

Launching a performance measurement system to ensure social and democratic legitimacy of Dutch Housing Associations as providers of social rental dwellings

Identifying barriers in the implementation of the policy instrument of local performance agreements for housing policy in the Dutch social housing sector

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Abstract:

In 2015 the Housing Act was revised in order to further regulate the social housing sector in the Netherlands and thereby improve the steering possibilities for the central government to coordinate housing associations. The local performance agreements for (social) housing policy is one of the policy instruments which obtained a legal status in the revised Housing Act. By means of this policy instrument the central government seeks to facilitate and ensure cooperative, but non-permissive, networks of municipalities, housing associations and tenants' organisations in order to release funds by housing associations for social benefit. Moreover, by means of these local networks the position of municipalities and tenants' organisations in social housing should be enhanced to ensure the social and democratic legitimacy of housing associations. In depth-interviews are held with experts and involved actors of the local performance agreements networks in three municipalities in the Netherlands to answer the following research question: *"Which barriers can be distinguished by the implementation of the policy instrument of local performance agreements between municipalities, housing associations and tenants' organisations?"*. The identified barriers can be divided in two main sets: issues in the broader governance structure and issues with the organisational structure of the local performance agreements networks. These barriers need to be addressed to make sure the objectives pursued by the policy instrument and the broader Housing Act will be achieved.

Keywords: Housing associations, performance agreements, social performance, policy implementation, Contextual Interaction Theory, networks

1. Introduction: ensuring democratic and social legitimacy in the social housing sector

Almost one third of the total housing sector in the Netherlands can be considered social housing (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2016). Dutch housing associations in the Netherlands take care of the provision of affordable housing for low income households since the end of the 19th century. But their role, task and position have thereby always been multiform and changeable. Already since the introduction of the Housing Act in 1901, there is a discussion regarding the role, position and task of housing associations. In the past decades, the position of housing associations has changed from tight subsidised and regulated organisations to financially

independent businesses (Nieboer & Gruis, 2016; Van Bortel & Elsinga, 2007).

After the (financial) privatisation of the social housing associations in 1995, the financial relations between the government and the housing associations were severed (Snuverink, 2006). Housing associations were allowed to act as independent businesses and obtained a lot of freedom. Housing associations were allowed to build and manage residential dwellings by means of a so-called "revolving-fund" model (Blessing, 2013). Selling homes was for example a measure to generate income for their social task (Nieboer & Gruis, 2016). Due to this structure there was little insight in the social performance of housing associations (Veenstra et al., 2017; Boelhouwer & Priemus, 2014). Later, misconduct came forward in parts

of the sector, incidents such as administrative failures and financial mismanagement came to light. All this led to various researches into the performance of the sector and under influence of these researches, the Housing Act was revised in 2015. This revised Housing Act is aimed at further regulating the activities of housing associations by providing stricter rules and boundaries and thereby it is aimed at strengthening supervision of the social housing sector (Rijksoverheid, 2015).

A specific policy instrument of the Revised Housing Act 2015 are the *local performance agreements for (social) housing policy between a municipality, housing associations and tenants' organisations*. In the Housing Act 2015, these agreements obtained a legal status. In these local performance agreements housing associations, municipalities and tenants' organisations establish how all parties involved, contribute to the realisation of the local (social) housing objectives for a specific period. It thereby seeks to increase the link between the investment capacity of housing associations and the social housing needs on the local level to ensure social benefit. Hence, by means of this policy instrument the central government seeks to facilitate and ensure the co-creation of (social) housing policy between municipalities, housing associations and tenants' organisations and thereby increase the role of municipalities and tenants in social housing (Ministerie van Binnenlandse Zaken et al., 2015)

Although this policy instrument appears to be promising in ensuring both the social and democratic legitimacy of housing associations and facilitating the co-creation of (social) housing policy, there is however not yet much insight into the proceedings of these negotiations and the effects of this instrument. Moreover, little has been documented on the challenges facing the implementation of the policy instrument of performance agreements in the light of the revised Housing Act (2015). Hence, this study was an attempt to fill this gap by exploring and documenting the challenges

facing the implementation of the policy instrument of local performance agreements at three Dutch municipalities: Bodegraven-Reeuwijk, Zoetermeer and Rotterdam. Due to the introduction of this new format of establishing local performance agreements for housing policy new roles, responsibilities and interrelations between municipality, housing associations and tenants' organisations need to be explored. It is both socially and scientifically relevant to answer the following research question:

Which barriers can be distinguished by the implementation of the policy instrument of local performance agreements between municipalities, housing associations and tenants' organisations?

This question will be answered by applying a policy analysis approach. The analytical model of the Contextual Interaction Theory is utilised to explore the barriers of implementation. In section 3, the rationale of this theory will be elaborated, after additional information is provided with regard to the functioning and effects of performance agreements as a policy instrument in public policy in chapter 2. Subsequently in section 4 the research method is described. In section 5 the results of the case-study evaluations will be provided and from this information the barriers of implementation are derived. These issues are presented and divided into 2 main sets: Governance structure barriers and barriers related to the organisational structure of the local networks of performance agreements. Finally, in section 6 and 7 respectively a discussion and conclusion is provided.

2. Performance agreements as an instrument in public policy.

As stated before the central government in the Netherlands seeks by means of the instrument of local performance agreements to facilitate and ensure cooperative, but non-permissive, networks of municipalities, housing associations and tenants' organisations for the co-creation of social policy and to strengthen

the supervision of the housing associations. However, these performance agreements have been in place for longer in the Dutch social housing sector. Performance agreements for housing policy have been a common policy instrument since the privatisation of housing associations in the 90s. Where before these agreements were permissive and not mandatory, the revised Housing Act has made them imperative. (Ministerie van Binnenlandse Zaken et al., 2015). Performance agreements are also a common policy instrument in other public sectors.

2.1 The value and effects of performance agreements in public policy

Since the 1980s, when many public sector tasks have been privatised or decentralised, performance measurement has become a common policy instrument. By means of these agreements the social service providers have to give account for their operations to the public authority (Soldaat, n.d.).

Performance agreements are commonly used in public policy such as in education and care. Performance agreements can be considered written agreements between a government and a social service provider, which is comprised of quantitative and/or qualitative performances that the actors agreed upon. In order to make the performance measurement system to work, some degree of consensus between the public authority and the social service provider regarding the purpose and utility of the systems is required (European Commission, 2014).

From a study into the use of performance agreements in higher education in Europe was derived that performance agreements can be considered an effective tool for enhancing the strategic planning and the so-called “outcome-focus” of these organisations. Moreover, due to these performance agreements the transparency about strategic goals of the social service provider and the alignment between organisational and national (government) goals increases (European Commission, 2014).

Additional literature on the possible effects of performance measurement in the

public sector show that such performance measurement systems are also able to increase accountability, credibility and legitimacy besides transparency. However, the use of such systems might also lead to sub-optimising: setting goals not too high to make sure they are feasible, so-called tunnel vision; focussing on the objectives agreed on and losing sight on other objectives and myopia; emphasis on short term targets at the expense of long term objectives (Johnsen, 2005; De Bruijn, 2001; Smith, 1995).

Experiences showed that public sectors that have implemented performance agreements systems, are inclined to maintain performance agreements, once the approach has been introduced (European Commission, 2014).

3. The Contextual Interaction Theory: an analytical framework for policy implementation

The Contextual Interaction Theory will be utilised to realise the main aim of this study: the identification of barriers in the implementation and functioning of the policy instrument of performance agreements in the light of the revised Housing Act.

According to Bressers et al. (2000), the developers of the Contextual Interaction Theory (CIT), should implementation researchers focus on the interaction processes between the actors involved in the policy field, instead of focusing on the policy instrument itself, by evaluating policy implementation. The characteristics of the actors have according to Bressers et al. a major influence on policy implementation. In addition, according to Bressers et al., should the implementation of policy (instruments) not be separated from the context in which they are used, since characteristics of the environment also influence the actors involved in these implementation processes. Therefore, the Contextual Interaction Theory focuses on the involved actors in the policy implementation process and the interactions between them (Bressers, Klok, & O'Toole, 2000).

The implementation of policy involves three important components: inputs, interaction processes and outputs. Which is schematically shown in figure 1.

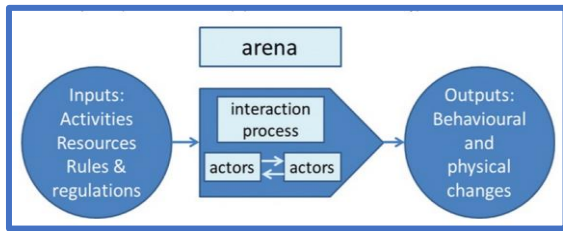


Figure 1: Model which illustrates the how inputs are converted into outputs in the interaction process (Bressers H. , 2009)

The first component, inputs, is comprised of the (formal) rules of the game and resources which are considered required for a successful implementation of the policy. However, this input component is also comprised of contextual factors such as structures, positions and processes which already exist in the environment in which the policy or policy instrument is implemented. Thereby it is considered that any policy is never implemented in a blank policy field, but the new policy (instrument) will add an additional element to this field (Hoppe, 2009). All these factors influence the actors and the interaction processes between them and therefore also the result of the implementation process. The second component, the interaction process, implies a conversion process as a result of the interaction of various involved actors during the policy implementation. The third component, outputs, indicates the outcome of the interaction process. This outcome could either be a physical or a behavioural change (Bressers H. , 2007).

The arena indicates the “place” where these interaction processes between the involved actors are taken place. Aside from the actors, this *interaction arena* embodies the rules of the game, and the issues at stake at a given time and place (Boer & Bressers, 2011). This arena, including its actors, issues and rules of the game, can either be set up and bound explicitly

by agreement, or the characteristics of this arena are in a perpetual flux.

As mentioned before, the key principle of the CIT are the actors involved in the policy implementation process. The characteristics of the involved actors and the interaction processes between them have according to Bressers et al. (2000) a major influence on policy implementation processes. The CIT feeds the influence of such factors via three key actor characteristics: cognition, motivation and resources, as shown in figure 2.

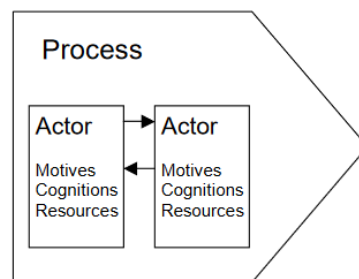


Figure 2: Process model with the key actor characteristics (Bressers H. , 2009)

In this section the theoretical framework of this study has been provided: The Contextual Interaction Theory (CIT). The CIT seeks to evaluate policy implementation, by determining whether and to what extent the characteristics of the involved actors influence the implementation process and where and why these actors are influenced by the external context (Bressers & De Boer, 2013). This is done by means of an analytical model. In addition, the simplicity of this model offers opportunities to make practical recommendations to improve the implementation processes and the policy instrument itself. This study follows the development line of Contextual Interaction Theory, as shown in figure 1. In a sense that it allows to explore various inputs, including contextual factors, actors and their characteristics, in the implementation of the policy instrument of the local performance agreements for housing policy which might hamper the implementation process and the achievement of the objectives pursued by the

policy instrument in the light of the revised Housing Act 2015.

4. Methodology

Research design

An embedded case-study design is applied including multiple sub-units of analysis. Case-study research allows the exploration and understanding of complex phenomena within the boundaries of a specific environment, situation or organisation (Yin, 1994). The case-study approach enabled an comprehensive analysis of the implementation process of the policy instrument of local performance agreements in three municipalities in the Province of Zuid-Holland; Bodegraven-Reeuwijk, Zoetermeer and Rotterdam.

A descriptive assessment is conducted that employed qualitative methods, particularly in-depth interviews with actors involved by the establishment of local performance agreements for (social) housing policy in the three municipalities and other experts in the field of this specific policy implementation.

This research-structure and method captured experiences, perceptions and understanding of the challenges associated with the implementation of local performance agreements for (social) housing policy in the light of the revised Housing Act 2015. This made it possible to discuss and compare the current state of affairs of the instrument with the objectives pursued by the policy instrument.

Selection of cases

For the analysis, three cases have been selected: Rotterdam, Bodegraven-Reeuwijk and Zoetermeer. This selection has been chosen, since these municipalities differ in size but are still located in the same province, namely South-Holland. Whereby is considered that there will not exist great disparities between the municipalities regarding regional contextual factors. By selecting three cases varying in size, it was assumed that a proper

picture of the implementation process of the instrument would be provided.

Rotterdam

Rotterdam is determined as a metropolitan city located in the Randstad area. The municipality of Rotterdam counts approximately 640 thousand inhabitants. The municipality of Rotterdam is therefore, in terms of population, the second largest municipality in the Netherlands after Amsterdam.

Bodegraven-Reeuwijk

The municipality of Bodegraven-Reeuwijk has been chosen, since this municipality, containing of the villages of Bodegraven and Reeuwijk, counts 34.000 inhabitants. This municipality is clearly much smaller compared to Rotterdam.

Zoetermeer

The third case which has been chosen for the study, is the municipality of Zoetermeer. Zoetermeer is also a municipality located in the Province of South Holland like the other two municipalities described above. Zoetermeer counts over 120.000 inhabitants, which makes it the third largest population centre in the Province of South Holland after Rotterdam and The Hague.

Data collection

The data for the study was collected between April 2018 and June 2018. The interview approach has been the same for all interviews. The interviews had an open character and were semi-structured based on a discussion-point list. In this period 15 interviews with 19 respondents were conducted. Moreover, documents and reports which were considered important for the interviews were reviewed to obtain the required information needed for this study. From the municipal perspective 3 persons have been interviewed, from the perspective of the housing associations 6 interviews have been conducted and from the tenants' perspective 5 interviews are held. One

additional interview was conducted with a law firm to reflect on the legal aspects of the instruments. Each interview lasted approximately 60 minutes. Per case approximately 4 interviews have been conducted.

Data management

Right after the interviews, the data has been processed in detail by means of the recorded transcriptions and writings. All information gathered via the respondents has thereby be grouped by the themes of the decision-point list. After the data has been processed, interviews have been grouped by case and by type of respondent when for example multiple housing associations have been interviewed for one specific case. This grouping has simplified the analysis of the data, since it provides a clear overview how the different respondents evaluate the policy instrument: It enabled easy inter-case as well as inter-organisation comparison. Some respondents have provided extra information (documents), regarding the proceed of the interaction processes for the establishment of performance agreements for local housing policy.

Data analysis

For this study thematic analysis was employed. Using a combination of a deductive and an inductive approach. The themes were identified by using the CIT as a framework (deductive) by referring to concepts as, actor characteristics, problem context, political context, previous interactions, governance structure. The data was subsequently analysed manually through reading the transcriptions until a general understanding of the content was derived. From the thematic analysis, barriers could be identified, that hamper a successful implementation and functioning of the policy instrument of local performance agreements for (social) housing policy.

5. Results:

In this section the results of the study will be presented. First, in §5.1 insights will be

provided into the three case studies assesses for this study. These insights are provided in the form of an overview containing comparative (CIT) elements about the local implementation processes of performance agreements for (social) housing policy in the light of the revised Housing Act. From these case study analyses subsequently challenges, facing a successful implementation and functioning of the policy instrument of local performance agreements for (social) housing policy, have been derived. The barriers which have been identified can be divided in two main sets: issues in the governance structure and issues with the organisational structure of the local performance agreements networks. These are respectively discussed in §5.2 and §5.3. In section §5.4 additional emphasis has been provided on the decision-making process for the establishment of performance agreements and the impact of the identified barriers on this process.

5.1 The establishment of performance agreements in 3 municipalities

The local implementation processes and associated interaction processes between the municipality, housing association and tenants' organisations have been scrutinised for Bodegraven-Reeuwijk, Zoetermeer and Rotterdam. All municipalities developed a different approach to arrive at a set of local performance agreements. With regard to CIT, is per case determined whether and to what extent the characteristics of the involved actors have influenced the implementation process and where and how these actors are influenced by the external context. In table 1 an overview of the comparative case analysis is provided. Based on this case analyses, implementation barriers have been derived which are discussed in §5.2 and §5.3.

Table 1 Overview of local implementation processes based on comparative CIT elements.

Comparative elements	Establishment of performance agreements in three cases		
	Bodegraven-Reeuwijk	Zoetermeer	Rotterdam
Municipal characteristics			
Scale of municipality	Village(s)	City	City
Number of inhabitants	34.000	125.000	640.000
% social rental dwellings owned by housing associations of total number of dwellings	21%	37%	46%
Structural context			
Municipal housing policy	Present: due to the presence of practical housing policy, establishing performance agreements was relatively easy.	Present: However housing policy not considered suitable for establishing performance agreements for social housing policy.	Present: However housing policy not considered suitable for establishing performance agreements for social housing policy.
Revised Housing Act	Act did not provide clear prescriptions regarding form and content of performance agreements.	Act did not provide clear prescriptions regarding form and content of performance agreements	Municipality has assumed a leading role in the process due to legislative change.
Case-specific context			
Financial position	Housing associations have adequate resources to invest and are also willing to invest	Housing associations (except for Vestia) have adequate resources to invest and are also willing to invest	The majority of housing associations in Rotterdam do not have significant capacity to invest.
Task regarding social housing	Regular	Significant task mainly due to Vestia (housing association) problems and financial crisis	Major task especially in Rotterdam South
Interaction process			
Motivation in the process	Similar: priorities coordinated and aligned with all network actors	Similar, except for disagreement in coalition which has influenced process	Diverging regarding utility of instrument and establishment of goal ambitions
Actors involved in process	A wide range of actors involved by setting social housing priorities/ goal ambitions	Housing associations involved by determining goal ambitions	Low involvement of other societal actors in determining goal ambitions for social housing policy.
Network relations	Based on mutual trust	Based on mutual trust	Strained relationships between municipality and housing associations
Responsibilities in the process	Difficulties experienced with role of tenants in process	<ul style="list-style-type: none"> - Difficulties experienced with role of tenants in process - Ambiguities about facilitating responsibility among network actors 	Difficulties experienced with role of tenants in process.
Resources	Present	Present	Present
Result interaction process in terms of CIT	Active cooperation of housing associations	Learning?	Obstructive cooperation of housing associations

5.2 Issues in the broader the governance structure

Policies are never implemented in a blank policy field, but will add an additional element in this field. Therefore, it is important to analyse what kind of structures, processes and positions already exist in the environment in which the instrument is implemented (Hoppe, 2009). With regard to the policy instrument of performance agreements the whole set of rules and regulations concerning social housing is relevant. As noted before the policy instrument of local performance agreements for housing policy is one of the components of the revised Housing Act 2015. The Act, in its totality, aims to further regulate the activities of housing associations by providing stricter rules and boundaries (Rijksoverheid, 2015). These other components might hamper the desired co-creation of (social) housing policy and the establishment of local performance agreements between a municipality, housing associations and tenants' organisations:

1. *Mismatch between other components of Housing Act and the desired co-creation and implementation of local housing policy*

The Housing Act 2015, among others, provides rules for the scope of action for housing associations. Therein is prescribed that housing associations should emphasis on their core task: the provision of housing for low income households. However, as emerged from the in depth-interviews, these strict regulations regarding the remit of housing associations could hamper the creation of tailor-made mutual solutions for local housing challenges between housing associations, a municipality and tenants' organisations. Within municipalities where market players do not take up the responsibility of building important facilities, it will also be of benefit to municipalities, when housing associations could take up a broad remit and when the housing associations are not being restricted on their investment capacity via landlord levies and tax measures, as reflected by the

respondents. These investment could, namely, be of added value for the community, but due to the regulation change it is unclear for the network actors what kind of tasks the housing association is allowed to execute.

2. *Lack of requirements set to form and content of agreements*

A second barrier emerged from the analysis, concerning the governance regime, is the lack of requirements set by the central government to the form and content of the mutual agreements for (social) housing policy.

The central government seeks to facilitate and ensure the co-creation of (social) housing policy and the establishment of local performance agreements for (social) housing policy. However, there are hardly any requirements set to the form and content of the mutual agreements for social housing policy. This "freedom" is to some extent considered good, since it enables the creation of a tailor-made local performance agreements. Nevertheless, this "freedom" could also endanger the achievement of the objectives pursued by the policy instrument.

5.3 Issues with the organisational structure of the performance agreements networks

The second set of barriers concerning the implementation of the policy instrument of performance agreements are associated with the organisational structure of the local networks by establishing these agreements.

There are several barriers identified: *the current role of tenants' organisations in the process, the local housing policy as basis of the performance agreements, housing associations active in multiple municipalities, ambiguities regarding actor responsibilities, strained relations between network actors.*

These issues will be reflected in this section, but first of all, some additional information will be provided regarding these local networks of establishing performance agreements.

5.3.1. Introduction to the local network of performance agreements

By means of the policy instrument of local performance agreements regarding (social) housing policy, the central government seeks to create cooperative, but non-permissive, networks of municipalities, housing associations and tenants in order to release funds by housing associations for social benefit. The network actors should, according to the law, be considered as equal partners in these local networks. The organisational set-up of these networks and associated negotiation processes is to a large extent left to the network actors. The central government tries by means of so-called support instruments to ensure and facilitate the process of shared decision-making. Fixed deadlines, a dispute settlement body and the provision of financial information of the housing associations should facilitate and ensure the establishment of local performance agreements and the commitment from the housing associations. However, as emerged from the analysis issues arise due to the current organisational set-up. These will be reflected hereafter.

5.3.2. Issues with the organisational structure of the local networks responsible for establishing performance agreements

1. The role of tenants' organisations in the process

As derived from the interviews, difficulties are being faced regarding the role of tenants' organisations in the process of local performance agreements for (social) housing policy. According to the revised Housing Act, should tenants' organisations preferably be a full member in this decision-making process. This responsibility implies that tenants' organisations should be able to assess the investing capacity of housing associations and thereby have a sound knowledge of strategic housing policy. However, the involvement in this decision-making process is for many tenants' organisations a new exercise and

thereby is the board of a tenants' organisation dependent on volunteers (Terlingen, 2016). These new responsibilities require additional knowledge, time and skills of the board members of these tenants' organisations. The lack of knowledge about strategic housing policy and a reduced negotiation capacity and financial know-how among these board members is in practice experienced as a problem.

If it appears that tenants' organisations are not capable of fulfilling their desired role, one of the goals of the policy instrument of local performance agreements for housing policy may be put at risk: enhancing the role of tenants' organisations in social housing to ensure the social legitimacy of housing associations.

2. The local housing policy as the basis of the local performance agreements

A second barrier emerged from the analysis concerning the organisational structure is the role of the local housing policy document, which is created by the municipality, in the process for establishing local performance agreements for (social) housing policy.

The local performance agreements should be based on the local housing policy document, since housing associations are required to reasonably contribute to this document, according to the revised Housing Act. However, in practice this leads to problems in the local networks by establishing the performance agreements for social housing policy. The local housing policy is often not suitable as the basis of the performance agreements for housing policy, since it in general offers a much broader municipal/political view regarding housing and is not particularly focussing on social housing policy. Therefore, this document often lacks direction and is therefore not considered a proper basis for the local performance agreements for housing policy. Since this document does often not clearly reflect on social housing objectives,

it is hard for housing associations to establish a proposal in which they reflect how they could contribute to these social housing objectives.

3. Housing associations that operate in multiple municipalities

A third barrier associated to the organisation structure of the local network is the operation area of housing associations. The operation area of many housing associations does not stop at the borders of the municipality. In municipalities where housing associations are active in multiple municipalities, these organisations have to divide their financial means over multiple municipalities or they can choose to prioritise one municipality over another regarding the extent they are willing to contribute (Severijn, 2013). This aspect also led to problems in Zoetermeer with housing association Vestia.

This aspect could endanger that in certain municipalities the social housing issues will not be solved, or to a lesser degree, by the financial help of housing associations.

4. Ambiguities regarding actor responsibilities in local network for performance agreements

The instrument of local performance agreements does not precisely prescribe how the collaboration should be arranged, this is left to the network actors. However, as derived from the analysis, this freedom has left to problems and ambiguities, regarding roles and responsibilities, of the network actors. This has primarily to do with facilitating the process of shared decision-making. In order to ensure proper collaboration and coordination between the three actors in the network there is a need for a specific actor which facilitates the process of shared decision-making regarding the creation of social housing policy and therefore make sure collaboration between actors is facilitated and the right parties are involved with the right mandate and the needed knowledge for decision making is present at the negotiation process.

5. Strained relationships between municipalities and housing associations

The central government seeks by launching networks to create cooperative, but non-permissive, networks of municipalities, housing associations and tenants' organisations. However, a proper collaboration between these organisations cannot be taken for granted. Although there are shared responsibilities between municipalities and housing associations, such as the execution of housing policy, housing associations and municipalities are nevertheless considered also very different organisations, each with their own responsibilities and (conflicting) interests (Van Kessel, Scheele-Goedhart, & Wever, 2017). As derived from the analysis: Regarding the implementation of housing policy and therefore the establishment of local performance agreements for (social) housing policy, these strained relationships might serious affect the negotiation-processes and therefore hamper a successful implementation of the policy instrument. A cooperative relationship between the network actors is considered essential to contribute to the objectives pursued by the policy instrument.

5.4 Decision-making processes for the establishment of performance agreements

The in-depth interviews have identified several challenges facing a successful implementation and functioning of the policy instrument of local performance agreements for (social) housing policy: barriers in the broader governance context and barriers associated with the organisational structure of the local networks.

These identified barriers may arise during the negotiation-process for the establishment of local performance agreements for (social) housing policy. All issues can significantly complicate and hamper the negotiation process and therefore achieving the goals pursued by the instrument might be at risk. The policy instrument is aimed at facilitating and

ensuring cooperative, but non-permissive, networks of municipalities, housing associations and tenants in order to release funds by housing associations for social benefit. In addition, the existence of these networks should enhance the position of municipalities and tenants' organisations in social housing.

The most important condition, derived from the analysis, for a successful implementation of the policy instrument of performance agreements and the co-creation of local (social) housing policy is a cooperative relationship between the network actors. Due to the inter-case comparison could be identified which opportunities in the negotiation-process could be implemented to improve the decision-making process. In the Bodegraven-Reeuwijk for example, the involved actors have put a lot of effort in finding common goals and agreements have been established based on mutual trust, this significantly improved the decision-making process. By contrast in Rotterdam, where the municipality has assumed a leading role in the process of establishing performance agreements for (social) housing policy, but did not put much effort in finding shared interests and in investing in good relations. This has led to resistance, especially, among the housing associations.

In order to arrive at a proper collaboration and coordination between the three actors in the network, there is a need for a specific actor which facilitates the process of shared decision-making regarding the creation of social housing policy. This specific actor should emphasise and invest in good actor relations, the creation of partnerships and thereby shared goals should be identified but simultaneously the differences in interests and responsibilities should be taken into account to create a cooperative relationship (Van Kessel, Scheele-Goedhart, & Wever, 2017). This specific actor will then manage the network and make sure collaboration between actors is facilitated. This implies that the right parties are involved with the right mandate and the

needed knowledge for decision making is present at the negotiation process. This should significantly ease the negotiation process and should thereby also address some of the identified barriers: barrier 4 and 5 associated with the organisational structure could, to some extent, be overcome.

6. Discussion

This study focused on the implementation and functioning of the policy instrument of local performance agreements, which obtained a legal status in the Housing Act 2015. The conclusions are based on three case studies and additional interviews with experts in this field. A disadvantage of this research approach is that generalisation to the target population, all local performance agreements networks in the Netherlands consisting of municipalities, housing associations and tenants' organisations, is difficult due to the low number of cases. More cases are considered needed to generalise the results.

This study contributes to literature regarding the functioning of performance agreements or performance measurement systems in the public sector. According to Lewis (2015) should such performance measurement systems in the public sector more be considered as social structures of interactions between individuals and institutions. This study has made an attempt to contribute to this request by the evaluation of the policy instrument of local performance agreements for housing policy and thereby scrutinise the social interactions between a municipality, housing associations and tenants' organisations in this context to evaluate the effects. The Contextual Interaction Theory demonstrated to be appropriate to analyse and assess the social structures in place regarding the implementation of the instrument of performance agreements for housing policy.

Additionally, the study provided insight in how housing associations in the Netherlands are governed in these performance measurement systems and how attempts have been made to ensure the social and democratic

legitimacy of these organisations (Reaymaeckers et al., 2017; Ebrahim et al., 2014; Cornforth, 2012). Desirably, these insights could also be applied by setting-up networks for other types of hybrid organisations in which the social legitimacy is at risk. However, it is regarded difficult to generalise the conclusions and recommendations over other types of hybrid organisations. Since a housing association is regarded a specific type of hybrid organisation: they are also considered real estate companies. And this has implications how the organisations can be governed. Moreover, the Netherlands is known by its specific planning practice and this also influences the impact and effectiveness of this instrument.

7. Conclusion

In 2015 the Housing Act was revised to further regulate the social housing sector and thereby improve the steering possibilities of the central government in this sector. The amendments of the Housing Act 2015 were of a substantial number and nature. One of the policy instruments, which obtained a legal status in this revision of the Act, are the local performance agreements for housing policy. By means of this policy instrument the central government seeks to facilitate and ensure cooperative, but non-permissive, networks of municipalities, housing associations and tenants for the co-creation of social housing policy. Moreover, by means of these local networks the position of municipalities and tenants' organisations in social housing should be enhanced to ensure the democratic and social legitimacy of housing associations. This study aimed at assessing barriers hampering the implementation and functioning of the policy instrument of performance agreements for housing policy. This study identified these barriers by answering the following research question:

Which barriers can be distinguished by the implementation of the policy instrument of local performance agreements between municipalities, housing associations and tenants' organisations?

In depth-interviews with experts and actors involved in the local networks for establishing performance agreements in Rotterdam, Zoetermeer and Bodegraven-Reeuwijk have been used to analyse and reflect which barriers currently hamper a successful functioning of the policy instrument and therefore might put achieving the objectives pursued by the instrument at risk. This policy assessment by means of the Contextual Interaction Theory showed that to make sure the desired goals of a policy will be achieved, the inputs required for the policy implementation (adequate resources and alignment with broader policy field) must be assured, and the interaction process regarding the implementation of the policy should be well organised and facilitated:

From this comprehensive analysis barriers are derived which are associated with either the broader governance regime or with the organisational structure of the networks comprising of municipalities, housing associations and tenants' organisations as shown in table 2.

Table 2: overview of identified barriers for successful implementation of policy instrument of performance agreements.

<u>Governance regime barriers</u>	<u>Organisational structure barriers</u>
1. Mismatch between other components of Housing Act and the desired co-creation and implementation of local housing policy	1. The current role of tenants' organisations in the process
	2. The local housing policy as the basis of

2. Lack of requirements set to form and content of agreements	the local performance agreements
	3. Housing associations that operate in multiple municipalities
	4. Ambiguities regarding actor responsibilities in local network for performance agreements
	5. Strained relationships between municipalities and housing associations

All these barriers have a direct influence on the decision-making process regarding the establishment of performance agreements for (social) housing policy. These barriers need to

be addressed, emphasising on the organisational barriers, in order to make sure the objectives pursued by the policy instrument will be achieved. The most important condition for a proper implementation of the policy instrument of performance agreements and the co-creation of local (social) housing policy is a cooperative relationship between the network actors. Therefore, municipalities, housing associations and tenants' organisations will have to put effort in investing in good actor relations, the creation of partnerships and thereby shared goals should be identified but simultaneously the differences in interests and responsibilities should be taken into account to create a cooperative relationship.

It is recommended to conduct additional research in finding suitable approaches how this collaboration should be set-up and how the barriers can be overcome. For example, which measures are suitable to address the issues concerning the role of the tenants' organisations in the process.

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