

THE LIVERPOOL CITY REGION MUSIC ECONOMY: TOWARD A £1 BILLION SECTOR

ECONOMIC MAPPING AND ANALYSIS

THE FIFTH SECTOR

ipm Institute of Popular Music

LIVE MUSIC MAPPING PROJECT

MUSIC FUTURES

UNIVERSITY OF LIVERPOOL

LIVERPOOL CITY REGION COMBINED AUTHORITY

METRO MAYOR LIVERPOOL CITY REGION

Liverpool City Region // Music Board



FOREWORD

MUSIC RUNS THROUGH THIS CITY REGION LIKE A HEARTBEAT. IT ALWAYS HAS. FROM THE MERSEYBEAT EXPLOSION TO THE SOUNDS FILLING OUR VENUES, STUDIOS AND STREETS TODAY, MUSIC ISN'T JUST SOMETHING WE DO HERE - IT'S WHO WE ARE.



When I became Mayor, I made a commitment to back our music sector properly. Not with warm words, but with real action and investment. That's why we established the Liverpool City Region Music Board, bringing together the people who actually make this industry work - artists, venues, promoters, educators, technicians - to make sure music stays at the heart of our economic and cultural ambitions. It's why we fought for and won UNESCO City of Music status. And it's why we commissioned this research.

The findings speak for themselves. A £780 million sector. Over 14,000 people working across the industry. World-leading strengths in music publishing, technical production and live performance. This isn't nostalgia - this is a sophisticated, export-oriented industry creating good jobs and driving growth right here, right now.

But this report does more than just give us big numbers to shout about. It shows us the shape of our music economy - where we're strong, where we're world-class, and where we've got gaps to fill. The shortage of local management and business services means too many of our artists have to look outside the region for support. That's value leaking out. We need to fix it.

What really matters to me is making sure this industry is open to everyone. For too long, careers in music have been seen as something for other people - people with connections, people who can afford to work for nothing while they wait for a break. We're changing that. Through the Music Board, through our skills programmes, through backing local venues and grassroots spaces, we're opening doors for young people from every part of this city region.

The pathway to a £1 billion music economy is there. This report shows us how to get there. I'm proud of what we've built, and I'm committed to backing this sector all the way.

Steve Rotheram.

Steve Rotheram
Mayor of Liverpool City Region

LIVERPOOL IS, QUITE RIGHTLY, PROUD OF ITS UNMATCHED HISTORY, VIBRANT PRESENT AND EXCITING FUTURE WHEN IT COMES TO MUSIC. AS A UNESCO CITY OF MUSIC AND ACKNOWLEDGED BY GOVERNMENT AS THE UK'S MUSIC REGION, IT IS UNDERSTOOD THAT MUSIC IS AT THE HEART OF WHO WE ARE AND WHAT WE DO ACROSS THE LIVERPOOL CITY REGION.



For too long, Liverpool (like every other city region across the globe) has had to make these statements without the underlying data to back it up. This report changes that. From a rock-solid evidence base, this report not only sets out the true value of music in the region... it points to exciting opportunities for growth.

We start from a much higher base than previously thought as this research shows how and where earlier reports had underestimated our sector. And we have opportunities to drive growth, not least by improving the rate at which artists secure full value for their Intellectual Property. In turn, that means the aim of developing a £1 billion music sector is a realistic one.

We commend this groundbreaking work by The Fifth Sector and the Institute of Popular Music at University of Liverpool and hope that, as is so often the case, other cities and regions will follow in our footsteps. To do so, will build support for music across local, regional and national policymakers and, in turn, remove unnecessary barriers and burdens, allowing us to deliver economic growth and individual opportunities for all.

This report was commissioned by Liverpool City Council as part of the Music Sector Development Programme funded by the Metro Mayor and the Combined Authority through Strategic Investment Funding (SIF). We should acknowledge the great work carried out by the Liverpool City Region Music Board not just for this role in this report but for shaping and supporting the sector development programme over the last five years.

The data is incredibly valuable to us and points the way forward but we should remember that behind these figures lies an amazing music ecosystem of individuals and businesses. These are the people who have got us to this position and they will undoubtedly continue to make Liverpool City Region the most exciting music city in the world.



Jon Collins
CEO, LIVE / Chair of Liverpool City Region Music Board

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EXECUTIVE SUMMARY

A DISTINCTIVE MUSIC ECONOMY

This report provides the most comprehensive mapping yet undertaken of Liverpool City Region's music sector. By combining analysis of registered companies, industry platform data on freelance professionals and modelled estimates of the scale and value of the "portfolio" working which is a defining characteristic of the region's music workforce, we have constructed a picture that reveals a music economy substantially larger than previous estimates suggested. The headline figures are significant: more than 7,200 full-time equivalent jobs, generating direct gross value added of £406 million and total economic impact, including multiplier effects, of £780 million annually.

But the headline figures matter less than what lies beneath them. Liverpool City Region (LCR) possesses a music economy that is structurally different from the picture painted by national statistics. The region has developed genuine specialisation in specific parts of the music value chain, supported by anchor institutions working across live and recorded music and the technical support and distribution services that support it. At the same time, other segments remain significantly under-developed relative to national benchmarks.

This is not simply a matter of heritage or reputation. Whilst it still possesses gaps and remains at a disadvantage to London in some key respects, the interaction of the specialisms identified through mapping and consultation is what makes LCR's music economy structurally different from other UK regions, and provides the source of its ongoing competitiveness and growth potential.

SOURCES OF VALUE

Three subsectors demonstrate exceptional concentration relative to national benchmarks.

- **Publishing and licensing:** LCR has nearly seven times the national average level of employment in music rights administration. This reflects the presence of Sentric Music, which has grown from a Liverpool startup to become one of Europe's largest specialist music licensing businesses, combining sync licensing, royalty administration, and associated compliance for international markets. Its success demonstrates that nationally significant music businesses can be built and scaled outside London. The company's presence also creates opportunity for a broader cluster in adjacent services: recording, labels and distribution, management and music R&D.
- **Technical production services** (captured within the Rehearsals & Equipment subsector) show strong agglomeration effects in both workforce and business measures. Adlib Audio, founded in Liverpool in 1984, is a nationally recognised leader in sound and lighting for live music and serves major touring productions, festivals and corporate events across the UK and internationally. The company anchors a wider cluster of technical suppliers, equipment hire firms, and specialist freelancers. This infrastructure makes LCR an attractive base for touring productions and contributes to the region's capacity to host major events.
- **Live events and venues** shows high workforce concentration across a sector comprising a mix of large venues (M&S Bank Arena, the Royal Liverpool Philharmonic and stadia including Anfield), local branches of national chains such as ATG and O2 and over 100 mid-scale and smaller spaces serving a wide range of genres and audiences, from the 2,300-capacity Liverpool Olympia to the network of dedicated music venues accredited by the Music Venue Trust. Below this sit more than 500 smaller venues with a less frequent but still culturally and economically vital live music offer in bars, pubs and social clubs across the region. This infrastructure creates the demand that sustains technical production, artist development, and the broader supply chain.

A FOUR-TIER MUSIC WORKFORCE

The study reveals a workforce structure that differs markedly from conventional industries. Out of a workforce of over 14,400 individuals, only 18% are employees in registered businesses. Within that group, there is a marked difference in levels of employment between around 20 sector "primes", which constitute less than four percent of the base of registered companies but constitute two-thirds of permanent employment, and more than 400 microbusinesses with an average of two employees each. Translated into GVA terms, permanent employment represents only 45% of the total economic impact of music in the region.

Most of the workforce comprises freelance and self-employed musicians and sector specialists (32%) and "shared utility" workers whose employment is partially attributable to music (50%).

Through this report, we use a consistent heuristic when talking about the different structural characteristics of the music workforce:

- **Tier 1** describes the twenty or so sector "primes", registered businesses (with turnover in excess of £1 million and employment of between 20 and 300+ individuals per firm. This includes four Arts Council England National Portfolio Organisations and a handful of CICs and Companies Limited by Guarantee.
- **Tier 2** describes a core of 400+ registered microbusinesses active in one or more of music subsectors.
- **Tier 3** is made up of 4,650 self-employed professional musicians and music industry specialists, some of whom are working as part of smaller "informal" organisations (recording studios, rehearsal rooms, music blogs, promoters) and the majority of whom are freelance, making most of their income across a range of occupations in live and recorded music.
- **Tier 4** consists of 7,400 individuals, invisible to national statistics but invaluable in providing the flexible workforce needed to sustain the city region's extensive live music sector, working variously as musicians, stage crew, operations and security staff and providing legal and marketing services to over 500 venues which present live music on a less frequent basis, ranging from large stadia and open air festivals to small bars, pubs and social clubs across the city region.

This structure reflects the economic reality of music careers. The median music business in LCR employs fewer than five people. Most musicians, producers and technicians operate as self-employed professionals, often combining multiple income streams within a single working week. Survey evidence collected by the Liverpool City Region Music Board suggests that 48% of music professionals derive less than half their income from music-related work. The portfolio career is not an aberration but the norm.

The consequence is that conventional economic statistics, which rely on employer payroll data and company registrations, capture only part of the picture. Analysis of Office of National Statistics (ONS) data suggests a music workforce of between 1,200 and 1,500 employees; previous estimates placed the LCR music workforce at approximately 3,500, including around 2,000 freelancers. This report identifies a portfolio workforce of over 14,400 individuals - more than four times larger. The difference is not the result of measurement error but methodological reach: by combining firmographic analysis with platform data which allows us to validate the presence of music freelancers and survey-based inference, giving further insight into portfolio working across live music, we have made visible a workforce that official statistics cannot see.

VALUE CAPTURE AND PRODUCTIVITY

Productivity varies dramatically across the sector. Publishing and licensing generates £145,798 GVA per full-time equivalent employee; a freelance musician will generate on average £18,377[1] whilst spending around three-quarters of their time in music-related employment. This near eight-fold differential is a structural feature of how value flows through the music economy; it also provides insights into where more of that value can be captured in the region and for the greater benefit of those responsible for generating the original IP from which it flows.

In the language of complexity economics, artists occupy generative positions: they create the raw material (songs, performances, recordings) from which all other value derives. But generative positions are characterised by high uncertainty and many possible outputs. Value concentrates instead at capture positions, where flows aggregate and uncertainty is reduced: the rights administrator processing millions of micro-transactions, the technical production company with established client relationships and capital equipment, the venue with programming control and ticket revenue.

The implication for policy is that interventions focused solely on supporting artists will not, by themselves, increase the sector's economic contribution. Value capture requires infrastructure: publishing administration, technical production capacity, venue programming, management expertise. LCR has developed strength in some of these areas but not others.

STRUCTURAL GAPS

Two sub-sectors are notably under-represented:

Management and business services shows a workforce location quotient of just 0.37, meaning LCR has less than two-fifths of the level of employment in artist management, booking agencies, and music-focused professional services that we might expect to find in the region. This gap has consequences. Artists seeking professional management or label deals must typically engage London-based representatives; some locally resident representatives must base themselves in London. The commercial infrastructure needed to convert creative talent into sustainable careers is weaker than it should be given the strength of the underlying talent base and performance infrastructure.

Marketing and media whose limited scale inhibits their market reach. Larger contracts, particularly in music PR and specialist marketing, continue to flow to London firms. This represents both a gap and an opportunity: as the sector grows, demand for locally based marketing services should increase.

THE PATHWAY TO £1 BILLION

Our analysis indicates that Liverpool City Region's music economy contributes over £400 million in GVA, with a total economic impact of £780 million. From the current baseline, achieving a target of having the music economy contribute £1 billion in economic value by 2035 would require compound annual growth of 2.5%. This is comfortably below the 5.6 per cent annual growth recorded by UK creative industries between 2010 and 2019, and below the 3.9 per cent growth of the UK music sector over the same period.

The target is therefore achievable without heroic assumptions, provided the conditions for growth are maintained. The analysis identifies four main growth levers:

- **Artist IP capture** represents the largest opportunity. The productivity differential between musicians (£25,174 per FTE) and publishing (£145,798 per FTE) reflects, in part, failure to register and administer rights effectively. Interventions that help artists capture more of the value they create, through improved metadata, publishing registration, and sync readiness, could contribute significantly to sector GVA without requiring additional headcount.
- **Production export growth** would build on existing strengths. Adlib, Studiocare and the wider technical production cluster already serve national and international clients. Further expansion of this export-oriented activity would inject external value into the regional economy.
- **Formalisation of the freelance workforce** would improve business sustainability and data visibility. Many workers operate informally, limiting their access to finance, premises and business support. Targeted support to help these musicians, DJs, promoters, studios and music bloggers formalise and grow as a whole music economy.
- **Music technology innovation** represents a longer-term opportunity. Spatial audio, AI-assisted production, and new platform models could create additional value pathways, particularly given the region's existing strengths in technical production and rights administration, and the presence of the AHRC-funded MusicFutures R&D programme.

PROTECTING WHAT EXISTS

The analysis also highlights threats to the existing venue infrastructure – an essential part of the ability for artists to create new IP and for other technical and professional services to benefit from it. Music Venues Trust[2] has been calling out the vulnerability of grassroots venues across the UK but LCR venues seem to be more resilient, despite the closure of some high-profile city centre venues in recent years. However, this is not a cause for complacency; the position of the remaining venues is under continued threat from other fiscal pressures (business rates, increasing costs of wages and supplies, extension of parking charges) which exacerbate concerns about underinvestment in public transport infrastructure (particularly late at night) and planning concerns around the development of new residential accommodation taking precedence over maintaining existing venues. **Venue circuit strengthening** would increase the circulation nodes through which value flows. Measure to underpin and better connect the current infrastructure of 118 music venues which programme music on a more frequent basis (3+ times per week) could also support investment and expansion, improve the touring circuit and support artist development pathways.

There is also a risk around the concentration of value in a small number of sector "primes". The departure of any large-scale employer would materially damage the value chain. The region's five largest employers together account for some 800 FTE jobs, over 10% of the total, and £134 million in GVA – 33% of the sector total.

These anchor companies have been formed in and have chosen to remain in Liverpool. Their importance in terms of employment and GVA is clear; their continued presence should not be taken for granted. Active relationship management, appropriate business support, and an operating environment that rewards their commitment to the region are essential to maintaining the sector's current scale, and to achieving growth.

CONCLUSION

Liverpool City Region's music economy is larger, more specialised, and more structurally distinctive than previous estimates have recognised. Its strengths lie not in heritage but in the contemporary infrastructure of rights administration, technical production, and live performance. Its weaknesses lie in the commercial services, particularly management and marketing, that convert creative activity into sustainable business. The £1 billion ambition is achievable. But achieving it will require sustained attention to the structural conditions that enable growth: protecting anchor companies, strengthening the venue circuit, improving artist value capture, and building the management and business services capacity that the sector currently lacks. The evidence assembled in this study provides the foundation for that work.



01 INTRODUCTION



Mapping of Liverpool City Region's music sector, undertaken between April 2025 and January 2026, confirms the region's status as a nationally significant industrial cluster and one worthy of its global recognition as a UNESCO City of Music.

This exercise, conducted in partnership with the University of Liverpool's Institute of Popular Music and with LCR Music Board, went into greater depth than any previous mapping of the region's music economy and was rewarded with evidence of a sector whose total regional economic impact exceeds £780 million. With a base of 335 registered businesses, 160 sole traders, 70 charities and a further 500 or so venues which occasionally host live music, and a workforce approaching 14,350 people, the sector is considerably larger than previously estimated. This is in large measure because national statistics overlook the largest element of the music supply chain: a freelance workforce of more than 4,600 visible professionals and a further 7,100 "shared utility" workers whose employment is partially sustained by music.

WHY CONVENTIONAL STATISTICS UNDERCOUNT MUSIC

National economic statistics rely on Standard Industrial Classification (SIC) codes designed for an industrial economy of factories, offices and retail premises. They are ill-suited to a sector characterised by:

- **Nano-businesses:** The average music enterprise in LCR employs 2.5 full-time equivalent staff. Many operate below the VAT threshold and are invisible to HMRC-derived datasets.
- **Portfolio careers:** Musicians, producers and technicians frequently combine multiple income streams within a single working week: performance, session work, teaching, licensing. National statistics struggle to assign such individuals to a single sector.
- **Informal trading:** A significant proportion of the workforce operates on a freelance or self-employed basis, outside the formal structures of PAYE employment or company registration.
- **Platform invisibility:** Professional musicians operate predominantly outside conventional employment structures. Survey evidence suggests 46% of music professionals derive less than half their income from music-related work; many maintain no company registration, streaming catalogue or professional social media presence.

The consequence is that ONS data captures only the visible portion of a much larger economic iceberg. This mapping uses a range of other sources and innovative models to reveal the true scale of Liverpool City Region's music economy.

SUBSECTOR TAXONOMY

This mapping followed a bespoke taxonomy of music subsectors developed by the Institute of Popular Music at the University of Liverpool, as part of the development of the Liverpool City Region (LCR) Music Sector Map,[3] which identifies some 1,600 businesses across nine subsectors. This study focused on seven subsectors in order to retain its focus on the value of music production rather than music consumption. The taxonomy grouped over 200 narrowly defined music occupations into seven subsectors, as shown in Table 1.

Table 1 Subsector definitions

Sector	Description	Examples
Artists & Musicians	Performers and creators	Bands, solo artists, DJs, session musicians, composers
Live & Events	Live performance delivery	Venues, promoters, festivals
Rehearsals & Equipment	Practice and technical production infrastructure	Rehearsal rooms, instrument retail/hire, backline and sound/ lighting technical services to live performance
Recording & Distribution	Content capture and delivery	Studios, engineers, distributors, record labels, publishing, streaming
Publishing & Licensing	Rights management	Publishers, sync agents, collection societies
Management & Business Services	Artist and business support	Managers, agents, accountants, lawyers
Marketing & Media	Promotion and broadcast	PR, radio, podcasts, music journalism, blogs

Two subsectors were explicitly excluded from this analysis:

- **Education & Community Music -** it is practically impossible to separate out music lecturers from within the population of university employees and college lecturers without a dedicated census. Freelance music teachers and community musicians tend to be the kind of portfolio workers whose music-related employment is to some extent captured in our Tier 3 and 4 workforce analysis (see below for details); any other method to calculate their employment would risk double-counting, so has been excluded.
- **Heritage & Tourism -** the methodology takes a bespoke approach to attribute the music-related proportion of employment in large multi-purpose venues and, at the other end of the spectrum, in pubs, bars and social clubs with an element of music programming. The method is designed to mitigate the risk of conflating music production with heritage consumption; although we know that music tourism is a significant contributor to the city region's visitor economy, we have not tried to isolate a music-specific economic contribution.

OUR STRUCTURAL APPROACH

The term "music ecosystem" has become widely used in cultural policy to describe the interconnected network of artists, venues, businesses and support services that comprise a (regional) music economy. While intuitively appealing, the ecosystem metaphor often obscures more than it reveals. It implies a self-regulating, harmonious system, when in reality the music economy comprises actors operating at vastly different scales, with competing interests and unequal power relationships. Rather than framing music as an "ecosystem", this report carries out a structural analysis that disaggregates the music economy into distinct **tiers** (by scale and visibility of workforce) and **subsectors** (by function within the value chain). This approach allows us to identify where value is generated, where it is captured, and where structural gaps constrain the sector's development; insights that a generalised "ecosystem" perspective would mask.





02 SCALE AND SIGNIFICANCE OF THE LCR MUSIC ECONOMY

2.1 A FOUR-TIER MODEL OF THE LCR MUSIC ECONOMY

Registered businesses and their employees capture only a small proportion of the music economy. To capture the full extent of the LCR music economy, we developed a four-tier taxonomy that distinguishes between different levels of visibility, formality, and economic intensity within the workforce. Each tier required a distinct data collection methodology and intensity weighting.

Tier 1: Sector primes

Analysis of various data sources, including Companies House filings, The Data City™ firmographic analysis, the Charity Commission register (to identify companies limited by guarantee) and register of Chartered Companies and Societies, cross-referenced with sector-specific directories and trade body membership lists, identified a small group of some 20 music-specialist registered companies in LCR with annual turnover exceeding £1 million. Although more than half of these are still technically SMEs, because they have structural characteristics and supply chain relationships which differentiate themselves from the remainder of registered music-related businesses in the region, which are almost exclusively microenterprises, we identified these as a separate tier of "sector primes".

This tier includes nationally significant firms such as Liverpool Experience Campus (LEX, formerly ACC Liverpool, which includes the venue spaces M&S Bank Arena and Exhibition Centre), the Royal Liverpool Philharmonic (concert hall and live music venue), Sentric Music (rights administration), Ditto Music (digital distribution), Sound City (music festivals and education) and Adlib (technical production and equipment hire). These firms are the anchor institutions of the regional music economy.

Tier 2: Music specialist SMEs

We used a mixture of methods to apply a "primary activity" test to establish active music businesses registered in and with a business location in LCR:

- ONS evidence from IDBR[4] using Standard Industrial Classifications (SIC codes).
- Analysis of The Data City™ platform, using SIC codes, RTICs[5] and keyword searches to establish businesses registered at Companies House and provide evidence of recent trading activity to distinguish active music businesses from dormant registrations.
- Evidence from the Liverpool Music Sector Map, developed by researchers from University of Liverpool's Institute of Popular Music.

This identified a further 415 companies, all of them microbusinesses with fewer than 10 permanent employees. Despite their lack of individual scale, this tier represents the specialist infrastructure of the region: recording studios, rehearsal spaces, equipment hire, artist management, booking agencies, and event production companies.

Tier 3: Visible freelancers

Most of the music workforce is in freelance and self-employed roles. This includes members of "informal" organisations (including bands and activities such as rehearsal spaces and recording studios organised as partnerships or collectives as opposed to registered companies). We used a wide range of platforms and analyses to identify them including:

- Analysis of LinkedIn subscribers giving a Liverpool City Region address as their primary location to identify professionals listing music-related job titles (producer, engineer, session musician, tour manager, music publicist).
- Analysis of social media platforms to identify non-registered businesses with a demonstrable digital footprint indicating sustained music-sector activity.
- MusicSeen's[6] analysis of Instagram artist accounts to identify individuals maintaining active artist profiles (regular posting, venue tagging, release announcements), cross-referenced with those whose Spotify/ YouTube accounts showed evidence of professional catalogue management (regular releases, playlist placements, verified artist status).
- Musicians' Union membership records and other trade association membership registers and websites.
- Analysis of proprietary data on freelance technical support workers (sound technicians, lighting designers, riggers etc).

Tier 4: Invisible freelancers and "shared utility" workforce

There is a further sizeable and economically significant tier of people actively engaged in Liverpool's music sector who are "invisible" to traditional forms of statistical data analysis. This combines two groups: invisible freelancers and shared utility workers.

1. **"Invisible freelancers"** are professional musicians and practitioners not on payrolls and without a significant digital footprint. Survey-based inference and benchmarking against UK Music reports on the scale of the national music workforce[7] was used to estimate the population of professional freelance musicians who do not maintain streaming catalogues or professional social media profiles.
2. **"Shared utility"** workers are those in adjacent sectors (hospitality, events, technical services) for whom music-related activity represents a meaningful but minority portion of their employment. They have been identified through examination of diverse data sources, including venue programming schedules; freelancer databases; festival and event staffing records.





03 BUSINESS BASE

3.1 TIERS 1 & 2: REGISTERED BUSINESSES

The count of businesses included both firms registered to addresses in Liverpool City Region and local units of companies registered elsewhere in the UK. This total includes 295 registered businesses: 20 charitable companies (Companies Limited by Guarantee) and 20 Community Interest Companies. Their size distribution is shown in Table 3.

Table 2 Registered businesses and employees by sector

Sector	Businesses (count)	Employees (full- and part-time)
Artists & Musicians	40	250
Live & Events	180	975
Recording & Distribution	110	420
Rehearsals & Equipment	40	370
Publishing & Licensing	20	350
Management & Business Services	30	115
Marketing & Media	15	135
Total	**435**	**2,615**

*Source: The Fifth Sector analysis of The Data City™, University of Liverpool listing of music businesses, BRES (2024) and IDBR (2025) data on local business units and employees (via Nomisweb, last accessed 19 February 2026). Business counts rounded to nearest 5; business count for sub-sectors marked with * suppressed to prevent disclosure.*

The size distribution (Table 3) of these companies tells its own story; ~20 Tier 1 sector primes account for 68% of employees. The remaining 415 businesses are micro-enterprises employing just 830 people between them, an average of two per firm, A third of microenterprises are owner-directors with no other employees. This is a sector of nano-businesses, and it is why SIC-based analysis systematically understates its scale.

Table 3 Business size and employee distribution

Company Size	Count	% of all Tier 1 & Tier 2 businesses	Employees	% of Tier 1 & Tier 2 employees
Large (250+ employees)	*	1%	900	34%
Medium (50–249)	*	1%	535	20%
Small (10–49)	10	2%	350	13%
Micro (0–9)	415	96%	830	32%
Total	**435**	**100%**	**2,615**	**100%**

*Source: The Fifth Sector analysis of The Data City™, University of Liverpool listing of music businesses, BRES (2024) and IDBR (2025) data on local business units and employees (via Nomisweb, last accessed 19 February 2026). Business counts rounded to nearest 5; business count for sub-sectors marked with * suppressed to prevent disclosure.*

3.2 TIER 3: "INFORMAL" MUSIC BUSINESSES AND ORGANISATIONS

In addition to the registered companies, LCR is home to a further 270 music businesses:

- 65 "informal" music organisations (choirs, festivals, community organisations and council-owned venues not included in the count of registered businesses).
- 205 sole trader/self-employed businesses.

Combining the registered and informal/sole trader businesses provides further insight into the structural base of the LCR music economy:

Table 4 Complete business count by sub-sector and type (Tiers 1-3)

Sub-sector	Registered companies	Sole traders	Informal and "other" organisations	Total
Artists & Musicians	40	110	30	180
Live & Events	180	25	35	240
Recording & Distribution	110	35	0	145
Rehearsals & Equipment	40	10	0	50
Publishing & Licensing	20	0	0	20
Management & Business Services	30	15	0	45
Marketing & Media	15	10	0	25
Total	**435**	**205**	**65**	**705**

*Source: The Fifth Sector analysis of University of Liverpool data. Totals rounded to prevent disclosure, so row and column totals may not sum. Companies marked * suppressed.*

KEY FINDINGS

1 LIVE & EVENTS IS THE LARGEST SUB-SECTOR:

with 240 business units across all types: national chains, large local venues, independent venues, council-owned venues and community spaces. This is before counting the 500 or more bars, pubs and social clubs which are detailed in **Music venues**, below.

2 ARTISTS & MUSICIANS IS THE MOST FRAGMENTED SUB-SECTOR:

just 40 registered companies versus 140 sole traders and informal organisations. This reflects the predominance of individual practitioners and community groups (choirs, bands) operating outside formal business structures.

3 RECORDING & DISTRIBUTION HAS A TWO-TIER STRUCTURE:

110 registered companies (studios, labels, distributors) operating formally, while the sole trader count (35) likely significantly underestimates the true number of DJs, bedroom producers and micro-studios operating informally or below the VAT threshold. The true informal count may be 100+.

4 MANAGEMENT & BUSINESS SERVICES IS SPARSELY REPRESENTED ACROSS ALL BUSINESS TYPES:

(45 in total) pointing to a gap in the IP value chain within LCR. Artists seeking professional management, booking agents and business support often look outside the region.

5 PUBLISHING & LICENSING IS ENTIRELY FORMALISED:

all 20 businesses are registered companies (reflecting formal structures required for rights administration).

6 MARKETING & MEDIA IS DISPROPORTIONATELY SMALL:

(25 total) with more sole traders (10) than might be expected for a sector of this scale. This suggests overreliance on and a "leakage" of value to external/national agencies or in-house marketing within larger companies.

3.3 MUSIC VENUES

Venues are a critical part of the music value chain, but take many forms. The term "grassroots music venue" has gained currency in policy debates, particularly through the advocacy work of the Music Venue Trust. However, the term lacks a consistent definition: it may refer to venue capacity, ownership structure, programming focus, or simply any venue that is not part of a national chain. For the purposes of this analysis, we have adopted a more precise, evidence-based classification drawing on two measurable criteria: **frequency of music programming** (how often a venue hosts live music) and **dedication to music as primary business function** (whether music is the venue's core activity or ancillary to hospitality). This produces three distinct categories:

- **Dedicated Music Venues:** Spaces where 100% of activity relates to music venue operations.
- **Frequent Music Event Spaces:** Venues hosting live music three or more times per week.
- **Less Frequent Music Event Spaces:** Venues hosting live music between twice weekly or less.

This framework allows greater analytical precision than the catch-all term "grassroots," enabling targeted assessment of which venues are most economically significant to the music sector, and which face the greatest commercial pressures.

We analysed venues separately because they overlap other subsectors, tiers and company structures to such a great extent. A "venue" may be any space where live music is performed, ranging from dedicated concert halls to pubs with occasional acoustic nights. The Liverpool Live Music Map identifies 621 venues hosting live music across the city region. Of our 705 identified music business units, both registered and informal, approximately 95 are venue operators. This represents:

- **16%** of the 621 spaces on the Music Map.
- **82%** of the 118 Frequent Music Event Spaces.
- **100%** of the 44 Dedicated Music Venues.

The remaining 525 venues on the Music Map are predominantly hospitality businesses (pubs, bars, restaurants, hotels) where live music is a secondary activity. These are not counted as music businesses in our economic analysis, though they form a vital part of the live music economy and provide significant performance opportunities for LCR artists. Drawing from the Live Music Map's typology, this analysis applies a categorisation based on two key metrics: **frequency of music events** and **dedication to music as primary business function.**

Frequent music event spaces (hosting live music 3+ times per week): **118 venues**

- Of these, 42 have capacity exceeding 200.
- 76 are smaller spaces (typically bars/pubs) with capacity under 200.
- Only 10 (8%) are classified as "Dedicated Music Venues" where music is the primary business.

Less frequent music event spaces: 503 venues

- These host live music between monthly and twice weekly.
- Staff time dedicated to music programming is typically below 10%.
- Most are pubs, restaurants, social clubs where music is ancillary to core hospitality function.

Dedicated music venues: 44 venues

- These are spaces where 100% of staff time relates to music venue operations.
- 13 are members of the Music Venues Alliance (out of a regional total of 22 MVA venues).
- Only five overlap with the "Frequent" category (Arts Bar Hope Street, Future Yard, Philharmonic Music Room, Quarry, The Cavern Club).
- The remainder host music less frequently but are purpose-built or primarily configured for live performance.

Large capacity venues (1,000+): 37 venues

- These include arenas (M&S Bank Arena: 11,000), stadia (Anfield: 55,000), outdoor spaces (Sefton Park: 50,000), and concert halls.
- Only two of these 37 are within the list of 118 "Frequent" venues: Camp & Furnace and Liverpool Philharmonic Hall.
- Categories vary significantly: the large venues group includes six stadia, seven outdoor greenspaces, six large nightclubs, with the remainder purpose-built music venues.

Overlap with other business datasets

The Live & Events supply chain encompasses not only venue operators but also promoters, festival organisers, booking agents, and production companies. With 240 business units (180 registered companies, 25 sole traders, 35 informal/community organisations), it is the largest industry segment by entity count, even before counting the 500+ less frequent venues.

Only around 15% of all music venues – around 95 out of a total of 621 – are companies whose primary business is the presentation of live music. The remainder are drawn from a huge variety of firms for which music forms only one part of an offer focused on hospitality, sport and leisure: some 500 small pubs, bars and social clubs.

Table 5 Categorisation of live music venues

Category	Venues (count)	Music is the primary business of the venue
All venues	621	Varies
Frequent (3+ music events per week)	118	10
Dedicated music venues	44	44
Large capacity (1,000+)	37	~25
Music Venue Alliance (MVA) member venues	22	13

04 MUSIC WORKFORCE

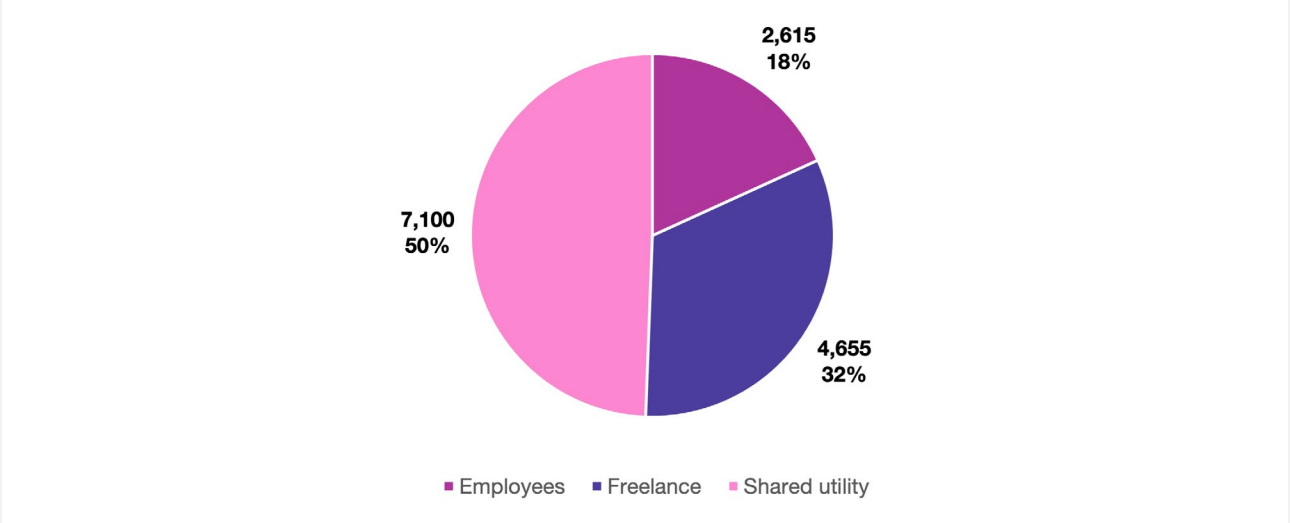


For many sectors, and in many other statistical analyses of the music sector, measuring full-and part-time employees would be the only step in measuring the scale of the music workforce. For us, it was only the first step in a process that led from measuring headcount to being able to articulate the economic reality of the music workforce in its widest sense.

For this we used a similar "tiered" analysis to that used in the assessment of the business base, adding the fourth tier of "invisible freelancers" and "shared utility" workers.[8] It revealed a workforce larger by a significant factor than that shown in national statistics, and defined to a greater or lesser extent by "portfolio" working rather than permanent employment.

4.1 SCALE AND SIGNIFICANCE OF LCR'S MUSIC WORKFORCE

Figure 1 Liverpool City Region music workforce (n=14,370)



Source: The Fifth Sector, 2026

4.2 TIERS 1 AND 2: FROM HEADCOUNT TO FTE

Headcount of the workforce of registered music companies includes both full- and part-time employees in differing proportions for each subsector. We used an "FTE coefficient" derived from analysis of employment data from ONS and The Data City™, which ascribed each full-time role with a value of 1.0 and each part-time role with a value of 0.5, with the following result:

Table 6 FTE employees for Tiers 1 & 2

Subsector	Tier 1 & 2 – headcount, all employees	Tier 1 & 2 FTE coefficient	Tier 1 & 2 FTE
Artists & Musicians	250	0.80	200
Live & Events	975	0.82	800
Rehearsals & Equipment	420	0.90	380
Recording & Distribution	370	0.92	340
Publishing & Licensing	350	0.92	325
Management & Business Services	115	0.87	100
Marketing & Media	135	0.94	130
Total	**2,615**		**2,275**

Source: The Fifth Sector analysis of BRES 2024 and The Data City™

4.3 TIER 3: FREELANCE WORKFORCE

A similar principle was applied to the freelance workforce, using data from LinkedIn.

Table 7 FTE workforce: Tier 3

Subsector	Tier 3 headcount	T3 FTE coefficient	T3 FTE
Artists & Musicians	3,033[9]	0.73	2,215
Live & Events	610	0.68	415
Rehearsals & Equipment	395	0.71	280
Recording & Distribution	305	0.71	215
Publishing & Licensing	15	0.60	10
Management & Business Services	115	0.71	80
Marketing & Media	185	0.66	120
Total	**4,655**		**3,340**

This freelance workforce of 4,655 is in addition to the employee base: it is visible to our analysis, but invisible to national statistics. More of these freelancers are working in a part time capacity, very often including music in a "portfolio" of work which combines multiple music-related roles with other non-music occupations, resulting in the lower FTE coefficients for Tier 3. This is still a professional music workforce, but one whose work is organised around a "portfolio" of opportunities rather than permanent employment, contributing 3,340 additional FTE roles (47% more than the employee base) to the city region's music workforce.

4.4 TIER 4: "INVISIBLE FREELANCERS" AND THE "SHARED UTILITY" WORKFORCE

The next step in understanding the full value of the music sector was drawn from inference about two further segments of the music workforce captured in "Tier 4":

- **"Invisible freelancers":** musicians not in employment and with no statistically reportable profiles/presence (e.g. ONS). This includes artists and musicians whose presence was inferred from relating the number of employees and "visible" freelancers recorded in LCR to UK Music estimates for the total number of active professional musicians across the UK - apportioning this in line with the population of LCR would bring that total to 4,430. Their presence was further validated by evidence from the LCR Music Board survey which stated that only 45% of respondents had a LinkedIn profile; as analysis of LinkedIn positively identified over 2,000 freelance artists and musicians, we could infer a total of some 4,500 freelancers; of those 3,033 were identified through Instagram and Spotify accounts. Taking the more conservative of those estimates gave a total of 4,430-(250 employees + 3,033 freelancers) = 1,147 "invisible" freelance musicians. Their FTE coefficient was assumed to be in line with the UK Music sector estimate of 0.63.
- A "**shared utility"** workforce, made up of a mix of casual and part-time technical services, event management and professional services staff engaged respectively in delivering large-scale live music (audiences of 10,000+) in venues such as the M&S Bank Arena and at stadia events such as the Taylor Swift "Eras" tour at Anfield. The FT coefficient for these workers is an apportionment of total working hours spent in music-related employment, whether employed, freelance or casual.

Table 8 Tier 4 workforce: FTE

Subsector	Tier 4 headcount	Tier 4 FTE coefficient	Tier 4 FTE
Artists & Musicians	1,145	0.63	705
Live & Events	4,520	0.15	680
Rehearsals & Equipment	300	0.15	45
Recording & Distribution	665	0.15	100
Publishing & Licensing	0	—	0
Management & Business Services	500	0.15	75
Marketing & Media	0	—	0
Total	**7,130**		**1,600**

Tier 4 nearly doubles the size of the total workforce (from 7,275 to 14,375) and adds a further 1,600 FTE roles- 22% of the total for all parts of the city region music economy.

4.5 HOW IS EMPLOYMENT DISTRIBUTED IN THE MUSIC WORKFORCE?

Bringing the analysis of employees, freelance and casual workers from all tiers together gives us an analysis of the city region's music workforce in terms of full-time equivalent roles:

Table 9 Liverpool City Region music workforce: Full-time equivalent roles (FTE)

Subsector	Tiers 1+2 FTE	Tier 3 FTE	Tier 4 FTE	Total FTE	Sub-sector FTE as %
Artists & Musicians	225	2,215	705	3,140	44%
Live & Events	700	415	680	1,790	25%
Rehearsals & Equipment	420	280	45	745	10%
Recording & Distribution	385	215	100	700	10%
Publishing & Licensing	320	10	0	330	5%
Management & Business Services	100	80	75	255	4%
Marketing & Media	125	120	0	250	3%
Total	**2,275**	**3,340**	**1,600**	**7,215**	**100%**

Analysis of the distribution of FTE by sub-sector and by tier reveals the structural character of each sector. This showed that:

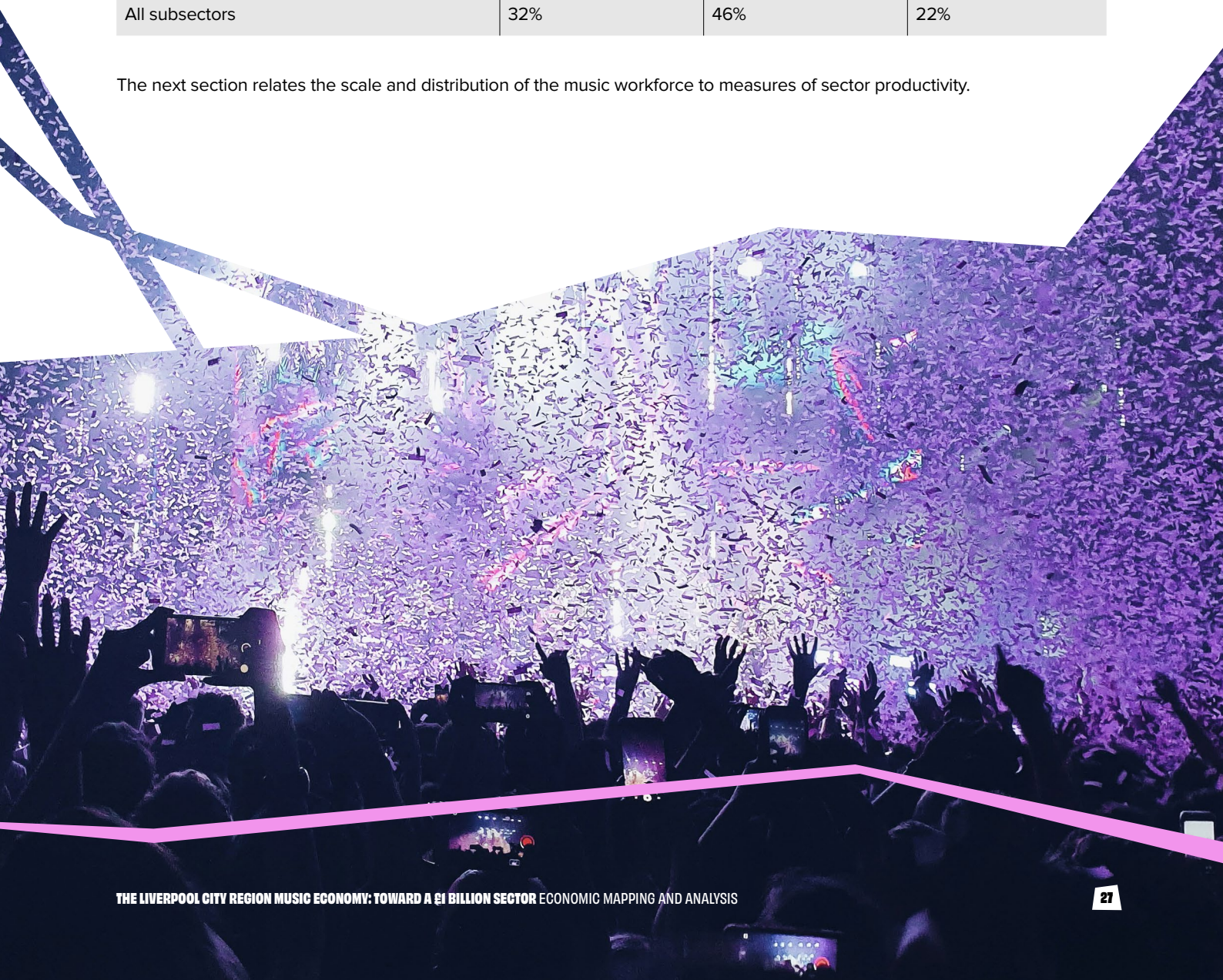
- **Publishing & Licensing** was the sector most organised around "formal" employment structures, with 97% of the workforce on payroll.
- **Artists & Musicians** is the subsector that is definitively organised around freelance working, which is responsible for 71% of income from creation, performance and commercial exploitation of IP from music.
- **Live & Events** is split three ways, with 38% of FTE generated by employment in the shared utility tier.

These are fundamentally different labour markets requiring different policy interventions.

Table 10 FTE Distribution by subsector and tier (%)

Subsector	Tiers 1 & 2 %	Tier 3 %	Tier 4 %
Artists & Musicians	7%	71%	22%
Live & Events	39%	23%	38%
Rehearsals & Equipment	56%	38%	6%
Recording & Distribution	55%	31%	14%
Publishing & Licensing	97%	3%	0%
Management & Business Services	39%	32%	29%
Marketing & Media	51%	49%	0%
All subsectors	32%	46%	22%

The next section relates the scale and distribution of the music workforce to measures of sector productivity.





05 ECONOMIC IMPACT

5.1 GVA: DIRECT CONTRIBUTION MADE BY MUSIC SECTOR EMPLOYMENT

The importance of understanding the number of Full Time Equivalent roles in each tier of the workforce becomes clear when we translate these data into an analysis of GVA for the city region's music economy.

By comparing data from company records, ONS industry benchmarks and evidence from trade bodies, we were able to estimate GVA for full time equivalent job for each subsector of the LCR music economy.

Table 11 LCR music sector GVA per FTE by subsector

Sector	GVA/FTE
Artists & Musicians	£25,174
Live & Events	£68,740
Rehearsals & Equipment	£95,646
Recording & Distribution	£81,611
Publishing & Licensing	£145,798
Management & Business Services	£57,333
Marketing & Media	£50,000

Our analysis of the music sector finds that it is more productive than the regional average for all industries. GVA per capita in the Liverpool City Region averaged £27,308 in 2023, ranging from £18,986 in Sefton to £36,588 in the Liverpool city core.

The music sector's average productivity of £56,295 per FTE is more than twice the Liverpool City Region average for all industries. Even the lowest-productivity sub-sector (Artists & Musicians at £25,174) is close to the regional average. Publishing & Licensing, at £145,798 is more than five times as productive as the average for all industries in LCR. This analysis already shows that music is not a low-value sector; it is a high-value sector with a wide productivity distribution.

5.2 DIRECT GVA: BASE CASE VS INTEGRATED CASE

Applying the evidence of GVA/FTE allows us to show the breakdown of direct output for each tier and subsector of the LCR music economy:

Table 12 Total music GVA by tier and subsector (£ million)

Sector	Tier 1 & 2	Tier 3	Tier 4	Total GVA (£ million)	% of GVA by subsector
Artists & Musicians	5.7	55.8	17.7	79.2	20%
Live & Events	48.1	28.5	46.7	123.4	30%
Rehearsals & Equipment	40.2	26.8	4.3	71.3	18%
Recording & Distribution	31.4	17.5	8.2	57.1	14%
Publishing & Licensing	46.7	1.5	-	48.1	12%
Management & Business Services	5.7	4.6	4.3	14.6	4%
Marketing & Media	6.3	6.0	-	12.3	3%
Total	**184.0**	**140.7**	**81.3**	**405.9**	**100%**

We have analysed findings for music's direct economic output under two scenarios:

- A "Base Case", representing both employment and directly measured freelance workforce, representing **5,625 FTE generating £324.7 million in direct GVA.**
- An "Integrated Case", which adds the inferred value of the "invisible" freelance workforce and "shared utility" of support activities in venues which present music on a less regular basis, extending to **7,215 FTE and GVA of £405.9 million.**

The Base Case represents the full extent of the "visible" LCR music sector workforce whose presence and value can be validated by primary and secondary data from a wide range of sources including ONS, The Data City™, UK Music, LinkedIn, Instagram, Spotify, the LCR Music Board survey and sector map, and proprietary databases of freelance workers.

The £156 million gap between the two scenarios represents the economic contribution of an "invisible tier" of the music economy, not previously reflected in sector mapping: workers essential to the music economy's functioning but outside conventional measurement. It captures the real and structurally significant contribution of a diverse group of people with roles varying from bar staff pulling pints on band nights, stadium operatives for large-scale events at Anfield and Aintree, casual crew loading in for arena shows, musicians with a portfolio of other interests and media professionals with a partial music focus.

The inclusion of additional "shared utility" workers does not dilute productivity. In fact, integrating 265 additional FTE in Live & Events (stadium operations, event logistics) increases the sector's GVA from £54.8 million to £89.7 million because these roles, while part-time in music terms, are concentrated in higher-value event delivery and technical production.

Their contribution is real, even if ONS cannot see it.

The Integrated Case also makes clear that permanent full- and part-time employees together generate less than half (45%) of the sector's output, reinforcing the importance of freelance and "portfolio" working to LCR's music economy. (The comparable figure for the base case is 57%, with freelance workers and "informal" Tier 3 organisations making up the remaining 43% of output – which still reflects a very high level of freelance working.)

Table 13 Direct GVA: Base Case and Integrated Case scenarios

Scenario	Definition	Business count	Total music workforce	FTE	Direct GVA
Base Case (Tiers 1–3)	Registered and "informal" businesses + visible freelancers	Registered: 335 Informal/other: 230	7,245	5,615	£324.7m
Integrated Case (Tiers 1–4)	Base Case + shared utility workforce	Registered: 335 Informal/other: 230 Occasional music venues: ~ 500	14,390	7,215	£405.9m

5.3 CALCULATING WIDER ECONOMIC IMPACT

To understand the wider economic impact of the region's music sector, we used multiplier to measure the "ripple effect" of indirect and induced GVA. For every £1.00 generated directly by a music business, we calculate the secondary money it "stirs up" in the regional economy. This uses a Type II Multiplier, similar to those used by devolved governments in Scotland and Wales:

INDIRECT IMPACT (SUPPLY CHAIN)

This is the GVA generated by the B2B spending of music firms. When a venue like the M&S Bank Arena hires a security firm, a caterer, or an electrician, that spending supports other LCR industries. We calculate this at a multiplier of 0.45 because the city region has a "sticky" supply chain: unlike other cities that might "leak" their technical needs to London, Liverpool has a massive, self-contained technical hub. Venues generate a high volume of local spending on security firms, electrical contractors, equipment PAT testing, and specialised cleaning. Because firms like Adlib are here, and a strong cluster of rehearsal and recording facilities exists locally, music businesses buy their goods and services locally.

Table 14 Definitions of Economic Impact

Impact Type	What is it?	Why it's high in LCR	Result
Direct	Turnover/wages of music firms and freelancers	2,275 core staff + 3,340 visible freelancers	£1.00
Indirect	B2B supply chain spending	Closely integrated live/tech/IP supply chains	+ £0.45
Induced	Wages spent on local goods and services	14,000+ music workers living and spending locally	+ £0.47
TOTAL	**Economic "ripple effect"**	**A self-contained regional music economy**	**£1.92**

INDUCED IMPACT (WAGE SPEND)

This is the GVA generated by the spending of employees and freelancers who work in the music sector. When an employee at Sentric or Adlib spends their salary on rent, in a local restaurant, or at a local shop, that music wage supports the wider LCR economy. Having a pool of 7,200+ music professionals who primarily live in the LCR means their "portfolio income" stays in the region. We calculate this at 0.47 because Liverpool is a compact city region with a distinct identity and a high propensity for music workers to spend disposable income in other local music venues or independent businesses.

The result is a total economic impact of **£779.8 million.**

Table 15 Total economic impact by tier

Measure	Base Case (Tiers 1–3)	Tier 4	Integrated Case (Tiers 1-4)
Direct GVA (£ million)	325.2	81.1	406.3
Type II GVA multiplier	×1.92	×1.92	x 1.92
Total economic impact (£ million)	**624.1**	**155.7**	**779.8**

WHY 1.92 IS THE CORRECT NUMBER

Auditors or officials unfamiliar with the dynamics of LCR's music economy might ask why we don't use a lower, "safer" multiplier (like 1.3 or 1.5). The justification is based on leakage:

- **Low leakage:** In a smaller town, the multiplier is low because the money "leaks" out (e.g., venues have to hire a sound system from another city); LCR already has the capital asset and the skilled crew needed to deliver this.
- **High multiplier (1.92):** In the LCR, the multiplier is high because the leakage is low. LCR has the artists, the venues, the technical infrastructure and the IP-generating activity within a 15-mile radius.
- **Benchmark:** A multiplier of 1.92 is what you would expect for industrial clusters of national significance. It is the same type of multiplier you would see for the Aerospace cluster in Bristol or the Life Sciences cluster in Cambridge. It signals that music in Liverpool City Region is a mature, self-sustaining industrial value chain.

The multiplier is validated against two independent sources: Gutierrez-Posada et al. (2023) in Economic Geography ("each creative job generates at least 1.9 non-tradable jobs" in UK cities over a twenty-year period); and CEBR (2017) for Arts Council England (arts/culture multiplier of 1.94 using ONS Input-Output Tables).

Table 16 Total economic impact by tier and subsector (£ million)

Subsector	Tier 1 & 2	Tier 3	Tier 4	Total economic impact (£ million)	% of impact per subsector
Artists & Musicians	10.9	107.1	34.1	152.0	20%
Live & Events	92.4	54.8	89.7	236.9	30%
Rehearsals & Equipment	77.1	51.4	8.3	136.8	18%
Recording & Distribution	60.3	33.7	15.7	109.7	14%
Publishing & Licensing	89.6	2.8	-	92.4	12%
Management & Business Services	11.0	8.8	8.3	28.1	4%
Marketing & Media	12.0	11.5	-	23.5	3%
Total	**353.3**	**270.1**	**156.0**	**779.4**	**100%**

5.4 INTERPRETING LCR MUSIC SECTOR PRODUCTIVITY

ORIGIN OF VALUE VS. EXTRACTION OF VALUE

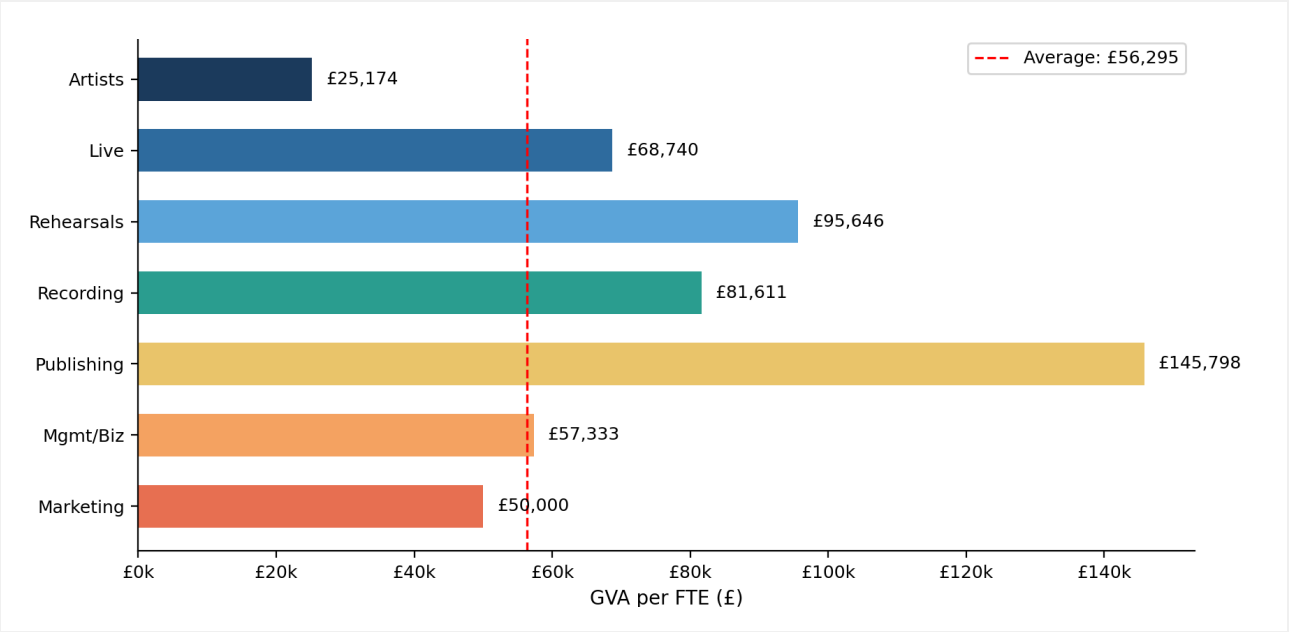
While the Artists & Musicians category makes up the largest single subsector of the music workforce, it has the lowest GVA per capita. This is the single most important structural finding of the mapping, and it has direct implications for policy and investment.

Artists provide the "fuel" for the music economy: original IP, performances, recordings, the raw creative material on which the entire economy depends. But the "refineries" of that value - live venues, technical production companies, rights administrators and distributors - are where that fuel is converted into high GVA goods and services. An artist performing an original song at a 200-capacity venue generates a performance fee. The same song, registered with a publisher, placed in a sync deal, administered through a rights platform, generates royalties for decades. The value is the same; the capture mechanism is different.

Analysis of the findings from the LCR Music Board survey, in which respondents were asked to provide detailed evidence of the mix of full-time and part-time music-related activities, showed that the region's 3,140 FTE musicians have a high FTE intensity (0.73 for Tier 3), meaning they are professional portfolio workers, not hobbyists. However, because they largely operate in the "informal/invisible" freelance workforce, their average GVA per FTE is £25,174, compared to £95,646 for technical production specialists working in Rehearsals & Equipment and £145,798 for an employee in IP-related activity in Publishing & Licensing.

The 5.8× productivity differential between Publishing & Licensing and Artists & Musicians is not a market failure. In complexity economics terms, it is a network topology property: value concentrates at high-centrality nodes where flows are standardised and rights are aggregated. Artists occupy generative positions (high entropy, many possible outputs); IP managers occupy capture positions (low entropy, standardised contracts). The differential is a system property to optimise — by improving the rate at which creative output converts into captured IP value — not a distortion to correct.

Figure 2 Productivity by sector: GVA per FTE



LIVE AND TECHNICAL PRODUCTION CLUSTER: LCR MUSIC SECTOR'S ECONOMIC "MOAT"

The true industrial anchor of Liverpool City Region's music economy is the Live, Rehearsals, and Technical Production cluster. Live & Events and Rehearsals & Equipment together represent nearly half - 48% - of the total value of LCR's music economy.

This technical infrastructure is the region's "economic moat". While every city has bands, Liverpool City Region has something far harder to replicate: a cluster of sophisticated, high GVA technical production firms that collectively account for some 300 permanent jobs, led by Adlib Audio, a mapped network of 621 venues including 118 "frequent" music venues, and a workforce with the high-end creative and technical skills required to sustain them.

This cluster does not only serve Liverpool and the North of England; it is an export-oriented operation serving national and international touring productions. When a major artist tours the UK, there is a meaningful probability that the lighting rig, the sound system, or the crew came from Liverpool City Region. That is the kind of tradable service that drives genuine growth.

We can also observe that the proportion of the workforce in permanent employment also correlated with levels of productivity.

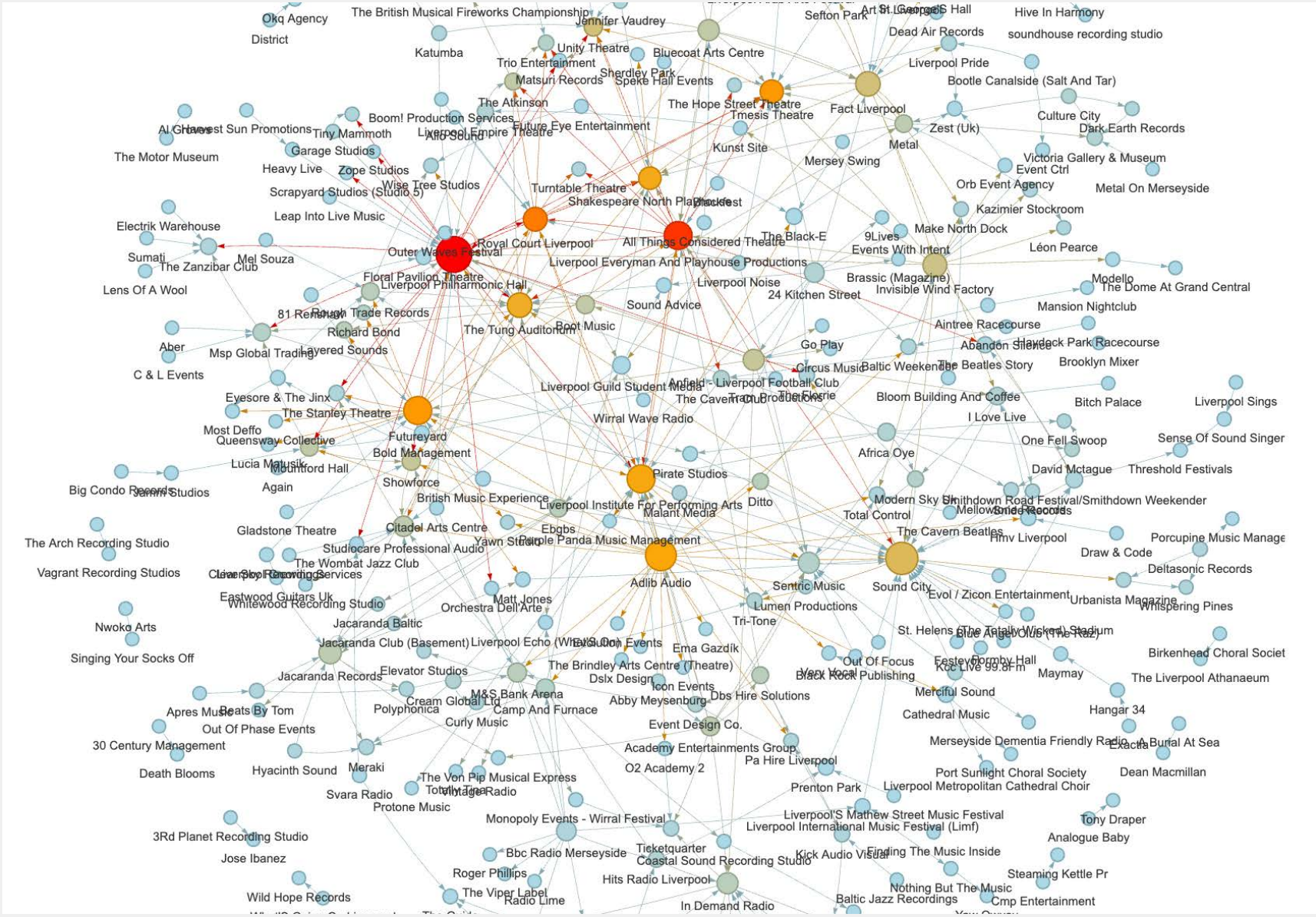


06 NETWORK TOPOLOGY ANALYSIS



To better understand the connectedness of Liverpool's music economy, we conducted analysis of network topology (Social Network Analysis, or SNA) using LinkedIn data to map workforce movement between 268 businesses in the City Region. The findings suggested that some parts of the network are better connected than others: there are a small number of larger organisations that demonstrate high levels of interconnectedness, but the density of the network is not such that we can unequivocally point to evidence of knowledge transfer. The central portion of the graph can be seen below.

Figure 3 Social Network Analysis of workforce movements



Source: University of Liverpool analysis of Liverpool City Region's music workforce, based on analysis of LinkedIn carried out by Unscrambled.world

The nodes are colour-coded to demonstrate the degree to which each organisation is a member of a **triangle (a closed group of three, mutually connected nodes. A is connected to B, B is connected to C, C is connected to A).** The larger the node, the more connections it has overall.

The findings indicate:

- Small to medium sized nodes with moderate to high triangle membership (Future Yard, The Tung, Invisible Wind Factory, Adlib) indicate embeddedness within a reasonably niche labour market, within which workers circulate more frequently than average for the overall sector.
- Large nodes with moderate to high triangle membership (Sound City, The Liverpool Philharmonic) indicate a hub-like role within the labour market. These organisations see high employee mobility within a wider range of sectors in the music value chain.
- Despite the existence of these central organisations, only 0.6% of possible connections are present here. The network is diffuse. The average out-degree and in-degree are both 1.69, indicating that organisations lose employees to, and receive employees from, approximately 1-2 other organisations on average. The average number of employees moving between any two organisations is 1.3. **Most organisations share employees with very few others, and the number of workers moving between any two organisations is also very small.**
- However, 12% of the connections that do exist are within closed communities of three (triangles). In such a diffuse network, that 12% of connections are closed indicates workers moving with clear intention between a small number of organisations.

TO SUMMARISE,

Liverpool's music sector is not an open labour market. Only 0.6% of possible connections exist within our SNA. Organisations lose employees to, and receive employees from, approximately 1.69 other organisations on average, and the average number of employees moving between any two businesses is 1.3. Given the number of freelancers present in the city region, this is sparse. Whilst some larger organisations (Liverpool Philharmonic, Sound City, the Everyman) see higher levels of workforce movement and therefore occupy a more visible position in the graph, there is no dominating force, nor obvious existence of rigid, closed cliques.

However, this is not to say that there isn't any structure. That 12% of present connections within this network are triadic indicates a tendency for the workforce to circulate between small groups of organisations. Given the small geographic footprint of LCR and the high number of SMEs within the music sector, it is reasonable to infer that these closed triplets of organisations are divided along boundaries of specialism. The music workforce is highly specialised, and the network topology suggests that these workers are moving judiciously between a small number of small, specialist organisations. This aligns with conclusions from other analyses of venue and workforce data and supports the thesis that Liverpool has a particularly "sticky" music supply chain. Liverpool's music economy is populated by small specialists; analysis of workforce movements reflects this.

07 FUTURE GROWTH: THE PATHWAY TO £1 BILLION



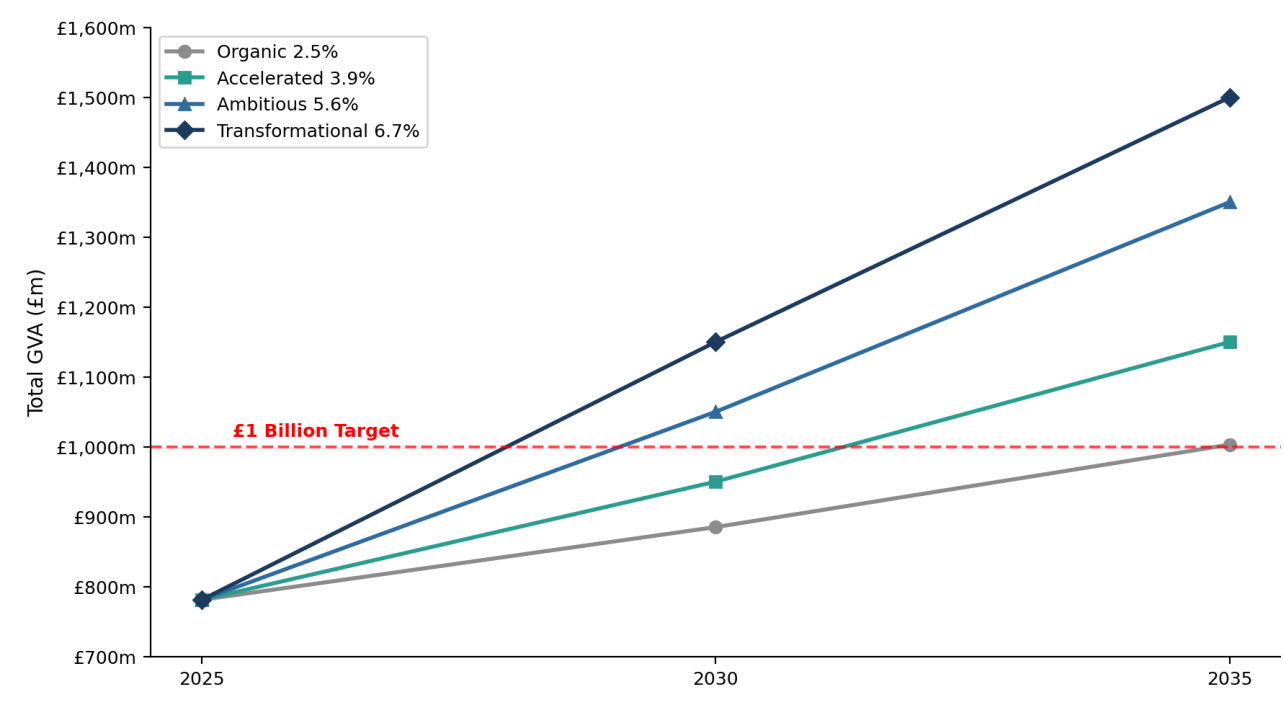
Liverpool is a city with a unique music heritage: the analysis provides evidence that it should be equally ambitious in setting targets for its future growth. From the Integrated Case baseline of £780 million GVA, reaching £1 billion by 2035 would require compound annual growth of just 2.5% over ten years. The growth scenarios and levers identified below show how this is achievable through a combination of organic growth and targeted intervention.

7.1 GROWTH SCENARIOS

Table 17 Growth Scenarios to £1 billion

Scenario	2025	2030	2035	CAGR	Assumptions
Organic	£780m	£885m	£1,003m	2.5%	Match LCR historic growth
Accelerated	£780m	£950m	£1,150m	3.9%	Match UK music sector growth
Ambitious	£780m	£1,050m	£1,350m	5.6%	Match UK creative industries growth 2010-19
Transformational	£780m	£1,150m	£1,500m	6.7%	Significant intervention

Figure 4 Growth scenarios to hit £1 billion by 2035



Source: The Fifth Sector 2026

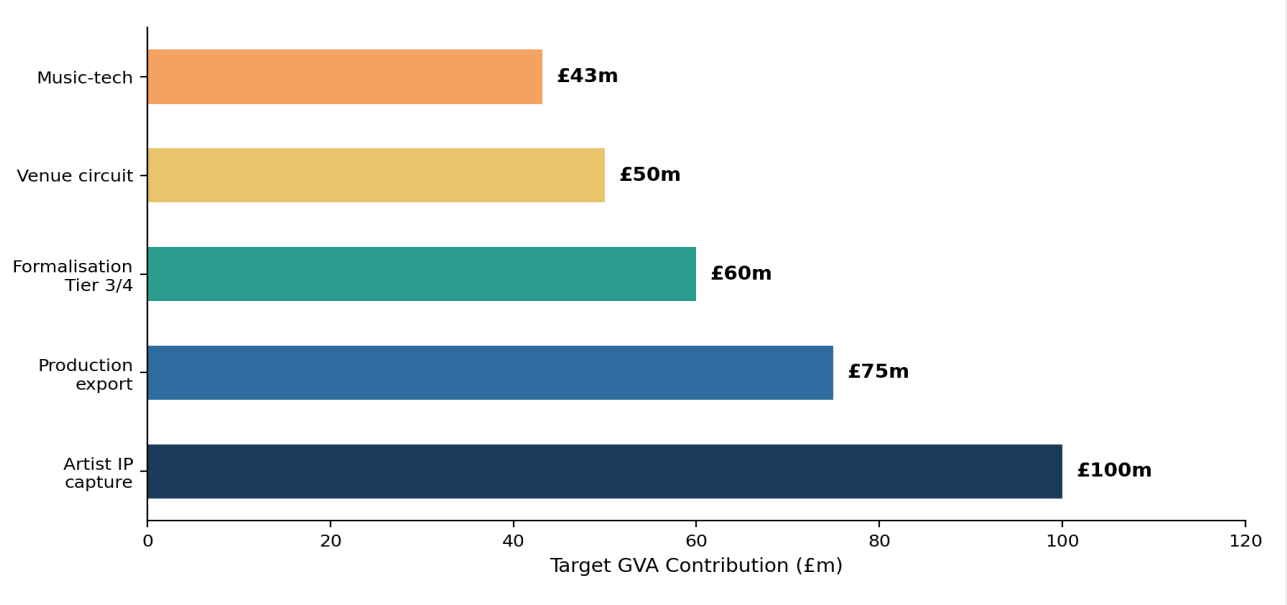
7.2 GROWTH LEVERS

Five growth levers have been identified, each with a specific mechanism and target contribution:

Table 18 Growth levers

Growth Lever	Mechanism	Target GVA (£ million)	Total Impact (£ million)
IP & metadata capture	Work between musicians and publishers/labels to develop metadata skills, publishing registration, sync readiness	100	192
Production export growth	▪ Adlib + supply chain expansion ▪ Support touring infrastructure	75	144
Formalisation of Tiers 3 and 4	▪ Freelancer business development ▪ Coordinated support (from Music Office and LCR Music Board) for collective structures	60	115
Venue circuit strengthening	▪ Secure commercial future of existing dedicated and "more frequent" music venues ▪ Look to expand number and scale of dedicated venues (esp. mid-sized venues) ▪ Work with promoters to encourage improved programming	50	96
Music-tech innovation	Spatial audio, XR, AI tools, new platforms	43	83
Total		**328**	**630**

Figure 5 Thematic growth levers



7.3 UNDERSTANDING THE EMERGENT PROPERTIES OF LCR'S MUSIC SECTOR

To address the opportunities within the music sector, we must first recognise that the LCR music economy is a complex adaptive system exhibiting the characteristic dynamics of creative value chains: power-law value distributions, functional specialisation across entropy gradients, and networked interdependencies.

The fact that Artists & Musicians represent 44% of the FTE workforce but capture only 20% of value does not represent a "market failure"; it is representative of a **dynamic tension** that actually drives the system.
The productivity differential between musicians and music publishers (£25,174 vs £145,798 per FTE) reflects the fact that markets are rarely at equilibrium, but are constantly adapting. This is particularly the case for music, where fast-moving trends in technology and audience behaviour require constant adaptation and innovation; neither musicians nor publishers can expect to increase value by just doing "more of the same".
The productivity differential between artists and IP managers is not a market failure to correct, but a system property to optimise. The way to increase value is to understand the **functional differentiation** between different occupations and different tiers of the music economy, and to work systemically to optimise value for all sub-sectors. Artists occupy high-entropy, generative positions in the network; IP managers occupy high-centrality positions where value flows concentrate.

The main ways to increase value for all parties are:

- Helping musicians better **understand the latent value of their creative IP** so that they can take steps to better protect and exploit is in existing and new forms.
- I**ncreasing flow velocity** through the network (enabling faster rights registration, and translating that into real-time royalties) by promoting greater collaboration between artists and IP "refineries" to jointly increase value, leveraging the market knowledge and contacts that already exist to an unusually high level within the city region, as evidenced by the extraordinarily high LQ of publishing and licensing activities in LCR.
- This in turn helps **grow and create local capture nodes** through increased incentives for publishers, labels and managers to further invest in Liverpool – a process that can be further accelerated by interventions to build more and larger "pools" in which to collect a larger share of the flows of value which currently drain to London by investing in R&D, supporting partnerships with other creative sector rights holders (e.g., in film, games and immersive media) and promoting inward investment.

MusicFutures is positioned to intervene at the flow level: building local capture infrastructure, accelerating value circulation, and ensuring Liverpool retains the compound growth its creative community generates.



7.4 CAPTURING MORE OF THE VALUE OF IP

The acknowledged strengths of Sentric and Ditto point to the further potential of these and other companies involved in publishing, licensing, distribution and management to act as "refineries" for LCR's community of 4,430 musicians to translate more of their output into repeatable IP value. MusicFutures' programme contains the idea that, by training artists in metadata and IP management, the region could begin to capture the "long tail" of royalties that currently leaks to London or global hubs. Moving just 20% of artists' output from "performance fee only" to "performance + IP ownership", with support of the existing "IP refineries", could represent a £40 million to £85 million shift in captured GVA.

7.5 INCREASING FLOW VELOCITY: SCALING THE INFORMAL SECTOR

The pathway to £1 billion requires moving more workers from informal Tier 3 roles in IP value capture and management (recording, distribution, licensing, promotion, management, marketing) into more productive Tier 1 & 2 roles. If business support programmes helped formalise and scale just 500 of the existing freelance workforce into Tier 1 or 2 roles, the direct GVA contribution would increase by approximately £40 million to £50 million, resulting in a £75 million to £95 million total impact after multipliers.

7.6 GROWING AND CREATING LOCAL CAPTURE NODES: PLUGGING THE LEAKAGE

Whilst maintaining the presence and building the strength of sector "primes" like Sentric, Ditto, AdLib and Sound City is critical to the continuing health of the sector, there are other structural weaknesses that need to be addressed. Management & Business Services, with an LQ 0.37, clearly reflects a gap in capacity and limits the ability of musicians to access professional management locally. Career development and IP capture both leak to London. Similarly, we have seen several promoters leave the industry, move into "tied" relationships with larger venue operators and focus more attention on promoting artists in other cities with more mid-sized and larger venues. The fragmentation and lack of scale of specialist marketing and media agencies is also a risk, and one which could constrain future growth. Unless the city region takes steps to provide business support to strengthen this local management, promotion and marketing infrastructure, the "refinery" that converts creative output into captured IP will remain incomplete and value will continue to leak between the gaps.

7.7 MAINTAINING PRODUCTIVE CHAOS

In all of this, it is essential to understand that none of this is about trying to make musicians and artists train to be technical or IP specialists, nor diverting them from their main role: **maintaining productive chaos** in artistic creativity across all tiers, while benefitting from concerted systemic efforts to build infrastructure at the value capture tier. Even if it were possible, bringing about "market equilibrium" between value creators and IP capture mechanisms would most likely kill the creativity which is an essential dynamic on which all other tiers of the music economy depend. Continuing tactical support for musicians, of the kind successfully demonstrated through the Music Offices management of small grants made available through the Strategic Investment Fund, is essential to maintain a healthy and heterogenous sector.



08 CONCLUSIONS

The findings of this mapping make three things clear.

8.1 THE LCR MUSIC ECONOMY IS SUBSTANTIALLY LARGER THAN THOUGHT

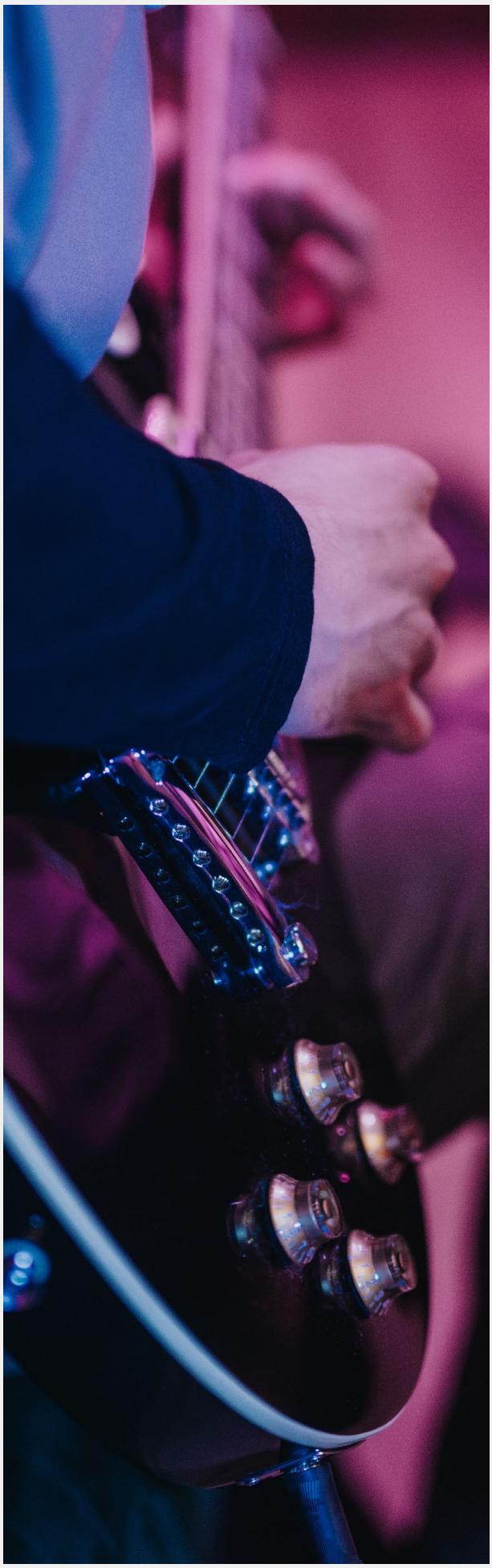
The LCR music economy is substantially larger than suggested by previous estimates. The Integrated Case (£780m total GVA) is 52% above UK Music's figure. Even the sensitivity low case (£702.8m) is 37% above. The difference is the freelance and shared-utility workforce that SIC-based analysis misses entirely. 14,376 people are engaged in music-related work; 7,217 of them represent meaningful FTE contribution; and their combined output generates over £400 million in direct GVA before multiplier effects.

8.2 THE MUSIC VALUE CHAIN HAS A SPECIFIC SHAPE

Live & Events is the biggest sector (£236.4m, 30% of total GVA) but operates at moderate productivity (£68,740/FTE). Publishing & Licensing is tiny by headcount (331 FTE, 5% of total) but generates £92.7m at £145,798/FTE. Artists are the largest workforce (3,142 FTE, 44% of total) but generate only £79.1m in direct GVA at £25,174/FTE. The 5.8× productivity gap between publishing and artists is the central structural feature. It is a system property to exploit — by improving the rate at which creative output converts into captured IP value — not a distortion to correct.

8.3 THE AIM OF GROWING A £1 BILLION SECTOR IS A REALISTIC ONE

From the central baseline, 2.5% CAGR reaches the target in 10 years. That is below all relevant benchmarks for creative industries growth. The five growth levers total £328.2 million in target contribution. The question is not whether the arithmetic works but whether the interventions — particularly the £100m IP capture lever and the £60m formalisation lever — can be delivered at scale.



APPENDIX A: APPROACH AND METHODOLOGY

APPROACH

Traditionally, regional economic audits rely on static, top-down statistical models.

National economic statistics, compiled by the Office for National Statistics (ONS), rely on Standard Industrial Classification (SIC) codes to categorise business activity. These codes were designed for an industrial economy of factories, offices, and retail premises. They are ill-suited to a sector like music, which is characterised by:

- **Nano-businesses:** The average music enterprise in the LCR employs 2.5 full-time equivalent (FTE) staff, compared to a UK small business average of 8.5. Many operate below the VAT threshold and are therefore invisible to HMRC-derived datasets.
- **Portfolio careers:** Musicians, producers, and technicians frequently combine multiple income streams - performance, session work, teaching, licensing -within a single working week. National statistics struggle to assign such individuals to a single sector.
- **Informal trading:** A significant proportion of the workforce operates on a cash or invoice basis, outside the formal structures of PAYE employment or company registration.

The consequence is that ONS data captures only the visible portion of a much larger economic iceberg. Previous estimates placed the LCR music workforce at approximately 3,500 and the business base at fewer than 500 firms. This mapping demonstrates that both figures significantly underestimate the scale and significance of Liverpool City Region's music economy.

THE VALUE OF GRANULAR MAPPING

To address the shortcomings of national statistics, this mapping has adopted a **granular model of economic influence,** drawing on the principles of **Complexity Economics.**[10]

The mapping and analysis of workforce and businesses, and the associated survey of music professionals led by Institute of Popular Music/Live Music Mapping Project for the LCR Music Board, was carried out across seven sub-sectors of the LCR music economy:

Table 19 Subsector definitions[11]

Subsector	Description	Example Roles/Businesses
Artists & Musicians	Performers and creators	Bands, solo artists, session musicians, composers
Live & Events	Live performance delivery	Venues, promoters, festivals, sound/ lighting
Rehearsals & Equipment	Practice and technical infrastructure	Rehearsal rooms, instrument retail/hire, backline
Recording & Distribution	Content capture and delivery	Studios, engineers, distributors, streaming
Publishing & Licensing	Rights management	Publishers, sync agents, collection societies
Management & Business Services	Artist and business support	Managers, agents, accountants, lawyers
Marketing & Media	Promotion and broadcast	PR, radio, podcasts, music journalism

This research deployed a multi-modal data collection strategy designed to penetrate the invisible layers of the sector. By combining firmographic analysis of registered businesses, digital footprint analysis of professional freelancers, survey-based inference of the informal workforce, and physical mapping of venue infrastructure, we were able to construct a comprehensive picture of the regional music economy.

Our approach reflected the granularity of Liverpool's music sector rather than making assumptions about aggregations. 'Representative agent' models (the standard economic theory approach, drawing on sample-based national statistics) typically fail to accurately measure the full scale and economic impact of creative industries because they ignore the unique behaviours of individual actors within highly fragmented and casualised workforces like those in music. Rather than viewing the Liverpool City Region (LCR) music sector as a single aggregated figure, or a composite of Standard Industrial Classifications, our methodology treated the economy as a **dynamic network of interacting agents**. By mapping individual professionals (via LinkedIn) and registered entities (via The Data City™), we constructed a **bottom-up industrial map**. Counting the 'agents' (both employees and freelancers) and inferring the presence of other casual, but still essential, members of the music workforce from evidence of networks of venues and production companies produced a more accurate and granular picture of the sector's real value than guessing the sector's size from national averages.

This level of detail allowed us to measure not just the 'equilibrium state' of the sector, but its **structural evolution**. **Network topology analysis** – mapping the connections between firms, measured by movement of workers from employer to employer - bore out our impression of supply chain 'stickiness'. The high number of interdependent connections shown by workers moving between organisations in LCR suggested that a higher-than-average proportion of revenues generated by music is retained in the regional economy. Tracking the movement of 'agents' – artists, musicians, technical production crew and others – and being able to accurately estimate the GVA for each full-time equivalent job role (FTE) for both employees and freelancers highlighted the unmet potential of the sector and how that might be realised by structural shifts, supported by targeted interventions in training, R&D and capital investment.

The result is an evidence base that can:

- Support strategic investment decisions by the Combined Authority and partner organisations.
- Demonstrate the sector's economic significance to national policymakers.
- Identify specific intervention points for growth acceleration.
- Benchmark progress toward the £1 billion target.

METHODOLOGY: A FOUR-TIER MODEL OF THE MUSIC WORKFORCE

To capture the full extent of the LCR music economy, we developed a four-tier taxonomy that distinguishes between different levels of visibility, formality, and economic intensity within the workforce. Each tier required a distinct data collection methodology and intensity weighting.

Tier 1: Sector Primes

Analysis of various data sources, including Companies House filings, The Data City™ firmographic analysis, cross-referencing with sector-specific directories and trade body membership lists, revealed only around 20 music-specialist registered companies in LCR with annual turnover exceeding £1 million. Although many of these are still SMEs, because they have structural characteristics and supply chain relationships which differentiate themselves from the remainder of registered music-related businesses in the region, which are almost exclusively microenterprises, we identified these as a separate tier of "sector primes".

This tier includes nationally significant firms such as the Royal Liverpool Philharmonic (concert hall and live music venue), Sentric Music (rights administration), Ditto Music (digital distribution), Sound City (music festivals and education), Modern Sky (record label) and Adlib (technical production and equipment hire). These firms are the anchor institutions of the regional music economy.

Tier 2: SMEs and Micro-businesses

We used a mixture of methods to apply a 'primary activity' test to establish active music businesses registered in and with a business location in LCR:

- ONS evidence from IDBR[12] using Standard Industrial Classifications (SIC codes).
- Analysis of The Data City™ platform, using SIC codes, RTICs[13] and keyword searches to establish businesses registered at Companies House and provide evidence of recent trading activity to distinguish active music businesses from dormant registrations.
- Analysis of the Charity Commission register and register of Community Interest Companies.

435 companies were identified as Tier 2 SMEs and micro-businesses. This tier represents the specialist infrastructure of the region: recording studios, rehearsal spaces, equipment hire, artist management, booking agencies, and event production companies.

Table 20 Tiers 1 & 2: registered businesses by subsector

Subsector	Count	% of Total	Notes
Artists & Musicians	40	9%	Includes community/not-for-profit ensembles
Live & Events	180	41%	Includes large charities, NPOs, CICs and ~30 promoters/club nights
Recording & Distribution	110	25%	Includes 45 Recording studios, ~20 record labels, ~10 record shops, ~5 mastering/post-production facilities
Rehearsals & Equipment	40	9%	
Publishing & Licensing	20	5%	
Management & Business Services	30	7%	
Marketing & Media	15	3%	Mix of photography, PR, magazines/blogs
Total	**435**	**100%**	

Source: The Fifth Sector analysis of University of Liverpool data. Totals rounded to prevent disclosure, so column total may not sum.

Tier 3: Visible Freelancers

4,423 visible freelancers were identified across the seven taxonomy categories. This tier represents the backbone of the regional talent pool: working professionals whose income is derived primarily from music-related activity, but who operate outside the structures of registered employment.

In addition to freelancers, this group included members of 'informal' organisations (including bands and activities such as rehearsal spaces and recording studios organised as partnerships or collectives as opposed to registered companies) with a demonstrable digital footprint indicating sustained music-sector activity. We used a wide range of platforms and analyses to identify them including:

- LinkedIn analysis to identify professionals listing music-related job titles (producer, engineer, session musician, tour manager, music publicist) with an LCR location as their primary base.
- Instagram artist accounts cross-referenced with Spotify catalogue data to identify individuals maintaining active artist profiles (regular posting, venue tagging, release announcements) whose Spotify accounts showed evidence of professional catalogue management (regular releases, playlist placements, verified artist status).
- Musicians' Union membership records and other trade association membership registers and websites
- Analysis of social media platforms to identify non-registered businesses.
- Analysis of proprietary data on freelance technical support workers (sound technicians, lighting designers, riggers etc).

Table 21 Liverpool City Region music workforce: employees and freelancers

Subsector	Tiers 1+2 employees	Tier 3 freelance	Tier 4 freelance + shared utility	Total workforce
Artists & Musicians	250	3,033	1,145	4,430
Live & Events	975	610	4,520	6,105
Rehearsals & Equipment	420	395	300	1,115
Recording & Distribution	370	305	665	1,340
Publishing & Licensing	350	15	0	365
Management & Business Services	115	115	500	730
Marketing & Media	135	185	0	320
Total	**2,615**	**4,658**	**7,130**	**14,400**

Tier 4: Invisible freelancers and "shared utility" workforce

There is a further sizeable and economically significant tier of people actively engaged in Liverpool's music sector who are 'invisible' to traditional forms of statistical data analysis. This combines two groups: invisible freelancers and shared utility workers.

Invisible freelancers are professional musicians and practitioners not on payrolls and without a significant digital footprint but with evidence of sustained professional activity. Survey-based inference was used to estimate the population of professional freelance musicians who do not maintain streaming catalogues or professional social media profiles. The LCR Music Board Economic Survey (2025) asked respondents about their digital presence and income sources, allowing triangulation between visible and invisible populations.

Data sources: PRS for Music registration data; Liverpool International Music Festival (LIMF) artist applications; LCR Music Board survey responses; Musicians' Union regional membership.

Findings: An estimated 1,715 invisible freelancers operate within the LCR, predominantly within the Artists & Musicians category. These include function band performers, session musicians working through word-of-mouth networks, private music educators, and community music practitioners.

"Shared utility" workers are those in adjacent sectors (hospitality, events, technical services) for whom music-related activity represents a meaningful but minority portion of their employment. They have been identified through examination of diverse data sources including venue programming schedules; freelancer databases; festival and event staffing records.

Method: Physical mapping of the region's live music venues, including both stadia used occasionally for large music concerts and the base of smaller venues, many of them bars, pubs and social clubs, established the frequency of music programming at each location. For venues hosting live music fewer than twice per week, music activity represents approximately 15%-20% of annual trading hours. For those working in stadia, large music concerts represent around 10% of the event calendar. Combining staffing levels across these casual occupations allowed us to calculate the music-attributable FTE. Technical freelancer data from Adlib provided evidence of casual and part-time technical crew operating across multiple venues and events, allowing us both to establish a benchmark for the intensity of "shared utility" working in technical production and support roles and to de-duplicate this tier from the established freelance workforce identified in Tier 3.

Findings: 1,075 individuals work in shared utility roles, representing 161 FTE after intensity weighting. This includes hospitality staff at music venues, casual stewarding and front-of-house personnel, and technical crew working occasional music events alongside corporate and theatrical work.

For all tiers, we cross-referenced the results against different sources to minimise the risk of double counting.

INTENSITY COEFFICIENTS: FROM HEADCOUNT TO FTE

A critical methodological innovation in this research is the application of evidence-based intensity coefficients to convert raw headcount into economically meaningful full-time equivalent (FTE) figures. This addresses the risk of over-valuing sector employment by measuring 'headcount' in part-time and 'portfolio' occupations as equal to full-time roles. By comparing the resulting equivalent FTE roles with GVA estimates and (where available) actual evidence of turnover from company accounts, it also allows us to more accurately estimate the GVA per capita of FTE roles, providing a series of sub-sector-specific benchmarks for the value of employment at a greater level of granularity than allowed by SIC codes.

Derivation of coefficients

Tiers 1-2: Registered businesses

This coefficient was derived from analysis of the Office for National Statistics Business Register and Employment Survey (BRES) 2024 data for the Liverpool City Region. BRES records the ratio of full-time to total employees across relevant Standard Industrial Classification codes and was used to derive **FTE coefficients** (FT/PT ratios), on the basis that each part-time job was counted as 0.5FTE.

Table 22 Liverpool City Region employees in music-related sectors

SIC Code	SIC description	BRES Employees	BRES Full-time	BRES Part-time
1820	Reproduction of recorded media	15	15	0
3220	Manufacture of musical instruments	30	20	10
4763	Retail sale of music and video recordings in specialised stores	30	20	15
5920	Sound recording and music publishing activities	350	250	75
6010	Radio broadcasting	125	100	25
7021	Public relations and communication activities	100	75	25
7311	Advertising agencies	700	600	125
7312	Media representation	100	75	20
9001	Performing arts	450	175	250
9002	Support activities to performing arts	300	225	100
9003	Artistic creation	150	75	75
9004	Operation of arts facilities	350	125	200

Source: The Fifth Sector analysis of BRES 2024 via Nomisweb, accessed 18 February 2026. Rounding (applied by ONS to minimise risks of disclosure of any individual business) may mean that total employees may not sum

Because BRES SIC codes are broader than music-specific activity, we applied analysis of LinkedIn data to provide a music-specific headcount for employees in registered businesses, as shown at Table 2; we then reconciled the ratios of full-time and part-time employment for both datasets to derive headcount and FTE for each music-specific sub-sector.

FTE INTENSITY

Our mapping identified 14,375 people engaged in music-related work across Liverpool City Region, not including those working in music education or the visitor economy. It includes everyone from specialist music licensing analysts to casual employment as a roadie for a small gig in a pub. The challenge in interpreting the scale and diversity of that workforce is how to turn that headcount into something economically meaningful.

We have done this by modelling FTE intensity. Each tier of the workforce is weighted by how much of their working life is music related, and employment patterns are analysed for each of the seven sub-sectors within each of the four tiers to reflect the most granular picture possible of work done across the sector. This prevents the overstatement that would come from counting a part-time security guard at the M&S Bank Arena as equivalent to a full-time sound engineer, while still capturing the genuine economic contribution of the thousands of people whose employment is sustained by music in whole or in part.

FTE Intensity Coefficients

FTE coefficients reflect the balance of full-time and part-time employment, where a full-time role equates to 1.0 FTE and a part-time role is weighted at 0.5 FTE.

FTE coefficient for Tiers 1 & 2

For Tiers 1 & 2, coefficients are derived by averaging BRES 2024 full-time/part-time ratios with LinkedIn data on employment in registered businesses.

Table 23 Derivation of Tier 1+2 FTE coefficient

Sector	BRES Tier 1 & 2 FTE coefficient (full- and part-time employees in music-related SIC codes)	LinkedIn Tier 1 & 2 FTE coefficient (employees of registered businesses – n=2,015)	Combined Tier 1 & 2 FTE coefficient
Artists & Musicians	0.70	0.90	0.80
Live & Events	0.75	0.88	0.82
Recording & Distribution	0.89	0.95	0.92
Rehearsals & Equipment	0.85	0.95	0.90
Publishing & Licensing	0.89	0.95	0.92
Management & Business Services	0.85	0.88	0.87
Marketing & Media	0.90	0.98	0.94

FTE coefficient for Tier 3

The LCR Music Board Economic Survey (October–November 2025) which reported what proportion of a respondent's earnings came from music. The results confirmed the portfolio nature of music careers:

Table 24 LCR Music Board Economic Survey 2025 (n=70)

Income from Music	Respondents	Midpoint	Weighted
100% (sole income)	25	1.00	25.0
75–99%	8	0.87	7.0
50–74%	5	0.62	3.1
25–49%	10	0.37	3.7
Less than 25%	22	0.15	3.3
Total	**70**		**42.1**

The FTE coefficient for survey respondents – the average proportion of their total earnings from music - was therefore 42.1 / 70 = 0.60. Just under half of all respondents (32 of 70, or 46%) reported that music accounted for less than half their income.

This is the defining characteristic of the freelance music workforce: not amateur, in large part not in permanent employment, but portfolio. These are working professionals who teach, do session work, produce, DJ, and perform, often all in the same week. Counting them as either "full-time musicians" or "not musicians" would be equally wrong. The intensity coefficient captures the reality.

To calculate FTE for Tier 3, we blended the survey findings with the sub-sector specific analysis of full- and part-time working in more than 4,000 LinkedIn profiles which reported freelancer, self-employed or contractor status to derive a combined FTE coefficient for "Tier 3" freelance workers, shown in Table 10.

Table 25 FTE Coefficients – Tier 3

Sector	T3 Coefficient LinkedIn (n=4,030)	Weighted by LCR Music survey FTE coefficient (n=70)	T3 Coefficient Combined
Artists & Musicians	0.86	0.60	0.73
Live & Events	0.76	0.60	0.68
Rehearsals & Equipment	0.82	0.60	0.71
Recording & Distribution	0.82	0.60	0.71
Publishing & Licensing	0.60	0.60	0.60
Management & Business Services	0.82	0.60	0.71
Marketing & Media	0.72	0.60	0.66

FTE coefficient for Tier 4

FTE coefficient for Tier 4 was made up of four elements:

- UK Music reporting that on average a professional musician in the UK spent the equivalent of 0.63 FTE in full-time music-related work.
- Estimate of total employment time spent (15%) on music related events for staff (employed, freelance and casual) in small, informal venues (pubs, bars and social clubs) which programme music less regularly.
- Estimate of proportion of staff, freelance and casual labour (including security, event administration, marketing and promotion, licensing) related to large music events (e.g., stadia and open field festivals) – set at 10%.
- Analysis of proprietary freelance records of sound and light techs to establish what proportion of their working time was spent both in smaller venues and larger irregular events – also 10%.

Table 26 FTE Coefficients: Tiers 1–4

Subsector	T1+2 Coefficient	T3 Coefficient	T4 Coefficient
Artists & Musicians	0.80	0.73	0.63
Live & Events	0.82	0.68	0.15
Rehearsals & Equipment	0.90	0.71	0.15
Recording & Distribution	0.92	0.71	0.15
Publishing & Licensing	0.92	0.60	n/a
Management & Business Services	0.87	0.71	0.15
Marketing & Media	0.94	0.66	n/a



APPENDIX B: LOCATION QUOTIENTS

We considered whether LCR's music cluster was concentrated in a way which would indicate sustainable potential to further develop the smart specialisations identified in the mapping. This was done by using Location Quotients (LQs) for both workforce and registered businesses[14] to measure the levels of specialisation of the cluster.

An LQ compares the concentration of a specific industry in one city against the national average. A score of 1.0 means the city is reflects national average levels of business density. A score above 1.25 is considered a "specialised cluster." A score above 2.0 represents a core cluster of national significance; it proves that the industry is a primary industrial pillar of the region, similar to the significance of Automotive to Sunderland or Finance to London.

LQS USING ONS DATA

To accurately assess LQs, we must first benchmark respective business and employee populations for LCR against national data.

Table 27 Employment (BRES 2024)

Area	Total Employees
Liverpool City Region	686,000
Great Britain	30,470,000
LCR % of GB employment	2.25%

Source: ONS Business Register and Employment Survey (BRES), 2024, accessed via Nomisweb, 19 February 2024

Table 28 Businesses (IDBR 2025)

Area	Total Local Units
Liverpool City Region	46,500
United Kingdom	2,860,000
Great Britain	2,780,000
LCR % of UK businesses	1.63%
LCR % of GB businesses	1.67%

Table 29 Cross-check: Average Business Size

Area	Employees	Businesses	Average Size
LCR	686,000	46,500	14.8
GB	30,470,000	2,780,000	11.0

Source: ONS Business Counts summary, accessed online 19 February 2026

This suggests LCR businesses are **larger** on average than GB. This reflects **sectoral composition**: LCR has proportionally more large public sector employers (NHS, councils, universities) and fewer small businesses/self-employed than the national average. The business count under-represents public sector employment, which doesn't appear as "businesses" in IDBR.

No individual SIC code accurately reflects any of the subsectors in our analysis; to reflect LQs in line with our measures of subsector business numbers and employees, we first had to analyse all registered companies and their employees within a range of SIC codes which include music-related activity. Our initial analysis looked at all companies within the SIC codes, not just those specific to the music economy, and all employees, both full- and part-time; these figures are not weighted to provide the FTE co-efficient for subsectors.

Table 30 Workforce location quotients by SIC code – ONS data[15]

SIC	Description	LCR Employees	GB Employees	LQ
1820	Reproduction of recorded media	15	1,750	0.38
3220	Manufacture of musical instruments	30	1,250	1.07
4763	Retail sale of music/video	30	2,250	0.59
5920	Sound recording & music publishing	350	12,000	1.30
6010	Radio broadcasting	125	13,000	0.43
7021	PR & communication	100	27,000	0.16
7311	Advertising agencies	700	121,000	0.26
7312	Media representation	100	23,000	0.19
9001	Performing arts	450	40,000	0.50
9002	Support activities to performing arts	300	15,000	0.89
9003	Artistic creation	150	24,000	0.28
9004	Operation of arts facilities	350	17,000	0.92
	Total	**2,700**	**297,250**	**0.40**

Table 31 Business location quotients – ONS data

SIC Code	Description	LCR	GB	LQ
1820	Reproduction of recorded media	10	810	0.74
3220	Manufacture of musical instruments	0	275	0.00
4763	Retail sale of music/video	10	625	0.96
5920	Sound recording & music publishing	55	4,875	0.68
6010	Radio broadcasting	15	890	1.01
7021	Public relations	50	6,160	0.49
7311	Advertising agencies	250	17,635	0.85
7312	Media representation	55	3,880	0.85
9001	Performing arts	155	11,475	0.81
9002	Support activities to performing arts	100	5,555	1.08
9003	Artistic creation	165	15,175	0.65
9004	Operation of arts facilities	20	1,110	1.08
Total		**890**	**68,465**	**0.78**

We can immediately see that:

- These categories are wider than music.
- Based on ONS workforce (employee) data, only one significant employment sector – Sound recording & music publishing, at 1.30 - has an LQ above 1.0.
- A significant proportion of music employees are not captured within SIC codes.

Based on national statistics alone, Liverpool City Region's music industry seems much less densely concentrated than the national average, with an overall workforce LQ of 0.40 for all sector employees. But this headline figure is misleading, because it includes SIC codes where LCR is genuinely under-represented (advertising, PR, media representation, all London-dominated) alongside codes where it has concentrations of businesses above the national average[16]:

- Support to performing arts (the code recommended by industry trade body PLASA to represent live event production services) at 1.08.
- Operation of arts facilities at 1.08.
- Radio broadcasting (1.01).

FROM SIC CODES TO SUBSECTOR LQS

Apportionment of SIC codes to reflect subsector definitions

SIC codes bundle together activities that our taxonomy identifies in different subsectors. To gain a more accurate picture of the relative strengths of LCR, we had to carry out further analysis of business numbers and employment at company-level to apportion them correctly.

SIC 5920 (Sound recording and music publishing)

Nationally, the assumed split is 70/30 favouring Recording & Distribution. In LCR, Sentric Music Group is classified under 5920 but its core business is rights administration and royalty distribution; allocating its employees to our subsector of Publishing & Licensing gives an LCR split of 29/71 - the inverse of the national pattern, in which recording studios and record labels constitute the majority of employment.

SIC 9002 (Support activities to performing arts)

This is the Standard Industrial Classification intended to cover all support occupations involved producing events across a range of activity that include dance and theatre production as well as live music. It is also the code that live events trade body PLASA recommends that employers in technical production services use. Nationally, the assumed split is 60/40 between activities which we would group under Live & Events and those technical services which come under Rehearsals & Equipment. In LCR, The Data City™ company analysis reveals a radically different ratio of 12/88, influenced by the presence of a core of 300+ FTE employees in a sector spanning Rehearsals & Equipment in which Adlib Audio is the single largest employer.

Once we had done this apportionment, we could then begin to analyse "real" LQs for both businesses and workforce using our sector definitions.

LQ by music subsector – registered businesses

The business base (all sectors) of Liverpool City Region represents 1.67% of all firms in GB: this provides our benchmark for business LQ. Note that this is different from the calculation used to calculate LQ for employment.

Table 32 LQ of registered music businesses in Liverpool City Region

Subsector	LCR registered music businesses	UK registered music businesses (IDBR 2025)	LCR as % of GB – music businesses	LCR as % of GB – all businesses	LQ
Artists & Musicians	40	6,730	0.56	1.67	0.43
Live & Events	150	2,710	5.46	1.67	4.20
Recording & Distribution	90	3,825	2.33	1.67	1.79
Rehearsals & Equipment	30	1,265	2.21	1.67	1.70
Publishing & Licensing	5	1,180	0.76	1.67	0.59
Management & Business Services	20	1,500	1.20	1.67	0.92
Marketing & Media	*	455	0.88	1.67	0.68
Total	**335**	**17,665**	**1.89**	**1.67**	**1.46**

This tells us that whilst Liverpool City Region has a relatively greater density of music companies than the national average (LQ of 1.46), the core strength of the business base lies in three subsectors:

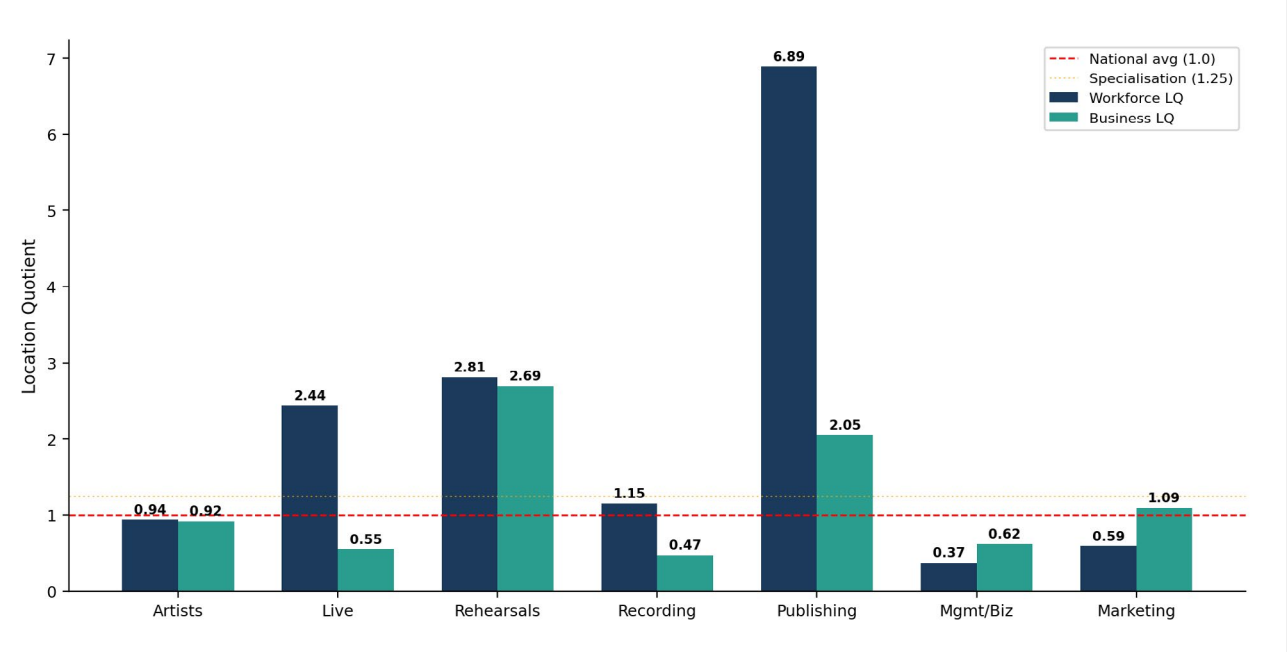
- Live & Events (LQ 4.20).
- Recording & Distribution (LQ 1.79).
- Rehearsals & Equipment (LQ 1.70).

The count of registered businesses only tells part of the story, however: much of the strength of the city region's music economy lies in its large base of freelance and self-employed.

LQ by music subsector - workforce

Analysis of LQs for workforce, incorporating our Tier 3 and 4 evidence in addition to the evidence of employment from ONS, produced a much more striking demonstration of agglomeration and specialisation:

Figure 6 LQ by music subsector - workforce



This reinforces the point that music in Liverpool isn't a cultural "extra"; it is a hyper-concentrated industrial cluster. The LQs for Publishing & Licensing (6.89), Rehearsals & Equipment (2.81), and Live & Events (2.44) prove that these are nationally significant concentrations of specialist labour and infrastructure.

The Management & Business Services gap (LQ 0.37) is the most significant structural weakness. Artists in LCR cannot access professional management locally. Career development and IP capture both leak to London. This is the single most important gap to address.

APPENDIX C: DATA SOURCES

Table 33 A1: Data Sources Summary

Data Element	Primary Source	Validation
Venue count (621)	LCR Music Board Venues Map 2025	LCR ReMap cross-reference
Dedicated venues (118)	Uni of Liverpool / LCR Music Board	Venue-by-venue review
MVT venues (21–23)	Music Venue Trust	Subset verification
Stadium capacities (14)	University of Liverpool	Public capacity data
Tier 1+2 headcount	The Data City™ / Companies House; ONS BRES 2024 (via Nomisweb)	Filtered by SIC code and Liverpool City Region geography
Tier 3 headcount	MusicSeen; Spotify royalty reports; Analysis of LinkedIn	Platform-evidenced
Tier 4 headcount	Inference from LinkedIn, Music UK and data on venue and staff numbers	Utilisation-adjusted
Artist population (4,430)	MusicSeen; LinkedIn; Musicians' Union; Survey	Cross-referenced
Employment intensity	ONS BRES 2024; LinkedIn	LCR Music Board Survey Oct–Nov 2024 (n=70) for income intensity
GVA per FTE	The Data City™ company accounts + ONS ABS	Sector-specific validated
Multipliers	ONS Input-Output Tables 2019	Regional adjusted

Table 34 GVA per FTE by sub-sector: data sources

Sector	GVA per FTE	Primary Benchmark	Validation
Publishing & Licensing	£145,798	PRS/PPL data	The Data City™ accounts
Rehearsals & Equipment	£95,646	The Data City™ accounts	Industry benchmarks
Recording & Distribution	£81,611	ONS ABS (SIC 59.2)	The Data City™ accounts
Live & Events	£68,740	ONS ABS (SIC 90)	The Data City™ accounts
Management & Business Services	£57,333	ONS ABS (SIC 74.9)	Industry benchmarks
Marketing & Media	£50,000	ONS ABS (SIC 73/60)	Regional adjustments
Artists & Musicians	£25,174	Musicians' Union surveys	

APPENDIX D: SENSITIVITY ANALYSIS AND DATA QUALITY ASSESSMENT

Table 35 Sensitivity analysis: FTE Coefficients ±10%

Scenario	Tier 1 & Tier 2 FTE	Tier 3 FTE	Tier 4 FTE	Total FTE	Direct GVA (£ million)	Total GVA (£ million)
Low (–10%)	2,050	3,005	1,440	6,495	365.3	701.8
Central	2,275	3,340	1,600	7,215	405.9	779.8
High (+10%)	2,505	3,670	1,760	7,940	446.5	857.8

Even with sensitivity analysis of –10% applied, total economic impact remains above £700 million. The floor is £702.8 million; the ceiling is £857.9 million. Whether the headline figure is £702m or £858m, the conclusion is the same: this is a sector of national significance.

Table 36 Data Quality Assessment

Data Element	Quality	Confidence	Limitations
Tier 1+2 Headcount	High	90%	Some SIC misclassification
Tier 1+2 Coefficients	Medium-High	80%	BRES/LinkedIn blend
Tier 3 Headcount	Medium	70%	LinkedIn captures 45% only
Tier 3 Coefficients	Medium	70%	Survey sample n=70
Tier 4 Headcount	Low-Medium	50%	Sectoral estimates
Tier 4 Coefficients	Low-Medium	50%	Expert judgement
GVA per FTE	High	85%	The Data City™ accounts validated
Multipliers	Medium-High	75%	National tables, regionally adjusted

Table 37 Sensitivity analysis: CAGR required to reach £1 billion

Scenario	Total GVA 2025 (£ million)	CAGR to reach £1 billion (by end 2035)
Low (sensitivity)	701.8	3.6%
Central	779.8	2.5%
High (sensitivity)	857.8	1.5%

Even from the sensitivity low case (£702.8 million), the required CAGR is only 3.6% — still below the UK creative industries benchmark of 5.6%. The £1 billion target is not aspirational; it is the expected outcome of normal sector growth, with or without intervention. The question is not whether the target is reached, but how quickly and with what distribution of benefits.

RISK ANALYSIS

LCR's music sector has some unique assets and opportunities but is still exposed to risks.

- It operates in global markets; we have seen the damage to European touring circuits resulting from tariff and non-tariff barriers raised after the UK's exit from the European Union. The data indicates that not all the region's musicians and artists have taken steps to register, protect and exploit their IP, which leaves them more dependent on live performance as the dominant share or their income and therefore more exposed to constraints on movement.
- We have already seen how current licensing arrangements for streaming music favour artists backed by major labels who can drive better deals with the platforms. AI represents a further threat to artist incomes, if AI-generated music is allowed to continue to displace original IP on those platforms.
- The data highlights the sector's dependency on a small number of industry "primes". Some of these are venues, and therefore less likely to move; but there is a risk that some of the other "IP refinery" and technical supply chain businesses could be tempted to relocate or acquired, undermining the distinctive interaction of IP, tech services and venue infrastructure which is responsible for the region's relative outperformance.
- For as long as the UK music industry and investors remain over-centralised in London, Liverpool will be more exposed to the negative impacts of the structural imbalances which result in value generated within the region disproportionately "pooling" in London-based and internationally owned corporations.

Risk Factor	Impact on GVA	Probability	Mitigation
Economic downturn	-10% to -20%	Medium	Diversify revenue streams
Relocation or acquisition of one or more sector "primes"	-10% to -20%	Low/Medium	Further strengthen supply chain linkages and encourage inward investment
Venue closures	-5% to -15%	Medium	Planning protection, rates relief
Skills shortage	-5% to -10%	High	Training investment, retention
Further tariff and non-tariff barriers to touring	-2% to -5%	High	Visa support, EU partnerships
Streaming revenue decline	-3% to -8%	Medium	IP capture, sync licensing
AI disruption	-5% to -15%	Medium	Upskilling, authenticity positioning

Two structural vulnerabilities require particular attention:

- Management & Business Services gap (LQ 0.37): This is the most significant structural weakness in the LCR music economy. Artists cannot access professional management locally. Career development and IP capture both leak to London. Without local management infrastructure, the "refinery" that converts creative output into captured IP value remains incomplete. This is the single most important gap to address.
- Anchor employer dependence: Sentric drives the Publishing LQ (6.89); Adlib drives the technical services cluster Rehearsals & Equipment LQ (2.81); Liverpool Experience Campus (formally ACC Liverpool), the Philharmonic, and other medium-sized venues are responsible for a large proportion of the Live LQ (2.44). If any of these relocated, or closed due to change of ownership or commercial headwinds, the cluster profile would change dramatically. Diversifying the business base is as important as growing headline numbers. A cluster that depends on a handful of employers is a cluster at risk.

APPENDIX E: GLOSSARY

ECONOMIC MEASURES

BRES (Business Register and Employment Survey): An annual survey conducted by the Office for National Statistics (ONS) providing employee counts by industry and geography. BRES captures employees on employer payrolls but excludes self-employed workers, meaning it systematically undercounts sectors with high freelance activity such as music.

CAGR (Compound Annual Growth Rate): The average annual growth rate of an investment or economic measure over a specified period, assuming growth compounds each year. Used in this report to model the growth rate required to reach the £1 billion target.

Direct GVA: The gross value added generated directly by businesses and workers in a sector, before multiplier effects are applied. In this report, direct GVA for LCR's music sector is £406 million.

FTE (Full-Time Equivalent): A standardised measure of employment that converts part-time, freelance and variable hours into equivalent full-time positions. One FTE equals one person working full-time for one year. A part-time worker contributing half a standard working week would count as 0.5 FTE. This allows meaningful comparison across different working patterns.

FTE Coefficient / Intensity Coefficient: A multiplier applied to headcount to convert it to FTE. For example, if survey evidence shows that freelance musicians spend on average 73% of their working time on music, an FTE coefficient of 0.73 is applied. This prevents overcounting part-time and portfolio workers as equivalent to full-time employees.

GVA (Gross Value Added): The value of goods and services produced by a sector, minus the cost of inputs (materials, supplies) used in production. GVA measures the economic contribution of a sector and is the building block of GDP. It can be thought of as the sum of wages paid plus profits generated. GVA is the standard measure used by government to assess the size of economic sectors.

GVA per FTE: A measure of productivity calculated by dividing total GVA by the number of full-time equivalent workers. Higher GVA per FTE indicates higher productivity. In this report, Publishing & Licensing generates £145,798 per FTE while Artists & Musicians generate £25,174 per FTE.

IDBR (Inter-Departmental Business Register): The comprehensive list of UK businesses maintained by ONS, used as the sampling frame for business surveys. It captures registered businesses (companies, partnerships, sole traders registered for VAT or PAYE) but excludes unregistered self-employed individuals and very small businesses below VAT thresholds.

Indirect Impact: The economic activity generated in supply chains when music businesses purchase goods and services from other firms. When a venue hires a security company or buys equipment, that spending supports other industries. Also called "supply chain effects."

Induced Impact: The economic activity generated when employees and freelancers in the music sector spend their wages and fees in the wider economy—on housing, food, transport, leisure and other goods and services. This spending supports jobs in retail, hospitality and other sectors.

Location Quotient (LQ): A measure of industrial concentration comparing a region's share of employment or businesses in a sector to the national share.

- **LQ = 1.0** means the sector is represented at exactly the national average level.
- **LQ above 1.0** indicates concentration (the region has more than its "fair share").
- **LQ below 1.0** indicates under-representation (the region has less than expected).
- **LQ above 1.25** is generally considered evidence of a "specialised cluster".
- **LQ above 2.0** indicates a cluster of national significance.

For example, an LQ of 3.06 for Publishing & Licensing means LCR has approximately three times the expected level of employment in that sub-sector given its share of national employment.

Multiplier / Type II Multiplier: A factor used to calculate the total economic impact of direct activity, including indirect (supply chain) and induced (wage spending) effects. This report uses a multiplier of 1.92, meaning every £1 of direct GVA generates a total of £1.92 in the wider economy (£1 direct + £0.45 indirect + £0.47 induced). Type II multipliers include both supply chain and household spending effects.

Productivity: Economic output per worker, typically measured as GVA per FTE. High productivity sectors generate more economic value per employee. Productivity varies dramatically across the music sector, reflecting how different roles capture value.

SIC Code (Standard Industrial Classification): A five-digit code used by government to classify businesses by their primary activity. Music-related activities are spread across multiple SIC codes (e.g., 5920 for sound recording, 9001 for performing arts, 9004 for venue operation). Because these codes were designed for traditional industries, they fit poorly with music's fragmented, cross-cutting structure and systematically undercount the sector.

Total Economic Impact: The sum of direct GVA plus indirect and induced effects, calculated by applying the multiplier to direct GVA. In this report, direct GVA of £406 million generates total economic impact of £780 million.

Turnover: Total revenue generated by a business before deducting any costs. Not the same as profit or GVA. A business with high turnover but high costs may generate relatively little GVA.

WORKFORCE TIERS

This report uses a four-tier model to capture the full music workforce, recognising that conventional statistics see only part of the picture.

Tier 1: Sector Primes: The approximately 25 largest music-specialist companies in LCR, each with annual turnover exceeding £250,000. These anchor institutions include nationally significant firms such as Liverpool Experience Campus (formally ACC Liverpool), Royal Liverpool Philharmonic, Sentric Music, Ditto Music, Adlib Audio, and Sound City. Some of the "primes" are technically still SMEs, but their scale and supply chain relationships differentiate them from the micro-business majority.

Tier 2: SMEs and Micro-businesses: Approximately 310 smaller registered businesses whose primary activity is music related. This tier represents the specialist infrastructure of the region: recording studios, rehearsal spaces, equipment hire, artist management, booking agencies, and event production companies. The vast majority are micro-enterprises employing fewer than 10 people.

Tier 3: Visible Freelancers: Approximately 4,655 self-employed professionals identified through digital platforms (LinkedIn, Instagram, Spotify) and industry databases. This tier represents working professionals whose income derives primarily from music but who operate outside registered employment. It includes performers, producers, engineers, session musicians, DJs, promoters, and technical crew. Many combine multiple music-related roles in "portfolio" careers.

Tier 4: Invisible Freelancers and Shared Utility Workers: Approximately 7,100 additional workers comprising two groups:

- **Invisible freelancers**: Professional musicians without significant digital footprints—function band performers, session musicians working through word-of-mouth, community music practitioners
- **Shared utility workers**: Staff in adjacent sectors (hospitality, events, technical services) for whom music-related activity represents a meaningful but minority portion of employment—bar staff at music venues, casual crew at arena shows, part-time security at festivals

This tier is essential to the music economy's functioning but invisible to conventional measurement.

MUSIC SECTOR TERMINOLOGY

Capture Position: In complexity economics, a position in a value network where flows concentrate and uncertainty is reduced. Rights administrators, technical production companies, and venue operators occupy capture positions; they aggregate value from multiple sources through standardised processes. Capture positions typically show higher productivity (GVA per FTE) than generative positions.

Generative Position: In complexity economics, a position in a value network characterised by high uncertainty and many possible outputs. Artists and musicians occupy generative positions; they create the original material (songs, performances, recordings) from which all other value derives, but face unpredictable outcomes and capture relatively little of the downstream value.

IP (Intellectual Property): Legal rights over creative works, including copyright in songs, recordings, and compositions. IP rights generate ongoing royalty income when music is performed, broadcast, streamed, or licensed for use in films, advertisements, and other media. Effective IP registration and administration is essential to capturing long-term value from creative work.

Metadata: Standardised information embedded in digital music files identifying the song, writers, performers, publishers, and rights holders. Accurate metadata is essential for royalty collection; without it, streaming platforms cannot identify who should be paid. Poor metadata is a significant cause of unclaimed royalties.

Portfolio Career / Portfolio Working: A working pattern common in music where individuals combine multiple income streams (performance, session work, teaching, production, licensing) often within a single working week. Survey evidence shows 48% of LCR music professionals derive less than half their income from music. The portfolio career is not an aberration but the norm in the sector.

Sync Licensing: The licensing of music for "synchronisation" with visual media—films, television programmes, advertisements, video games, social media content. Sync deals can generate significant one-off fees and ongoing royalties. "Sync readiness" - having properly registered, cleared, and accessible music - is increasingly important for artist income.

VENUE CATEGORIES

Dedicated Music Venue: A venue where 100% of staff time relates to music venue operations and music is the primary business function. LCR has 44 dedicated music venues, including 13 members of the Music Venue Alliance (out of a total of 22 MVA venues in the region).

Frequent Music Event Space: A venue hosting live music three or more times per week. LCR has 118 such venues, of which only 10 are "dedicated" music venues—the remainder are primarily hospitality businesses (bars, pubs) with regular music programming.

Grassroots Music Venue (GMV): A term widely used to describe independently owned and run small-to-medium capacity venues (typically under 500) that provide performance opportunities for emerging artists. These venues are essential to artist development but often operate on thin margins and face commercial pressures from rising costs and competing land uses. This report uses a more specific taxonomy to differentiate between venues of different scales which present programmes of greater and lesser intensity.

Music Venue Trust (MVT) A UK charity that represents and supports independent music venues. MVT operates a membership body of Music Venue Alliance (MVA) venues which reflects a venue's recognition as part of the national live music infrastructure. LCR has 22 MVA venues.

GEOGRAPHIC AND STATISTICAL TERMS

GB (Great Britain): England, Scotland and Wales. Used as the comparator geography for employment data (BRES), which does not cover Northern Ireland.

LCR (Liverpool City Region): The combined authority area comprising Liverpool, Wirral, Sefton, Knowsley, St Helens, and Halton. Population approximately 1.6 million.

UK (United Kingdom): England, Scotland, Wales and Northern Ireland. Used as the comparator geography for business counts (IDBR).

COMPLEXITY ECONOMICS TERMS

Agglomeration Effects: The benefits that arise when related businesses and workers cluster in geographic proximity. These include knowledge spillovers, shared labour pools, specialised suppliers, and reduced transaction costs. LCR's technical production cluster (anchored by Adlib) demonstrates agglomeration effects.

Cluster: A geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters develop competitive advantages through proximity, shared infrastructure, and knowledge exchange. LCR has identifiable clusters in publishing/rights administration and technical production.

Complex Adaptive System: A system composed of many interacting agents whose collective behaviour produces emergent patterns not predictable from individual components. The music economy exhibits characteristics of complex adaptive systems: power-law distributions (many small actors, few large ones), functional specialisation, and networked interdependencies.

Economic Moat: A sustainable competitive advantage that protects a business or region from competition —like a moat protecting a castle. LCR's technical production infrastructure (venues, equipment, skilled workforce) represents an economic moat: it is difficult for other regions to replicate quickly.

Flow Velocity: The speed at which value moves through an economic network. Faster rights registration and royalty distribution increase flow velocity, enabling artists to capture value more quickly. Increasing flow velocity is one mechanism for improving artist incomes without requiring additional creative output.

Leakage: The proportion of economic activity that flows out of a region rather than circulating locally. High leakage reduces multiplier effects. LCR's music sector has relatively low leakage because it has local suppliers for many specialist services (technical production, rights administration) that other regions must import from London.

Network Topology: The structure of connections in a network—who is connected to whom, and how densely. Social network analysis of LCR's music workforce reveals a diffuse network (most organisations connected to only one or two others) with small clusters of more intensively connected specialists.

Smart Specialisation: An economic development strategy focusing on a region's existing strengths and distinctive capabilities rather than attempting to replicate successful sectors from elsewhere. LCR's music sector demonstrates smart specialisation in publishing/licensing and technical production.

DATA SOURCES

Companies House: The UK government register of companies, providing information on company registration, directors, accounts, and status.

The Data City™: A commercial platform providing firmographic analysis of UK businesses, combining Companies House data with other sources to identify active businesses by sector.

Liverpool City Region Music Board Live and Full Sector Maps: Online maps and directories that allocated all music related businesses operating across the LCR into the sub-sector categories.

LinkedIn: Professional networking platform used in this research to identify music professionals by job title and location, and to analyse workforce movement between organisations.

MusicSeen: Platform providing analysis of artist social media presence and streaming catalogue data.

Nomis / Nomisweb: The ONS service providing access to labour market and business statistics, including BRES and IDBR data at local authority and combined authority level.

ONS (Office for National Statistics): The UK's national statistical institute, responsible for collecting and publishing official statistics on the economy, population, and society.

This glossary is intended to help general readers understand the technical terms used in this report. For detailed methodology, see Appendix A.

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NOTES

1 Based on GVA per FTE of £25,174 and an average FTE coefficient of 0.73.

2 https://www.musicvenuetrust.com/mvt-news/

3 Liverpool City Region (LCR) Music Sector Map is the result of a collaboration between the Liverpool City Region Music Board (LCRMB) and researchers from The University of Liverpool. The mapping application and directory aims to deliver a detailed mapping of the entire music value chain in the LCR, and builds upon and develops methodologies to identify music venues operating across the region.

4 Interdepartmental Business Review, the standard annual sample-based survey used by the Office of National Statistics to construct estimates of business populations, extracted via Nomisweb.

5 The Data City's proprietary "Real Time Industry Classifications", which use a more precise and industry specific taxonomy based on company activity established using an algorithmic scrape of websites.

6 MusicSeen is a Liverpool-based organisation compiling directories of artists, venues and anything music-related across the City Region: https://www.musicseen.info/about-us/

7 UK Music (2024) This Is Music 2024, https://www.ukmusic.org/research-reports/report-archive/this-is-music-2024/ (accessed 19 December 2025).

8 Details of how we collated the workforce headcount and then calculated FTE coefficients are detailed in Appendix A, below.

9 This total taken directly from MusicSeen survey data – all other totals rounded to nearest 5 to mitigate risks of disclosure.

10 See Farmer and Foley, 2009.

11 We did not attempt to map sub-sectors of Music Education or Visitor Economy because of the problems of "leakage" and double counting of outputs. However, it is practically impossible to separate out earnings of Artists & Musicians to exclude their income from these sub-sectors. Therefore, our estimates of both workforce and GVA for the Artists & Musicians sub-sector should be assumed to include both inputs to and income from the Education and Visitor Economy sub-sectors.

12 Interdepartmental Business Review, the standard annual sample-based survey used by the Office of national Statistics to construct estimates of business populations, extracted via Nomisweb.

13 The Data City's proprietary 'Real Time Industry Classifications', which use a more precise and industry specific taxonomy based on company activity established using an algorithmic scrape of websites

14 ONS does not publish structured data on "informal" music organisations and freelance working in the music sector that would allow comparative analysis of LQ for LCR Tier 3 music organisations.

15 LCR share of GB employment = 2.25%.

16 We have not analysed Manufacture of musical instruments in detail as it is a small, niche subsector.



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Iain Bennett is a Creative Alchemist and Project Director of The Fifth Sector, an LCR-based organisation that provides cities and regions with research, insight and tools to develop resilient, place-based strategies and effective action plans to boost growth of and investment in the creative and digital economy.

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LIVE MUSIC MAPPING PROJECT

MUSIC FUTURES

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