

## ***The Mayor's Lunch For Business and the Arts – Regina***

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### ***The Creative City***

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I'm delighted to be here today. This is I'm embarrassed to say only my second trip to Regina in the forty-some years I've lived in Canada. I thought I ought to get to know something about the place before I had some opinions about it. So I did a little research, starting as we all do at Wikipedia – the incredible on-line encyclopedia somehow prepared entirely by volunteer contributors. There's an excellent history and analysis on Regina in Wikipedia – some clever mole in town has clearly been hard at work. But I was taken by the first line. "Regina is a city of surprising pleasantness". Well to be surprised by pleasure is one of life's great pleasures and I have to say that so far I've found his or her analysis spot on.

I also read the Mayor's State of the City speech and the RREDA annual report – I've been working for my lunch – and noted the emphasis on partnerships with the private sector as key to city building. Which drew me back to something else noted in Wikipedia – how Regina was chosen as the site for the territorial HQ of the North-West Company, later becoming the provincial capital, rather than Battleford or Qu'Appelle, because an illustrious forebear of the Lieutenant-Governor, Edgar Dewdney, owned land here along the planned route of the CPR. So the notion of public-private partnership is integral to the history of the city.

I work in cities in urban regeneration and development across North America and Europe and it's very clear to me that the 21<sup>st</sup> century will be the era of cities, and that cities will succeed or failure by their ability to understand that they – even more than countries or provinces – are the locus where the great economic, community and cultural issues will be played out. And there will be cities that can grasp this future and others that can't. We have worked in Detroit and St. Louis, where the tide has very literally run out and these great cities are returning to the Prairies. We are working in Manchester, Liverpool and Sheffield in the UK, cities which have had to completely re-invent themselves as their original industrial *raison d'être*'s expired. We are starting work in Mumbai and Doha, Qatar, cities that are exploding into global significance. And I live in Toronto...

Now I haven't come here today with any magic solution to the economic development strategy for cities, or for the particular issues faced by a medium-sized city in the middle of a vast country and continent. I've read the material and frankly I think it makes sense. Focus on the basics, which are education at every level, increasing the value-added in everything you do, and quality of life. Identify a few unique specialities. Make sure that no group is left out. Foster tolerance and diversity. Work on making the city a beautiful, enjoyable, surprisingly pleasant experience.

But I have to say that as I read the economic development strategies from cities around the world I do read very much this agenda everywhere. I'm sure you've all heard of the American urban economist Richard Florida, on the importance of being a tolerant, open, enjoyable city if you want to attract the key workers, the creative class, who are the key to innovation and productivity in the new economy. As a result now every city now wants to be a centre of creativity, promoting the connection between a vigorous arts and cultural life and economic and community health. Economic development offices, which used to spend all their energy getting industries tax concessions, are now running around organizing gay pride festivals and laying out skateboard parks. The competition for being creative is getting intense.

How can a city differentiate itself? I think the most successful creative city of the 21st century will be much more than sidewalk cappuccinos and film festivals. It will be the creative City, the city government that most imaginatively, efficiently and beautifully provides needed services and infrastructure. That city will be more than just a space in which creativity flourishes; its whole organization and management will be creatively designed.

Some 40% of the economy and a quarter of all employment are in the public sector, yet few would describe our governments as characteristically creative when compared to the revolutions that have spun through most of their private and institutional equivalents. This is a big problem. Government is too important to waste the creative potential of its employees and short-change its citizens in models of organization that have barely changed over the decades. We all know instinctively that governments are still in General Motors/Ford mode while the rest of the world is Toyota, but nobody has yet broken from the pack.

Big cities in the 21<sup>st</sup> century face much the same challenges – the maintenance of social cohesion, the creation of competitive advantage, the sustainable management of growth, the firm grasping of an ever-elusive urban future - but the effective achievement of those ambitions, combined with the delivery of high quality services to discriminating, cost conscious citizens is what will distinguish them. Since cities are unique among levels of government in their closeness to the real world and their increasing primacy as the crucibles of economic and social change, they have perhaps the greatest potential for creative innovation of any level.

Yet as I look around too many cities, my own included, I am struck by a curious conundrum - of extraordinary creative urban energy outside of government and very little within it. Creativity is typically characterized as individualistic, unique and more than a little chaotic. How can a government, which typically operates as a highly structured, collective, consensus-driven, conflict-avoiding organization - a bureaucracy in short - be creative?

What are the conditions that could give rise to that civic creativity - and how could the principles of creativity evident in the arts and the creative industries be applied to the public management of the city? When you deconstruct artistic creativity you find four principles.

*Flexibility* - the ability to see things differently and act accordingly

*Innovation* - the ability to apply an original solution to a long-standing problem

*Risk-taking* - the ability to accept the consequences of failure

*Leadership* - the ability of one person to set a direction for the whole

These principles equally apply to the creative city and can be illustrated by a real life urban example in a city with which I am familiar.

First Blackburn, Lancashire, a northern English mill town that had completely lost its way with the retreat of the textile industry. It is a town of about Hamilton's size about an hour away from Manchester, and characterized by unemployment, high levels of income support, decaying housing, social dysfunction, retreating city centre, empty mill buildings - and a not-so-below the surface stew of racial and class tensions.

The city knew it had to reinvent itself. It saw a plausible future as a back-office and lifestyle service centre to Manchester with great countryside and much lower house prices. But given the dismal state of the city this future was not going to happen by itself. The city had no great financial or other resources to effect change at the scale required.

#### **Hence, the strategy...**

Five years ago the City transferred 500 civic staff - both professional and clerical - to an independent private sector company - Capita. The transfer, which involved maintenance of all collective benefits and union membership, was voted on by staff and carried - albeit narrowly. Capita in return had to

construct a large distinctive office building in the city centre – where no private office building has been built in recent history - and to manage the restoration of the surrounding historic district. They also had to guarantee significant additional employment creation, with targets set for minority and disabled hiring and for women in senior positions – targets which could not be met in the static environment of the old town hall. Those targets have been significantly exceeded. Indeed, the transferred group now provides public services for several other cities in the extraordinary free market in municipal service delivery that exists in the UK. Capita are able to generate cost savings in service provision of about 15% through better management and through the introduction of technology the city couldn't previously afford, savings directed to increased social spending.

What's creative here is the refusal of the town to accept the inevitability of decline, turning an expense into a revenue, and achieving previously unattainable social equity goals in original ways. They have sparked a city centre renaissance that is attracting new back office and retail activity. It demonstrates the first principle of urban creativity – flexibility... of service delivery, business practice, social development and ideology. What is important is that the people of Blackburn be provided with the best possible public services, that new employment be created and distributed on an equitable basis and that the city centre renaissance get kick-started. To do that they had to think about delivering public services in a completely original way, focusing on outcomes, not process.

Next, to Stockholm. The city of 2 million people is served by seven energy plants – one a conventional plant using coal, the other six using a combination of anaerobic digestion of sewage sludge and other organic material to produce bio gas to fuel power plants and municipal vehicles. High-tech incineration of non-recyclable, non re-usable garbage (about 40 – 50% of the solid waste stream) powers district cogeneration plants. Additional energy is created using exchangers to strip heat from waste water. Sweden is the leader in integrated district energy systems. One of its major cities, Malmo, generates about 40% of total city energy demand from waste-to-energy plants.

Stockholm is developing a major new waterfront city - Hammarby Sjöstad - in its former Portlands, setting themselves the goal of being 'twice as good as today' in energy reduction, creating an 'Eco-Cycle Society', in which the new city is effectively energy self-sustaining without dependence on external fuel sources. The entire development, now partially complete, of some 30,000 living and working population, uses a combination of bio-gas and waste-to-energy to fuel the public transit system, ferries, cars and for domestic use. To allay what technology has now rendered unfounded but nonetheless understandable fears about emissions, these district energy plants are located as compatible neighbours within the urban development itself, operating at one-tenth of European Union permitted standards.

What's creative here is taking a municipal cost – sewage disposal and waste management – and turning it into an asset by making it a replacement fuel for increasingly expensive conventional carbon-based or nuclear energy sources. The city becomes an entire energy system with all its inputs and outputs matched. It demonstrates the second urban creativity principle, innovation. Innovations in technology – regarding anaerobic digestion and waste-to-energy systems in this case – are actively embraced and reflected by innovations in attitude and organization.

The third creative principle is that of risk – because risk is what governments have most difficulty with; their attempts to avoid it the principal reason for their ineffectiveness. The creative city understands the huge risk in not taking risks.

In February 2003 the Greater London Authority introduced the Congestion Charge – an electronic toll gate around the central core of London. No lengthy community process, EA or planning approval was undertaken. It had been a part of Mayor Ken Livingstone's election campaign, and he had won. That was mandate enough. Everyone predicted disaster, the community groups from all the neighbourhoods inside and outside the cordon line screamed about too much traffic, business people about too little. All political parties gleefully predicted the end of Livingstone's political career. It was a huge risk.

A few months after introduction of the congestion charge, traffic settled into a pattern that has been remarkable stable for the last three years - about a 20% reduction in traffic, with congestion levels and transit journey times reduced by about 30%. Some \$220 million a year is generated for transit improvement. The quality of street life in the centre has markedly improved, with no other obvious negative consequences, and the initiative has broad support by citizens and business groups and all political parties. Not only have the charges been significantly increased, but the charge area looks to be expanded. When the UK Minister of Transport recently announced that road pricing is coming to the entire country, there was scarcely a murmur of dissent. Livingstone's risk-taking changed the urban world. Every major city has been beating a path to his door to see how he did it. Creativity is infectious.

The creative urban act here was the open embracing of risk – which means accepting the possibility of failure. But that risk-taking, when successful, sets off such an energy of response. In all these examples you can see the same chain by which some creative destruction of the constraints of the ordinary creates a virtuous cycle of financial, social and quality of life improvement.

The last principle is that any creative act requires leadership. Each of the examples quoted required someone to decide that he/she was going to get something done - usually having to run very hard against the established order both within and without the governmental organization. What is

fascinating is that in each case the organization that went through the resultant creative transformation was one that can clearly be characterized as left wing – core Labour Blackburn, social democratic Sweden, and Red Ken – in each case tackling a traditional left shibboleth about outsourcing, waste-to-energy systems or community power in order to advance the public good. It is not enough just to plan for downtown renewal, environmental improvement, public transit or social equity. You have to show how real results can be achieved within the resources available. Perhaps urban creativity is best characterized as the resolution of conventional opposites with an utterly original solution, a solution that frequently involves some new technology.

The last example is from New York. Mayor Bloomberg, re-elected last year, is a self-made billionaire who stood on a platform of re-inventing city government. New York City employs some 270,000 people and commands a budget only slightly less than the Province of Ontario. His greatest achievement has been to generate a sense of excitement and possibility within that bureaucracy. He has attracted a staff of energetic, bright thirty-somethings, along with a cadre of remarkable deputy mayors with proven resumes in the outside world, each with responsibility for a different city function. One thing is common to all great cities; they are run by people in their thirties and periodically invigorated by a rush of fresh talent, with a system that allows those young newcomers into positions of power and influence quickly.

Bloomberg is not a conventionally charismatic political presence, but he is a team builder, with his roots in the creative chaos of a New York trading floor. He has given up the office occupied by generations of New York mayors, installing himself in a former hearing room inside City Hall – about the size of a high school gymnasium - along with his deputy mayors and about 100 senior and support staff in a huge open plan space with no walls and no distinctions as to rank or privilege. Bloomberg's office is right in the middle, a half-height carrel consisting of a desk and two screens, shared with his secretary. Nobody has an office and all the former offices have been turned into meeting rooms with glass walls – the real meaning of transparency. The Mayor has to walk by half the room to get a coffee or go to the bathroom.

All the government reorganizations in the world, the reporting hierarchies and structure plans are rendered redundant by such an initiative. The fundamental things apply. Get good people to work together following the lead of a bold individual. That's leadership. That's urban creativity.

Flexibility, innovation, risk, leadership. Focus on outcomes not process. Embrace technology and find its leading edge. Act boldly. Get the best people you can find, because people are everything. Move young people into power early. Replace meeting together with working together. Give an inspiring direction. That's all it's about.

This is the standard working mode for everyone in the creative class – in fact, for almost everyone outside the great public bureaucratic monopolies. There is an opportunity in Canada to be a world-leader in creative city management and I am fascinated to see which city takes up this challenge.