Performance Agreements for Housing Corporations
Towards a New Management Approach?

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Abstract

In this report it is studied whether there is a shift visible in the management approach in performance agreements for housing corporations in the Netherlands, before and after the *Nieuwe Woningwet* of 2015. It compares the performance agreements before and after 2015, by analysing to what extent they contain elements of New Public Management (NPM) as well as Public Value Management (PVM). In order to do this, literature and policy documents about performance agreements were studied. Additionally, a case study was carried out on the housing corporations in Enschede. Several stakeholders were interviewed for this, in order to find out to what extent the two management approaches were reflected in the performance agreements of 2007, 2013, and 2016. In the end we conclude that the goals in performance agreements have not changed a lot due to the *Nieuwe Woningwet*; they contain elements of both NPM and PVM. The biggest changes were visible in the interaction between stakeholders and the approach to the evaluation of the agreements, which both show a shift from NPM to PVM. These conclusions were confirmed by the case study in Enschede, although in that case these changes were already initiated before the *Nieuwe Woningwet* came into existence. The most significant change that the *Nieuwe Woningwet* has brought to performance agreements however, is the inclusion of tenants organizations in the process of drafting the agreements. This points to a bigger emphasis on PVM.
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Introduction

“Housing corporations annually build 34,000 houses” quotes a recent news article (NU.nl, 2017). It shows how large the task of these corporations is, but also how taken for granted it is that they are the ones who build the houses in the Netherlands. The first housing corporation in the Netherlands started as an initiative of the bourgeoisie, that could no longer bear to see the poor conditions that many people lived in about a century ago. The corporations aimed to set a new standard of living conditions. This was followed in 1901 by the introduction of the Woningwet (housing law), which gave the government the power to create the framework in which housing corporations had to operate. These days housing corporations cannot be lacking from the housing market anymore. However, there has always been a lot of discussion about what their task exactly is. Throughout the years the relationship between corporations and the government has undergone change several times. From the end of the 20th century onwards, housing corporations became more and more independent from the government, which went together with extensions to their array of tasks (Van Acker, Koomen, & De Boer, 2009). This eventually caused debates again, leading to the Nieuwe Woningwet 2015. The introduction of this law mainly means that housing corporations are put back to their core task: making sure that people with a low income can live under good conditions for an affordable rent. This was necessary because of the extension of tasks, as well as the many commercial activities, such as administering shops and offices, that housing corporations had started doing. This housing law also meant the official introduction of performance agreements. These agreements between municipalities, housing corporations and tenants organizations already existed in some municipalities, but they are now obliged by the law (Companen, 2016).

One may expect that a lot has changed in the way the performance agreements are established and the goals they include. Next to the aim of being efficient, (semi-)public organizations also want to meet customer’s needs and add something to society. Moore and other authors have described ‘what citizens want’ as public value (Rainey, 2014). The aim of the thesis is to find out whether performance agreements in the new situation have the potential to create more public value. In order to do this, two management theories are being used and compared, which are New Public Management (NPM) and Public Value Management (PVM). Since performance agreements are only obliged in the housing sector since 2015, it is hard to already study the effect of them and to see if they contribute to public value. Therefore it will be studied whether recent developments concerning performance agreements for housing corporations in the Netherlands, show a shift towards PVM. In order to research this, a comparison will be made between agreements before and after 2015. Also a case study will be done by examining performance agreements for housing corporations in the city of Enschede in detail. In Enschede there were already performance agreements in 2007, which were quite rigid according to a council paper of the municipality of Enschede (Corporaties & Gemeente Enschede, 2013). The agreements were subject to change in 2013, after which new versions appeared in 2015 and 2016. Differences with the new agreement of 2016 is the number of housing corporations involved, with the addition of two corporations to the three that already signed earlier performance agreements. Also the tenants organizations were not involved yet in performance agreements of previous years. Their inclusion is clearly a consequence of the Nieuwe Woningwet and it will therefore be interesting to analyze the developments regarding performance agreements in Enschede.

These developments might for example be related to the goals that are set for housing corporations, but also to the way in which the different stakeholders cooperate. These issues are part of the management paradigms of NPM and PVM. There is already a lot of literature about NPM (e.g. Dunleavy et al. (2006); Pollitt (2007)). Less is still known about PVM and public value itself, although
some authors have tried grasping the concept. There is already some research looking at what public value housing corporations create and in which way, in a paper on PVM in the housing sector (Karré & Van Monfort, 2010). However there does not seem to be any literature that connects both frameworks to performance agreements for housing corporations. Therefore this research could be a start with that, as well as that it could provide additional empirical knowledge about the agreements and their interpretation.

The performance agreements that have become obligatory for housing corporations in 2015 have the aim of cooperation. From that year performance goals are not set top-down anymore, but they are agreed upon locally by municipalities, housing corporations and tenants organizations. On first sight this shows similarity with PVM because that approach involves deliberation and bottom-up agreements. It will be interesting to see an in-depth study though, as to what extent this is the case, and to what extent NPM is being applied. This will give housing corporations, as well as other stakeholders, a better insight into performance agreements.

The goal of this thesis can be formulated into the following research question, with a set of four sub-questions:

“To what extent is there a shift in management approach visible in performance agreements, before and after the Nieuwe Woningwet of 2015, for housing corporations in the Netherlands, such as in the city of Enschede?”

1. What is the history and rationale of performance agreements in the housing sector?
2. What are the main differences between NPM and PVM and how can they be applied to performance agreements?
3. Which characteristics of NPM or PVM are visible in Dutch housing performance agreements before and after the Nieuwe Woningwet of 2015?
4. What characteristics of NPM or PVM does the performance agreement for housing corporations in Enschede of 2016 contain as compared to the situation in 2007 and 2013?

The research question will thus be answered in four steps. The four questions each have their own chapter. Thus chapter 1 answers sub-question 1, chapter 2 answers sub-question 2, etc. The answer to the first question will provide necessary background information about performance agreements. The second question lays the theoretical basis for the research. For the third sub-question, among others, policy documents will be discussed. It is an analysis bringing together facts and regulations regarding performance agreements with the theory of NPM and PVM. Question four is similar, but it is answered by means of a case study. Interviews and policy documents will be used for answering the question to what extent PVM is visible in performance agreements in Enschede. Finally the results of question three and four can be contrasted. This will lead to conclusions about the managerial paradigms that are visible in performance agreements in the Netherlands in general, as well as in a specific case.
Chapter 1: The History of Performance Agreements for Housing Corporations

Sub-question 1: What is the history and rationale of performance agreements in the housing sector?

1.1 History of housing corporations

In the second half of the 19th century the city of Amsterdam had to deal with a huge influx of workers. At the same time there was an excessive birth rate and old buildings were being demolished. This created a shortage of cheap living space, which led to worker families living in basements, attics and small shacks that were built in gardens. The living conditions were poor and a lack of fresh air and light soon led to illnesses such as cholera and typhus (Van Lange, 2013). At the time, the government did not carry any responsibility for the living conditions of citizens. This was the responsibility of the citizens themselves. It was much more lucrative to invest in and hire shacks, than houses of decent quality, which is why even more low quality houses were built. Since the situation ran out of hand quickly though and more and more people started getting ill, the bourgeoisie responded with initiatives. This is how the first housing association was established, based in Amsterdam. Until the 20th century 13 more housing associations followed, with the goal of creating better living conditions by setting new norms to the design and availability of houses. This included proper ventilation and light, materials that improved hygiene, but also (female) overseers checking whether people were living in a neat way in their houses. In 1901 the government decided to step up as well, and in August of that year the first Woningwet (housing law) was enacted. Because of this law the government could now establish a framework for the quality of housing and it could reserve a budget for this purpose (Van Acker et al., 2009). Also the government could declare foundations and associations (which were both types of business entity of housing corporations at the time) to be a toegelaten instelling (permitted institution) if they solely served the interest of public housing. Only the permitted institutions were eligible for loans from the government (Elsinga, Hoekstra, Van ‘t Hof, Van der Leij, & van Rijsn, 2014-2015). The execution of the law was in the hands of the municipalities. From now on they had to establish plans for the development of areas. New buildings could only be built when the municipality agreed on this, and existing houses could be dispossessed, declared to be unliveable and demolished by orders of municipalities. The Woningwet served as the framework for housing corporations, which had to serve the public and operate on a non-profit basis (Van Acker et al., 2009).

The two world wars and the stock market crash of 1929 have been influential events for social housing. Especially the Second World War left the Netherlands with a large housing deficit. Throughout these times the Woningwet and the policies regarding housing corporations have seen several changes. In 1934 for example the government issued that housing corporations had to put 80% of their income from rent into a common fund managed by the municipality. This left little autonomy to the housing corporations, and they became an extension of the government. In 1947 housing corporations could not rent to their own members anymore, which makes the relationship between association and members more business-like. These corporations had members because they were (originally) associations, in which the member choose the board democratically. In 1964 housing corporations got a lot of their autonomy back again and the building of houses gets mostly assigned to them again, instead of governmental companies. From the 1960’s onwards the housing market had its ups and downs. In 1989 some important decisions were made, including decentralisation of responsibilities of the government towards municipalities, and independence of housing corporations, by means of the Nota Volkshuisvesting of minister Heerma. The government also did not give loans to housing corporations anymore (Van Acker et al., 2009). The goal was to have a more market-oriented functioning of housing corporations, better connection to the needs of
regional markets, bigger influence and a reduction of responsibility for the government regarding subject-matter and finances. This was possible because of an improved financial position of housing corporations and because they could get money from the capital market for better tariffs than the loans from the government. From 1995 onwards the housing corporations were officially financially independent. Where there were initially worries about whether corporations would be able to handle this independence, it soon shifted towards critique on how they used their influence. Many thought that the corporations had gotten too much freedom, which caused them to stray away from their core tasks. They started doing activities that were not for the purpose of public housing. After the crisis in 2009 financial distress occurred again and debates about effectiveness and cutbacks of corporations appeared (Elsinga et al., 2014-2015). In 2015 a renewed version of the Woningwet was adopted. It was mainly a response to the large amount of tasks the housing corporations have gotten over the years and also that they carried out commercial activities. These activities include selling instead of renting houses, renting houses expensively, and administering shops and offices (Dennekamp & Zijlstra, 2013). The European Commission has decided that this should only be possible for services of general economic interest (diensten van algemeen economisch belang, daeb). If corporations want to build outside the general economic interest, they need permission of the municipality by statements in the woonvisie (plan for housing of the municipality). Also there were cases of managerial failure and financial maladministration at housing corporations, that led to the Nieuwe Woningwet. This law issues that housing corporations have to stick to their core task: making sure that people with a low income can live in good conditions for a payable rent (Woningwet 2015, n.d.). This historical oversight shows that for more than a century there has been a lot of discussion about the position and role of housing corporations, their tasks, and about their relationship towards the government (Elsinga et al., 2014-2015).

1.2 Performance agreements
Although performance agreements are only mandatory in the housing sector since the Nieuwe Woningwet, many municipalities already had such contracts long before 2015. Before analyzing performance agreements both before and after the Nieuwe Woningwet, it is important to first have an understanding of what generally constitutes such an agreement. Süto mentions four key characteristics of a performance agreement, based on a study of existing definitions. According to him a performance contract or agreement is used for a divergent array of agreements between two (or more) parties (Süto, 2004, p. 62). It generally is about the accomplishment of intended policy. Secondly it mainly consists out of concretized sub-goals in the form of quantified performances. Without quantification, the performance is not measurable, which according to Süto (2004) is a necessity. The third aspect of a performance agreement is that the realization of performance takes up a certain period of time. Finally rewards are being coupled to performance, to create motivation for realizing them. On the other hand it is also possible to attach a sanction for not meeting the agreements (Süto, 2004). In the end Süto defines a performance contract as an agreement between two or more parties on policies for a certain period of time, expressed in quantified goals, that are realized by means of measurable performance, to which a reward- (and sanction) system is attached (Süto, 2004, p. 65).

1.2.1 Before the Nieuwe Woningwet
Going back to 1975 there were again debates about the tasks of housing corporations. Back then it was decided to broaden the tasks of housing corporations, but also to tighten supervision so corporations would not stray away from their core characteristics. The supervision was mainly a check on how government money was spent by the corporations. The changes that were made to the Woningwet were accompanied by the Besluit Toegelaten Instellingen Volkshuisvesting (Decree Permitted Institutions Social Housing, BTIV). When housing corporations became more independent at the end of the 20th century, in 1993 the BTIV was replaced by the Besluit Beheer Sociale Huursector (Decree Management Social Housing sector, BBSH). In contrast to the BTIV, the BBSH had a clear
description of the broad tasks housing corporations now had. It included the following so-called performance areas *(prestatievelden)* (Elsinga et al., 2014-2015):

1. Solely work for the benefit of social housing and prioritize and suitably accommodate the primary target group;
2. Qualitative maintenance of property;
3. Involve tenants in management and policymaking;
4. Safeguard financial continuity;
5. Liveability (added in 1997);

For the first time the primary target group was defined by income. However, the BBSH only includes that this group should be prioritized, so there is still a lot of free space for corporations. They do have to publish an annual report about their rentals though (Regnault, 2015).

A housing corporation has to achieve primarily societal, but also financial goals. The two are closely connected, because financial deficits can for example cause corporations to invest less in the liveability. Since 1989 housing corporations have to be financially independent, which might endanger both categories of performance, especially since the real estate crisis and the financial crisis of 2008. The societal performance is constituted by both output indicators and outcome indicators. Output includes the amount of newly built houses, rentals or the amount of sold residences. Outcome refers to the envisioned societal effect such as liveability. In practice the latter almost never gets measured and several research programs have shown that there are not many methods available to do this in a proper scientific way. The effects that are measured often do not lead to good conversations with stakeholders. It is very hard to make scientific statements about the efficiency and effectiveness of hybrid organizations such as housing corporations (Elsinga et al., 2014-2015).

In order to still perform well on societal aspects, the method of performance agreements could be used. In the BBSH that was introduced in 1992 and abolished in 2015 the procedure to get to such an agreement is taken up. The way this works is that the corporation should first of all mind the social housing policies of the municipality. The housing corporation can then tune its own performance expectations with those of the municipality, in the form of performance agreements. The performance is based on the performance areas taken up in the BBSH. The BBSH mentions that tenants should also be involved in the policymaking of the corporation. Tenants organizations can provide the corporation with more information about their preferences. In the end a summary of the activities the corporation will carry out, and potential agreements are sent to the responsible ministry. Although this method theoretically might lead to activities that are desired by society, in practice it did not work that way. Since performance agreements were not obliged they were often not established. In 2004 63% of the corporations and 67% of the municipalities had no performance agreements. In cases where there were no performance agreements the influence of the municipality was often very small or absent. Also the annual report was more a summation of activities than a justification for the conducted policy and it was not often used as the basis for conversations with stakeholders. Furthermore it is hard to get a well-informed view of the performance of housing corporations. Clear goals are lacking and the tasks mentioned in the BBSH are very broad and not extensively defined, which makes it hard to judge the performance (Elsinga et al., 2014-2015).

### 1.2.2 After the Nieuwe Woningwet

In 2015 when the revised *Woningwet* was introduced, the BBSH was replaced by a new version of the BTIV. This means that housing corporations have to work in a different framework. The large amount of tasks of corporations was brought back to their core task: making sure that people with a low income can live in good conditions for a payable fee (Regnault, 2015). Also new guidelines and rules
have been established for making performance agreements. The _Nieuwe Woningwet_ obligates performance agreements and provides the procedure to get to these agreements, without interfering with the way the organizations organize their cooperation. These agreements are considered to include priorities that are determined by the Minister at least once per four years. These priorities are important for all situations, but of course local problems can be added to the individual performance agreements of each municipality as well. The current priorities are:

1. Affordability and availability for the target group;
2. Realize an energy efficient social housing stock according to the agreements in the National Energy Agreement (_Nationale Energieakkoord_) and the Convenant Energy Saving Rental Sector (_Convenant Energiebesparing Huursector_);
3. Accommodate urgent target groups;
4. Realize living with care and elderly accommodation in connection with longer independent living (_SVWN, 2016_).

In the _Woningwet 2015_ the housing corporations, the municipality, and the tenants organizations are seen as equal partners. The procedure to get to performance agreements between these three partners starts with an overview of activities presented by the housing corporation to the municipality. If the municipality has a social housing policy (_woonvisie_), the housing corporation also has to show in the overview of activities how it will make a reasonable contribution to this local policy. The social housing policy is made by the municipality, but the stakeholders, housing corporations, and tenants organizations participate in the formation of this policy. If a municipality chooses not to establish this policy, the overview of activities will not refer to how the corporation will reasonably contribute to the vision of the municipality, but the corporation is also not obliged to invite the municipality to make a performance agreement in that case. It is ideal when the social housing policy also pays attention to the priorities of the Minister (_Companen, 2016_).

The overview of activities is being established in conversation with the tenants organization that belongs to the housing corporation in question. Such an overview is made every year for every municipality a housing corporation operates in. It should include the activities for the upcoming five years, together with a financial paragraph on how these activities will be paid for and what investments will be made. Article 39 of the BTIV mentions that at least the following points, as well as the priorities of the Minister, should be included in such an overview of activities:

1. Liberalization and sales;
2. Newly built houses and purchases of houses;
3. Affordability and availability for the target group;
4. Accommodation of specific groups;
5. Quality and sustainability of houses;
6. Liveability and social houses (_Companen, 2016_).

Just like the performance areas that were included in the BBSH, financial as well as societal goals are taken up in these points. What strikes the eye is that sustainability is mentioned, which was not included in the performance areas of the BBSH. According to Regnault (2015) this was already a goal of housing corporations though, but the BTIV made it so that investments are more directed towards the tenants of the housing corporation itself. This orientation towards the own tenants much more present in the BBSH. Additionally the target groups are defined very specifically. People with a certain income have to be placed in a house with a fitting rent. The primary target group is defined by people with an income lower than €34,911. Changes are made to the performance field of liveability as well. Housing corporations can only spend about €125 per ‘daeb’ house on this and it is made explicit by the BTIV what belongs to investments in liveability. Finally, even though it is not explicitly mentioned here, the stakeholders are also much more involved in the new situation. In the BTIV performance agreements for example were not obliged and were made between the municipality and the housing corporations. The inclusion of tenants organizations in this process is
new. Clearly the BTIV changes the deregulation that took place in the nineties back to a more strictly regulated mission statement.

Both the social housing policy and the overview of activities are meant to be a preparation for the performance agreement between the municipality, the housing corporations and the tenants organizations. All parties have now had the chance to show their ambitions and needs from others. The third step thus consists of the actual performance agreements. The agreements should apply at least to the next year, but according to the performance agreements guide by Companen (2016) it makes sense to also make agreements for five years, which is the time period of the overview of activities. The agreements can be based on both the core tasks of housing corporations as well as the priorities of the Minister. In case the step fails and no agreement on performance can be reached, because of a dispute between the municipality and the housing corporation, they can contact the Minister. Every year the execution of the agreements for the previous year will be evaluated as well (Companen, 2016). Figure 1 gives an overview of the process of getting to a performance agreement according to the *Nieuwe Woningwet* 2015.

![Diagram showing the process of getting to a performance agreement in the social housing sector](image-url)

**Figure 1:** The process of getting to a performance agreement in the social housing sector (Companen, 2016, p. 8)
Chapter 2: New Public Management & Public Value Management Compared

Sub-question 2: What are the main differences between NPM and PVM and how can they be applied to performance agreements?

Performance agreements are a way to clearly state the goals that need to be pursued by housing corporations. As described in Chapter 1 the contents of these agreements have changed over time, just like the tasks of housing corporations have changed in general. Another difference that occurred due to the Nieuwe Woningwet is the involvement of tenants organizations in the process of drafting performance agreements. Matters like managerial goals and stakeholder involvement are part of management paradigms. This chapter compares two of these paradigms, in order to be able to apply them to performance agreements later on.

2.1 Management paradigms
In his article about Public Value Management, Stoker (2006) makes clear that the introduction of new types of governance, such as networked governance, require a different management approach. Stoker speaks about management paradigms and distinguishes Traditional Public Administration (hereafter TPA) and New Public Management (hereafter NPM), while introducing a new management paradigm called Public Value Management (hereafter PVM). According to Okasha (2002, p. 81), based on Thomas Kuhn, “a paradigm is an entire scientific outlook – a constellation of shared assumptions, beliefs, and values that unite a scientific community and allow normal science to take place.” Stoker (2006, p. 41) himself calls it an “an overarching framework in which to put new practices.” The paradigms thus include guidelines in which managers operate. TPA predates NPM, which in turn predates PVM, and they are all responses to the shortcomings of the previous paradigm. O’Flynn (2007, p. 353) describes the transition to a new management paradigm as “an attempt to redefine how we think about the state, its purpose and thus, ways of functioning, operating and managing.” Differences between the paradigms include managerial goals and how they should be achieved, and more generally human nature. From the latter follows the way to incentivize organizations. This is done for example by rules, or involvement in networks and partnerships. Governments often use a mix of various management approaches, but it is useful to study different approaches and see how they are being employed. This gives a better insight in which goals are being pursued and how (Stoker, 2006). Since the performance agreements that this research focuses on are very recent, the focus will be on the more recent management paradigms, which are NPM and PVM.

2.2 New Public Management
According to Stoker (2006) NPM came as a response to weaknesses of traditional public administration. The observation was that public service organizations tended not to be efficient as well as that they were not responsive to the needs of the consumer. In order to enhance these goals, the approach of NPM is market-driven (Stoker, 2006). As Rainey (2014, pp. 59-60) puts it, “NPM has often emphasized the use in government of procedures similar to those purportedly used in business and private market activities, based on the assumption that government and business organizations are sufficiently similar to make it possible to use similar techniques in both settings.” The idea is thus to apply proven techniques from the private sector in the public sector (Hood, 1991, p. 5). This approach includes agreements with performance targets, and it is agreed upon how the performance will be measured (Stoker, 2006). According to Stoker it is therefore the role of politicians to only come back to the final judgment of the performance, comparing it to the goals that have been set in
the beginning. Hood (1991, pp. 3-4) defines NPM as “the set of broadly similar administrative doctrines which dominated the bureaucratic reform agenda in many of the OECD group of countries from the late 1970s.” This shows that NPM also gets rid of the bureaucratic nature of TPM. Dunleavy et al. (2006) have summarized NPM into three themes: disaggregation, competition and incentivization. This means flatter hierarchies, less public provision and diversification of suppliers, and rewards upon specific performance incentives. Pollitt (2007) draws on from this and broadens it to five key characteristics of NPM, which will be further discussed hereafter:

1. **Greater emphasis on performance**
   NPM works as a solution for the idea that producers of public services have too much power, which hinders efficiency. This can be solved by setting clear performance incentives that can be measured (Stoker, 2006). These incentives are based on the principal-agent theory. Problems such as goal-divergence and information asymmetry can be solved by the principal, by choosing the right performance incentive structures (O’Flynn, 2007). Goals, targets, and indicators of success are all clearly stated beforehand, preferably quantitatively measurable. This is because “a clear statement of efficiency requires a ‘hard look’ at objectives (Hood, 1991, p. 4).” Since efficiency is something NPM strives for, it should also be clear whether that has been achieved.

2. **A preference for disaggregated organizational forms**
   This was a response to the inefficient “multipurpose hierarchical bureaucracies” that belonged to traditional public administration (Stoker, 2006, pp. 45-46). Monopolies become fragmented in NPM, which includes a purchaser and provider separation. Also private sector service delivery is the preferred method (O’Flynn, 2007). Finally it includes the use of public relations (PR) techniques such as in the private sector (Hood, 1991).

3. **Contracts as the principal coordinating device**
   The basis of NPM is formed by contracts (O’Flynn, 2007). They include performance targets and agreed systems of performance measurement, which are set at a certain moment in time. There is therefore not a continuous direct political or bureaucratic oversight, but a moment of drafting the contract and evaluation of it (Stoker, 2006).

4. **Market-mechanisms such as competitive tendering, public sector league tables and performance-related pay**
   Competition is another component of NPM that is used to improve efficiency (O’Flynn, 2007). Efficiency is key in NPM, meaning that value for money is a critical objective (Stoker, 2006). When specific rewards for certain achievements are set, the results are being stressed, rather than the procedures. Mechanisms such as term contracts and public tendering can create rivalry, which theoretically creates lower costs and better standards (Hood, 1991).

5. **Treating users of the service as consumers and quality improvements such as TQM**
   Citizens are treated as consumers, conforming to the market-oriented principles of NPM. Their individual interests are simply aggregated (O’Flynn, 2007). The delivery of public services is compared to the demand and citizens may comment on the quality, but not on the objectives of the service (Stoker, 2006).
2.3 Public Value Management

2.3.1 Public Value

In response to NPM, PVM came into existence (Stoker, 2006). To analyze that framework it is useful to first be clear about what is meant by public value, before examining its management framework. Mark H. Moore (2012) is one of the first and most frequently cited authors that have written about public value. He mentions that several authors have tried to grasp what it is and how it can be measured, but he himself does not give an exact definition of what public value is. He did however come up with a strategic triangle, visible in figure 2, with three interconnected elements that are all required for a strategy with the aim of producing public value (Alford & O’Flynn, 2008).

Figure 2: Moore’s strategic triangle (Moore, 2012, p. 30)

The triangle includes the public value the organization is aiming to achieve, as well as the legitimacy and support and the operational capacity, meaning the organizational capabilities to do this. Moore’s triangle can be used to diagnose an existing situation, to structure thinking about what should be the case in the future, as well as to analyze how public managers behave (Alford & O’Flynn, 2008, pp. 5-6).

Rainey (2014) compares theories about public value from Moore to the ones of Bozeman, who is well known for writing the book “Public Values and Public Interest: Counterbalancing Economic Individualism”. He calls Moore’s theory “publicly authorized production (Rainey, 2014, p. 65)

meaning that public value is produced by governmental activities, which are authorized by citizens and their representatives. He also mentions that for producing these activities, efficiency and effectiveness are being taken into account. For Bozeman’s argument on the other hand, Rainey (2014, p. 67) states: “In societies one can discern patterns of consensus about what everyone should get, what they owe back to society, and how government should work.” This is a normative issue, but the consensus that is meant here, is an aggregation of the opinions of people in society that agree with each other. What both theories have in common is that they say that public value is constituted by what citizens want (Rainey, 2014). O’Flynn (2007) shows that this is not just about outcomes, but also very much about the process in which these are created and through the actions which public organizations carry out. These generate trust and fairness, which is preferred by citizens.

2.3.2 Management

Stoker (2006) mainly relates PVM to the emergence of networked governance. “Networked governance includes steering society through the development of complex networks and the rise of more bottom-up approaches to decision making (Stoker, 2006, p. 41).” This means a shift from government to governance, meaning that management is not approached top-down anymore, but in the form of networks and a multi-stakeholder approach (Bastiaanse, 2013). For PVM the creation of public value is the highest goal, since it “involves greater effectiveness in tackling problems that the public most cares about (Stoker, 2006, p. 44).” In the previous section this was defined as the consensus of what citizens want, using Rainey’s analysis. This not only makes the outcome important, but also the process (O’Flynn, 2007). NPM is being criticized because the public realm
differs from the commercial sector and because it would be too narrowly utilitarian. In response, PVM according to Stoker (2006) is based on the first three and fifth principles below. The fourth element is added (based on O’Flynn (2007)) in order to be able to contrast these five principles to the principles mentioned in this report for NPM.

1. Search for public value;
2. Open-minded relationship to procurement of services;
3. Recognition to legitimacy of stakeholders;
4. Post-competitiveness;
5. Adaptable and learning-based approach to public service delivery.

1. Search for public value
The service must provide positive economic and social outcomes. It can only be determined whether it creates public value by an exchange between stakeholders and government officials (Stoker, 2006). This exchange needs to be set up by managers, who in PVM have an active role in steering the network (Bastiaanse, 2013). Another way to evaluate the creation of public value is the previously described strategic triangle of Moore (2012), which not only looks at the public value that is aimed for, but also whether the organization has the capacity and the legitimacy and support to achieve it.

2. Open-minded relationship to procurement of services
There is a focus on end results, and therefore in every situation it will be looked at who is the best fitting supplier. In the end performance, accountability, universal access, responsibility and contribution to community well-being matter (Stoker, 2006). Services are now provided by networks of private as well as public actors (Bastiaanse, 2013).

3. Recognition to legitimacy of stakeholders
“There should be a shift from a culture that accepts public acquiescence in decision making to one that expects active citizen endorsement (Stoker, 2006, p. 48).” If all stakeholders are involved, this makes decisions more legitimate and it can be judged more easily whether public value is created (Stoker, 2006).

4. Post-competitiveness
The term post-competitiveness can be defined as “a shift away from the primary focus on results and efficiency toward the achievement of the broader governmental goal of public value creation (O’Flynn, 2007, p. 358).” It also means that the context in which organizations operate is continuously changing (Benington, 2005).

5. Adaptable and learning-based approach to public service delivery
To keep benefitting society the approach to create public value has to be continuously adapted. Therefore the approach should be to learn and evaluate (Stoker, 2006). Individual preferences are not simply aggregated, but a collective preference is established by deliberation (O’Flynn, 2007).

2.4 Differences
The key characteristics of NPM described in this report were mainly based on Pollitt and those of PVM were mainly grounded by Stoker. Putting the properties of both paradigms next to each other makes it possible to combine them into five categories of characteristics that can be used to see if performance contracts are more based on NPM or PVM. These characteristics have been based mostly on the categorizations O’Flynn (2007) uses, with exception of the fifth category. The table in figure 3 summarizes the five categories and shows the comparison between NPM and PVM.
<table>
<thead>
<tr>
<th><strong>New Public Management</strong></th>
<th><strong>Public Value Management</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managerial goals</strong></td>
<td>Focus on performance</td>
</tr>
<tr>
<td></td>
<td>Focus on public value</td>
</tr>
<tr>
<td><strong>System of delivery</strong></td>
<td>Fragmented by design</td>
</tr>
<tr>
<td></td>
<td>Deliberation to find the best</td>
</tr>
<tr>
<td></td>
<td>system and supplier</td>
</tr>
<tr>
<td><strong>Model of accountability</strong></td>
<td>Top-down in the form of</td>
</tr>
<tr>
<td></td>
<td>contracts containing clear pre-</td>
</tr>
<tr>
<td></td>
<td>determined goals</td>
</tr>
<tr>
<td></td>
<td>Bottom-up and equal</td>
</tr>
<tr>
<td></td>
<td>representation of all</td>
</tr>
<tr>
<td></td>
<td>stakeholders</td>
</tr>
<tr>
<td><strong>Characterization</strong></td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Post-competitive, adaptable</td>
</tr>
<tr>
<td><strong>Interaction and evaluation</strong></td>
<td>Systematic approach based on</td>
</tr>
<tr>
<td></td>
<td>accumulation of interests of</td>
</tr>
<tr>
<td></td>
<td>tenants</td>
</tr>
<tr>
<td></td>
<td>Adaptable, learning-based</td>
</tr>
<tr>
<td></td>
<td>approach based on</td>
</tr>
<tr>
<td></td>
<td>deliberation of individual</td>
</tr>
<tr>
<td></td>
<td>interests of tenants</td>
</tr>
</tbody>
</table>

Figure 3: NPM and PVM compared on five categories of characteristics
Methodology and Operationalization

Methodology

Now that the historical background and rationale of performance contracts and the theoretical framework of management paradigms have been described, theory can be applied to practice. In chapter 3 the formal rules and general characteristics of performance contracts for housing corporations in the Netherlands are examined in the light of NPM and PVM. The situation before and after the *Nieuwe Woningwet* are compared, by using information from Chapter 1 and additional information that can be found in policy documents and law documents. Chapter 4 consists of a case study, in order to get a more detailed insight and to make a practical application of NPM and PVM.

The case that was selected for this research is the social housing sector of the city of Enschede. Performance agreements of 2007, 2013, and 2016-2017 between housing corporations and the municipality of Enschede will be compared. The reason to choose this case mainly has to do with feasibility and convenience. Since I study in Enschede it is easier to contact, interview and interact with stakeholders in Enschede, in particular with a view on time and budget. Also a lot more time would be needed to study several more municipalities in depth. It is not attempted to generalize from the results that follow from the case study, but the results can be compared to the analysis described in Chapter 3.

Within the case study, some stakeholders were selected for interviews. The performance agreement has been established by the municipality of Enschede, housing corporations Ons Huis, De Woonplaats, Domijn, SJHT, De Veste, and their tenants representation (Gemeente Enschede, 2016). Each of these organizations were contacted for an interview. For the municipality the agreement was signed by an alderman who is responsible for housing affairs in Enschede. For the housing corporations their directors signed the agreement. Tenants representation organizations that signed the agreement are Huurdersvereniging Bewonersrijk (for Domijn), Huurdersbelangenorganisatie Enschede (for De Woonplaats), Stichting Huurdersbelang Ons Huis, and Vereniging Huurdersbelangen Stroinkslanden. Their chairmen signed the agreement (Huurderskoepel Domijn, 2016). These people were therefore the first to contact for an interview, considering their role in regard to the performance agreement. De Veste does not have a tenants representation and SJHT has tenants representation in the form of a project owners commission, who reviewed the agreement at a later point in time and did not have any comments (Gemeente Enschede, 2016).

Each organization was contacted by phone. In the phone calls I gave a short description of the research, who I wanted to interview, and why. As a backup for if they would ask for extra information, a letter was already prepared, which can be found in Appendix I. The second way to contact the organizations was thus by sending this letter through e-mail.

All in all, with this approach a good basis was established for the collection of information. In addition to desk research, the case study adds some more inside information about the process of drafting such an agreement. Having only one case however introduces a threat to external validity, meaning that based on one case study the results cannot be generalized. This is of less importance if the methodology (i.e. the operationalisation and use of interviews) used in this research works and can in later research be applied to more cases. Another risk of the approach was that potential interview candidates would be too busy to be able to participate in an interview. To solve this threat to the reliability of the research, it was asked if another person of the organization was willing to participate in an interview. In the end, after calling
and e-mailing several times, one housing corporation and a tenants organization did not respond. With the other interview candidates, an interview was successfully arranged though.

The interviews were done on the basis of a list of questions. All of these questions asked in the interviews were open-ended. It was possible to deviate a bit from the structure of the questions if the situation asked for it. The questions to the municipality and the housing corporations were largely the same. The questions to tenants organizations differed a bit, mainly because of the expectation that they were expected to be less aware of the official and juridical context and they could tell more about how they experience the process. When a respondent remained vague in their answer to a question, it was possible to offer them a few options that might point more to NPM or PVM. These options are made more explicit in the operationalization section, following after this section.

Before the interviews started, the respondents were again informed about the purpose of the interview and the research itself. They were also asked whether the interview could be recorded in order to be able to listen to it again later and to obtain data from that. They were told that the data would be stored safely. At the end of the interview the respondents were also asked whether they wanted to receive any documents showing which results from the interview with them would be used and how it would be written down. Finally they had the opportunity to receive the final research report if they so desired.

From the documents that were consulted and the interviews that were held, qualitative data was obtained. Therefore there cannot be an exact outcome that rejects or accepts a certain hypothesis. Instead the data was combined and interpreted in the light of the main characteristics of NPM and PVM. From this a more nuanced answer can be given to the research question. In the end however it is possible to see on which aspects performance agreements tend to lean more towards one of the management approaches, as compared to the other. This can then be compared to the situation a few years ago, to also see the effect of recent changes caused by the Nieuwe Woningwet.

Operationalization
The most important factors to distinguish NPM from PVM have been described to be managerial goals, system of delivery, model of accountability, characterization, and interaction and evaluation. To see whether characteristics of performance agreements fit either of the two management paradigms, these issues need to be operationalized. Not all of them can be applied in this research however. For example the performance agreements will not tell a lot about the system of delivery. The model of accountability and the characterization of a management style can be distinguished by looking at the goals that are mentioned in performance agreements. Performance agreements are for a large part about managerial goals, so the focus will be on that first and foremost. Management paradigms extensively cover the process and interaction between stakeholders. That is why the process from coming up with a performance contract until the evaluation will be analyzed as well. In short, the focus of the analysis will be on managerial goals, interaction, and evaluation. These three factors are clarified in figure 4.

Figure 4 – Focus of analysis

<table>
<thead>
<tr>
<th></th>
<th>NPM</th>
<th>PVM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial goals</td>
<td>Performance based, competitive</td>
<td>Public value based, post-competitive, adaptable</td>
</tr>
<tr>
<td>Interaction</td>
<td>Top-down</td>
<td>Bottom-up, deliberation, equal representation of stakeholders</td>
</tr>
</tbody>
</table>
Chapter 3 and 4 are structured according to these three aspects. Chapter 3 contains a more general analysis of agreements before and after the *Nieuwe Woningwet*, while chapter 4 investigates the goals, interaction and evaluation for agreements in the city of Enschede. In order to obtain the information for this case study interviews are carried out, which are structured according to the phases a performance agreement goes through:
- Drafting the agreement;
- Execution and progress of the agreement;
- Completion and evaluation of the agreement.

Questions about these phases are meant to lead to information about the three aspects of the focus of analysis. Questions about drafting the agreement for example can lead to answers about managerial goals that are being discussed, as well as interaction that takes place when discussing these goals. The exact interview questions can be found in Appendix II. More about the structure of the interview questions will be explained below.

**General information**

First there are some more general interview questions about affairs that do not fit into any of the mentioned stages a performance agreement goes through. To all stakeholders the question was posed what the biggest change of the *Nieuwe Woningwet* is to the relationship between housing corporations, tenants organizations and the municipality. This was meant to give some initial information of how the stakeholders view this relationship and whether the *Nieuwe Woningwet* (which includes the obligation of performance agreements) really made such a big difference. It was asked to the municipality why performance agreements were initially established separately with each housing corporation, whereas the agreements are now made collectively. Two housing corporations were not involved in these previous agreements. It was asked to the municipality, why this was the case and how they eventually also joined in the performance agreement of 2016. It was also asked to the housing corporations it concerns, why this was (not) the case. Additionally the *Woonvisie 2025* of the municipality of Enschede formed the basis of the performance agreement in 2013. The *Woonvisie* is mentioned to be based on an agreement with partners ([Corporaties & Gemeente Enschede, 2013](#)). It is therefore asked to the municipality who these stakeholders were and in what way they were involved. Figure 5 shows some of the expected results and whether they point more towards NPM or PVM.

**Figure 5 – General information about the relationship between stakeholders**

<table>
<thead>
<tr>
<th></th>
<th>NPM</th>
<th>PVM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship between stakeholders since the <em>Nieuwe Woningwet</em></strong></td>
<td>The municipality can set goals top-down to housing corporations. Tenants have the least influence</td>
<td>Tenants organizations, housing corporations and the municipality are equal partners</td>
</tr>
<tr>
<td><strong>Involvement in <em>woonvisie 2025</em></strong></td>
<td>Tenants organizations and housing corporations are not officially involved. The <em>woonvisie</em> is a guideline given top-down to housing corporations</td>
<td>Tenants organizations, housing corporations and the municipality are all equally involved. The <em>woonvisie</em> is established from a bottom-up approach</td>
</tr>
</tbody>
</table>
Drafting the agreement

One of the most important parts in drafting the performance agreement is the decision on the kind of goals that will be included. Are these directed towards performance and efficiency, or are they focused on the effect to society? Also, who is involved in making this decision and to what extent? Are the tenants involved for example? These are some questions that are investigated for the current situation, as well as the situation before the *Nieuwe Woningwet*. It was asked in interviews to all stakeholders what they think is and was the most important goal of the performance agreements. It was also asked what kind of goals are generally included and whether changes have occurred to this over time. Again also their involvement is studied in this research. For example to tenants organizations it was asked specifically whether in 2016 they felt like they had the possibility not to sign the agreement, if it contrasted their own norms and terms. This is of large importance to decide whether all stakeholders were equally involved in the drafting process. Figure 6 summarizes the most important issues that belong to the drafting process of the agreement, as well as the expected results that belong to either NPM or PVM.

*Figure 6 – Drafting the agreement*

<table>
<thead>
<tr>
<th>NPM</th>
<th>PVM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goals in the agreement</strong></td>
<td>Performance based: measurable goals such as amount of houses rented</td>
</tr>
<tr>
<td><strong>Goals decided by?</strong></td>
<td>Top-down: decided by the Minister, or the municipality</td>
</tr>
<tr>
<td><strong>Involvement of tenants</strong></td>
<td>No official involvement of tenants, only accumulation of their interests</td>
</tr>
<tr>
<td><strong>Involvement of the municipality</strong></td>
<td>Setting the goals top-down</td>
</tr>
<tr>
<td><strong>Involvement of housing corporations</strong></td>
<td>Obeying the municipality</td>
</tr>
</tbody>
</table>

Execution and progress of the agreement

When the performance agreement has been drafted, there is a phase in which the agreements are being carried out and efforts are being made to reach the goals that were agreed on. During the phase of the execution of the agreement, the progress of it will probably be checked. The way this is done and the person or organization doing this is an important indication of whether performance agreements tend more towards NPM or PVM. It is significant whether the stakeholders that drafted the agreement stay in touch during the process as well. This is not only decisive for the vitality of the network, but in a later stage it will also determine how the evaluation will be carried out. Figure 7 shows the key points that were asked about in the interviews when it comes to the execution and progress of the agreement.
Completion and evaluation of the agreement

The last stage of the performance agreement mainly involves evaluative procedures to check whether the set goals have been reached. It is again important which indicators are being looked at, at this stage. Are the involved drafters judged on their output, or is the outcome of their actions taken into account? Additionally it is important to know whether and what kind of consequences are connected to (not) reaching the goals that were agreed on. In NPM sanctions and rewards are often used to stimulate performance. In PVM goals are often far from measurable, which is why they often do not have any consequences attached to them. Again it is also important to look at who is involved in the evaluation of the agreement. It is especially interesting to look at how the voices of tenants are being handled, since NPM and PVM have different approaches to that as well. Figure 8 summarizes the most important factors, with the expected results for NPM and PVM.

Figure 8 – Completion and evaluation of the agreement

<table>
<thead>
<tr>
<th></th>
<th>NPM</th>
<th>PVM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consequences to (not)</td>
<td>Sanctions and rewards in order to stimulate</td>
<td>Learning based approach, dialogue between</td>
</tr>
<tr>
<td>reaching goals</td>
<td>performance</td>
<td>stakeholders</td>
</tr>
<tr>
<td>Indicators to evaluate</td>
<td>Quantitative indicators, outputs</td>
<td>Qualitative indicators, outcomes</td>
</tr>
<tr>
<td>Involvement of tenants in</td>
<td>Minor role for tenants, their interests are simply</td>
<td>Tenant organizations are involved in the evaluation</td>
</tr>
<tr>
<td>evaluation process</td>
<td>accumulated</td>
<td>and individual interests of tenants are</td>
</tr>
<tr>
<td></td>
<td></td>
<td>deliberated on and used to learn and adapt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>policies</td>
</tr>
</tbody>
</table>

Finally to all interviewees an evaluative question was asked as well, to get to know what they think of the current contents of the performance agreements and the procedures that go with it.
Chapter 3: Management Approaches in Performance Agreements

Sub-question 3: Which characteristics of NPM or PVM are visible in Dutch housing performance agreements before and after the Nieuwe Woningwet of 2015?

In the previous chapter the key concepts that are part of the paradigms of NPM and PVM have been operationalized in order to apply them to performance agreements. In this chapter a general analysis of the Dutch performance agreements system will be carried out by using these concepts. The situation before and after the Nieuwe Woningwet of 2015 will be compared on three dimensions:

- Managerial goals;
- Interaction;
- Evaluation.

How these were operationalized for NPM and PVM can be retraced in figure 4. This chapter combines the contents of chapters 1 and 2 and additionally uses the analysis of performance agreements of 2013 by Severijn (2013), which was an assignment by the Ministry of Internal Affairs, for the situation before the Nieuwe Woningwet. A 2016 version is in the making, but it was not yet available at the time of this writing (De Jong, Lagas, & Wegstapel, 2017). The aim of this chapter is to get an answer to whether Dutch housing performance agreements tend more towards NPM or PVM and whether the Nieuwe Woningwet has brought changes to this.

3.1 Performance agreements

First of all the notion of a performance agreements already tends towards the paradigm of NPM. According to O’Flynn (2007) contracts are at the core of NPM. This can also be seen in the definition Süto (2004) gives to performance agreements, which according to him include quantified goals, that are realized by means of measurable performance, to which a reward-(and sanction)-system is attached. These are all factors that boost efficiency and competition and therefore get associated with NPM.

It has to be taken into account for the situation before the Nieuwe Woningwet that performance agreements were not obliged and often did not get drafted. This caused the municipality to have little to no influence on housing corporations, which together with the independence the corporations had gained in the 1990’s, resulted into a lot of freedom for them. The result of this, and one of the reasons for coming up with the Nieuwe Woningwet, was that corporations started lots of commercial activities. This tends towards NPM, because of its competitive character and it does not seem to be oriented towards the creation of public value. The Nieuwe Woningwet was meant to put housing corporations to their core task, which is not to make money, but to accommodate a group of people with low incomes. Therefore it can be concluded that performance agreements after the Nieuwe Woningwet stimulate the creation of public value much more.

3.2 Managerial goals

3.2.1 Before the Nieuwe Woningwet

Before the Nieuwe Woningwet housing corporations were already meant to work for the benefit of social housing. However the only condition was that the target group had to be prioritized, which still left a lot of freedom to accommodate other groups and to stray away from public value creation. The goals in performance agreements before the Nieuwe Woningwet were based on the performance fields in the BBSH, which included:
1. Solely work for the benefit of social housing and prioritize and suitably accommodate the primary target group;
2. Qualitative maintenance of property;
3. Involve tenants in management and policymaking;
4. Safeguard financial continuity;
5. Liveability;
6. Residence and care.

First of all these performance fields are an indication that there are certain standards that have to be lived up to. Qualitative maintenance of property for example suggests that there are certain minima for the quality of houses. If these standards are given top-down, this tends towards NPM. It must be noted though that most of these performance fields are more about societal goals than financial goals, which indicates that public value is being pursued. The involvement of tenants is another factor that shows the intention of public value creation. Not only does stakeholder involvement belong to the paradigm of PVM, but it is also an important factor if one examines Moore’s triangle. Involvement of the tenants will create legitimacy and support, which is one of the necessary conditions for creating public value. This together with the operational capacities, which are among others maintained by safeguarding financial continuity, create these conditions. Finally the goals in the BBSH are very broadly defined, which makes it hard to judge the effectiveness of housing corporations. This does not fit into NPM, in which the goals are set quite strictly, however it also does not tend towards PVM if there is no deliberation about it.

In Severijn’s (2013) analysis performance agreements are categorized into statements, intentions, actions, warranties, and transactions. One of the main results is that statements and intentions have decreased in the years between 2004 and 2013, while a lot more actions are being agreed upon. It can therefore be concluded that there is a trend of making clear agreements on what exactly will be done. Severijn (2013) also looks at the percentage of quantitative agreements. From 2003 to 2005 that percentage has risen from 24% to 29%, which has remained constant over the years thereafter (27% in 2013). Furthermore in 2013, 47% of the agreements was made measurable, which was 42% in 2010. Severijn (2013) concludes that the more quantified agreements are made, the more measurable they are. Of course not every topic can be quantified. The least quantitative agreements are made about liveability, sustainability and influence of tenants. Finally the average rigor (hardheid) of the agreements was graded a 6.1 out of 10 in 2013 (Severijn, 2013). This information shows that less than half of the agreements in 2013 were measurable and that in many cases there was not a very strict judgment upon reaching or failing to reach the agreements. Also the fact that agreements are mostly made about actions shows that the contents of the performance agreements tended a bit more towards PVM than NPM.

3.2.2 After the Nieuwe Woningwet

The Nieuwe Woningwet was accompanied by the BTIV, which included some topics that should (together with the priorities of the minister) at least be included in the overview of activities of corporations:

1. Liberalization and sales;
2. Newly built houses and purchases of houses;
3. Affordability and availability for the target group;
4. Accommodation of specific groups;
5. Quality and sustainability of houses;

The priorities of the minister are:

1. Affordability and availability for the target group;
2. Realize an energy efficient social housing stock according to the agreements in the National Energy Agreement (*Nationaal Energieakkoord*) and the Convenant Energy Saving Rental Sector (*Convenant Energiebesparing Huursector*);
3. Accommodate urgent target groups;
4. Realize living with care and elderly accommodation in connection with longer independent living (SVWN, 2016).

These priorities have been based on negotiations between sector parties Aedes, VNG, de Woonbond and individual municipalities, corporations and tenants organizations (Blok, 2015). They have thus been established by a network based approach which belongs to PVM. In chapter 1 it was already noted that the goals do not differ a lot from the goals before the *Nieuwe Woningwet*. One difference though, is that the new goals are more oriented towards the own tenants of corporations. Also the core task of working for the benefit of social housing is being stipulated even more by making a distinction between daeb and non-daeb activities (activities in or not in the general economic interest). Daeb activities include for example building rental houses, whereas an example of a non-daeb activity is building a gym, which gives the corporation money, but is not in the general economic interest. These limitations to what housing corporations should focus on, are matters that fit into PVM as well. However, the *Nieuwe Woningwet* also regulates things more strictly now and there are more rules around the establishment of performance agreements. Furthermore there are again certain quality standards. Both of these direct towards NPM.

### 3.3 Interaction

#### 3.3.1 Before the *Nieuwe Woningwet*

Elsinga et al. (2014-2015) already concluded, based on a research by Deuten and De Kam, that the measured effects of actions by housing corporations were often not a good basis for conversations with stakeholders. Theoretically tenants could make their preferences known to the corporation, but they were not around the table when it came to establishing performance agreements. Additionally in 2015, 44% of the housing organizations did not have contact with the municipality on a structural basis (Woonbond, 2015). Also the amount of agreements on tenants participation (about 50%) and especially about interactive policymaking (13%), which had a rigor of respectively 5.8 and 5.6 out of 10, show that the interaction with tenants was not rated highly (Severijn, 2013). This shows the opposite of a bottom-up approach and therefore tends towards NPM. Of course there was interaction between the corporation and the municipality about the performance agreements, but Elsinga et al. (2014-2015) mention that this relationship was reciprocal to a low extent. The municipality gets a clear view of what corporations can contribute, but this is not the case the other way around. Again this shows a top-down approach, which belongs to NPM.

#### 3.3.2 After the *Nieuwe Woningwet*

The *Nieuwe Woningwet* has changed quite a lot in the relationship between the municipality, housing corporations, and tenants organizations, since they are now equal partners. This equal representation in the establishment of performance agreements should lead to a much more network based approach, which fits into PVM. The overview of activities as well as the *woonvisie*, which are the basis of the performance agreements are also made in conversation with stakeholders, which again shows signs of a bottom-up approach. A research by the association of housing corporations Aedes (2015) shows that corporations also want tenants to have a bigger influence on their policy, since this will create more legitimacy. Going back to Moore’s triangle, this is one of the necessary elements to create public value. To help corporations achieve this goal, Aedes has among other things created the transparency tool for tenants organizations, which gives more insight into the policies of corporations and helps to see the financial effects of changes to these policies (Van Hulten, 2016). In short, the *Nieuwe Woningwet* has brought more interaction about performance agreements, especially with stakeholders such as tenants. This tends a lot towards the PVM approach.
3.4 Evaluation

3.4.1 Before the *Nieuwe Woningwet*

As mentioned by Elsinga et al. (2014-2015) the tasks mentioned in the BBSH were very broad and not concrete, which made it hard to judge to performance of corporations, because clear goals were lacking. Furthermore, some housing corporations did not even have performance agreements, which made it even harder to evaluate their achievements. The financial accountability of corporations can be used to compare them, since this is uniform. Evaluations of the independence of housing corporations were positive though because the national budget was positive, but not necessarily because the institutions functioned better (Elsinga et al., 2014-2015). Severijn (2013) notes that in performance agreements it is also often not laid down how the performance will be dealt with. In 2008 this was done in 16% of the cases, in 2010 6% and in 2013 almost none of the agreements included this. The fact that the performance corporations could not really be evaluated upon hard facts suggests that evaluations tended more towards PVM than to NPM. However this would mean that evaluations would be carried out in networks with lots of deliberation, which was not the case. Tenants organizations were often seen as advisors in later stages of policymaking. Only in conversations on policy about participation and tenants control they were involved earlier (Aedes, 2015).

3.4.2 After the *Nieuwe Woningwet*

With the obligation of performance agreements due to the *Nieuwe Woningwet*, the agreements need to be evaluated every year in order to draft a new agreement. Since the municipality, corporations and tenants organizations are lawfully equal partners, they should also all be involved in the evaluation. This is a much more network based approach than before the *Nieuwe Woningwet*, which shows a shift towards PVM. However it still remains to be seen how the agreements will be evaluated and on what indicators. The case study in Enschede will show an example of this and will hopefully give more insight into this.

3.5 Conclusion

Although the phenomenon of a performance agreement belongs to the paradigm of NPM, the *Nieuwe Woningwet* has brought more initiatives for housing corporations to pursue public value. The goals that are included in performance agreements in the housing sector contain both elements of NPM and PVM and have not been changed a lot. However the *Nieuwe Woningwet* has come with stricter regulations and a clear procedure to make performance agreements. Concerning interaction, a lot has changed since the *Nieuwe Woningwet*. Corporations, tenants organizations and the municipality are now equal partners. This means a lot more involvement of tenants in making performance agreements, but also a more reciprocal relationship between the municipality and housing corporations. This shows a clear shift towards PVM. The evaluation of performance agreements has become much more network-based as well due to the *Nieuwe Woningwet*. It can be concluded that the procedures around performance agreements have shifted towards the framework of PVM. The contents of the agreements have characteristics of both NPM and PVM however and although the focus of corporations should be more on creating public value, the regulations and procedures concerning this have become a lot stricter.
Chapter 4: Performance Agreements in Enschede

Sub-question 4: What characteristics of NPM or PVM does the performance agreement for housing corporations in Enschede of 2016 contain as compared to the situation in 2007 and 2013?

After an analysis of the changes to performance agreements, due to the Nieuwe Woningwet, it was concluded that the included performance goals contain elements of both NPM and PVM, but that the process around the performance agreements has shifted from a more NPM-like approach towards the PVM approach. This conclusion was mainly based on the involvement of tenants in the whole process around performance agreements, which belongs to the network-based and bottom-up approach of PVM. These conclusions can now be tested in a case study, for which Enschede was chosen. Using some of the performance agreements that were established in Enschede over the last 10 years, and the results of interviews with three tenants organizations, four housing corporations, and the municipality of Enschede, this case will be analyzed by considering managerial goals, interaction, and evaluation before and after the Nieuwe Woningwet.

The municipality of Enschede has about 158,000 inhabitants (Kennispunt Twente, 2017). The municipality does not arrange rental houses for these inhabitants, but this is done by the housing corporations. There are three large corporations: Ons Huis with more than 5,000 houses in Enschede (Ons Huis, n.d.), De Woonplaats with about 20,000 houses in Enschede and De Achterhoek (De Woonplaats, n.d.), and Domijn with about 15,500 houses in Enschede, Haaksbergen and Losser (Domijn, 2015). Next to that there are two corporations that are more directed towards youth, in particular students. De Veste has houses in Dalfsen, Enschede, Hardenberg, Ommen and Terschelling. In Enschede they accommodate students. In 2015 they had assigned 1,120 houses in Enschede (De Veste, 2016). SJHT was initially also directed towards students, but they broadened their scope towards youth in general as well, between the age of 18 to 30. SJHT rents about 1,042 houses in Enschede and Hengelo (SJHT, 2016). There is also a corporation to accommodate the elderly, called Woonzorg Nederland, but they are a very small organization and they were not involved in the performance agreements of 2016, which is why they are not included in this analysis. Next to this, there are the tenants organizations: Huurdersvereniging Bewonersriek (for Domijn), Huurdersbelangenorganisatie Enschede (for De Woonplaats), Stichting Huurdersbelang Ons Huis, and Vereniging Huurdersbelangen Stroinkslanden, which also belongs to De Woonplaats (Gemeente Enschede, 2016).

In order to understand why this chapter goes back to 2007 and compares it to 2013 and 2016, it is necessary to take a look at some of the history of performance agreements in the social housing sector in Enschede. In these years there were different ways in which the municipality and the housing corporations of Enschede had organized their performance agreements. In 2007, each of the five housing corporations in Enschede had separate performance agreements with the municipality. These agreements were made for the period of 2007-2010. In 2013 the so-called cooperation agreements (samenwerkingsafspraken) between Ons Huis, De Woonplaats, and Domijn were introduced, which was meant to contain a perspective of five years. In 2015 these cooperation agreements were also established in a separate trajectory between the municipality and the two corporations that are directed towards youth, De Veste and SJHT (Gemeente Enschede, 2016). Finally, in 2016 the first performance agreement according to the Nieuwe Woningwet was established, including all five corporations (Gemeente Enschede, 2016). According to the interviewees of this research, this had nothing to do with the Nieuwe Woningwet though, and Enschede is in fact one of the few municipalities in which the corporations make performance
agreements together, instead of separately, with the municipality. The reason for this is that there was a lot of overlap in the performance agreements between all housing corporations and, in the end, it was all about social housing in the same city.

4.1 Managerial goals
4.1.1 Before the *Nieuwe Woningwet*

In 2007 all housing corporations had separate agreements with the municipality. Part of the contents of these agreements can be found in visitation reports (which are evaluations from an independent bureau) of the corporations (Cognitum, 2014; ECORYS Nederland BV, 2010, 2011, 2015; Kwaliteitscentrum Woningcorporaties Huursector, 2010). What strikes the eye is that the agreements are actually quite similar and that the goals are all written down in the same categories, namely:

- Cooperation towards accommodation: about the cooperation between the corporation and the municipality;
- Attention to vulnerable groups;
- Directing on strategic adjustment of the housing stock: the cheap segment was overrepresented at the time, which had to be adjusted;
- Working on quality of housing for now and in the future;
- Enlargement of influence for consumers of housing.

These agreements are based on the *woonvisie* 2005-2015 (Corporaties & Gemeente Enschede, 2013), but the influence of the BBSH is also clearly visible. The first category shows that the main goal of the agreements is a good relationship between the municipality and the corporation. This was confirmed in the interviews by housing corporations B, C, and E\(^1\), whose representatives stated that they already made performance agreements before they were obliged in order to maintain a good relationship with the municipality. This shows that the agreements are not set top-down by the municipality, but that they are truly agreed upon by both parties, which is why the goals do not completely fit into NPM. However, they are also not set bottom-up, since the agreements are between the corporation and the municipality, which does not include the tenants. The last category seems to enlarge the influence of tenants, but the way this category is worked out in the agreements is very minor. It included for example letting consumers of housing contribute in maintenance, or giving them the choice for fiberglass (Cognitum, 2014; ECORYS Nederland BV, 2010).

Another observation of the agreements of 2007 is that they do not include a lot of numbers. Only about topics such as the amount of houses to be built and to be hired there are numbers included. A report of the municipal council reveals however that the agreements had quite a rigid character, meaning that they could not be easily adjusted over time (Corporaties & Gemeente Enschede, 2013). While the low amount of quantitative indicators and the more abstract goals belongs to PVM, it is also important that goals can be adjusted in this paradigm. Housing corporation B further mentions that the agreements of 2007 were very detailed, and they were more seen as a bureaucratic procedure than as a useful tool.

\(^1\) The interviewed organizations are described with a letter in order to anonymize what they said during the interviews.
In 2013 the three corporations Ons Huis, De Woonplaats, and Domijn formed a performance agreement together with the municipality. This agreement was even more directed towards cooperation, which is why it was even called a cooperation agreement, instead of a performance agreement. The agreement was mainly about strategic topics, for which the corporations had to do concrete contributions. The process was guided by the PDCA-circle by Deming, for which the version of the current agreements can be found in appendix III, which will be elaborated on later in this chapter. What it means though is that the agreement can be adjusted in the process much more easily. Additionally the agreement loses the testing character of the agreements of 2007 and is more based on equality and a shared vision, according to the municipal council (Corporaties & Gemeente Enschede, 2013).

Furthermore the goal of using the circle is to get to more reciprocal agreements. The agreements are about:

- General agreements: about the role and cooperation of the municipality and the corporations;
- Market: the agreement that no new houses will be build, only rebuilt. It also includes conditions for selling houses;
- Quality: includes frameworks in which houses need to have a certain quality. However no exact standards are mentioned.
- Location: the municipality wants a dense centre and less dense boundaries of the city. The agreement with SJHT and De Veste of 2015 includes goals that are more specific to their target group, which are mainly students. The topics included in this are quite general and do not include more elaboration than two or three sentences:
  - Monitoring supply and demand;
  - Cooperation to fulfil demand;
  - Fulfil demand of international students;
  - Affordability;
  - Central website with all supply of housing for students;
  - Liveability: especially improve relationship between students and their neighbourhood;
  - Meetings and negotiations between municipality and boards of corporations (SJHT, Gemeente Enschede, & Acasa, 2015).

What both agreements have in common, is that they include just frameworks in which the corporations operate and agreements on the role of all included parties. Furthermore the focus on equality and cooperation belongs to the network-based approach of PVM. Still however, there does
not seem to be a lot of involvement of tenants in coming up with the included goals. The goals are
directed towards public value though, and the use of the PDCA-circle has made it so that they can be
easily adapted, due to a continuous cycle of evaluation and implementation.

4.1.2 After the Nieuwe Woningwet

In 2016 the first performance agreements after the Nieuwe Woningwet have been established in
Enschede, which are operative in 2017. SJHT, De Veste, and the tenants organizations have entered
the agreements between Ons Huis, De Woonplaats, Domijn, and De Veste. Quite a lot of the topics
contain updates on already existing goals. This is because it is the first time that the new agreements
have been made (Gemeente Enschede, 2016). A poster has been made with the agreements in easy
to understand Dutch (to be found in Appendix IV, which also includes a link to the performance
agreement). There are seven core themes:

- Newly built houses: no new houses, only rebuilding ones.
- Affordability and availability: people who actively search for accommodation should find this
  within 12 months.
- Sales of houses: sold houses have to be of good quality.
- Sustainability, monitored on:
  - Energy labels;
  - Amount of sustainable houses;
  - Percentage of sustainable energy.
- Area prioritizing: the municipality will make a vision on what each area of the city needs, so
  that the corporations can prioritize certain areas.
- Liveability: € 126,25 is the maximum amount of money that can be spent on liveability per
  house. However this is not a strict limit.
- Specific target groups (Gemeente Enschede, 2016).

Each theme contains a separate section with agreements for students. What strikes the eye is that
the agreements are much more extensive than the previous agreements of the involved parties. Also
it is important to note that the PDCA-circle continues to be in use, in order to be able to polish the
agreements when needed.

In the interviews the corporations and municipality have said that they think the goals are quite
general, but they also show the way ahead quite clearly. Corporation C mentioned that more
abstract goals are quite common for large municipalities, while smaller ones often have more specific
agreements. The goals do not include a lot of strict numbers. The numbers that are in there are
meant to be guidelines and can be overruled. It has been asked to the interviewees what they
considered the most important goal of the performance agreements of 2016. Most of them
answered that for this year affordability and availability were very important. The tenants
organizations had stated that they thought there were not enough cheap houses, while the
municipality said that there were enough of them. That is why the agreement has been made that
someone who actively seeks accommodation and has no specific wishes, should find an affordable
house within 12 months. In 2017 the new performance agreement for 2018 is already in the making.
This year sustainability and area prioritizing will be worked out and made more concrete. The
municipality and housing corporations explained that the agreements will be made more concrete
every year. The current agreement is just the first step. The PDCA-cycle is meant to help accomplish
this. All in all, the interviewees agree that not a lot has changed to the goals over the last couple of
years. Most of the goals seem to be directed towards public value creation, they do not contain strict
numbers, and they are adaptable. This fits the PVM framework very well.

What also matters however is who were involved in coming up with the goals and how they were
established. They are based on the woonvisie, the overview of activities by the housing corporations,
and on the basis of some themes that are given by law (the BTIV). The overview of activities by the
housing corporations is a response to the woonvisie of the municipality and it is based on conversations with the tenants. Therefore all parties are equally responsible for the goals and they have been established on the basis of lots of communication between all parties, as will also be apparent from the ‘Interaction’ section that will follow now.

4.2 Interaction

4.2.1 Before the Nieuwe Woningwet

For the period of 2007-2010 the corporations De Woonplaats, Ons Huis, and Domijn signed a framework agreement to adjust their policies to each other and to form the basis for their separate performance agreements (ECORYS Nederland BV, 2011; Kwaliteitscentrum Woningcorporaties Huursector, 2010). Representatives of De Veste and SJHT mentioned in the interviews that they also already work together for quite some time, but on the internet there was no information in reach about a similar agreement. What this shows however is that the corporations already sought interaction with each other for quite some time and that they based their policies on this. Next to this, of course they had contact with the municipality. From 2013 onwards this was supported by the PDCA-circle, which contains specific moments to evaluate or to discuss about the adjustments of certain policies.

Before the Nieuwe Woningwet housing corporations had a 1 on 1 relationship with their tenants (organizations). Tenants also had the right to give advice on policies of the housing corporation. However, as was mentioned by some corporations in the interviews, often the policy documents were already written completely when they were shown to the tenants. The tenants could then give their opinion, but this would often not lead to big changes, since the policy would not be written all over again. Some of the housing corporations were quite positive about the influence of the tenants on their policies before the Nieuwe Woningwet, but the tenants organizations that were interviewed for this research said that their opinion was almost never asked for and they had a lot less influence on policies.

It can be concluded that before the Nieuwe Woningwet there was already a lot of interaction between the municipality and the corporations and the corporations were finding each other more and more too. However the tenants had a very minor role when it came to the performance agreements. This shows that corporations thus already became equal partners of the municipality, which belongs to PVM. However the tenants were not really involved yet, which shows the NPM-side of the interaction, since it is not approached from the bottom up.

4.2.2 After the Nieuwe Woningwet

The interviews gave away that there are a lot of contact moments between the different parties that are involved in the performance agreements right now. There is a core team that meets every month and does the most important preparations for the tripartite consultations as well as the overview of activities of the corporations. It also monitors the progress of the performance agreements. The team consists of people from the corporations and the municipality. Additionally there are working groups, which have the task of further working out topics such as sustainability, which were not made concrete yet in the current performance agreement. Next to this there are also meetings and negotiations by the boards of corporations and the municipality, called bestuurlijk overleg. And finally some official dates have been added to the PDCA-circle, which is visible in appendix III. It now includes an imaging meeting (beeldvormende bijeenkomst) and an appraisal meeting (beoordelende bijeenkomst) to evaluate the contents and the process regarding the performance agreements.

Some of the mentioned meetings, such as the core team meetings and the meetings and negotiations between the boards of the corporations and the municipality were already introduced before the Nieuwe Woningwet, according to corporation E. However one very big change is that the
tenants organizations are now around the table. All eight interview respondents mention the inclusion of tenants organizations in the establishment of performance agreements as the biggest change to the relationship between the corporations, the municipality and the tenants organizations. The impact of this change is also apparent from the workload which tenants organizations now have, due to all of the extra meetings they have to attend. The tenants organizations consist of volunteers who have to give up part of their free time for this job. That is why the agreement has been made that they will not attend meetings of the working groups, besides when important decisions are made. Furthermore they also do not attend meetings of the core team, since it would be too busy for them. However they are now involved in the meetings and negotiations by the boards of the corporations and the municipality and other meetings in which decisions about the performance agreements are made. These meetings have been added to the already existing meetings between the corporation and their own tenants organization, which happens at a minimum of four times a year. In Enschede the tenants organizations have really been treated as equal partners of the corporations and the municipality. In the interviews they all said that they were getting informed well enough by the other parties and that they were heard during the meetings. One issue is that the voluntary tenant representatives might have less knowledge than the corporations and the municipality. However the latter said that they have tried their hardest to provide the necessary information and to guide the tenants organizations through the process. The tenants organizations confirm this, but they do admit that it takes quite some effort to get read in.

Not all organizations see the involvement of the tenants organizations in the performance agreements as a major change though. Tenants organization B says they have always had influence on their corporation’s policy, but that things have just become more transparent right now. Previously they would be informed after the fact, when new policies were introduced, while they were now notified much earlier. This is confirmed by the other tenants organizations and the housing corporations. Housing corporation E says: “the tenants have not gotten a bigger voice, because we have always done it for them. The only difference is that they are now around the table, while previously they had the right of advice.” Just like corporation C they mention that tenants are just involved earlier in the process.

All in all it is fair to conclude that tenants organizations have had a large role in drafting the performance agreements and they keep getting involved throughout the process. A lot of meetings throughout the year between different parties have to ensure that the conversations do not end and that the parties keep polishing their visions and policies together. Furthermore all three parties seem to be equal partners and to have a good relationship with each other. Also they have an equal influence on the process and the agreements. On a side note some of the interviewees mentioned that this does not happen so peacefully in all municipalities, which is something to keep in mind.

With the information of Enschede, it can however be easily concluded that the interaction that takes place totally belongs to the PVM paradigm, because of the network-based, bottom-up approach, which takes place in equality and conversation.

4.3 Evaluation

4.3.1 Before the Nieuwe Woningwet

In the visitation report of De Woonplaats, it says that the performance agreements of 2007 were monitored (ECORYS Nederland BV, 2011). Furthermore, about the performance agreement of Domijn in that year, it says that the agreements were relatively concrete and measurable so that a judgment could take place. That is why there were additional agreements about monitoring, evaluation and the actualisation of the agreements (Domijn, 2008). In one of the interviews, housing corporation B mentioned that they do not think there was a real evaluation back then, at least not in a very systematic way. A new way to evaluate was introduced in 2013 when the corporations started using the PDCA-circle. The circle is meant to continually improve the performance agreements, by
monitoring, evaluating, and adjusting agreements if necessary as a response. Furthermore the respondents mentioned in interviews that there were no sanctions or rewards attached to the performance agreements. Before the Nieuwe Woningwet there was thus already a shift towards a more conversation-based evaluation. However the tenants organizations were not really involved yet and thus it is likely that an accumulation of tenants demands was used in the evaluation. This leads to the conclusion that evaluation fitted the NPM approach more than the PVM approach.

4.3.2 After the Nieuwe Woningwet
For the performance agreement that was established in 2016 the PDCA-circle continues to be used to monitor and evaluate. Due to the Nieuwe Woningwet it has been worked out more specifically now though with the inclusion of some fixed dates (Appendix III). It starts with the overview of activities of the housing corporations, which will then be judged upon in the appraisal meeting by all three parties. After that it needs to be approved by the supervisory board. When approved, the performance agreements can be signed, which will be followed by a report to all parties. Then there will be a new moment of evaluation in the imaging meeting. The evaluations thus start only a few months after signing the agreement. An adjustment advice will be given, which will be checked by the supervisory board. After that a new overview of activities will be established, taking into account the evaluation of the past year, and the circle starts again. Doing this every year is a clear change from the situation before the Nieuwe Woningwet, when it was normal to make agreements that would last for four or five years.

In the interviews it was mentioned by several people that the monitoring happens together with all involved parties. Everyone monitors whether the agreements are actually being carried out, and they let each other know if they are (not) content with what is happening. The core team is specifically assigned to monitor this however. In the performance agreement for several agreements it is mentioned how and on which factors they will be monitored. To monitor sustainability for example, the energy labels of houses, the amount of sustainable houses and the percentage of sustainable energy will be checked (Gemeente Enschede, 2016). Some of the agreements are not measurable yet, due to for example ICT-systems of the corporations that have to be adjusted to each other. Since this is the first year all corporations have made agreements together, they are still working on instruments for this. Furthermore there are no strict criteria on which housing corporations will be judged, they are rather tools to start conversations.

The evaluation of the performance agreements happens in the imaging meeting in February and in the appraisal meeting in September. The first already took place on 14 February 2017. That meeting was mainly an evaluation of the process and the cycle around the performance agreements. Everyone was asked to grade the process, mention a success factor, and state what could be done better according to them. The average grade was a 7.4 and everyone was quite positive. There were however a few remarks about when meetings were taking place and about the participation of tenants organizations in the meetings and negotiations by the boards of the corporations and the municipality. This immediately led to some action points to polish the process. After that some specific agreements were on the table and extra appointments were made. This portrays the systematic and transparent manner of evaluating that belongs to the current performance agreements. Another moment to evaluate is when the corporations make a new overview of activities. They will look back and take into account evaluations from all parties.

As mentioned the evaluations are used for conversations, rather than to judge. In the interviews it was mentioned that for the municipality the effect on the city is the most important. The current alderman is not so concerned about all kinds of statistics, but he rather wants to have good agreements about cooperation. This shows that the political composition has quite a big influence on the performance agreements and the surrounding process. In other municipalities evaluations might
be done very differently. Finally, all parties said that there are no sanctions or rewards attached to the performance agreements. Although corporation B sees the mutual appreciation and understanding, together with the transparency that is there in Enschede, as a reward of the performance agreement.

Finally it can be concluded that the monitoring and evaluation take place in conversation with all parties. For this both qualitative and quantitative indicators are used, but the focus is more on outcomes, instead of outputs. There is a learning based approach and the interests of tenants are very well represented, since the tenants organizations are equally involved in the evaluation process. Because of these facts, the evaluation process can definitely be seen as a depiction of the PVM approach.

4.4 Conclusion

Enschede knows a long history of performance agreements in the social housing sector, but in the last decade some important changes have taken place. Before the Nieuwe Woningwet the focus on equality and cooperation has increased when it comes to the goals that are taken up in the agreements. The goals have also become more and more adaptable due to the use of the PDCA-circle. This shows that a shift towards the PVM framework was already underway. However the inclusion of tenants in coming up with the goals, after the Nieuwe Woningwet strengthened this shift even more. There are still some elements of NPM visible though, when it comes to certain goals and the way they are measured. Also the contents of the actual goals have not changed a lot.

Furthermore, before the Nieuwe Woningwet there was also already quite a lot of interaction between the municipality and the corporations. There was however a lot less contact with the tenants organizations, who had a very minor role in the establishment of performance agreements. This changed after the Nieuwe Woningwet, which also shows a shift towards PVM. The same goes for evaluation, which has become much substantive and now also involves the tenants organizations. All in all performance agreements were already changing significantly before the Nieuwe Woningwet, but especially the inclusion of tenants organizations as equal partners has had a significant effect on the agreements in Enschede.
Conclusion

For more than a century there has been a lot of discussion about the role and tasks of housing corporations and their relationship with the government. Over the last few decades, housing corporations gained more and more freedom and independence, which led them to stray away from their core task and to carry out more and more commercial activities. This was the reason that the Nieuwe Woningwet was introduced. It had to put housing corporations back to their core task: making sure that people with a low income can live under good conditions for an affordable rent. The Nieuwe Woningwet was accompanied by the new BTIV (Decree Permitted Institutions Social Housing), which introduced the obligation of making performance agreements between housing corporations, municipalities, and tenants organizations. Since this way of making agreements has only been introduced so recently, it is not possible to study their effect yet. However it is possible to research their potential for creating public value. This phenomenon, that became well known because of Thomas Moore, forms the basis of the Public Value Management paradigm, which is in this research compared to its predecessor New Public Management. It is possible that management styles contain elements of both of these management frameworks. Therefore the aim of this research was to find out to what extent both of these approaches are visible in performance agreements in the social housing sector. Additionally it was studied whether the Nieuwe Woningwet had any effect on this, since performance agreements already existed for a longer time, in a different setting. The following research question was posed: “To what extent is there a shift in management approach visible in performance agreements, before and after the Nieuwe Woningwet of 2015, for housing corporations in the Netherlands, such as in the city of Enschede?”

First a historical oversight of performance agreements in the social housing sector was given, after which the theoretical framework of NPM and PVM was described. The latter theories were applied to what is known about performance agreements, concerning the included managerial goals, the interaction between involved parties, and the evaluation of the agreements. NPM has a performance-based, top-down, systematic approach to these, while PVM stands for public value, versatility, and a bottom-up approach. It was concluded that the goals that are included in performance agreements have not changed a lot over time, and they contain elements of both management paradigms. The quality standards that are included are typical for the NPM framework. However, public value is pursued by setting these standards, which is why not a clear conclusion can be drawn. The interaction between stakeholders of the performance agreements has changed a lot over time. Before the Nieuwe Woningwet there was only interaction about performance agreements between the municipality and the corporations. This was not a reciprocal relationship, as the municipality was demanding much more from the corporations than the other way around. Also the tenants organizations were not involved yet in the interaction. These things turned around with the new guidelines of the BTIV. A more network-based, bottom-up approach appeared, which is why a shift towards PVM was visible. The same is true for the evaluation, in which tenants were involved as equal partners after the Nieuwe Woningwet, whereas they previously could merely provide their advice. The indicators on which evaluation takes place differs per municipality however, which is why case studies on them do add a lot of information.

In this research a case study of Enschede was taken up, in order to find out how the new regulations on performance agreements are being handled in practice. The limitation of having one case is that the results cannot be generalized, but they do generate some interesting insights. Another thing that needs to be mentioned here is the non-response of one tenants organization and one housing corporation. This is not likely to have impacted the research a lot however, since the other three tenants organizations and four housing corporations were interviewed and they all told a similar story. It is therefore unlikely that the two organizations that could not be reached would have
drastically changed the results. Performance agreements in Enschede were compared for the years 2007, 2013 and 2016, in which interesting changes were made to the composition of the drafters of these contracts. The study mainly produced the same results that were found in the earlier analysis. The goals in Enschede have seen a relatively large shift towards PVM however, since they have become more focused on cooperation over the years. Still they do contain elements of NPM however, since the notion of quality standards and performance agreements in itself are part of that paradigm. Also in Enschede, huge changes were visible when it comes to interaction and evaluation, due to the inclusion of tenants organizations as equal partners of the municipality and the corporations. In Enschede the process of getting to this bottom-up approach started a bit earlier than the introduction *Nieuwe Woningwet* though, which is why some of the interviewees did not see the point of all the obligations that are now given to them. Enschede must be seen as one of many cases however, and it was mentioned that other municipalities are struggling much more with making agreements on certain topics, not to speak about the large involvement of tenants. It is therefore questionable whether Enschede is a representative case. Interviewed stakeholders mentioned that in Enschede the agreements were made much more peacefully than elsewhere, and that Enschede was one of the few municipalities in which an agreement for all of the corporations together (instead of separately) was made.

To conclude with, in performance agreements in the housing sector a shift from NPM to PVM is mainly visible when it comes to interaction between involved parties, and evaluation of the agreements. The included goals have not been changed a lot and contain elements of both frameworks. These conclusions are confirmed by the case study of Enschede. All in all this research has provided an in depth study of both the frameworks of NPM and PVM, as well as a practical application of these paradigms on performance agreements in the housing sector. This information can be used to evaluate the current affairs around performance agreements, but it can also give a better understanding of the management paradigms. Something that could have made this research better would be the inclusion of the paradigm of Traditional Public Management (TPM) in the analysis, since Stoker (2006) mentioned that elements of all three of these paradigms can be visible in a management approach. For example some bureaucratic aspects of the performance agreements did not fit into either NPM nor PVM. The inclusion of TPM would have made these aspects more comprehensible. Furthermore this research could be extended by including more cases than just Enschede, in order to be able to generalize the results more from these case studies. For future research, it might be more interesting to draw on one of the conclusions of this research however. One of the main points was the increased involvement of tenants organizations in the interaction around and the evaluation of performance agreements. It would be interesting to find out to what extent they actually represent the wide array of tenants and whether tenants therefore really have such a big voice when it comes to performance agreements. Also it would be interesting to research whether the current method of tenants representation is really the most effective. It was often mentioned that the current representation consists of a group of volunteers, who do not have a lot of time and information on their hands. This asks for an analysis of other methods that would give the tenants representation more time and knowledge to enhance their participation in conversations about performance agreements.
References


Appendix I

Verzoek om interview prestatieafspraken

Beste meneer/mevrouw,

Als derdejaars student Bestuurskunde aan de Universiteit Twente doe ik voor mijn bachelor opdracht een onderzoek naar prestatieovereenkomsten in de sociale woningbouwsector. Sinds de Herziene Woningwet van 2015 zijn prestatieovereenkomsten tussen de gemeente, woningcorporaties en huurdersorganisaties verplicht geworden. Ik ben benieuwd naar wat de introductie van die prestatieafspraken heeft betekend voor de betrokken partijen. Mijn onderzoek richt zich op het proces van de totstandkoming van de overeenkomsten, almede de inhoud ervan en de te verwachten resultaten.

Ik zou u willen vragen om medewerking te verlenen aan mijn onderzoek. Graag zou ik u voor drie kwartier tot een uur willen interviewen. Mijn plan is om vertegenwoordigers van woningcorporaties, huurdersorganisaties en de gemeente te interviewen om erachter te komen hoe prestatieovereenkomsten in de afgelopen jaren zijn veranderd. Zijn de prioriteiten van de woningcorporaties veranderd en zijn er verschuivingen opgetreden in de nadruk op doelmatigheid en doeltreffendheid, ten faveure van meer maatschappelijke doelstellingen? En hoe zit het met de invloed van huurders op het proces?

Ik heb reeds het een en ander gelezen over dit onderwerp, maar in mijn onderzoek zou ik graag de verwachtingen die ik vanuit de theorie van prestatiecontracten heb opgesteld confronteren met de praktijk in Enschede. Een gesprek met vertegenwoordigers van de diverse partijen zoals u lijkt me daartoe zeer waardevol. Mag ik u vragen aan mijn onderzoek een bijdrage te leveren door mee te doen aan een interview? Ik hoop het interview te kunnen doen rond eind mei en kom daartoe graag eens bij u langs op een voor u geschikt moment. Mocht het voor u niet goed uitkomen om mee te doen aan het interview, is er dan misschien een andere vertegenwoordiger van uw organisatie die mij te woord kan staan?

Mijn onderzoek wordt begeleid door medewerkers van de Faculteit Gedrag- en Management en Sociale Wetenschappen.

Voor nadere informatie kunt u uiteraard contact met mij opnemen.

Alvast heel hartelijk dank!

Met vriendelijke groeten,

Geert ten Klooster
Appendix II

Interviewvragen Gemeente

Algemene vragen

- Waarom werden de prestatieafspraken eerst (in 2007) afzonderlijk per woningbouwcorporatie gemaakt en zijn er nu gezamenlijke afspraken?
- Waarom waren er toen nog geen afspraken met De Veste en SJHT?
  - Op welke manier zijn zij er uiteindelijk bij gekomen?
- De Woonvisie 2025 is opgesteld in overeenkomst met partners. Wie waren dat en hoe werden zij betrokken?
- Wat is sinds de Nieuwe Woningwet volgens u de grootste verandering ten opzichte van de relatie tussen woningcorporaties, huurdersverenigingen en de gemeente?

Opstellen prestatieafspraken

- Wat vindt u het belangrijkste doel van de prestatieafspraken van 2016?
  - Was het doel daarvoor (2007, 2013) hetzelfde?
- Hoe en door wie is er besloten welke doelen er werden opgenomen in de prestatieafspraken 2016? In hoeverre zijn deze uniform, besloten door het ministerie?
  - Hoe ging dat daarvoor?
- Waar zijn de doelen in de huidige prestatieafspraken op gericht? De kosten, het proces, de output, of het maatschappelijke effect?
  - Is dit veranderd over de afgelopen jaren?
- Wat vindt u van de uiteindelijke inhoud van de overeenkomst in 2016? Mist u nog dingen?
- Wat was uw rol in het opstellen van de prestatieafspraken in 2016?
  - Is uw rol de afgelopen jaren veranderd?
- In hoeverre hadden huurders een stem in het opstellen van de prestatieafspraken van 2016?
  - Was dit voor de Nieuwe Woningwet anders?
- Vindt u dat de gemeente, woningbouwcorporaties en huurdersverenigingen gelijkwaardig aan tafel zaten in 2016?
  - Kun u aangeven hoe dat daarvoor was?

Voortgang en uitvoering van prestatieafspraken

- Hoe en door wie wordt de voortgang richting de prestatieafspraken bijgehouden? Wie is daar officieel verantwoordelijk voor?
  - Wat voor indicatoren worden hiervoor gebruikt?
    - Zijn dit dezelfde indicatoren als een aantal jaar geleden?
- Zijn er tijdens de uitvoering van de prestatieafspraken nog veel contactmomenten de andere ondertekenaars en wat komt er dan zo aan de orde?
  - Waren die contactmomenten er voor de Nieuwe Woningwet ook (op die manier)?

Evaluatie en afronding van prestatieafspraken

- Zijn er beloningen of sancties verbonden aan het niet voldoen aan de prestatieafspraken?
  - Hoe was dit voorheen?
- Wordt er afgerekend op harde cijfers, of wordt er meer algemeen gekeken naar het effect van de resultaten?
  - Hoe was dit voorheen?
- In de prestatieafspraken staat dat ze ieder jaar geëvalueerd worden. Hoe gaat dit precies in zijn werk?
- Hoe wordt de mening van huurders meegenomen in het evaluatieproces van de prestatieafspraken?
- Ging dit vroeger ook zo?
- Wat vindt u ervan zoals het nu gaat met de prestatieafspraken? Zijn er dingen die u graag anders had gezien?
Interviewvragen Woningbouwcorporaties

Algemene vragen

• Voor 2013 was u al/nog niet betrokken bij het maken van prestatieafspraken met de gemeente. Waarom was dit (niet) het geval?
• Wat is sinds de Nieuwe Woningwet volgens u de grootste verandering ten opzichte van de relatie tussen woningcorporaties, huurdersverenigingen en de gemeente?

Opstellen prestatieafspraken

• Wat vindt u het belangrijkste doel van de prestatieafspraken van 2016?
  o Was het doel daarvoor (2007, 2013) hetzelfde?
• Hoe en door wie is er besloten welke doelen er werden opgenomen in de prestatieafspraken 2016? In hoeverre zijn deze uniform, besloten door het ministerie?
  o Hoe ging dat daarvoor?
• Waar zijn de doelen in de huidige prestatieafspraken op gericht? De kosten, het proces, de output, of het maatschappelijke effect?
  o Is dit veranderd over de afgelopen jaren?
• Wat vindt u van de uiteindelijke inhoud van de overeenkomst in 2016? Mist u nog dingen?
• Wat was uw rol in het opstellen van de prestatieafspraken in 2016.
  o Is uw rol de afgelopen jaren veranderd?
• In hoeverre hadden huurders een stem in het opstellen van de prestatieafspraken van 2016?
  o Was dit voor de Nieuwe Woningwet anders?
• Vindt u dat de gemeente, woningbouwcorporaties en huurdersverenigingen gelijkwaardig aan tafel zaten in 2016?
  o Kunt u aangeven hoe dat daarvoor was?

Voortgang en uitvoering van prestatieafspraken

• Hoe en door wie wordt de voortgang richting de prestatieafspraken bijgehouden? Wie is daar officieel verantwoordelijk voor?
  o Wat voor indicatoren worden hiervoor gebruikt?
    ▪ Zijn dit dezelfde indicatoren als een aantal jaar geleden?
• Zijn er tijdens de uitvoering van de prestatieafspraken nog veel contactmomenten de andere ondertekenaars en wat komt er dan zoal aan de orde?
  o Waren die contactmomenten er voor de Nieuwe Woningwet ook (op die manier)?

Evaluatie en afronding van prestatieafspraken

• Zijn er beloningen of sancties verbonden aan het niet voldoen aan de prestatieafspraken?
  o Hoe was dit voorheen?
• Wordt er afgerekend op harde cijfers, of wordt er meer algemeen gekeken naar het effect van de resultaten?
  o Hoe was dit voorheen?
• In de prestatieafspraken staat dat ze ieder jaar geëvalueerd worden. Hoe gaat dit precies in zijn werk?
• Hoe wordt de mening van huurders meegenomen in het evaluatieproces van de prestatieafspraken?
  o Was dit vroeger ook zo?
• Wat vindt u ervan zoals het nu gaat met de prestatieafspraken? Zijn er dingen die u graag anders had gezien?
Interviewvragen Huurdersorganisaties

Algemene vragen

• Wat is sinds de Nieuwe Woningwet volgens u de grootste verandering ten opzichte van de relatie tussen woningcorporaties, huurdersverenigingen en de gemeente?

Opstellen prestatieafspraken

• Wat vindt u het belangrijkste doel van de prestatieafspraken van 2016?
  o Was het doel daarvoor (2007, 2013) hetzelfde?
• Hoe en door wie is er besloten welke doelen er werden opgenomen in de prestatieafspraken 2016?
  o Hoe ging dat daarvoor?
• Sinds de Nieuwe Woningwet bent u als huurdersorganisatie officieel betrokken bij het opstellen van prestatieafspraken. In hoeverre was u bij vorige prestatieafspraken betrokken?
  o Als u niet betrokken was, hoeveel invloed had u als huurdersorganisatie op het beleid van woningbouwcorporaties?
• Wat vindt u van de uiteindelijke inhoud van de overeenkomst in 2016? Mist u nog dingen?
• Vindt u dat de gemeente, woningbouwcorporaties en huurdersverenigingen gelijkwaardig aan tafel zaten in 2016?
  o Kunt u aangeven hoe dat daarvoor was?
• Had u het gevoel dat de mogelijkheid er was om de prestatieafspraken van 2016 niet te ondertekenen, als deze tegen bepaalde normen van uw organisatie in zouden gaan?

Voortgang en uitvoering van prestatieafspraken

• Zijn er ook tijdens de uitvoering van de afspraken nog contactmomenten met de gemeente of woningbouwcorporaties?
  o Zo ja, hoe vaak?
  o Is dit sinds de Nieuwe Woningwet meer geworden dan voorheen?
  o Wat komt er bij die gesprekken zoal aan de orde?
• Hoe en door wie wordt de voortgang van de prestatieafspraken bijgehouden?

Evaluatie en afronding van prestatieafspraken

• In de prestatieafspraken staat dat ze ieder jaar geëvalueerd worden. Hoe gaat dit precies in zijn werk?
• Hoe wordt de mening van huurders meegenomen in het evaluatieproces van de prestatieafspraken?
  o Ging dit vroeger ook zo?
• Wat vindt u ervan zoals het nu gaat met de prestatieafspraken? Zijn er dingen die u graag anders had gezien?
Appendix IV
Link to the performance agreement: https://www.enschede.nl/sites/default/files/161212-bijlage-15--samenwerkingsafspraken.pdf