

Responding to COVID-19 in the Liverpool City Region

Securing the Future of Liverpool City
Region's Live and Dance Music Sector

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Map of Liverpool City Region Combined Authority (LCRCA) boundary (in red) and constituent local authorities



Data sources: Westminster parliamentary constituencies (December 2018 - ONS), local authority districts (December 2018 - ONS), and combined authorities (December 2018 - ONS)

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Key takeaways

1. Liverpool and music are synonymous. The music sector plays an integral role in both the cultural and economic life of the Liverpool City Region (LCR), and underpins its national and international recognition and reputation. For example, music-related tourism contributed an estimated £186m in 2019 to the regional economy.
2. The LCR's live and dance music sector has been operationally and economically devastated during the coronavirus pandemic by the near year-long adherence to national and locally-tiered lockdowns and social distancing restrictions.
3. Although support was introduced early on in the pandemic response through the LCR Music Industry Support Fund and other financial measures, research by Bido Lito! and the University of Liverpool indicates the significant economic impact of the crisis on music-makers, promoters, freelancers, and small and medium sized businesses. Many were ineligible for the various state support schemes.
4. Building on Liverpool's community testing programme, piloting the use of rapid testing in venues in early 2021 could kick-start the events sector's recovery and edge venues back toward normal operations. Other recommendations include a business rates exemption, a "seat subsidy" scheme, and a sustained marketing campaign.
5. A coordinated effort between local and combined authorities, the Liverpool City Region Music Board and venues, promoters, and festival organisers is essential to rebuild the confidence to put on performances and events and attract audiences.

1. Introduction

Prior to COVID-19 and the national and regional government regulations introduced to manage the pandemic, the Liverpool City Region's (LCR) live and dance music sector was an integral part of the City Region's social and cultural identity and a [significant contributor to the local economy](#). By March 2021 – the month when the national vaccination programme will be available to the UK's under-fifty population – the LCR's music scene will have suffered a full year without accessing its main audience demographic and key target markets.

The City Region's placement in [Tier 2 of the newly adopted system of local restrictions](#) affords the opportunity for some venues to reopen during the festive season and operate into the New Year, assuming that, at the very least, this status remains in place. However, many

smaller venues unaccustomed to operating seated entertainment and table service, still consider the social distancing and capacity restrictions too restrictive or impractical to reopen.

While a combination of state and sector support schemes have ensured that many venues have survived this far, several have closed permanently. Even for those that have battled through, subsidy has been no substitute for standard operations. For the individual sole trader musicians and promoters, freelancer technicians, and a host of small and medium sized companies – whose crucial work is championed by [#wemakeevents](#) – access to an adequate level of support has proven extremely challenging. Evidently, the longer the lack of normal live music activity continues, the less effective funding will be at plugging the gaps.



(Credit: [Desi Mendoza](#))

A return to a COVID-safe but functioning and then thriving music scene in early 2021 is imperative to secure the future of the LCR's world-renowned live and dance music sector. The recent community testing pilot programme demonstrated what is achievable when national, regional and local policy-makers work together with community support. The recommendations made in this briefing build upon that collaborative premise, urging national and regional politicians to provide the structural support necessary to release the entrepreneurialism and ingenuity of the music sector. By doing so, we can reinvigorate Liverpool's status as a global music capital and deliver on a key component of the [LCR's future Local Industrial Strategy](#).

2. The strength of the LCR's pre-pandemic music sector

Liverpool is one of just 47 [UNESCO World Cities of Music](#), an accolade that acknowledges the £100m a year city regional music economy (BOP Consulting

2018), as well as the significance of music to the City Region's heritage and culture. In addition, music-related tourism contributed an estimated £186m in 2019 to the city regional economy (UK Music 2020).

With an annual box office revenue of around £50m, live music has particular significance in Liverpool, accounting for 44% of the City Region's music economy, a much higher percentage than live music's 23% share of the UK's overall music economy (BOP Consulting 2018). In 2016, 937,000 people attended a live music event in the LCR, with fans spending an average of £103 on the ticket and gig experience (UK Music 2018; Padilla et al. 2018). With 81% of musicians reliant on performance fees for part of their income, live music is integral to developing and maintaining careers (DHA Communications 2012). Beyond the economic importance, the City Region's music venues are also the incubator of the next generation of musicians, managers, promoters, sound and lighting engineers,

and almost anyone with aspirations for a career in the music industries.

The combination of the live music sector's contribution to the economy; its part in making the City Region a global tourist attraction; its importance to residents for social interaction and entertainment; its significance to musicians' incomes; and its role as a hotbed of talent development, is why "safeguarding and protecting music venues" is the first priority of the [Liverpool City Region Music Board](#) (LCRMB) (see Figure 1).

Figure 1. Liverpool City Region Music Board

Established in December 2018, the Music Board is as an independent sector-led body appointed by the LCRCA. Charged with cementing the City Region's position as one of the world's music capitals, the Board's 16 members are responsible for creating and overseeing a strategy to grow the sector and develop its economic and social impact in the LCR.

3. The impact of the pandemic on the LCR's music sector

When the pandemic and resulting national lockdown forced most music businesses to close in March 2020, the LCRMB coordinated and administered the Liverpool City Region Combined Authority's (LCRCA) initial response to support the sector. The [LCR Music Industry Support Fund](#) allocated £150,000 of funding in June 2020 between 56 businesses in the City Region. With 44% of the businesses supported operating across the live music sector, the devastating impact of the pandemic was already apparent.

An online survey of music makers ($n=175$) conducted by [Bido Lito! and the University of Liverpool](#) found that:

- 87% of musicians were scheduled to have been involved in some type of live performance during lockdown;
- And 70% of those with shows booked expected to earn a fee.

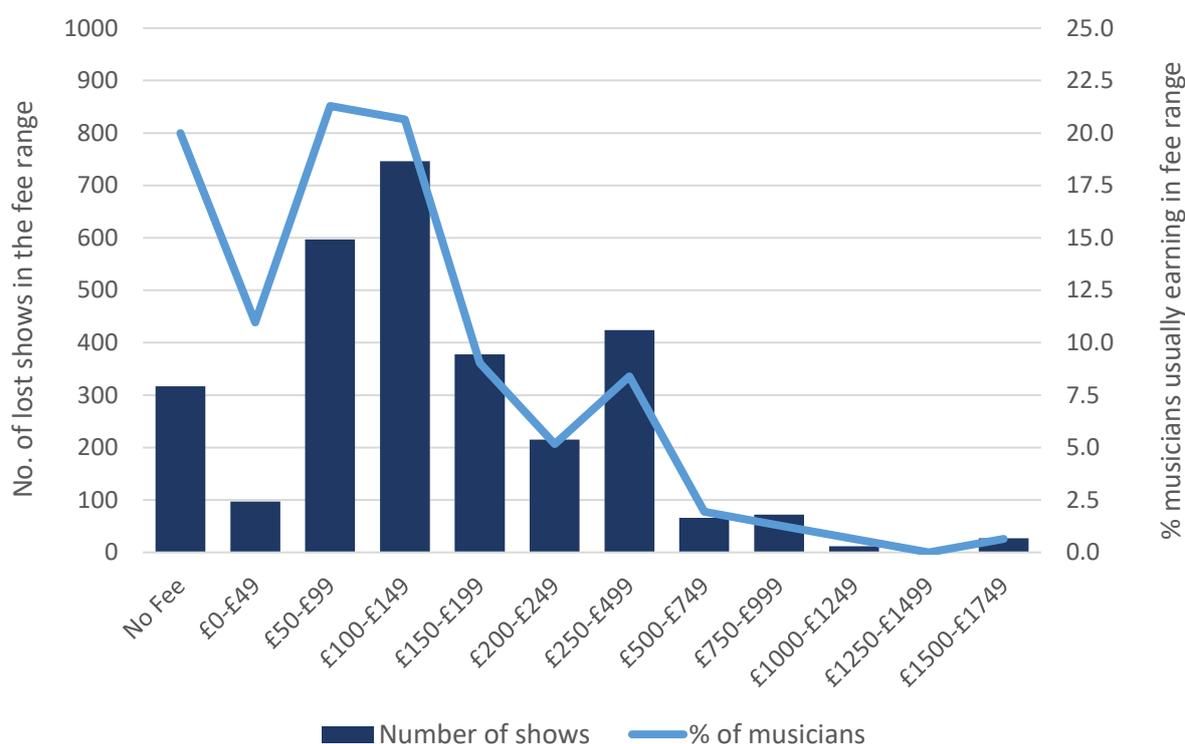
Figure 2 indicates the number of shows cancelled for each individual fee bracket (dark blue bars) and the percentage of musicians who would usually earn that performance fee (light blue line). This demonstrates how the £50-£200 per person gig is the bedrock of live performance income for LCR musicians.

The 2,996 cancelled events over the 20-week period between March 23 and August 9 (when the survey closed) averaged to 149.5 events per week. When multiplied by the average individual performance fee (£128) and the average number of performers (4.7) per event, the total value of lost performance revenue averaged £87,308 per week. This weekly average equates to an annual £4.5m loss in domestic performance income to LCR musicians – a conservative estimate, as it discounts the substantial revenues lost due to the cancellation of international touring and festival appearances by musicians based within the LCR, and the many regional performances that would have been booked for the busier summer season during the early lockdown period.

The City Region's promoters, freelancers, and small and medium sized businesses, who produce events and provide and operate sound and lighting systems and touring services regionally, nationally and internationally, were equally impacted. As with many music-makers, they were often ineligible for the various state support schemes.

When coronavirus measures relaxed during the summer, recording studios, record labels, and music publishing returned to some semblance of normal

Figure 2. Number of shows lost by LCR musicians during first national lockdown (March to July), by fee value



(Source: [Bido Lito! and the University of Liverpool 2020](#))

operations. However, live and dance music venues operating within the [Department for Digital, Culture, Media and Sport's \(DCMS\) guidance](#) still struggled to open, and all those that did had to significantly modify their usual offer and strained to generate any profit.

Despite the considerable range of generic business support available, the UK government's acknowledgement of the challenges faced by England's events sector resulted in the Cultural Recovery Fund (CRF). Across the LCR, 22 predominantly live sector related music companies received a total of £8.45m in CRF funding, hopefully securing their survival until 31 March 2021. However, given the pre-COVID-19 market challenges faced particularly by small and medium sized venues (Bido Lito! & LJMU 2017), the pandemic has already been a catalyst for the closure of numerous venues – including iconic spaces such as The Zanzibar and Constellations – with

more still at risk. This risk is compounded by the impending Brexit, which will likely make it harder for the City Region's bands to tour Europe and for local promoters to book European based bands.

4. Response to the pandemic by the LCR's music sector

At the end of October 2020, Bido Lito! and the University of Liverpool ran a Zoom consultation event that captured the opinions of fifty people active in the music scene concerning the key pandemic related challenges facing regional venues in 2021, and generated ideas on how to overcome them. Since then, the LCR has emerged from a second national lockdown into the updated Tier 2 restrictions, meaning that venues can reopen to household bubbles. The DCMS announcement in December 2020 enabling venues to sell alcohol at ticketed events without an accompanying meal is

another welcome boost to both the audience experience and every venue's bottom line.

As we await the delivery of a vaccine, from the live music sector's perspective, the LCR's first priority must be to remain at least within Tier 2 and ideally transition into Tier 1. In the meantime, policy-makers should act upon the five recommendations elaborated below to help secure the future of the City Region's live and dance music sector:

Build on the LCR's rapid testing pilot and lead the way in using the "freedom pass" concept to gradually increase capacity and attendance at events

Given that the postponement of events has eroded public confidence in buying tickets to new events, offering pre-event rapid testing is one approach toward restoring public confidence in both attending and fully enjoying music events. Working with Public Health England, DCMS, the City Region's public health and safer business teams, the LCRMB and possibly private testing companies, venues can prospectively pilot the use of rapid testing to test staff, performers and audience members prior to and on the day of a series of test events between January and March 2021.

Adhering to the test, clean and prevent guidance advocated by the [Music Venues Trust](#), the pilot could run in a range of venues that differ in size and audience demographic. Starting with small numbers of attendees, these "[Freedom Pass](#)" events would enable all attendees with negative test results time-limited access to a venue for an event with minimised social distancing, enabling audiences to move, dance, and sing along to a conventional live performance or DJ set. Following a review after each event to assess the impact on transmission and the social experience, subsequent events could gradually increase in capacity and / or

relax social distancing regulations. The pilot events would provide crucial data on the resources required to enable the delivery of a calendar of pre-tested events from February 2021.

Lobby government to extend the business rates waiver to music venues for the 2021-22 financial year

The [November 2020 Spending Review](#) states that the current waiver on business rates until March 2021 will be reviewed in the New Year. The review suggests business sectors most affected by national and regional restrictions may be eligible for further business rates waivers. As normal business operation is unlikely to return until the end of 2021, along with an extension to the VAT reduction on ticket sales past March 2021 (UK Music 2020), the City Region's MPs, Metro Mayor and local authorities must lobby the government for the necessary funding to cover the exemptions on 2021-2022 business rates for music venues across the City Region.

Pilot a seat subsidy scheme to provide the certainty needed by venues and promoters to book and promote events

As long as social distancing guidance minimises venue capacities, booking viable events increases the risk for promoters and venues of what has always been a risky financial endeavour. The established economic model used by promoters to assess the viability of shows multiplies the ticket price by the number of expected sales, minus the full cost of the event.

To bring back market confidence and give promoters the certainty to book shows, working with the LCRMB, Arts Council England and Musicians' Union, the LCRCA could pilot a "seat subsidy" scheme to support music events beginning in [Independent Venues Week](#) at the end of January 2021. This would

finance the shortfall of reduced capacity audiences for an event up to its break-even point, where all costs of performers, technicians, venues staff, promotion, etc., are covered at the usual rates the promoter would pay in that venue. If events were cancelled due to a sudden change in restrictions, then all costs of events scheduled within a month of that date would be underwritten by the scheme. This would incentivise all types of promoters across the City Region to book events, providing musicians and freelance technicians with much needed work, and breathing life back into the sector until a vaccine enables a return to more standard modes of operation.

Appropriate designated public spaces and proactively license outdoor music events for spring and summer 2021

The devastating impact of the loss of all music festivals in 2020 not only affected the social and cultural fabric of the LCR, but was also highly damaging to the visitor economy. Despite the promise of vaccines and community testing, the forward planning and logistics involved in putting on large outdoor music events makes the likelihood of a normal festival programme in 2021 uncertain. To ensure some return to the vibrant summer schedule the City Region annually offers, the sector would call upon MPs and local authorities to:

- Invest in and provide semi-permanent infrastructures in key spaces for the spring / summer months to facilitate larger outdoor events;
- Proactively license and allow cost-free road closures to facilitate smaller outdoor events;
- Roll-over the 2020 licence fees for festivals into 2021;
- Lobby for UK Government backing for a live music events reinsurance scheme (UK Music 2020).

Market LCR venues as both open for business and safe to come back to

Even after the vaccine rollout, rebuilding public confidence to buy event tickets is going to be a major task. The LCRMB, in collaboration with Culture Liverpool and the events teams across the LCR's six local authorities, could deliver a sustained marketing campaign that effectively promotes COVID-safe venues and activities throughout 2021.

5. Securing the LCR's music sector

A music venue's primary business is to manage access to their premises. To do this, venue owners have always needed to work with local authorities and other public bodies that provide the licensing, transport and other infrastructures that enable the public to reach the venues and to trust that venues operate safely. The actions recommended in this briefing acknowledge that the City Region's live music sector cannot be funded to remain shut indefinitely, and so outlines ways to empower the entrepreneurial spirit of those working within and with our venues and clubs to get back to business.

Until a vaccine means dancing and singing in a club amongst hundreds of other people no longer poses a risk to everyone's health, now more than ever, partnership between venues and local, regional and national government is crucial to the live music sector's survival. Implementing any one of the five recommendations above would provide a boost to the revival of the LCR's live and dance music sector. However, taking combined action across all five would go a long way to ensuring Liverpool's return to the place with a reputation for not just *where* music happens, but *why* music happens (Du Noyer 2004).

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