Adrian Wooldridge: I think it is very dangerous. Productions from Amazon and Netflix exist in the same non-existent world, because they are trying to create a global audience. Some consultancy did a survey of how many idiosyncratic, distinctively British phrases are used and there are much more within the BBC than on Netflix and Amazon, because they do not want to confuse a Korean audience with British things.

David Goodhart: One of my cousins was one of the writers of "Sex Education" and I have had this argument with her. It is based nowhere. It is a fantasy for people of our age wishing things had been better when

they were young: all the jocks turn out to be impotent and all the gay people are heroes.

Adrian Wooldridge: You could write a book about it called “The Road to Nowhere”, David.

Baroness Rebuck: I know Polly wanted to say something. What worries me is whether, without a national broadcaster funded well like the BBC is, we will lose that aspect of our nationhood, reflected back to us through entertainment.

Polly Mackenzie: It is really important to have a national broadcaster rooted in place that tries to produce some content that is based in Chepstow instead of somewhere else. That is special. Some of that may go on to be internationally commercially successful, for odd reasons—I hope not just Jane Austen adaptations. Every organisation has to think about where it best adds strategic value, and some things are just too expensive. The BBC should not remake “The Crown”; it is too expensive. It cannot make “Game of Thrones” and match those budgets. What can it do that is different and adds value? Place and innovation are part of it, but you have to be careful because, if you do too much innovation, you will crowd out other people’s better innovations by being bigger and faster than them.

Rory Sutherland: The fact that we are an English-speaking country is not irrelevant to this discussion, because it would be possible, particularly for commercial television—although that is probably less of a threat than it might have been 20 or 30 years ago—to be swamped by imports. That is not impossible.

David Goodhart: But the BBC has been quite innovative, with iPlayer and BBC Sounds. It has done lots of good things.

Polly Mackenzie: But it did not invent TED Talks.

David Goodhart: No, Polly is right: it cannot do everything. I am a little sceptical about this idea of the BBC doing more local TV—it does regional TV, although perhaps not brilliantly. But other things have stepped in there: local podcasts, blogs and YouTubers.

BBC local radio is essential. I used to work for a local newspaper in York, which was brilliant—it covered the local council and magistrates’ courts—and so many of those papers have disappeared. That is why it is absolutely vital that BBC local radio stays, because that civic function is enormously important.

I am with Adrian on the higher cultural stuff, but do not forget that “Civilisation” was only watched by 850,000 people—most people turned off, which is not a reason for not doing it—

Rory Sutherland: That was in a three-channel world.

David Goodhart: Exactly: people went to the pub rather than watch it.

Polly Mackenzie: But then you also have the “Mrs. Brown’s Boys” dilemma, which is also about plugging in to—

Lord Vaizey of Didcot: What is the “Mrs. Brown’s Boys” dilemma?

Polly Mackenzie: The narrative is that we need to create high cultural stuff for elite audiences, but we must not be a liberal metropolitan elite. We in fact need to produce content like “Mrs. Brown’s Boys”, which appeals to an entirely different demographic—

Lord Vaizey of Didcot: It appeals to me. It is the best programme on the BBC.

Polly Mackenzie: I just think that there is a risk that David is arguing for two things at the same time.

David Goodhart: I advocate balance in all things.

Adrian Wooldridge: Even though I work in advertising, I think that there is undoubtedly a role for some ad-free content. Yes, technologically, you can even watch ITV Player without advertising if you pay them a few pounds a month—that option exists. But, as a representative of the ad industry, I say that it is good to have the equivalent of retail-free Sundays. Having some space without advertising is not a bad thing.

Q22 **Lord Hall of Birkenhead:** We are getting towards the part of the discussion that is on leading people to programmes that you think they should or might want to watch. There is an assumption that, somehow, people will find stuff—they might do, but they might not.

I will go back to the beginning of this discussion, which was about personalisation and its danger. You can run an argument that personalisation means that we all disappear into our own worlds, never see a broader picture and are sold things—I do not mean “things” literally; I mean ideas and stuff that super-serves us with things that confirm our bias.

Another argument—I will try this to see what you think—is that personalisation may be the route to success in public service broadcasting. We spent hours talking about this in my previous employ, believe me. The argument goes something like this: if you personalise things then I am more likely to spend time thinking about them. Personalisation could be the equivalent of what used to be—and still is—called “hammocking” in television or radio. This is how you lead me into something that I do not want to watch but that will do me good, in a Reithian sort of sense, by giving me something that I do want to watch.

I turn to Polly, who started off with this thought very early on. Obviously, the technology is pushing us more and more into a personalised world, but could that actually be something that public service broadcasting should embrace—and indeed is embracing? That might be the solution to the problem of getting audiences to the things, or news items, that they might not know that they want.

Polly Mackenzie: Yes, absolutely—you need to think about not just content but content journeys. What are you pushing up to watch next with the auto-play at the end of YouTube and Netflix, and what are your objectives in doing so?

You need to challenge the idea that there is a neutral default—there is none. The commercial platforms, like YouTube, drive you towards ever-more extreme content in the vast majority of circumstances. Both on its platforms and in its ways of engaging with people, the BBC tries to pull people on Reithian journeys, but it could also get out there into the ecosystem. The BBC has a good fact-checking service, but you have to go and look for it. I would like to see it act as a proactive anti-misinformation service, helping people and finding them where they are, just like a radicaliser who is looking for recruits for their pro-anorexia movement, but with a different set of objectives. How do you find people and pull them back towards the centre? You use all of the tools that are used by advertisers, radicalisers and the platform providers, but you use them for a more Reithian objective. I think that is possible.

Rory Sutherland: On that measure, it is also interesting that, when you look at the Netflix top 10 most-viewed things of a given week—I do not know how accurate they are—it is surprising how many of them are factual documentaries.

Lots of things that no one anticipated have happened in the last 20 years: there is the box-set binge, where people will watch one series for six hours at a time, combined with TikTok, where people watch 20-second videos at a time—we never envisaged these formats. It may be that, if there had been television on demand, 3 million people would have watched “Civilisation” if they could have watched it at a time of their own choosing and when they were in the mood. I do not know. “Seinfeld” completely failed in the UK because it was put on BBC2 at a weird time of day. So there is an interesting question about how the way you deliver content, and the choice architecture, affects what people watch. It is perfectly plausible that you would watch something if you could watch it at a time of your own choosing.

To be honest, my personal experience is that my tastes bifurcate: a quarter of my YouTube viewing is Richard Feynman videos and three-quarters of it is watching people fall off things. Someone once gave some great advice about trends, saying, “There aren’t really trends; there are vectors”. There is always a trend and a countertrend. So we watch longer-form content and shorter-form content, higher or more aspirational content and—

Lord Hall of Birkenhead: I would like to come to David and Adrian with a different take on this: if you think that, actually, the technological trend towards personalisation should be embraced, what sort of programmes should a public service algorithm direct people to? We have all spoken very strongly about news, although there have been different views about its quality, but is drama in that? Should the common good be through drama, natural history, science, entertainment or something else?

David Goodhart: Well, drama certainly. Was Dennis Potter on the BBC?

Baroness Buscombe: Yes.

David Goodhart: There is “Fleabag” and Michaela Coel—we still do things that are quite edgy. But the BBC does increasingly push people. For the reasons that Rory just gave, most of my BBC consumption is probably now through iPlayer, which is quite good at passing you on in a quasi-Reithian way—it knows what you have been watching. Although I suppose that is rather un-Reithian, in a way.

Lord Hall of Birkenhead: Polly started off by saying that the BBC is one of those things that binds us together as a nation—I completely buy that. In programme terms, what would bind us together as a nation? We all get that news and current affairs programmes would, but does that get broader or narrower?

David Goodhart: I think that drama would, as you say, but there is also back catalogues. I am curious about why BritBox exists. A huge amount of it is BBC stuff from the 1970s and 1980s, and I know that it obviously appeals to older audiences. I just discovered “‘Allo ‘Allo!”

Polly Mackenzie: It is because of rights issues. It needs a commercial funding model to make it viable.

David Goodhart: I was told that “‘Allo ‘Allo!” was incredibly controversial, but I found that it was actually rather gentle; it was the Germans and the French against the Gestapo.

Adrian Wooldridge: It would be great if Lord Reith could be translated into an algorithm, but it strikes me at the moment that algorithms are basically very stupid. If I buy a washing machine I get inundated with advertisements for washing machines. If I watch “Triumph of the Will”, all I will get for the next 20 years is more advertisements for Nazi stuff. The problem with personalisation is that algorithms are self-replicating; they tend to reproduce divisions within the audience. Somebody who has high taste will be fed more and more high taste.

Polly Mackenzie: It depends on what you have optimised for.

Adrian Wooldridge: It can be done. The other thing with personalisation is that, once you have entered that world, you tend to think that you can have a personalised reality and set of news inputs. That is inherently dangerous. There is something about the world and news that needs to be depersonalised; you need to be forced to confront realities that you would not naturally want to.

Q23 **Baroness Harding of Winscombe:** I want to ask about the “educate” part of the Reithian proposition. We have talked about news, drama and entertainment, but not overtly about education. If I ask my two teenagers what they consume of the BBC, they have never used iPlayer, would not knowingly consume a drama programme, but have relied on Bitesize over the last two years. What is your view of the role of the BBC? A priori, you might step back and find that interesting as, over the last two years, they certainly would not have gone to TikTok, Instagram or Netflix to get them through remote schooling, but they absolutely relied on the BBC. Should our licence fee money be going there or not? Polly, would you kick us off?

Polly Mackenzie: I totally agree that it is an essential component of this. It is a value of public service broadcasting, although there are lots of other educational content providers out there, including on YouTube and the Oak National Academy, which was a pandemic intervention to provide people with that content. As an entry point for young people it has immense value if you want us to have a learning culture. The Open University partnership with the BBC produced some extraordinary content, which was challenging, difficult and complicated.

Then you have real children's television, such as on CBBC and CBeebies, which is extraordinary in its educational content. I cannot tell you how much I love "Numberblocks". There is even an infinity Numberblock. My four year-old is so good at playing with numbers in his head and it is all because of "Numberblocks". The creative mindset that goes into that strand of programming is absolutely fabulous, but we should think about how to make it less of a thing for under-18s and more of a nation at school. We know that, as our economy adapts, the need for us to upskill and transform will only increase. I would love to see a chunk of adult provision as well.

Q24 **Baroness Featherstone:** This is not a dissimilar point to the emergency education function, but broadens it out to the role of a national broadcaster in an emergency. How does it deal with those things and how do we trust it as the singular place around which we can all gather, I hope not in the next few weeks, but who knows? Rory wants to have a go.

Rory Sutherland: If you frame the cost of broadcasting and programme-making as part of the education budget, it is practically a rounding error. I am completely out of touch with this, but there was a thing spoken about called flipping the classroom, where the talking is done as part of homework on a screen and the exercises are done in the classroom, rather than the other way around. I am not qualified to pass judgment on that; I merely heard of it as an experimental approach to education, but it strikes me that a huge amount of education could be delivered that way, at extraordinarily low cost.

Baroness Featherstone: That was not really my question.

Polly Mackenzie: It is a relatively low-cost provision to have the ability, in an emergency, to broadcast essential advice to citizens, yet the trust that you need for that is the patient work of generations. It is so hard to measure. As a society, we struggle to measure all the social capital we produce in interpersonal relationships, kindness and generosity. It is almost impossible to think of how you get to the point of understanding what it is, but you must note it and recognise that you have created something that is part of our national resilience strategy. Again, the BBC budget is dwarfed by the budget for the resilience of our national infrastructure, just as it is by our education budget. If you think of those public service functions, you would probably baulk less at the money. However, you might argue against funding such a thing through a poll tax.

Baroness Featherstone: I just worry about the baby being thrown out with the bathwater.

Polly Mackenzie: You are right to worry.

David Goodhart: Do we know how well the BBC did in the pandemic compared to ITV? Was it beating ITV in coverage 2:1?

Lord Hall of Birkenhead: In news terms, it was, by more than that.

Baroness Buscombe: Was it mostly that 5 pm slot?

Lord Hall of Birkenhead: There was the 5 pm slot and the broad news coverage. I am not giving evidence, but you are getting at the principle that, at times of crisis, people turn to the BBC in large numbers. The data is there.

Q25 **Baroness Bull:** I will ask a relatively simple question, because I want to give you all a chance to answer it within the time available. It is really to mark the scorecards. You have all described the functions and roles of a national broadcaster, some in slightly different ways, but you all have a clear sense of what those are. For each of you, how well is it doing? Which parts of the community is it serving well and which not? I will start with Polly.

Polly Mackenzie: That is a great question. I want to create a complicated scorecard with all sorts of pillars, but what is my simple thought? We have already covered the big gap there is for young people and people who have come to the United Kingdom in the last 20 years, who are less likely to have an established relationship with the BBC and may seek media content from other international platforms, as one now can. The BBC could have a better role to actively support the integration process, if we want to continue to have a diverse and open society, as I do.

The most important thing is for the BBC to have humility. Let us say we give it a 7. That is pretty good but not good enough, because no institution is ever good enough. The way to resist the iconoclastic instinct to destroy the value that Lady Featherstone mentioned is to be—to use a pretentious think-tank word that I invented—iconoplastic. In physics, as Don knows, plastic rather than elastic means that, if you change it, it will keep its new form. It adapts.

You have to reform institutions constantly. Institutions struggle, because the value they confer is their authority, status and, slightly, their resoluteness. But if you do not adapt, you end up being smashed to smithereens. Those small-c conservatives who see the value of an institution need to recognise that its value is only preserved if it changes. The BBC should be constantly scorecarding itself, adapting, trying to do better and recognising that, like the line from *The Leopard* says, only if everything changes can everything stay the same. I give it a 7.

Baroness Bull: I was not looking for numbers; that is very good. Your point is that it needs to adapt, but there will be pressures around that prevent it from adapting, for a range of reasons.

Polly Mackenzie: Yes.

Rory Sutherland: I suppose one argument that you could make is that the metrics the BBC use should be different from those of commercial television. One metric is how it measures success: does it measure success in pure audience size or intensity of enjoyment? That is not really relevant if you are advertiser-funded, but it is if you are a public service broadcaster. That is the great thing about "Star Trek": the first season was watched by very few people, so they decided not to make a second, but then the few people who watched it went bananas. Certain things are low volume but high intensity—that is perfectly worth while—but the metrics need to be different. There is also a question of perhaps starting at the opposite end of the spectrum and saying, "What shouldn't we be doing?"

You do not need to participate in the culture wars. They are divisive but not very important, in the scheme of things: compared to being bombed, being offended is not that big a deal. One of the interesting questions that you can ask is not just "What do we do?"—we always ask that and it tends to lead to growth by accretion—but "What do we get rid of?"

Lord Vaizey of Didcot: Radio 1.

Baroness Buscombe: I suggest introducing business.

Baroness Bull: I will stick to the witnesses—I will talk to you two over a drink later.

Lord Vaizey of Didcot: We should crowdsource the answer.

Baroness Bull: Rory said that it should have different metrics, but how is it doing against those metrics?

Rory Sutherland: It is difficult to answer that question. Broadly speaking, we have to remember that everyone panics about the young, but they do not watch much mainstream television in the first place, so this may just be a cohort effect: today's 25 year-olds will have viewing habits that are quite similar to today's 70 year-olds in 45 years' time. We must not always despair about that; there are lots of things that young people do not do much of. We need to be alert to that, but we need not obsess over the younger audience, in many ways. As I said, we also need to look for interesting and different metrics that effectively complement those that are used in conventional television.

David Goodhart: The BBC has an increasingly impossible job. Considering the much greater or more overt value divides, it does an okay job, although it is very much closer to blue-state metropolitan Britain, as it were, than to the rest of the country. The loss of a lot of sport on TV was quite a big blow, although it has been an enormous benefit to sport—we would not have the Premier League. Obviously, it still does a lot of sport, but you could always go to the BBC for an England game in whatever sport, but now you cannot reliably do so.

The BBC underestimates the appetite for seriousness. Leaving aside blue-state/red-state Britain, I say look at what has happened to "Panorama", which has gone completely tabloid.

Lord Vaizey of Didcot: Do you have evidence for any of this, David?

David Goodhart: I occasionally watch it by mistake.

Lord Vaizey of Didcot: But you have no objective evidence, in terms of ratings or what people watch, that there is this huge need that is unmet by what the BBC provides. If anything is affecting the BBC's viewing figures, it is people watching 30-second videos on TikTok, which does not necessarily demonstrate an appetite for seriousness.

The Chair: We can ask the BBC those questions when it comes to us later. Baroness Bull has the floor at the moment.

David Goodhart: A lot of serious podcasts are getting several million listeners.

Middle Britain probably feels most pissed off with the BBC in many ways. There is the whole question of business: there are 7 million self-employed people in Britain, but you do not ever feel that you hear their voice. "Crimewatch" has gone—actually, it still exists in some form, I think—and a lot of people worry. Religious and more socially conservative people, stay at home parents—

Polly Mackenzie: Stay at home parents love the BBC.

David Goodhart: That is true—kiddies are well provided for. But they are the people whom the BBC has perhaps taken for granted.

Q26 **Baroness Bull:** Thinking about the communities that the BBC serves, we have talked about viewers and listeners. David mentioned sport; does the BBC serve the sport and cultural sector communities as well as the audiences for sport? It was interesting that David said that what has happened was good for sport but not for audiences.

David Goodhart: It is good because of all the money that has gone into sport through Sky, BT and so on.

Polly Mackenzie: But that is money for the shareholders of the football clubs; it is not really for the benefit of the sport, which is manifestly unaffordable for huge numbers of people in your red-state areas.

David Goodhart: I agree. The sport app is quite good.

Adrian Wooldridge: I will go through a number of categories and give marks for each one. There is undoubtedly a bias towards the metropolitan elite, but it is much more manifest—this annoys people, including me—not in the news coverage but in those comedy programmes that are often on between 6.30 pm and 7 pm. I do not listen to them, but there is a general tone of cultural condescension in a lot of the comedy.

Baroness Bull: There are many programmes on from 6.30 pm to 7 pm.

Adrian Wooldridge: I meant on Radio 4.

Polly Mackenzie: Yes, they are all dreadful. That is when you have to turn over to Times Radio.

Adrian Wooldridge: The comedy is just dreadful: it is all sneering, and it is ghastly and the worst of the metropolitan-elite alternative comedy order. The bias is not in the news—it does not irritate people there—it is in the general drama and the culture.

David Goodhart: I am thinking of David Mitchell sneering at everyone, although he is very funny actually—I more mean the David Mitchell world view.

Adrian Wooldridge: Yes, he is good, but there are the sub-David Mitchells. You can see it in the drama as well: it is not just David Hare—you have this all over the place. I will give a six or a seven to the metropolitan elite thing because Brexit has created a recognition that there is a problem there, and the BBC has begun to recognise it and do something about it: it is producing more regional dramas, with their roots in localities and things like that. I hope it will get rid of all of these awful middle-aged comedy people.

The second thing is news. I am in the news business and I am constantly impressed by the quality of BBC news—the professionalism, the attempt to be as unbiased as you can be and the seriousness with which it takes serious events. As I say, anything that keeps away or stands in the way of Fox and MSNBC is very good, so I give it an eight on that.

Innovation and producing new and fresh global blockbusters that will be talked about in Seoul or New York does not happen anymore. It used to, but it is happening less and less. Things like “Fleabag” attracted a lot of attention, but you do not see those flagship things coming along; they are coming from Netflix and Amazon, which have a huge amount of money to spend. Talent is going there: so much British talent has moved to Hollywood because of the money. Amazon is spending millions on each episode of this “Lord of the Rings” thing that is coming out—that is an extraordinary amount of money compared with what the BBC has. This is a problem, because if you are not producing these great flagship programmes that everyone is talking about you are declining.

The issue that has been hinted at but not talked about enough is business. I happen to be a business columnist, so I am interested in business, but it is really interesting: there is lots of great business, there are lots of great business stories and it is an intellectually fascinating thing. There are huge multinational businesses around the world and all sorts of stories about business. The stuff that is on the BBC is just really bad. It is local, parochial and treats business as a boring embarrassment. That is a problem.

Baroness Bull: So you would put innovation and blockbusters in the same bracket. Very often, innovation happens on a very small scale and drives blockbusting down a couple of generations. I would say that “Fleabag” was an exception, because it was a hugely innovative but rather small scale and it became a blockbuster. Other things happen very locally, so I wonder whether you might want to separate out innovation and blockbusters.

Adrian Wooldridge: I would say both. I would give low marks for not seeing enough of those things coming up.

David Goodhart: Bitesize was an amazing innovation, was it not?

Baroness Bull: Yes, so it is again about having a broad portfolio.

Adrian Wooldridge: You are right; they are separate things.

The Chair: Thank you. Before I draw this session to a close, as I said at the start, this session has been deliberately big-picture. We invited four people who I knew would be helpfully provocative. You have also been helpfully entertaining, and I am very grateful to you for both those things. You have helped us to zoom out as we look at this very difficult topic of how the BBC should be funded, which is really important as we slowly start to focus on and deal with a lot more detail and evidence, which I know is very much your milieu, Lord Vaizey.

Lord Vaizey of Didcot: You know that I am a details person, Chair.

The Chair: I do, so we will be getting lots more of that in due course. Polly, if you will allow us, we will bank your word "iconoplastic". We will certainly make sure that you are suitably copyrighted in the course of doing so. I draw the meeting to a close. Thank you very much indeed.