

**Creative Spaces and Places Conference - Toronto
Sept 30, 2005
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The Creative City. That's the ambition of every modern urban centre. But do we know what we mean by Creative City; do we share the same idea about what a truly creative city would feel like, how it would be organized, how you would know when you were in one?

The creative city has always been conceived as a space, a stage, within which creative things happen.

In a few typical weeks this Fall we had the International Film Festival, the opening of the MaRS bio-medical research project and the International Authors Festival, all events absolutely at the top of their games, all among the best, if not the best, in the world.

By that standard, Toronto is the most magnificently creative of cities. But this programming, this activity is now the universal ambition for every city – along with the creative committees, the brochures, the websites that promote them in the context of economic development. How can the truly creative city be heard in the cacophony of creativity Richard Florida has spawned?

Let me put up a proposition for debate today. The creative city of the 21st century will be the creative City, the City government that most imaginatively, effectively, efficiently, beautifully provides the public services and the functional infrastructure for social and economic success. It will not be enough that the city is a place, a space, in which creativity flourishes, but its whole organization and management must be creatively designed.

Some 40 % of the economy and a quarter of all employment are in the public sector, yet few of us - either inside or outside government - would describe those governments as in general creative. Frankly they are generally, and mostly correctly regarded, as the last unreconstructed dull puddles when compared to the revolutions that have spun through most private and institutional organizations. This is a big problem, for society but also for those who have to work within them. Government is important and to have it function like a Detroit car plant is to waste the creative potential of its employees.

The city, province, country that can creatively liberate the potential of the collective contribution to the common good the public sector represents will I think be the most compelling, most successful city of the future. There are similar challenges for modern big cities in the 21st century – 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. There is an exciting possibility here, 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 – and within that context have perhaps the greatest potential for creative innovation of any level.

Yet as I look around too many cities, ours included, I am struck by a curious conundrum - of extra-ordinary urban creative energy outside of government and very little within it.

Look in Toronto, at the film, authors and jazz festivals, some of the best in the world. The exciting new theatre activity. Look at the new cultural buildings - AGO, ROM, Opera House, Roy Thompson, National Ballet School, OCAD. Look at the universities and hospitals re-inventing themselves. This is a magnificent collective achievement, a creative re-invention of the city, yet with no equivalent renaissance taking place within government.

How can a government, which typically operates as a highly structured, collective, consensus-driven, conflict-avoiding organization – a bureaucracy in short – be creative? When creativity is typically characterized as individualistic, unique and more than a little chaotic.

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

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

I want to illustrate each of these principles with a real life urban example in a city I am familiar with.

We're going to start first in Blackburn, Lancashire, a northern English mill town that had completely lost its way with the retreat of the textile industry. A town of about Hamilton's size, in much the same relation to a burgeoning metropolis – in this case Manchester – about an hour away. Unemployment, high levels of income support, decaying housing, social dysfunction, retreating city centre, empty mill buildings – a not so below the surface stew of racial and class tensions.

The city knew it had to reinvent itself, that it was sinking and could not do business as before. It saw a plausible future as a back-office service centre to Manchester and the potential of a wonderful residential lifestyle with great countryside all around and much lower house prices. But given the dismal state of the city this future was not going to happen by itself. The sense of place was just too grim. But 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, new distinctive office building in the city centre – where no private office building has been built in recent history and to project manage the restoration of the surrounding historic district. They also had to effectively double the workforce, guarantee significant additional employment creation, with targets set for minority and disabled hirings and for women in senior positions – targets which

could not be met in the static environment of the old town hall. The original numerical and qualitative targets have been significantly exceeded and the transferred group now provides public services for several other cities. 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. These savings are shared with the municipality, who has been directing these found funds to increased social spending. Capita also offers an alternative set of employee terms from those in the original agreement, with increased pay but reduced vacation (from six to five weeks!), which is increasingly being taken up by the transferred staff. Sick leave has fallen significantly in the new improved work environment.

What's creative here is the refusal of the town to accept the inevitability of decline, to have the creativity to turn an expense into a revenue, a public employment cost into an attractive private asset, to achieve 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 organization, of ideology, of business practice and social development. What is important is that the people of Blackburn be provided with the best possible public services and that a coherent future be achieved, that new employment be created and distributed on an equitable basis, that the downtown get kick-started. To do that they had to think about delivering public services in a completely original way, focusing on results and measurable outcomes, not on process.

Next to Stockholm. A city of 2 million people with seven energy plants – one a cogen plant using coal, the other six using a combination of bio-fuel, energy from waste and heat exchangers from waste water. What that means in layman's terms is anaerobic digestion of sewage sludge and other organic material to produce bio gas that can then be used to fuel both power plants and municipal vehicles; high tech incineration of non-recyclable, non re-usable garbage (about 40 – 50% of the solid waste stream) to power cogen plants; and creating energy through stripping some of the heat from waste water.

There are twenty-five municipally-owned waste-to-energy plants in Sweden providing a very significant proportion of that country's urban energy needs – Malmö, the second city of Sweden, is generating 40 % of its power needs this way. Collectively those plants are operating at about one tenth of the acceptable EU emissions levels.

Stockholm is developing a major new waterfront city in its former portlands, named Hammarby Sjöstad, in which they have set themselves the goal of being 'twice as good as today' in energy reduction. They envisage ultimately an Eco-Cycle Society, in which the development is effectively energy self-sustaining without dependence on external fuel sources. The intention is to fuel the entire development of some 30,000 living and working population using a combination of bio-gas and waste-to-energy, using those sources 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, they are locating these district energy plants as compatible neighbours within the development rather than on remote sites. They believe that they can operate this energy system at a profit when compared to conventional fossil fuel systems.

What's creative here is again to take a municipal cost – sewage disposal and waste management – and turn it into an asset by making it a replacement fuel for increasingly expensive conventional carbon-based or nuclear energy sources. The city is looked at

as an entire energy system and all its energy inputs and outputs matched. It demonstrates the second urban creativity principle, innovation. Innovations in technology – regarding anaerobic digestion and incineration in this case – should be reflected by innovations in attitude and organization. The Prime Minister recently declared that ‘Canada will become the world leader in renewable energy production’. I’m never sure when politicians make statements like this that they have any idea what is really involved but Sweden gives us a very creative direction as to how that goal might be achieved, very close to home.

The third creative principle is that of risk – because risk is the thing that governments have most difficulty with and their attempts to avoid it the principal reason for their ineffectiveness. As we know there is a huge risk in not taking risks – never more so than for the city which claims to be creative. The next example is from London, but before we go there we have a horrendous example of the conundrum of risk very close to home. The Toronto Waterfront project, with which I am involved, required under current regulations 254 Federal Environmental Assessments and 137 Provincial EA’s, the separate regulations for which collide in unpleasant ways. The purpose of environmental assessment is to reduce the risk of doing bad things. But what is the environmental impact of environmental assessment? What this absurd example demonstrates is that excessive fear of risk ensures that good things are very difficult to make happen and that bad things – i.e. private sector greenfields sprawl where no EA’s are generally needed – happen elsewhere, off camera. If you make building new transit lines slow and difficult, people keep driving their cars. The road to hell is paved with EA’s – at least it would be if you could get the EA approved. EA’s are about the power of saying no, the basis for almost all public power. As we all know from our private lives, saying yes involves huge risks but is the only path to huge rewards. Can governments take the risk to say yes?

In February 2003 the Greater London Authority introduced the Congestion Charge – an electronic toll gate around the central core of London. There was, despite the great scale and implications of the venture, as far as I can tell no EA nor planning approval required, neither was there any lengthy process in advance. 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, business people, all political parties gleefully predicting the end of Livingstone’s political career – Red Ken having been kicked out of the Labour Party at that point. It was a huge risk. He was scared silly. A few months after introduction 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 £100 million (\$220 million) a year is generated for transit improvement. By almost universal agreement the quality of street life in the centre has markedly improved. There really don’t seem to be any other negative consequences and the scheme is broadly supported by citizens and business groups and all political parties. Not only are the charges to be 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 – and 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 eyes wide 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. Yet far too often all we hear from governments is the vicious circle of cut backs, budget problems, service reductions, reduced horizons, labour/union/management constraints. Blame the other levels. Not very creative. Not good enough for the 21st century creative city.

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 I find 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 out-sourcing, incineration or community power in order to advance the public good. It suggests that a new characterization is needed to replace the old categories - of those for or those against change - who is the progressive and who the reactionary? Where is the public interest truly to be found? Perhaps urban creativity is best characterized as the resolution of these opposites with an utterly original solution, a solution that frequently involves some new technology.

The last example is from New York. Mayor Bloomberg, elected almost four years ago, is a self-made billionaire who stood on a platform of re-inventing city government. New York City employs some 300,000 people and has a budget only slightly less than the Province of Ontario. That's a bureaucracy. He has had some remarkable achievements, getting the notoriously out of control Board of Education under control, aggressively attacking operating and staff costs so as to liberate funds for city building capital investments and vigorously attracting new business to the city.

His most signal achievement however has been to generate a sense of excitement and possibility within his bureaucracy about the potential for change and improvement. I have been very impressed working there by the quality of the staff he has attracted - all unbelievably energetic bright thirtysomethings, along with a cadre of remarkable deputy mayors with proven resumes in the outside world, each appointed by Bloomberg 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. Somebody has to attract the best to want to work there rather than anywhere else in the world. You have to have a system that allows those young outsiders to get into positions of power and influence quickly. Wisdom may be old and internal but creativity has a habit of being young and external.

Bloomberg himself is not a particularly charismatic or conventionally political presence - how has he done it? The way he made his fortune; he is a team builder with his roots in the creative chaos of a New York trading floor. I was shown his office the other day. He has given up the perfect office suite occupied by generations of New York mayors and taken over a former hearing room - about the size of a high school gymnasium - inside City Hall, and installed himself, his deputy mayors and about 100 senior and support staff all in a huge open plan space with no walls and no distinctions as to rank or privilege. Bloomberg's office (more properly a space) is right in the middle of the floor, a half-height carrel consisting of a desk and two screens. Nobody has an office. All the old offices have been turned into meeting rooms with glass walls - at last a meaningful application of the desire for transparency. The Mayor has to walk by half the room to get a coffee or go to the bathroom. Do his staff love him. Do they work for him. Together. All

the government reorganizations in the world, the reporting hierarchies and structure plans are made instantly redundant by such a creative initiative. The fundamental things apply. The way to get things done is to 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. Act boldly. Replace meeting together with working together. People, people, people, the best people you can find. And young, young, young. Get them to work together, give them an inspiring direction. That's all it's about.

That's the standard working mode for everyone in the 'creative class', in fact for almost everyone outside the great public bureaucracies. Shouldn't we expect the same from government, to build the creative City? Imagine the power of unleashing that 40 percent of the economy on the life of the nation. Probably more creativity than we all could bear!