

From Brick-layers to Life-changers ... and back again?

A network governance perspective on the changing role of housing associations
in the Netherlands and England in neighbourhood renewal

– How (not) to involve housing associations in neighbourhood renewal –

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Abstract

There has been a growing understanding in the Netherlands and in the UK that sustained area based interventions are needed to address the multiple forms of deprivation concentrated in some neighbourhoods. Not-for-profit housing associations contribute to the regeneration of these neighbourhoods, each within the context of their national housing system. In both countries housing associations developed from traditional 'bricks and mortar' landlords into social entrepreneurs. They not only undertake social housing projects but have also widened their activities to include more commercial projects and to address social and economic deprivation. More and more housing associations see vibrant communities and a commitment to create live chances for residents as a core part of their mission.

This paper explores and compares the changing roles of Dutch and UK housing associations in neighbourhood renewal as organisations with a hybrid position between state, market and society. Applying a network governance perspective developments on a national level are explored. This is supplemented with more detailed data from an on-going longitudinal research on the role played by housing associations in neighbourhood renewal.

The paper concludes with a discussion on the future role of housing associations in neighbourhood regeneration considering the harsh economic climate and the policies of the current Dutch and UK centre-right governments. Both administrations emphasise localism and a more dominant role for citizens and civil society while simultaneously implementing drastic austerity measures.

Keywords: neighbourhood renewal, housing associations, complexity, network governance.



Introduction: Focus, theory and method

This paper investigates developments in social housing systems in the Netherlands and England with a special focus on the role of housing associations in neighbourhood renewal programmes. The paper aims to explore the complexity of neighbourhood renewal decision-making processes and how this complexity is influenced by contextual factors and the interactions between actors. These processes are investigated using a network governance perspective. This approach, originating from public management and policy studies, assumes that policy is developed and implemented in networks of interdependent organizations. These networks are changing patterns of social relationships between actors that emerge around policy problems and clusters of resources.

This paper draws from national policy documents, minutes of meetings in parliament, newspapers articles and even a political diary published by one of the former Dutch housing ministers (Vogelaar and Bosma, 2009). Data on a national level is supplemented with information gathered on local level from an on-going longitudinal case-study research on the role played by housing associations in the regeneration of two neighbourhoods in the cities of Groningen (NL) and Birmingham (UK). This paper builds on previous published articles from this research (Mullins and Van Bortel, 2010; Van Bortel and Mullins, 2009; Van Bortel et al., 2009; Van Bortel 2009; Van Bortel and Elsinga, 2007)

This paper is work in progress and part of an un-going PhD Research into the role and position of housing associations in neighbourhood renewal in the Netherlands and England. Especially section 6 has the status of an early draft.

The paper is designed to become part of a chapter providing a cross-national overview of the role of housing associations in both countries. In its current form the paper presents more information on developments in the Netherlands than it does about England. This will be balanced in future revisions.

Neighbourhood renewal and the role of housing associations

In recent years the idea of sustainable communities has made its way to the heart of the debate on urban development and integrated policies for European regions, towns, cities and neighbourhoods. This has implications for the public and private sector, third sector organisations such as housing associations and for local communities and governance arrangements. In England and the Netherlands not-for-profit housing associations are important parties in the delivery of neighbourhood renewal. In England housing associations manage 56% of the social housing rental stock and approximately 10% of the total housing stock. In the Netherlands housing associations manage almost all social rental housing, which constitutes 32% over the total stock (Dol & Haffner, 2010; CLG, 2010)

Many housing associations in England and the Netherlands have set themselves regeneration tasks that have taken many of them well beyond 'bricks and mortar'. This requires them to collaborate with municipal authorities and a wide range of partners who contribute to the well-being of places and people.

Neighbourhood regeneration is necessarily responsive to context. The role played by housing associations in neighbourhood renewal is closely related to general discussions on the tasks and governance of housing associations. The comparison between The Netherlands and England is valuable in highlighting different national contexts and approaches to partnership working, with a dominance of resource led, hierarchically driven arrangements in England and a greater need for collaboration in the Dutch case, reflecting the wider dispersion of resources.

Developments in England

English housing associations manage 2 million homes. In recent years housing associations have been involved in several neighbourhood renewal programmes, such as the New Deal for Communities (NDC) and the Housing Market Renewal programme (HMR). Housing associations are largely dependent on government resources to sustain their contribution to neighbourhood renewal, but manage to combine government grants with own resources and private funding.

The commitment of housing associations to neighbourhoods was illustrated by the *In Business for Neighbourhoods* initiative that was launched in the early 2000s as a campaign by the National Housing Federation (NHF), the representative body for English housing associations (NHF, 2003). A neighbourhood audit conducted in 2007 by the NHF highlighted the substantial contribution of housing associations in improving neighbourhoods (NHF, 2007).

During the last years of the Labour government in the UK housing has been moving up on the political ladder. The Cave Review (Cave, 2007) of social housing regulation emphasized the important role of housing in promoting regeneration, economic prosperity and community cohesion. The Hills Review concluded that in neighbourhood renewal it is of key importance to shift the local housing mix to include more “aspirational housing” to retain upwardly mobile people within the area and thereby reverse long term decline (Hills, 2007). The reviews by Cave and Hills were followed by a major overhaul of social housing regulation and funding. This resulted in the 2008 Housing and Regeneration Bill (Wilson, et al., 2007). Goal of the new Bill was to provide the legal, institutional and funding fundamentals to increase the supply of new housing with three million houses by 2020.

The regulatory changes included the replacement of the Housing Corporation, funder and regulator of housing associations for over 40 years by two new agencies. The funding tasks of the Housing Corporation were taken over by the Homes and Community Agency (HCA) and its task as social housing regulator was allocated to the Tenant Services Authority (TSA) (Murie, 2008).

Through her ‘single conversation’ method the HCA strengthened the role of local authorities and had an important impact on the place shaping agenda and expectations of closer collaboration between local government and housing associations in regeneration areas (Mullins and Van Bortel, 2009). In Dutch neighbourhood renewal practices local authorities also have an important position, but central and local government have less hierarchical leverage on the activities of social landlords.

The TSA emphasized the importance of high quality housing service delivery to tenants. Expectations were elaborated in a regulatory framework that contains six performance standards (TSA, 2010). All social landlords are expected to meet these standards. One of them is focused on the contribution expected from social landlords in contribution to attractive neighbourhoods and communities. According to the performance standard social landlords need to keep the neighbourhood and communal areas associated with their properties clean and safe. They are expected to work in partnership with their tenants and other providers and public bodies. Social landlords need to collaborate with public agencies and other relevant partners to help promote social, environmental and economic well-being in the areas where they own properties and to prevent and tackle antisocial behaviour.

Developments in The Netherlands

Dutch housing associations have, as their English counterparts, gradually expanded their involvement in neighbourhood regeneration. During the 1980s neighbourhood renewal was predominantly complex-based, meaning that the refurbishment or replacement of properties were at the centre of attention. Only in the late 1990s housing associations and policy makers developed a broader perspective on neighbourhood renewal. This development was stimulated by the introduction in 1997

of 'liveability' as a new task domain for housing associations in the Social Housing Management Order (BBSH). In 2001 'housing and care' was added to the list performance fields in the BBSH.

The Grossing and balancing operation of 1993 provided housing associations with considerable operational and financial autonomy. Housing associations were charged with the public task, anchored in the Constitution and Housing Act, to provide affordable housing, but governance of the social housing sector was highly depended on self-governance. Provisions guiding the actions of housing association were laid down in the 1992 Social Housing Management Order (Dutch Acronym: BBSH). In later years policy makers and politicians felt that the BBSH provide insufficient safeguards to ensure that housing associations executed their public tasks in a proper way. Government supervision on performance was light-touch. With almost no subsidies available, the government has very limited opportunities to steer the actions of housing associations. The state largely depends on the goodwill, commitment and social ethos of housing associations.

Another key policy shift was triggered by the publication of the "Trust in the Neighbourhood" report by the Dutch Scientific Council for Government Policy (WRR) in 2005. The WRR contended that in the past neighbourhood regeneration approaches have not been able to create sustainable improvements. In a similar vein, the Dutch Housing Council recommended in her 2006 report '*City and Social Mobility*' [*Stad en Stijging*]¹ (VROM-Raad, 2006) a new approach to neighbourhood renewal balancing 'place-related' and 'people-related' interventions. The report emphasized the need to focus on supporting the social mobility of residents; taking the ambitions of residents as the focal point of housing and urban policy and enabling residents to fulfil their ambitions for better housing and quality of life in their own neighbourhood to form a positive example and facilitator to others.

In June 2009 housing minister Eberhart Van der Laan presented his vision on the Dutch social housing sector to parliament. The minister's proposals were intended to renew the system in order to strengthen public control and scrutiny while maintaining the operational freedom housing associations have in pursuing their social mission in the areas of affordable housing, quality of life and related social questions (Van der Laan, 2009).

Late 2009, the European Commission published its decision on state aid provided to housing associations. These new rules will be included in a new Housing Act that will also replace the current Social Housing Management Order. In the meantime, the Minister published in early 2010 a temporary Order (WWI, 2010) implementing the new rules. In May 2011 the text of the new Housing Bill was published. The Bill also contains governance provisions on the relationship between government and housing associations to better ensure the public interest in the field of affordable housing and viable communities (BZK, 2011)

The role of housing associations in neighbourhood renewal has been given a prominent position in the Housing Bill that is currently under discussion in Parliament. The Bill includes three key activity domains for social landlords:

1. Housing low income and vulnerable households;
2. Develop and manage social real estate with a neighbourhood function, such as schools for primary and secondary education, sports facilities and community centres;
3. Commercial neighbourhood facilities and neighbourhood services aimed at improving the liveability in neighbourhoods and the socio/economic position of residents.

Housing associations are expected to provide support and funding for the delivery of people-related activities such as education, employment and social inclusion in challenged neighbourhoods. The actual delivery of these services does not belong to the remit of housing associations and should therefore be left to other organisations and should take place under the leadership of local authorities.

Comparing two flagship neighbourhood renewal programmes

England and the Netherlands have both seen a number of neighbourhood-based renewal initiatives. One of the largest projects was the *New Deal for Communities* (NDC-program) launched in 1999 and run through 2008 (CLG, 2010a, 2010b). NDC included both place-related as people-related interventions. A second program the *Housing Market Renewal* (HMR) programme run from 2002 until 2011. This programme had a thematically more narrow focus on housing, but a wider geographical remit due to its focus on local and regional housing markets in nine pathfinder areas across the Midlands and the North of England. The programme aimed to deliver change on a large scale, working across areas with weak housing markets, irrespective of local authority boundaries (Cole and Nevin, 2004; Market Renewal Pathfinder Chairs, 2006).

In the Netherlands several programs were aimed at improving deprived neighbourhoods. In 2003 housing minister Kamp noted that urban renewal progress was slow. He devised a set of additional measures to stimulate progress. These initiatives were bundled into the 56-Neighbourhoods programme. The programme included a mix of actions, such as additional budgets to stimulate developments, actions to streamline legislation, remove 'red tape', and facilitate collaboration and develop mechanisms to match the resources of affluent housing associations with their less well-off colleagues working in challenged neighbourhoods. The 56-Neighbourhood programme ran from 2005 until 2007. In 2007 a high-profile initiative was launched to address problems of compounded deprivation in 40 priority neighbourhoods Connecting characteristics of both Dutch programmes is that they involved very little government funding and were mainly focused on improving partnership working in neighbourhood renewal (*website KEI Centre for Urban Renewal, www.kei-centrum.nl*).

In this paper we will focus on the role of housing associations in two flagship programs: the English New Deal for Communities and the Dutch 40-Neighbourhoods Programme.

Table 1. Two flagship neighbourhood programs compared

	NL	ENG
	40-Neighbourhoods Programme	New Deal for Communities
Number of neighbourhoods	40	39
Start and End	2007-2011	1999-2008
Goals	Transform 40 areas over 10 years by investing in housing, education, partnering, work, social inclusion, crime and anti-social behaviour prevention.	Transform 39 areas over 10 years by achieving holistic change in relation to three place-related outcomes: crime, community, and housing and the physical environment, and three people-related outcomes: education, health, and worklessness.
Yardstick	'close the gaps' between selected areas and the rest of the country, based on the development of 18 indicators of deprivation.	'close the gaps' between selected areas and the rest of the country, based on the development of 39 indicators of deprivation.
Investments	Initially funding was unclear. After negotiations housing associations agreed to invest 2,5 billion euros over a period of 10 years. The state committed an extra 320 million euros from 2008 until 2011.	1,71 billion GBP spend by NDC partnership and 730 million from other public, private and voluntary sector sources.

	NL	ENG
	40-Neighbourhoods Programme	New Deal for Communities
Delivery vehicle	No clear delivery vehicles are mentioned in the program. Policies and actions are the negotiated outcomes of governance networks with local authorities and housing associations as the most prominent actors.	New Deal for Community Boards representing local stakeholders positioned at arms-length from local authorities.

Sources: VROM, 2007; CLG, 2010; adaptations by author

The NDC programme includes six core outcome areas, three place-related areas and three people-related areas (see table 2). In total 39 indicators were used to monitor progress on these outcome areas. The Dutch "Strong Neighbourhoods" programme included very similar outcome areas and 18 selection indicators. Half of these are based on the problems as perceived by residents, the other half on factual indicators (VROM, 2007).

Table 2. Outcome areas of the neighbourhood programs

	NL	ENG
	40-Neighbourhoods Programme	New Deal for Communities (NDC)
Place-related outcome areas*	Crime (<i>Veiligheid</i>) Social inclusion (<i>Integreren</i>) Housing (<i>Wonen</i>)	Crime Community Housing
People-related outcome areas*	Education and Parenting (<i>Onderwijs en Opgroeien</i>) Worklessness (<i>Werken</i>)	Health Education Worklessness

* The distinction between place-related and people-related is used in the NDC-programme, it is only implied in the Dutch 40-Neighbourhoods programme.

Understanding complex decision-making in neighbourhood renewal: a network governance perspective

This paper is part of an on-going PhD research project to explore the role of English and Dutch housing associations in neighbourhood renewal from a network governance perspective. This still maturing approach originates from Public Management and Policy Studies. Torfing and Sørensen (2007) define governance networks as a stable articulation of mutually dependent, but operationally autonomous actors from state, market and civil society, who interact through conflict-ridden negotiations that take place within an institutionalized framework of rules, norms, shared knowledge

and social imaginaries, facilitate self-regulated policy making and contribute to the production of 'public value' in a broad sense of problem definitions, visions, ideas, plans and concrete regulations that are deemed relevant to broad sections of the populations.

Governance networks are most pronounced in situations where resources are fragmented over large numbers of actors and hierarchical steering is likely to prove ineffective. Neighbourhood regeneration programmes in England and the Netherlands are often characterised by such networks because resources are fragmented and programmes often involve housing associations and other actors that have a high degree of independence from local and national government (Van Bortel and Mullins 2009). This is especially the case in the Netherlands; resources in the UK are less dispersed resulting in stronger external hierarchical steering of local 'partnerships' by the state (Davies, 2002).

Core elements of network governance analysis are 'games', 'actors' and 'arenas' (Koppenjan and Klijn, 2004). Governance networks are formed, maintained and changed by policy 'games' between actors (Klijn 1996, see Allison, 1971, for the concept of 'games'). These games take place in policy 'arenas' (Kickert, Klijn, Koppenjan, 1997; Koppenjan and Klijn, 2004). Arena's are activated part of governance networks where interactions between parties take place on specific governance policy issues. In this paper we focus on the interactions taking place in the Netherlands on financing of the 40-Neighbourhoods programme, and especially the contribution expected from Dutch housing associations.

Complexity: multiplicity, interdependencies, closed-ness and dynamics

The multiplicity of actors and their various and sometimes conflicting perceptions, interests and strategies make these games complex (see De Bruijn & Ten Heuvelhof, 2000; Klijn, 1996; Koppenjan & Klijn, 2004). There are various ways of analysing networks (Mullins and Rhodes, 2007). This paper focuses on the complexity of decision-making processes in governance networks. De Bruijn & Ten Heuvelhof (2000) identify four elements that influence complexity: multiplicity, interdependencies, closed-ness and dynamics. These four elements are used in this paper to structure the recent developments affecting the role of housing associations in neighbourhood renewal (see Rhodes and Van Bortel (2007) for more info on the theoretical framework underpinning this research).

Multiplicity can materialise in large numbers of agents involved in decision-making processes, but also in different priority settings and different perceptions of reality and dominant logics among agents. Decision-making in neighbourhood renewal involves many different private, government, third sector and civil society actors, such as local authorities, resident organisations, schools, care providers etc. These actors differ in dimensions such as organizational goals, values, cultures and structures. In addition, actors involved in neighbourhood renewal decision-making often work across different hierarchical or geographical levels: national, regional, and local. On a local level some actors focus on the whole council level, while others focus on specific neighbourhoods or even streets of housing blocks.

Interdependencies between actors originate from the fragmentation of resources among a large number of actors. Actors need resources to achieve their goals, such as money, building locations, spatial planning permits; local knowledge, support from elected officials. Most, if not all, actors do not possess all the resources they need. Others may own some (or all) of these resources and negotiations are needed to acquire them. For example: housing associations may have the resources to invest in the improvement of the housing stock, but in most cases they need the municipality to provide the necessary building permits. Interdependencies in networks can be very complex. Complicating factors can consist of numerous mutual dependencies at a same moment in time or, in contrast, asynchronous dependencies where dependencies between actors differ over time (De Bruijn & Ten Heuvelhof, 2000 p: 23).

Closed-ness is an element that can complicate decision-making considerably. Actors in a network are not automatically sensitive to the information provided by others. Policy interventions by the state can be ignored. The policy objective of the Dutch Housing Minister in the 1990's to sell large portions of the social housing stock, for example, was flatly ignored by most housing associations (Van Bortel & Elsinga, 2007). In this case the state had very limited powers to enforce its policy.

Closed-ness is often the result of the power and autonomy of the actor involved. Autonomous actors do not need the resources offered by others, and can consequently ignore their initiatives. A more positive perspective is that organisations need a certain degree of closed-ness, because receptiveness to all external signals would send them adrift. Closed-ness enables organisations to incorporate only a limited amount of the complexity and environmental turbulence into their activities while maintaining focus on their objectives.

Dynamics. Governance networks are constantly in transition due to changes in closed-ness, interdependencies and multiplicity of actors in the network. Some actors may no longer be part of the network, while others join-in. This means that opportunities and barriers to successfully influence decision-making can change over time. The outcomes of governance networks are therefore often unpredictable. In complex networks there are no 'done deals', new decision-making rounds, new actors in the network or altered network characteristics can lead to the re-evaluation of decisions made in the past, with possibly different outcomes. We will illustrate this with examples from neighbourhood renewal networks.

The 40-Neighbourhoods Programme

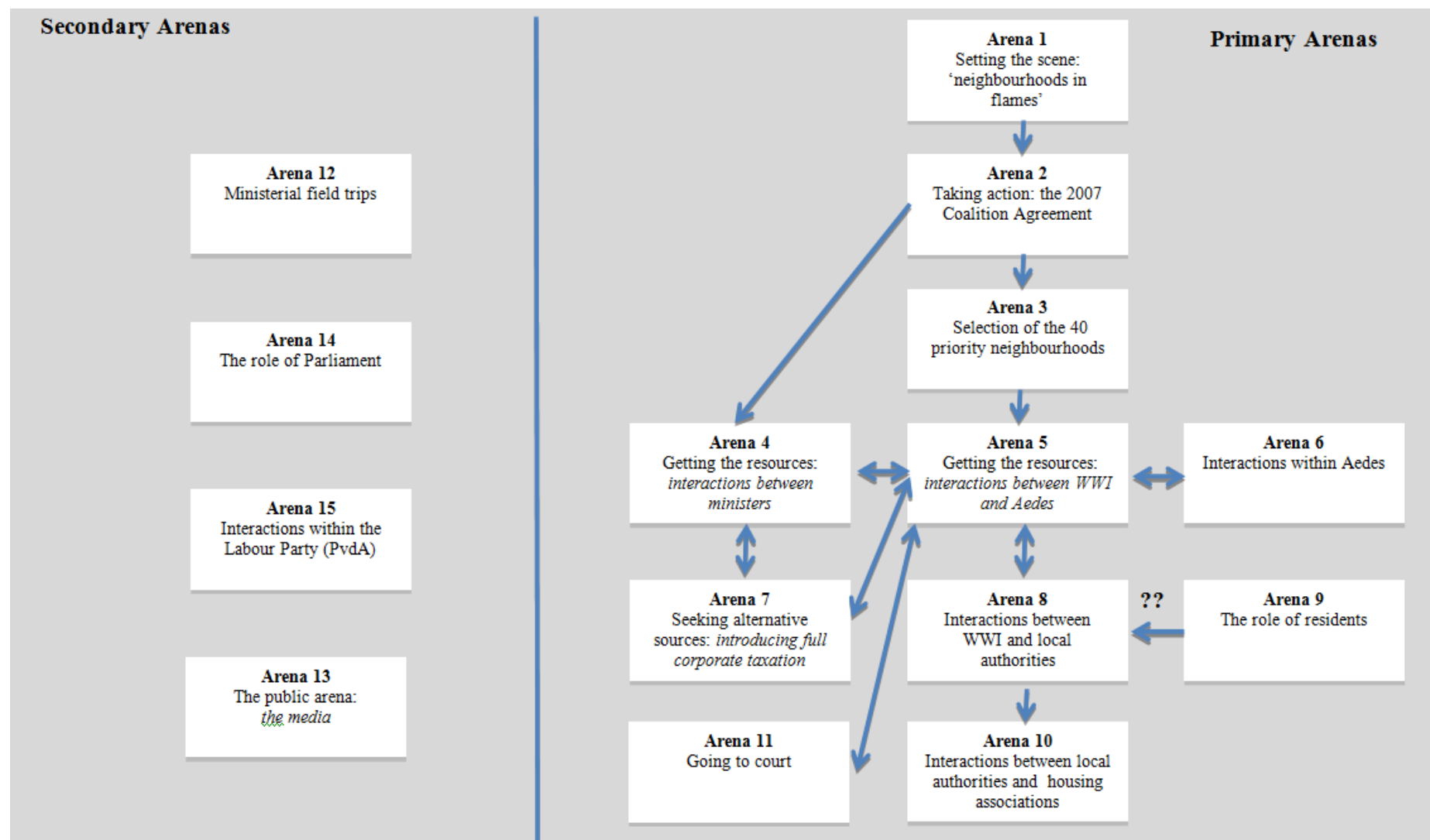
Introduction: drowning in a tidal-wave of policy arenas

In this section we will provide an overview of the decision-making interactions that followed the introduction in 2007 of the "Strong Neighbourhoods" aka "40 neighbourhoods" programme by the new Dutch government elected into power that year. We have clustered interactions into policy arenas (Koppenjan & Klijn, 2004). Each policy arena contains a set of actors involved in a specific policy game, for example: the interactions between the housing Minister and Aedes, the Dutch trade body of housing associations on the creation of a Neighbourhood Investment Fund (see Arena 5)

A series complex policy games unfolded after the new area based initiative was announced. Games with many players, featuring at a national level *Ella Vogelaar*, minister for housing, neighbourhoods and integration, *Wouter Bos*, finance minister and leader of the Labour Party. Aedes, the Dutch trade body for housing associations, was represented by its chair *Willem van Leeuwen*. As will be described in this paper the policy games included many other named and unnamed actors and 'extras' on a national and local level. We will use network governance perspective to explore these policy games, but the events could as well be used to write a Greek tragedy or modern day thriller.

The arenas presented below are not empirical facts, but constructed by the author based on the analysis of documents and interviews. We make a distinction between 'primary' and 'secondary' arenas. This distinction is made by the author and guided by the research objective of the paper to explore the role of *housing associations* in neighbourhood renewal. The distinction does not mean that primary arenas had more influence on eventual outcomes. For example the role of the media (Arena 11), the role of Parliament (Arena 12) and interactions within the Labour Party (Arena 14) have also been important for the outcomes of decision-making, but are located at the margins of the current research scope.

Figure 1. Policy arenas connected to the 40 Neighbourhoods Programme in The Netherlands



Primary Policy Arenas

Arena 1: Setting the scene: "neighbourhoods in flames"

The need for a strong focus on a selection of areas facing high levels of deprivation entered the public debate in 2006 and 2007 due to actions of Housing Minister Pieter Winsemius. Based on an external study (Brouwer et al, 2006) his department published a list in 2006 of 140 problem areas; 40 of which were in grave and imminent danger of becoming no-go areas. Winsemius described them as 'powder kegs' that would 'explode'² if no additional investments would become available³. He believed the government should invest between 1 and 1,5 billion euros annually for a period of 10 years in these deprived neighbourhoods. Following the influential 2005 'Trust in the Neighbourhood' report of the Dutch Scientific Council for Government Policy (WRR, 2005) the VVD minister advocated for an active role for housing associations: 'They have a responsibility to the whole neighbourhood, the entire public space'.

Arena 2: Taking action: the 2007 new government's Coalition Agreement

In February 2007 the newly formed coalition government of PvdA (labour), CDA (Christian Democrats) and ChristenUnie (Union of Christians) presented its political program for the coming four years. This Coalition Agreement included a high-priority neighbourhood renewal program with the motto '*van probleemwijk naar prachtwijk*', freely translated as "*turning problem neighbourhoods into 'pearls'*". This program was part of the 'Social Cohesion' strategy; one of the six strategic pillars of the government agenda.

The Coalition Agreement states that 'attack plans' should be developed in collaboration with local authorities, housing associations, enterprises, police, social care agencies and schools. The national government wants to take the role of co-financer, facilitator and a liaison between actors⁴. The Coalition agreement envisions a sustained, intensive and cohesive and broad strategy to address the problems in deprived neighbourhoods.

In March 2007, Ella Vogelaar, the newly appointed Minister for Housing, Neighbourhoods and Integration (Dutch acronym: WWI) presented the main elements of the new program in a letter to Parliament. The programme included 40 neighbourhoods in 18 cities. Driven by a sense of urgency and the desire to focus on a limited number of highly deprived neighbourhoods, the minister wanted to quickly develop Neighbourhood Action Plans for each of the selected areas. Although the 40 areas were selected top-down by the national government, minister Vogelaar wanted local stakeholders to have a prominent position in the development of these plans.

In July 2007 the Minister sent her overarching Neighbourhood Action Programme ('*Actieplan Krachtwijken; Van aandachtswijk naar krachtwijk*') to Parliament. There is a subtle reformulation of the original subtitle of the program as mentioned in the Coalition Agreement. The phrase 'problem neighbourhood' ('*probleemwijk*') is replaced by 'priority neighbourhood' ('*aandachtswijk*'). This shift in semantics could not prevent that the selected areas were presented as 'problem neighbourhoods' in the media (see Arena 12).

Outcome: Neighbourhood Actions Programme without funding

Arena 3: Selection of the 40 priority neighbourhoods

After the announcement of the 'Strong Neighbourhood' program in the Coalition Agreement early 2007 it was not yet clear what areas would be included. In March 2007 the selected 40 neighbourhoods were announced. The selection criteria were chosen a year before (but not published) and during a six-month period neighbourhoods were assessed based on the criteria. (Vogelaar and Bosma, 2009, p: 61).

Gent (2009) argues that a substantial number of the selected priority neighbourhoods do not suffer from higher levels of deprivation than many other Dutch areas that are not part of the priority programs.

Although the top-down selection process was designed to prevent this, several municipalities did lobby for the inclusion of specific neighbourhoods in the selection. Minister Vogelaar wanted to stick to her selection, only in one case (a neighbourhood in Enschede) did the government concede to complaints.

Local and regional politicians argued that minister Vogelaar had taken over neighbourhood renewal policy and severely limited the possibilities of local and regional governments to develop their own approach.⁵ The minister stated however that 'she would not easily be convinced by municipalities to come back on her decision'.

Outcome: 40 selected priority neighbourhoods, support from local actors for the selection is ambiguous

Arena 4: Getting the resources: interactions between ministers and government departments

In the Coalition Agreement a budget of in total one billion euros over the period 2008 to 2011 is reserved for neighbourhood renewal. Funding would however not be allocated directly to neighbourhoods but through the Fund for Municipalities; the main funding mechanism for local authorities. The budget would start at € 100 million in 2008 and increase over years up to € 400 million in 2011 (Coalition Agreement, 2007, p: 52). The government's Coalition Agreement was further elaborated in a Policy Programme 2007-2011 (*Beleidsprogramma*). This also included the neighbourhood renewal programme, but funding was no longer mentioned. The Policy Programme only stated that funding should be the outcome of consultations between housing associations and municipalities.

Shortly after the announcement of the 40 selected neighbourhoods it became clear that the Minister of Finance Bos wanted to use the € 750 million per year that housing associations had to contribute to the public resources in a way that would lower the public debt. This goal was already in the fine print of the Coalition Agreement and also one of the key government objectives. Consequently, no direct resources were available for priority neighbourhoods.

Imposing a direct levy on housing associations was the first option to retrieve the 750 million euros. A second option was to expand corporate taxation of housing associations to include all their activities (see Arena 7). Consequently also non-commercial activities would henceforth be taxed. A third option considered, was housing associations to agree upon restrictive rent policies that would decrease government housing benefits expenditures. In August 2007 Finance Minister Bos communicated that the goal of reducing public debt can be achieved by introducing full corporate taxation on housing associations' activities.

Minister Vogelaar entered negotiations with Aedes on the creation a public or private neighbourhood renewal fund (see Arena 5). After these negotiations ended in deadlock several months later, minister Vogelaar decided to retrieve € 75 million a year through a levy imposed on housing associations.

Minister Vogelaar used the 2008 Spring Budget Plan ('*Voorjaarsnota*') to secure structural funding for the 40-Neighbourhoods program that funding. In the Spring Budget Plan the finance minister provides an interim overview of the current financial year. It is also used as a preview for next year's budget. After tough negotiations minister Vogelaar managed to secure € 300 million. Vogelaar labelled part of the money to be used exclusively for residents' initiatives. The remainder was distributed among the 40 priority neighbourhoods based on a fixed amount for each district and a supplement based on the number of residents in the area. The investments contained in the Neighbourhood Action plans and the Charters between the national government and local authorities played no role in the allocation of resources.

Outcome: several ministries have subsidy programmes aimed at the 40 priority neighbourhoods.

Arena 5: Getting the resources from housing associations: negotiations between the Housing Minister and trade body Aedes

The 2007 Coalition Agreement states that a neighbourhood renewal investment effort is expected of housing associations. Rather threateningly the Agreement continues by announcing that if no agreement with housing associations is reached, '*other options will be explored to enforce their contribution*'. The Coalition Agreement goes on by stating that '*arrangements with housing associations will not be optional. This applies both to arrangements between government and social housing sector and local level covenants between municipalities and housing associations*' (Coalition Agreement, 2007, p: 31).

The 2007 Coalition Agreement stated that housing associations are expected to contribute € 750 million to the national government annually from 2008 onwards. This contribution was to benefit neighbourhood renewal. However, the Agreement did not elaborate on how the contribution was to benefit deprived areas. The only statement to be found on this in the text states that the design of the contribution is to be developed further and that pending this, it is assumed that the system is to reduce the public debt level and contribute to European Monetary Union (EMU) objectives. This double objective: a contribution to the neighbourhood renewal and reducing the national debt is the source of a long-standing conflict between the minister for housing, neighbourhoods and integration Ella Vogelaar, finance minister Wouter Bos and the social housing sector.

Housing associations strongly opposed a contribution to a government controlled public neighbourhood renewal fund; they argued for a private fund. However, this would not contribute to the government's EMU targets. In the summer of 2007 finance minister Bos announced a system of full corporate taxation for housing associations. Willem van Leeuwen, Aedes Chairman and CDA-member contacts his fellow party members in Parliament to lobby for a private fund.

In the summer of 2007 minister Vogelaar prepared a Bill that would make it possible to impose a levy on housing associations to generate neighbourhood renewal resources. With that impending threat, minister Vogelaar tried to reach an agreement with Aedes on a public neighbourhood renewal fund. Meanwhile, finance minister Bos is confident that full corporate taxation of housing associations' activities will lower the public debt level sufficiently to reach the European Monetary Union (EMU) objectives. In August 2007 he drops the 'public fund option' and gives minister Vogelaar the space to negotiate a private neighbourhood renewal fund.

Minister Vogelaar continues her negotiations with Aedes. She wants housing associations to commit to an annual investment of € 250 million over a period of 10 years. This amounts to € 2.5 billion, which is less than the € 3 billion (€ 750 million over four years) the minister had in mind based on the Coalition Agreement. The minister hopes to bridge the financial gap with extra money from the Ministry of Finance. Aedes finds this unacceptable, especially when combined with the plans for a full corporate taxation. Aedes tries to avoid that taxation by being flexible in negotiations on the neighbourhood renewal fund.

Late September 2007 the Minister and Aedes reach an agreement, dubbed the 'Negotiators Agreement' (*Onderhandelaarsakkoord*). The core of the agreement is that housing associations will contribute € 250 million per year over ten years in a private fund. Of this amount € 75 million a year must be provided by housing associations that are not active in one of the 40 neighbourhoods. This is an important element for the minister because she wants to see more solidarity between housing associations in the sector. The social housing sector is expected to further elaborate the private investment funds. The Agreement still needed to be approved by the members of Aedes (see Arena 6), and the minister needed support from the other ministers (Arena 4) and of Parliament (Arena 13).

Aedes strongly disagrees with the introduction of full corporate taxation. The minister and Aedes agree to separate the negotiations on both issues (Vogelaar and Bosma, 2009, p: 115). This provides Aedes with the opportunity to lobby with members of Parliament against the tax plans or to take the case to court if necessary to challenge the corporate taxation.

In November 2007 the aldermen charged with housing of the four major cities in the Netherlands indicate to minister Vogelaar that they are dissatisfied with the Negotiators Agreement. They claim that this Agreement does not help them. They still have to negotiate with local housing associations on additional investments in neighbourhoods and they report that these talks advance with difficulty because of the recently introduced full corporate taxation (see Arena 8).

An initial proposal by Aedes for a private neighbourhood renewal fund in November 2007 was rejected by minister Vogelaar because she found it insufficiently clear whether the investments included new recourses and if the proposals would yield the € 750 million from housing associations working outside the 40 priority neighbourhoods. Minister Vogelaar threatens with the introduction of a public fund if the negotiations on the creation of a private neighbourhood fund fail. (Vogelaar and Bosma, 2009, p: 139).

Early February 2008 the Aedes-Member Council decided to establish a 'Housing Associations Neighbourhood Fund'. According to this proposal all social landlords could use the fund's recourses for additional investments in all areas in the Netherlands. For investments in the 40 priority neighbourhoods the social housing sector would reserve € 1.5 billion euros. Housing associations operating in the 40 priority areas can retrieve zero-interest loans from the fund. Assuming a 5 per cent interest per year, the loss carried by housing associations contributing to the fund would amount to € 750 million euros over a 10-year period, corresponding with the solidarity contribution minister Vogelaar expected.

The baseline of the solution presented was that housing associations did not want to support their colleagues with 'donations'; they wanted to 'invest'. Minister Vogelaar however wanted to see a transfer of equity from 'rich' to 'poor' social landlords and therefor found the Aedes proposal unacceptable.

Minister Vogelaar judges the proposal to be unacceptable, incomprehensible and inconsistent (Vogelaar and Bosma, 2009, p: 178). She chooses to impose a compulsory levy of € 75 million using the Central Housing Fund (CFV) as the liaison agency. The CFV will collect the levy and allocate grants to housing associations working in the priority neighbourhoods. Vogelaar gives Van Leeuwen an ultimatum to prevent this taxation: Aedes must endorse the compromise, reached a few days earlier. Aedes does not respond to the ultimate station and Vogelaar sent her proposal to Parliament. Christian Democrat and Labour MPs had strong reservations against the proposal. After lengthy discussions a Parliamentary majority endorses the proposal (link with Arena 13). Media commentators fear for the future of neighbourhood renewal now the conflict between the Minister and Aedes has been dealt with in such a harsh way.

Outcomes: Compulsory levy on housing associations outside the 40 priority areas
 Special project support for housing associations inside the 40 priority areas

Arena 6: Interactions within the Aedes Trade body

In 2007 Aedes counted around 450 members; housing organisations of all shapes and sizes, urban, rural and working in very diverse housing markets. Around that time housing associations are feeling the pressures put upon them by stakeholders, regulators, government and media to make better use of their equity to deliver socially relevant outcomes.

In November 2007 Aedes presented her 'Answer to Society' Manifesto (Aedes, 2007a). The manifesto expressed the social housing sector's ambitions for the coming years: more investments in neighbourhoods, increased housing output (160,000 homes in four years), extra emphasis on sustainability and energy efficient homes and €1.2 billion to reduce housing expenditure for tenants. In return for these commitments Aedes expected the government to co-invest in urban renewal and show a willingness to engage in discussions on reform of the housing market (Aedes, 2007). A local and regional focus and a sustained commitment to neighbourhoods are central to the 'Answer to Society' Manifesto (also see Table 3).

Table 3, 'Answer to society': Neighbourhood investments by housing associations

1. We guarantee the necessary investments in residential and social real –estate in the 140 priority neighbourhoods
2. We commit our organizational capacities to improving the quality of life in neighbourhoods and actively collaborate with our partners
3. Housing associations will develop a proposal to their local authorities with their contribute to municipal housing policies, and be doing so help to improve the quality of life in the other '800' neighbourhoods.
4. This offer does not only include cities, but applies equally to the challenges and investment needs in rural areas.

There was a slumbering dissatisfaction among members about the internal governance of Aedes. Some housing associations did not feel represented by the Aedes Members Council, the executive committee of Aedes. The disaffection among Aedes members led to a modification of the internal governance structure following a report on this matter by the Noordanus Commission. The role of the Aedes chair changed considerably, in the words of Chair Van Leeuwen '*... my job was to keep the frogs in the wheelbarrow. Now there is need for someone with different skills, someone who facilitates and coordinates networks within Aedes*'. In October 2008, shortly after members had approved the changes, Van Leeuwen announced his departure as Chairman. His departure was not a happy one; a media storm erupted after it surfaced that he would receive a 1 million euro farewell bonus. This incident further damaged the already tarnished image of the social housing sector..

Mid November 2007 the Aedes Members Council (the executive committee) approved the Negotiators Agreement (see Arena 5). One week later a majority of delegates to the Congress of Aedes Members also supported the content of the Agreement with 75% of the votes, but the congress did not ratify the Agreement. Aedes members wanted to use their refusal as a leverage to get the plans for full corporate taxation of the table. By doing so, they connected two policy arenas: neighbourhood investments (Arena 5) and corporate taxation (Arena 7). Minister Vogelaar threatened to make the Negotiators Agreement legally binding for all housing associations to force them to invest in neighbourhoods.

Early 2008 Aedes organized a series of regional meeting for member to discuss the private neighbourhood renewal fund (Vogelaar & Bosma, 2009, p: 167) Especially the solidarity contribution of € 75 million annually from housing associations to their colleagues working in the - priority neighbourhoods was a point of heated debate at those meetings.

Outcomes:

- 'Answer to Society' Manifesto (*Antwoord aan de Samenleving*),
- A number of housing associations terminate their Aedes membership
- Internal governance structure Aedes is modified

Arena 7: Seeking alternative sources: introducing full corporate taxation

Finance minister Wouter Bos was looking for alternative ways to generation resources from the social housing sector in order to meet the European Monetary Union (EMU) objectives on public budget deficit and overall public debt. One of the options was the introduction of full corporate taxation for housing associations. Housing associations already where taxed for their commercial activities. In this scenario, taxation would be extended to include their social activities.

It became increasingly evident that Minister Bos did not intend to use recourses acquired from housing associations for purposes that where within the remit of social landlords as described in the Social Housing Management Order (BBSH). At best, those recourses would by invested in neighbourhood related facilitates, such as extended schools and community centres; investments that were previously funded with public sources. Another option for finance minister Bos involved housing associations directly acquiring municipal real estate (again: schools and community centres). The revenues from these transactions would also reduce the public debt and help to meet the EMU objectives, as long as local authorities did not spend those recourses on other things. Remarkably quickly full corporate taxation for housing associations was introduced as of January 1st 2008.

Outcome: Full corporate taxation for housing associations
Court rule denying housing associations the option to revoke their status a 'registers social landlord'

Arena 8: Interactions between local authorities and housing associations

Core element of the neighbourhood programme was the development and implementation of Neighbourhood Action Plans for each of the 40 selected neighbourhoods in 18 cities. Consequently this decision-making game takes place in not one but in at least 18 policy arenas.

The minister closely scrutinized the local decision making processes. She wanted the plans to be supported by the practitioners that would implement them. Residents needed be consulted and should have real impact on the plans. Neighbourhood strategies should include investments in 'people' and 'bricks and mortar'. The minister's last requirement was that the investments should be additional to existing plans (Vogelaar and Bosma, 2009, p: 129).

At a local level it was not always easy to develop the Neighbourhood Action Plans. Among housing associations there was a lot of resentment against the Negotiators Agreement (see Arena 12). In some cases, the minister herself needed to mediate between local authorities and housing associations (ibid., p: 165). The lengthy negotiations between the minister and Aedes on financing the neighbourhood program and the uncertainty about additional funding for municipalities hindered progress. Notwithstanding the opposition and the difficult negotiations, draft Neighbourhoods Action Plans were available for most of the 40 areas in the autumn of 2007.

Outcome: Neighbourhood Actions Plans (*Wijkactieplannen*)

Arena 9 The role of residents: the marginalised actor

From the outset, resident participation in the 40-Neighbourhoods approach was problematic. In all policy documents resident involvement was presented as a key element of the new approach (WWI, 2007). During her neighbourhood visits minister Vogelaar consistently emphasised the importance of community consultation, and the first financial resources she was able to acquire (€ 20 million) were reserved to fund resident initiatives. However, this did not really impact upon participation processes 'on the ground'. In an evaluation soon after the start of the 40-Neighbourhoods approach most residents assessed their involvement as insufficient (Van Hulst, 2008). The marginal position of residents in the development of the Neighbourhood Action Plans may be related to the energy and attention absorbed by the conflict between housing associations and government (Arena 5 and 7). This hypothesis is supported by follow-up research on year later (Van Hulst et al., 2009) that showed more positive assessments of the participation process.

The LSA mentions inadequate resident participation as one of the recurring issues in almost all priority neighbourhoods (ref needed). Consecutive housing ministers have launched several experiments aimed at solving this problem (WWI, 2010), but the LSA believes that these initiatives are mainly focused on 'education' professional' and not to help residents in getting a more prominent position. The LSA is inspired by resident participation in English neighbourhood renewal programmes, the potential of 'Big Society' and resident-led Community Development Trusts (Van der Lans, 2011; see LSA-website: www.lsabewoners.nl)

This rather 'bad start' did not prevent resident representatives from regarding the interventions by Minister Vogelaar as key to strengthening their position: *'thanks to her we are experiencing a real emancipation process,'* a member of the National Partnership for Priority Areas (LSA) stated (Vogelaar & Bosma, 2009, p: 255).

Arena 10: Going to court

After the negotiations with Aedes failed, Vogelaar decided to impose a levy on housing associations to pay the special project support to their colleagues working in the priority neighbourhoods (Arena 5). The Central Housing Fund (CFV) was given the responsibility to collect and redistribute the money. Numerous housing associations took the minister's decision to court and demanded the imposed levy to be abolished and the money already paid to the CFV to be returned.

In 2010 the Court ruled that the taxation was indeed unlawful and ordered the CFV to repay the 150 million euro that the CFV had collected in 2008 and 2009. The court also ruled that the special project support given to housing associations in the priority neighbourhoods does not comply with European Rules on state aid. Consequently the CFV must repay the collected money, but has indicated that it will not recover money from housing associations that have received support and in most cases already invested the money in their neighbourhoods. The verdict of the Court was based on procedural mistakes made during the implementation of the 'Vogelaar' and the CFV has appealed to the *Raad van State*, the highest court in the Netherlands. The CFV stated that it has confidence in the positive outcome of the appeal procedure.

Outcomes: In 2010 the Court ruled that the state unlawfully imposed the levy upon housing associations outside the 40 'Strong Neighbourhood' areas. The contribution to social landlords working inside these areas was deemed by the court to be unacceptable state aid. The Central Housing Funds has

Secondary Policy Arenas

Arena 11: Ministerial Field trips to priority neighbourhoods

Shortly after the selection of the 40 priority districts Minister Vogelaar began a tour of all the areas in March 2007. During her visits she mainly spoke with residents and neighbourhood professionals. The impressions gained during the tour were incorporated in the 'Strong Communities Action Plan' presented to Parliament in July 2007 (see Arena 2).

What the minister did during her field trips was highlighting the importance of neighbourhoods as a level of intervention. By doing so she more or less bypassed municipalities as an important administrative level in Dutch government. Local authorities did not receive the 'tender loving care' from the minister as they may have wanted and expected. In a more negative light her visits could be seen as an affront to local authorities, because usually ministers talk to mayors and councillors and they in turn talk to residents. Minister Vogelaar's actions were rather unconventional. In her political diary the Minister comments on the tensions with local councillors that resulted from her visits (Vogelaar and Bosma, 2009).

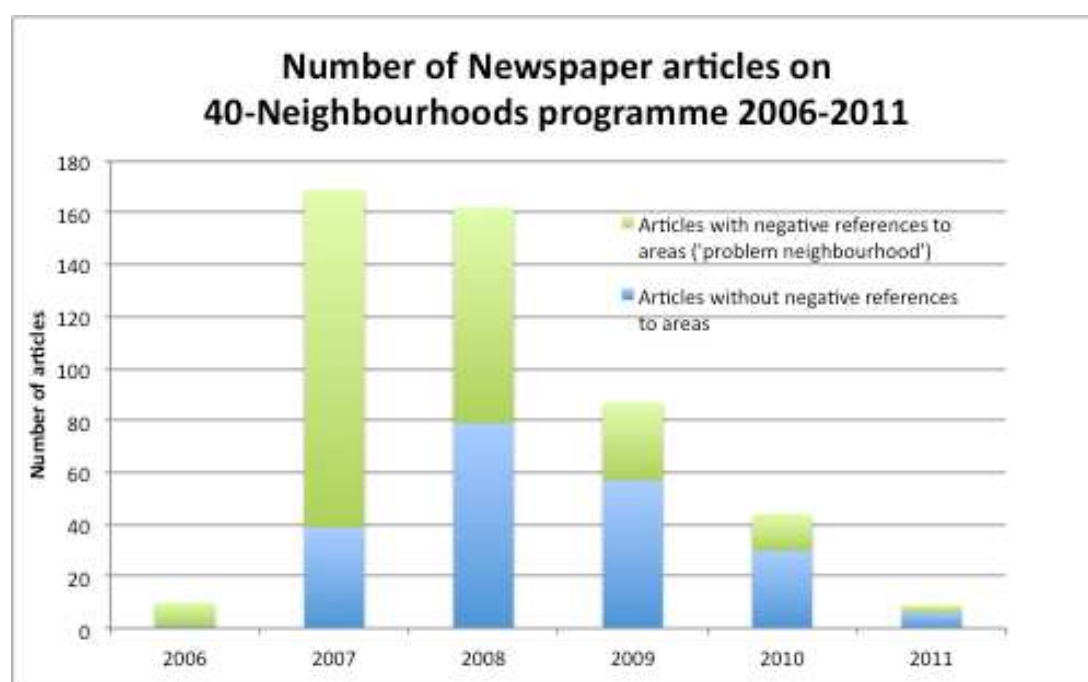
Bypassing the local authority administrative level closely resembles the approach used in the English New Deal for Communities (NDC) approach. Here the local NDC-Boards that decided upon the neighbourhood renewal strategies and the local allocation of resources was deliberately placed at 'arms' length –or even a bit beyond that- from municipalities. NDC boards did include local authority representatives, but they had to share power and influence with other board members such as the representatives from local communities and third sector service providers (CLG, 2010b).

Outcome: No decisions were made in this arena, but the minister makes a clear statement that the national government closely scrutinizes local neighbourhood renewal processes and sees residents and neighbourhood professionals as the key actors.

Arena 12: The public arena: the media

Minister Vogelaar's neighbourhood renewal policy and her personal conduct did not always receive a favourable press, to put it mildly. At the start of the initiative the selected neighbourhoods were stigmatised and often referred to in media reports as 'problem areas'. This is not surprising if you remember that the same expression was used in the government's Coalition Agreement. In the Neighbourhood Action Programme 'priority neighbourhoods' replaced the term 'problem neighbourhoods', but a lot of damage was already done. The figure below shows how frequently the areas were labelled as a 'problem area' and how that slowly changed in course of time, especially after 2008 the selected areas were less frequently referred to as 'problem neighbourhoods'.

Figure 1.



Newspapers: Parool, Trouw, NRC, Trouw, Volkskrant, Algemeen Dagblad

Keywords used: Positive or neutral: wijk[en]aanpak', 'prachtwijk[en]', 'krachtwijk[en]' or 'Vogelaarwijk[en].
Negative: 'probleemwijk[en]'

2011 only includes the articles up till 31 May 2011.

The number of newspaper reports featuring Ella Vogelaar is considerable. Most reports are not positive. Minister Vogelaar is criticized for being too soft on housing associations in her negotiations with Aedes (Vogelaar and Bosma, 2009, p. 113) and allowing housing associations to mostly include existing investments in their pledge to invest 2,5 billion (ibid., p: 120). But after the failure of negotiations between the Minister and Aedes in February 2008, reports claim that imposing a compulsory levy on housing associations has damaged the atmosphere between the parties beyond repair making the possibility very slim that housing associations will actually invest additional resources.

Arena 13 The role of Parliament

The approach taken by Minister Vogelaar to acquire resources from housing associations led to increasingly critical debates between the minister and members of Parliament. Gradually the emphasis moved away from debates about the content and goals of neighbourhood renewal to discussions about money. Slowly but surely the confidence of Parliament in minister Vogelaar eroded; she increasingly became a 'problem minister'

Aldermen from cities with priority neighbourhoods voiced their dissatisfaction with the outcome of negotiations with Aedes. The conflict damaged the relations between local authorities and housing associations and hampered negotiations on the Neighbourhood Action Plans (Arena 5). In November 2007 the alderman sent a letter Parliament that also attracted attention in the media (Arena 13)

In February 2008 the factions of the Christian Democrats and Labour Party in Parliament reluctantly accepted the imposition of the 'Vogelaar' levy of €75 million per year. Aedes Chair Van Leeuwen mobilised his fellow Christian Democratic party members in Parliament. They in turn urgently requested minister Vogelaar to reopen the negotiations with Aedes. Vogelaar resisted that pressure,

restarting negotiations would –from her perspective- prolong the uncertainty about the funding of the 40-Neighbourhoods programme (Vogelaar & Bosma, 2009, p: 206).

Outcome: In the end all proposals presented to Parliament by minister Vogelaar were endorsed.

Arena 14 Interactions within the Labour Party (PvdA)

What made the controversy over the 40-Neighbourhoods approach so explosive is the fact that key players were Labour Party members, notably: finance minister Bos and minister Vogelaar. Wouter Bos was not only the finance minister but also leader of the Labour Party. In addition, many other actors involved were Labour Party members, such as CEOs of housing associations, mayors and aldermen. Because of this, the conflict between national government, local authorities and social landlords strongly reverberated within the Labour Party.

Because of this large base of Labour Party members within the social housing sector, the conflicts surrounding the neighbour renewal approach led to many ‘behind the scenes’ discussions between the minister and Labour aldermen and CEOs of social landlords. The Minister was accused of damaging the local partnerships between housing associations and municipalities by the conflictuous approach she had taken.

The neighbourhood policy was not the only point of conflict between minister Vogelaar and fellow Labour Party members. She was also responsible for ‘integration’, entailing the social inclusion of ethnic minorities. Especially on this issue she came frequently into conflict with party leader Wouter Bos who wanted a firmer integration and immigration policy and a sharper debate on ethnic minority integration issues. Ultimately this topic became the breaking point between Vogelaar and the Labour Party. In November 2008, after 20 months in office, the Labour Party leadership withdrew its confidence in Minister Vogelaar and she was forced to resign.

Ella Vogelaar was replaced by, fellow Labour Party member, Eberhart van der Laan. During his first debate in Parliament, in December 2008, he immediately changes the tone of the debate on housing associations. He described them as ‘*essential partners*’ and promised to undertake every effort to restore confidence: ‘*I would like to leave this conflictuous atmosphere behind*’ he said. In the same debate Van der Laan stated that he would never again use words such as ‘*prachtwijken*’ (beautiful neighbourhoods) or ‘*krachtwijken*’ (strength neighbourhoods). ‘*I can honestly say that these words have something genuinely East German*’ He thus explicitly breaks away with the vocabulary of his predecessor (NRC, 5 december 2008).

Outcome: Labour Party loses confidence in minister Vogelaar and replaces her by Eberhart Van der Laan in November 2008

Conclusions en Discussion

Complexity unravelled

On this section we analyse the complexity of decision-making after the 40 Neighbourhood programme was launched and contrast them with data from the evaluation of the English New Deal for Communities (NDC) (CLG, 2010). We will do this by ‘revisiting’ the four factors, discussed in section 4, that contribute to complexity in decision-making: multiplicity, interdependencies, closedness and dynamics.

In the table below we have tentatively assessed how each of these elements influenced the complexity of decision-making for each of the neighbourhood renewal project. We must acknowledge that our analysis of the Dutch 40 neighbourhoods project has been deeper and more detailed our examination

of the NDC programme. In the next section we will explore these elements in more detail. We want to bring rigour and dept. in this assessment as part of the still on-going research that underpins this paper.

Table 4. Levels of complexity in the two flagship neighbourhood renewal programs [preliminary assessment]

	NL	ENG
	40 Neighbourhoods programme	New Deal for Communities programme
Level of involvement of housing associations in the delivery of the programme	High	Moderate
1. Multiplicity	High	Moderate
2. Interdependencies	High	Moderate
3. Closed-ness	High	Moderate
4. Dynamics	High	High

Option: high, moderate, low

Multiplicity. Multiplicity is illustrated by the number of arenas that emerged after the launch of the 40 Neighbourhoods Programme. Because of how the programme was set-up decision-making on actions and investments included at least three levels: national, municipal and neighbourhood level. Later, a fourth, supra national, level was added when the special project support to the 40 priority neighbourhoods became an issue between the European Commission and the Dutch Government related to discussions on state aid (this arena is not discussed in this paper).

The 40-Neighbourhoods programme included five outcome areas, i.e.: housing, worklessness, education and parenting, crime and social inclusion. Numerous and very diverse actors were involved in decision-making on all these outcome areas. To illustrate this with a telling example: the covenants between the national government and local authorities on the 40-Neighbourhood programme where signed by no less than 13 national government ministers.

Multiplicity was build into the design of the 40-Neighbourhoods programme, but the programme did not contain mechanisms do deal with this form of complexity. In contrast, the English New Deal for Communities (NDC) programme entailed the creation of statutory local NDC-Boards with clear terms of reference that were responsible for the delivery of the programme. NDC-boards high levels of discretionary power to allocate recourses to interventions that would best contribute to the desired outcomes. However, multiplicity was also an issue in the NDC areas. The recent evaluation of the programme (CLG, 2010b) highlights that participants had contrasting perspectives in relation to virtually all key aspects of the NDC programme and the evaluation also reports some tensions concerning competencies between the NDC-Boards and local authorities. But these contrasting perspectives and tensions need not be dysfunctional if they are embedded in a rigorous decision-making framework.

Boards such as applied in the NDC areas may have helped to deal with the multiplicity generated by the 40-Neighbourhoods programme. In several areas local authorities, housing associations and residents created their own partnership structures to support collaboration and decision-making, but most structures did not have a formal statutory position.

To judge from recent reports on Dutch neighbourhood renewal practice, the multiplicity is considerable and impeding on delivering results. There is little consensus among partners organizations in neighbourhood renewal on what needs to be achieved and too little support for a comprehensive neighbourhood approach (Brandsen et al., 2010a, 2010b).

Multiplicity is also visible in the interactions within Aedes. The diversity in organisational characteristic and interest were so large that it was impossible to unite all housing associations in supporting one policy line, for example reflected in the 'Answer to Society' Manifesto (Aedes, 2007). The governance structure of Aedes had to be redesigned to deal with this new institutional reality.

Interdependencies. From the start high levels of dependencies were built into the delivery of the 40-Neighbourhoods program. Especially striking is the dependency of the national government on other actors for providing funding for the 40-Neighbourhoods. Housing associations became thus a dominant actor. In addition, the department charged with Housing, Neighbourhoods and Integration was also dependent on other ministries for resources to invest in the 40-Neighbourhoods.

The 40-Neighbourhood program was presented as a high priority intervention, but had no resources at all. In contrast, the New Deal for Communities programme came with the necessary financial resources. Hence in England the government could afford a more top-down approach because it had a strong position in the governance network. The Dutch approach was very much inspired by the NDC-programme, notably the top-down method of neighbourhood selection, the selection indicators and outcome areas used (see Table 2 in section 3) and the hierarchical way of trying to influence and steer decision-making. Almost all negotiations between the government and housing associations have taken place under threat of state intervention.. The imposition of the 'Vogelaar' levy was the only intervention that was actually implemented, and that one was repealed in court

The Dutch government has clearly underestimated the efforts it had to make in order to retrieve resources from the social housing sector, and overestimated the hierarchical power it could exert over housing associations. The same can be concluded about the ability of trade body Aedes to make its members support the outcomes of negotiations between Aedes and the ministry. The approach chosen by both has led to strong and sustained opposition from the housing associations and has resulted in deteriorating relations between the parties.

Closed-ness. There are many examples of closed-ness to be found in the interactions in the policy arenas of the 40-Neighbourhoods programme. The most sticking example of 'closed-ness' may be the unanswered cry for help and resources by Minister Vogelaar. She was charged with one of government's flagship projects without any resources. She in vain called out for help. Finance minister Bos and his department offered very little help and her fellow party members also did very little to support her in securing the first €20 million for resident initiatives.

Closed-ness can also be found in other actors involved in neighbourhood renewal. Communities can also be 'closed' or can lack the capacity to actively participate. Some NDC areas had little in the way of community capacity at the time of designation. Also in the Netherlands professionals were struggling with the role and position of residents (Van Hulst et al., 2008 and 2009). The lessons from the NDC evaluation indicate that from the outset, regeneration schemes need to establish what any community participation actually means: consultation, involvement, engagement, empowerment, delivery or some kind of combination thereof? (CLG, 2010a and 2010b).

Going beyond the case of the 40-Neighbourhoods programme, current institutional developments may help overcome closed-ness in decision-making on housing issues. The draft new Housing Act in the Netherlands will most likely strengthen the position of local authorities. The current Social Housing Management Order (BBSH) contains the provision that housing associations should '*take the local authority's housing policy into consideration*'. The new Housing Act states that '*housing associations should actively contribute to the achievement of local authority's housing policies*'. Housing associations need to be transparent and accountable on what that contribution is and they need to discuss their plans with the local authority. Local authorities that feel that housing associations do not provide adequate results can ultimately ask the national government to coerce housing associations into delivering a more substantial contribution if their financial position permits it.

Dynamics. Although the national policy arenas connected to the 40-Neighbourhoods programme has high levels of multiplicity, interdependencies and cases of closed-ness, dynamics was fairly moderate. Interactions played out between a relatively stable set of institutions and their representatives. The same cannot be said about the local delivery of the Neighbourhood Action Plan. Scholars, professionals and external reviewers report a lack of focus and continuity in neighbourhood projects and professionals (Brandsen et al. 2010a, 2011b; Visitatiecommissie wijkenaanpak, 2010/2011) Some areas even ask for less neighbourhood projects and want a stable team of 'familiar faces' involved in neighbourhood renewal activities (Groningen City Council, 2011).

The NDC evaluation highlights that actors involved in neighbourhood regeneration need to be aware of changing institutional landscapes (CLG, 2010b). Institutional and political changes have occurred within the 10 years of the NDC programme creating complexities for regeneration agencies. Recent institutional changes in England have been considerable. As a consequence of the 2008 Housing and Regeneration Act, the Tenant Services Authority (TSA) and the Homes and Community Agency (HCA) quickly took over the functions of the Housing Corporation. Both organisations had their own priorities and agenda.

The NDC evaluation also concludes that creating, and sustaining stable teams with neighbourhood professionals with the appropriate formal and informal skills is a challenge but is key. Relationships between actors change over time; often for the better. Agencies have become accustomed to NDCs, have seen benefits of working with them, and many early tensions often dissipated. The NDC evaluation states that neighbourhoods have seen more change with regard to place-related, rather than people-related outcomes over the 2002-2008 time period.

Discussion: the role of housing associations in neighbourhood renewal in a 'Big Society' world

Delivery of neighbourhood renewal outcomes

Based on our analysis in the previous section one may conclude that the delivery of outcomes in the 40-Neighbourhoods programme was –and still is– strongly hampered by high levels of complexity, particularly caused by the multiplicity of actors and the interdependencies between these actors. There is a lot of criticisms on the way actors collaborate. The ambition to improve neighbourhoods through collaborative working that would transcend traditional institutional 'silos', has not been reached. The institutional logics, organizational structures and diverse goals and interests of actors involved proved difficult to reconcile. As a result, progress in neighbourhood renewal threatens to get bogged down in compartmentalized structures and organizations. Brandsen et al. (2010a, 2010b and 2010c) argue that a breakthrough from this stalemate may never be realized, because compartmentalized working is too deeply rooted in local authorities, housing associations and other public service providers.

Political and institutional change: Big Society and New Localism

Since 2010 centre-right political parties govern both countries. The policies of these parties are remarkably similar: in England and The Netherlands many area-based initiatives have being terminated. The Housing Market Renewal program has been ended prematurely in March 2011. In the

Netherlands the Department for Housing, Neighbourhoods and Integration has been abolished and housing related policy fields transferred to the Ministry of the Interior and Kingdom Relations led by the Christian Democrat heavyweight minister Donner. The 40-Neighbourhoods programme will be terminated. Government funding for housing associations as part of this programme will be reduced to €50 million in 2011 and €25 million in 2012. No subsidies are available for 2013 and later years (BZK, 2011d). Now most central government funding has been terminated, it is mostly up to local authorities, housing associations and residents to seek possibilities to continue their investments in neighbourhood.

Massive austerity messages reducing the budgets available for communities and other public services are combined with an agenda of community empowerment labelled by UK coalition government as 'Big Society' (Cabinet Office, 2010).

The UK Government feels that 'the state' has become too big, too interfering, too controlling and too bureaucratic and has undermined local democracy and individual responsibility, and stifled innovation and enterprise within public service. It wants to give local councils and neighbourhoods more power to take decisions and shape their areas. Top-down planning practices will be replaced by a system that empowers neighbourhoods to decide the future of their areas. In a similar vein the Dutch infrastructure minister Schultz recently commented that the planning system in the Netherlands is too centralised and should give more powers to lower levels of government, notably provinces and local authorities (Warbroek, B., 2011).

The UK government has shown considerable drive in transforming her 'Big Society' vision into legislation. The *Localism Bill* was presented to UK Parliament in December 2010. The Bill includes proposals providing communities with greater control over local decisions like housing and planning, such as powers to instigate local referendums and bid to buy assets of community value.

The Housing Bill in the Netherlands and the Localism Bill in England will strengthen the position of local authorities. The Localism Bill is also intended to empower local communities. While not embedded in new legislation the Dutch government also emphasises the importance of a more dominant role for citizens and civil society. Early 2011 Donner presented a white paper with his vision on the future of neighbourhood renewal (BZK, 2011b). Residents should get a key role in decision-making. One of the biggest challenges, according to Donner, is that politicians, civil servants and third sector professionals should take a step back and create opportunities for residents' initiatives to emerge. In addition, local authorities should clearly communicate and enforce the civic-responsibilities of residents.

Strengthening the quality of living in urban and rural areas is still a government priority but, in the vision of minister Donner, more use should be made of the talents and capacities of residents. The white paper states that neighbourhood renewal is the responsibility of local government and the task of national government should mainly entail the dissemination of knowledge and expertise and –if necessary- the adaptation of legislation if that inhibits progress. This is a very different, and more modest, approach compared to the rather 'micro-managing' policy of the 40-Neighbourhoods programme. In his white paper Donner proposes a redistribution of powers and responsibilities between national government, local authorities and third sector organisations such as housing associations.

Challenges and Opportunities

The future role of housing associations: back to 'bricks and mortar' or transforming into a 'community facilitator'?

The developments described above may fundamentally change the way neighbourhood renewal is delivered and will also impact upon the role and position of housing associations. Could the current policy changes in the Netherlands and England contribute to more productive collaboration between actors and a stronger position for residents? Many housing associations in the Netherlands have chosen to focus on a smaller array of tasks by focusing on traditional landlord activities. However, the underlying needs for neighbourhood regeneration remain as pertinent as ever. It is very likely that levels of deprivation will increase in many areas due to the current crisis and the governments'

austerity measures. Many housing associations want to provide a wide spectrum of services, including neighbourhood renewal activities. These housing associations are exploring new business models and organisational designs that could support that. A number of Dutch and English housing associations have exchanged experiences as part of the 'Close Neighbours' project, an action learning programme aimed at exploring the organisational and governance challenges of becoming more focused on the needs of neighbourhoods and its residents (TSRC, 2010; Mullins et al., 2010; Van Bortel et al., 2009). The next challenge may be to transform neighbourhood renewal from an approach dominated by governments and housing associations to a resident-led approach.

A brand new day: Towards resident-led neighbourhood renewal?

Future neighbourhood renewal will exist in a very different world. A world characterized by resource constraints and -very likely- a more prominent position for local stakeholders. A more facilitative role for government and third sector organisations such as housing associations may lead to less complicated decision-making processes. A more powerful position for local communities may generate new forms of collaboration in neighbourhood regeneration delivery that could reduce multiplicity, interdependencies, closed-ness and dynamics. We will explore these topics in detail as part of our un-going exploration of the role and position of English and Dutch housing associations in neighbourhood renewal.



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