

## Impact case study (REF3)

<b>Institution:</b> University of Exeter		
<b>Unit of Assessment:</b> UoA 17 Business and Management Studies		
<b>Title of case study:</b> Transforming library services in England by building resilient, innovative new delivery models		
<b>Period when the underpinning research was undertaken:</b> from 2010-2018		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Beverley Hawkins	Associate Professor	2009-present
Will Harvey	Professor	2013-present
Adrian Bailey	Senior Lecturer	2009-present
Tim Coles	Professor	2000-present
Marwa Tourky	Senior Lecturer	2013-present
Andi Smart	Professor	1998-present
<b>Period when the claimed impact occurred:</b> July 2016 – July 2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>1. Summary of the impact</b>		
<p>Since 2010 almost 800 public libraries have closed in the United Kingdom. From 2016 to 2020, intensive work at Exeter has supported the emergence of Public Service Mutuals (PSMs) as a transformational new model for delivering resilient library services across England. Exeter's work has stimulated and informed policy development on mutualisation; improved management capacity for innovation and leadership; led to commercial and economic impacts for PSMs via new contracts worth over £30m; and sustained accessibility to public library services by PSMs. The outcome has been that communities across the UK continue to benefit from a public library service.</p>		
<b>2. Underpinning research</b>		
<p>The provision of library services is a statutory obligation and devolved responsibility in the UK. Across England many libraries have closed because of budget cuts while others have responded by innovating their business and leadership models to develop greater resilience. Some have left local authority (LA) control to be community-run libraries (staffed by volunteers, with some LA support) or by spinning-out as commissioned libraries (part LA-funded, but a commercial or social enterprise). More radically still, four pioneer library services have established themselves as Public Service Mutuals (PSMs - Devon, Nottinghamshire, Suffolk, York) that are wholly employee-controlled, free from direct government control, and delivering public services as they determine.</p> <p>Innovation of this nature in governance and operations presents organisational leaders with major challenges, not least in how to manage through complex change. Extensive research at the University of Exeter Business School (UEBS) underpinned the capture of a £200k project funded by the Arts Council England (ACE, September 2016-18). The impacts reported here grew from this project with Libraries Unlimited – formerly Devon Library Service (50 libraries, 350 employees, 165FTE) - shortly after it was commissioned as a PSM (April 2016). This examined how employees made sense of, experienced, and performed their new roles during transformation. Our prior underpinning research, published in international, peer-reviewed outlets, covered three connected themes:</p>		
<b>Changing Business Models</b>		
<p>Operations management and business model innovation in service-oriented organisations have been longstanding research interests at UEBS [3.1]. One major aspect has been how different value propositions are understood among local publics visiting museums, galleries and libraries [3.2], with key findings on financial investments further justified by their perceived social and cultural 'values'. To attract repeat users, such organisations have had to update</p>		

offers frequently yet cost-effectively. Our research showed that as former public servants, many employees found it challenging to act more commercially and entrepreneurially [3.2].

### Leadership capacity in changing organizations

To be successful, major organisational transformations among libraries require a significant shift in culture requiring all employees to think differently about their roles. No longer public servants, employees are recast as 'service providers' but this transition can be disconcerting. Our research on Action Learning techniques and the roles of uncertainty and 'doubt' in leader education, has helped managers and staff in diverse organisations to build greater leadership capacity, and to learn to lead change effectively in challenging and unfamiliar circumstances [3.3; 3.4].

### Managing reputation during organizational change

Through the provision of new services, contemporary libraries must develop new identities as commercial spaces and meeting places in addition to their traditional roles [3.2]. Changes in identity following business model innovation or the introduction of new leadership and governance can have important consequences for organizational reputation. Our research has identified how organizations negotiate multiple, competing reputations [3.5]. Importantly, it has demonstrated that significant disconnects can exist between perceptions among various stakeholders requiring active management of these relationships [3.4; 3.5]. Successful, resilient organisations understand not only what is important within the organisation, but also salient to groups outside it [3.6].

## 3. References to the research

3.1 Ponsignon, F., **Smart P.A.** and Maull, R. (2011). Service delivery system design: characteristics and contingencies. *International Journal of Operations & Production Management*, 31(3), 324-349. <https://doi.org/10.1108/01443571111111946>

3.2 Hutchison, F., **Bailey, A.** and **Coles, T.** (2018). An evidence based methodology for cultural institutions seeking to identify and profile their local populations. *Museum Management and Curatorship*, 33(1), 96-114. <https://doi.org/10.1080/09647775.2017.1420484>

3.3 **Hawkins, B.**, Pye, A., & Correia, F. (2017). Boundary objects, power, and learning: The matter of developing sustainable practice in organizations. *Management Learning*, 48(3), 292-310. <https://doi.org/10.1177/1350507616677199>

3.4 **Hawkins, B.** and Edwards, G. (2014). Managing the monsters of doubt: liminality, threshold concepts and leadership learning. *Management Learning*, 46(1), 24-43. <https://doi.org/10.1177/1350507613501736>

3.5 **Harvey, W.**, **Tourky, M.**, Knight, E. and Kitchen, P. (2017). Lens or prism? How organisations sustain multiple and competing reputations. *European Journal of Marketing*, 51(4), 821-844. <https://doi.org/10.1108/EJM-03-2016-0122>

3.6 Ramakrishna Velamuri, S., Venkataraman, S. and **Harvey, W.** (2017). Seizing the ethical high ground: ethical reputation building in corrupt environments. *Journal of Management Studies*, 54(5), 647-675. <https://doi.org/10.1111/joms.12248>

## 4. Details of the impact

At a time of great transition for public libraries in England, our activities have stimulated and informed public policy on mutualisation in the cultural sector as a sustainable, alternative delivery model; improved capacity for innovation and leadership among PSM management; led to commercial and economic impacts for library PSMs; and sustained accessibility to local public library services by developing PSMs. These impacts burgeoned from our initial project with Libraries Unlimited (LU) which spun-out into a programme of sustained engagement with newly-commissioned library PSMs and associated policy professionals. As a whole, this work has secured accessibility to viable key local public services and ensured that communities continue to benefit from their public libraries.

## 1. Stimulating and Informing public policy development in England for Public Service Mutuels

This programme of work directly influenced how DDCMS (Department of Digital, Culture, Media and Sport) supported government's commitment of a 'right to mutualize' in the public sector [5.1]. Learnings from the LU-UEBS partnership demonstrated the role of leadership in driving the success and resilience of PSMs as a valid, innovative business model [3.3; 3.4]. In 2018 DDCMS published a practical guide for leadership development for PSMs written by the UEBS team. The team also assisted the DDCMS Mutuels Team in drafting a public consultation on the emerging needs of PSMs (November 2018) [3.6], and by responding to this, presented a strong case for the importance of building future leadership capacity in emerging PSMs [5.1; 5.2; 3.4]. Engaging with the research was a *'good check and balance for [D]DCMS...that helped to line up policy' with 'the...practical application of what was happening to people in their day job [within] PSMs'* [5.1] said the Head of Mutuels at DCMS. She also commented that Hawkins' input into the consultation helped them to *'really get to grips with what it means to be a mutual'* [5.1].

To strengthen the delivery of public policy, the UEBS team contributed directly to the **design of the DDCMS Leadership Development Programme (LDP)** as a *'really important layer'* in its support programme for mutuels (October 2018-March 2019) [5.1]. Nine organizations enrolled in the first cohort, there was outstanding participant feedback [5.3], and the UEBS team's assessment of the nature and level of demand for leadership development was a **major factor in the decision to continue resourcing the provision** in 2019/20 [5.1]. Feedback from DDCMS staff confirmed that the programme *'strengthened the professional profile'* of PSMs as credible business models that *'support...vulnerable people'* across England [5.1]. Senior leaders in the 2018/19 cohort have since confirmed that their participation has led to direct changes in practice in emerging mutuels (such as mentoring and action learning to promote innovation). For example, as a result of attending the LDP, Hertfordshire Libraries introduced its own scheme to enrich understanding about mutualisation in the service. **All 52 of its libraries developed an action plan** (December 2018), and in April 2020 a further new PSM, **Libraries for Life, spun out saving the county council £500k per year** [5.3].

## 2. Improved capacity for innovation and leadership amongst PSM management

The principal community of practice for our activity was all of the library-only PSMs in England. For most of the period covered by this case-study, there were four such PSMs (covering Devon, Nottinghamshire, Suffolk and York). All were impacted by our work and are now considered to be **thought leaders in the sector** [5.4; 5.5; 5.6].

As early as 2015, the Department for Culture, Media and Sport had been actively promoting the PSM model for libraries, not only as a means of taking services out of public control but also to stimulate new operating cultures and practices (e.g. a more entrepreneurial mindset) for those remaining in it [5.1]. We worked intensively with the library PSMs, starting with Libraries Unlimited (LU) in Devon, as the first-established of these. From 2016 to 2018, with £200,000 funding from the Arts Council England (ACE) we developed an action learning leadership development programme which enabled LU's employees and senior leadership to balance increased commercialism with maintaining the social value of libraries within local communities [5.6; 3.1; 3.2]. A principal benefit was increased leadership capacity, entrepreneurialism and resilience throughout the organisation [3.3, 3.4]. Its CEO noted that this *'enabled 15 staff from all levels to share and develop their understandings of the challenges of, and opportunities from, the new operating model'*, becoming *'active "agents of change" within LU in ways that would not have happened without the research'* [5.6]. This new entrepreneurial culture contributed to keeping *'all 50 libraries open in Devon and all run by paid and trained members of staff, despite a 50% reduction in funding [compared to before commissioning]'* [5.6]. Organization-wide buy-in to entrepreneurial activity also directly contributed to Libraries Unlimited becoming an ACE National Portfolio Organization (NPO) in

2017; that is, a leader in its area and responsible for developing national arts and cultural provision [5.2].

For LU's CEO, working with UEBS had developed the organisation's ability to act in a more agile, entrepreneurial and competitive manner [5.6]. The ACE Director of Libraries recorded that Libraries Unlimited is '*an exemplary service with a high level of support....The partnership between Beverley Hawkins and her team and Libraries Unlimited has been a beacon of excellence from which we have gained a sharper and clearer picture of the capability of public libraries*' [5.5]. ACE consequently enhanced the strategic role of libraries in arts/culture provision and announced further investment in the cultural offer of public libraries [5.5].

These striking successes enhanced LU's reputation [3.5] across the libraries sector and among government, policy makers (e.g. DDCMS) and key public bodies (i.e. ACE and the Libraries Taskforce established by DDCMS). The UEBS team facilitated the establishment of a **new knowledge sharing network** for the four pioneer library PSMs in England: **Optimo** seeks to support the mutual model and better understand the shared challenges it presents [5.4].

### 3. Commercial and economic impacts for library PSMs via new contracts worth over £30m

The partnership between LU and UEBS was cited by Torbay Council [5.7] in its 2018 decision to award Libraries Unlimited a **contract worth £900,000 annually** to deliver its services. In fact, LU was the first PSM in the sector to expand geographically by extending its regional reach [5.7; 5.9]. **Savings to Torbay Council** were around **£800,000** [5.8], while Libraries Unlimited's portfolio was increased by **four libraries** and 135,000 potential users [5.7], who now benefit from access to a wider array of services and facilities than before. Subsequently, LU won additional ACE funding of **£600,000** [5.8] for further business model innovation, to diversify its portfolio into new areas not previously offered (for instance performances, hackathons and other cultural events) to communities (often 'hard-to-reach') in a rural region where access to such activities had been limited [3.2]. The UEBS team provided key insights on how to structure and approach the contract to enhance the competitiveness of Explore York's tender in 2018 to provide local services [5.10]. **York won a further 15-year, £32-million commission** –unprecedented in any public service mutual library. Engaging with the research team was '*absolutely crucial*' to this success which sustained **Explore York's business model without any potential library closures or redundancies**, according to its CEO (Feb 2018) [5.10]

### 4. Sustaining accessibility to local public library services by developing Public Service Mutuels across England

These successes have validated the PSM as a model for library services provision, enhancing the resilience of other library mutuels and giving confidence to other commissioning LAs that PSMs' innovations and differing value propositions improve cost effectiveness and offer benefits to millions of users [5.4]. At Inspire Culture (Nottingham Library Services), the programme generated '*a shift in thinking*' towards wider entrepreneurial activity and funding, including a '*virtual think tank*' during the Coronavirus lockdown [3.2; 3.3; 3.4], and was the precursor to more collaboration with the DDCMS [5.4]. In Suffolk Libraries, the activity generated a new strategy for rural provision and mobile libraries and resulted in improved evidencing of social value. The use of case studies and story-telling techniques stemming from the UEBS approach demonstrated that communities continue to benefit from library services [5.4]. All four PSMs attribute more collaborative, agile and responsive working cultures to engagement with the UEBS research [5.4; 5.6]. More recently, this enabled a quicker response to the Coronavirus pandemic than would otherwise have been possible, for example by identifying and applying for additional funding sources [5.4].

**5. Sources to corroborate the impact** (indicative maximum of 10 references)

- 5.1 Portfolio of correspondence with, and testimonials from, in particular DDCMS Head of Libraries Strategy and Delivery, DDCMS PSM adviser (a secondee from a PSM), and the Head of Mutuels and Policy Advisor at the Government Inclusive Economy Unit.
- 5.2 A list of URLs referencing the role of the UEBS Team and the UEBS-LU partnership in government documentation.
- 5.3 Data evidencing changes to practice in Public Service Mutuels attending the leadership development programme run in partnership with DCMS.
- 5.4 Optimo evidence – from interviews and testimonials confirms improved knowledge exchange dramatically enhanced the resilience of the PSM model and positioned PSM library services as sector innovators.
- 5.5 Arts Council England: Testimonial from Libraries Director, Report on HEI/Public Libraries Partnerships 'best practice' case study on the Unlimited Value project and Strategy 2020-30 – all confirming pivotal impact on libraries' new central role in cultural provision.
- 5.6 Testimonial from, CEO, Libraries Unlimited. Confirms that innovations resulting in ACE funding and LA contracts worth £millions would not have happened without UEBS team input.
- 5.7 Decision details from Torbay Council, confirming UEBS research in rationale of award of new contract to Libraries Unlimited.
- 5.8 Libraries Unlimited's application for NPO status (evidences research as contributing factor in application), confirmation of award and sum from ACE.
- 5.9 Libraries Unlimited Annual Report. Confirms LU's NPO status, revenue increase, footprint and user base since the partnership with the UEBS team.
- 5.10 Testimonial from CEO Explore York Libraries and Archives. Confirms UEBS partnership was fundamental to the re-award of contract to deliver library services for York City Council; Additional media coverage confirming the size, value and multiple benefits of the contract.