



Live music
Industry
Venues and
Entertainment

Valuing Live Music (2021)

Carey & Chambers



media insight consulting

Contents

Foreword	3
2021 in Review	4
UK Live Music: Valuation	5
UK Live Music: Employment	7
Acknowledgements & Report Authors	8



Foreword

2021 was another hugely challenging year for the UK live music industry. 2020 had tested our resilience and resources to the limit and now we needed an opportunity to rebuild shattered careers and balance sheets. While there were opportunities, shifting Covid restrictions made for an unpredictable (and at times, impossible) trading environment.

We started the year in lockdown, with artists, promoters, venues, and festivals unable to trade. Whilst the situation did ease during the summer months when some venues and festivals were able to operate dependent upon localised COVID-19 restrictions in England, Scotland, and Wales. However, the Omicron variant at the end of the year then triggered a reintroduction of widespread lockdowns.

A lack of a viable pandemic re-insurance scheme for the trade as well as consumers led to staff shortages, band cancellations, and customer no-shows, which meant that, even when open, trading conditions were sub-optimal. As this report highlights a sector that had a GVA of £4.5bn and 210,000 FTEs in 2019 needed to absorb, across 2021, a £2.68bn decline in GVA and 92,000 FTEs.

Those shifts placed a strain on us all. The long term impacts of which are only now emerging – most notably in our personal mental health and sector wellbeing. Awareness of these issues is being cited as a reason for artists and others to take a step back and reduce their commitments (where finances allow). 2021 saw live music lose talented and experienced industry personnel to other sectors of the economy – most notably logistics, broadcasting, marketing, and retail. It was also a year of atypical audience behaviour with late ticket purchasing decisions and abnormal levels of non-attendance by ticket holders further destabilising trading and reducing event profitability.

Throughout this time, LIVE (and its member organisations) proved to be a key partner of Government, securing funding for the sector, helping to shape the pace and structure of reopening and, most visibly, running test events to demonstrate our collective ability to reopen safely. It is a testimony to the durability, expertise and creativity of everyone across the UK live music industry that we were able to respond as rapidly and efficiently as we did.

2022 is presenting its own challenges with post-Covid changes in consumer behaviour joined by the general cost-of-living crisis, significant sector-specific cost inflation and spiralling energy prices. This will, no doubt, be reflected in our 2022 analysis of the industry. But what we have also seen this year is a continued love for live music, the world class expertise in the UK and the depth and breadth of our live music offer.

Our sector is a key UK asset and an important sector of the economy. Live music can help drive recovery in both urban and rural areas, grow exports, drive domestic and international tourism and, with its unparalleled soft power, positively showcase UK talent across the globe. In return, we ask the Government's assistance to turbo charge our efforts through:

- The reintroduction of a 5% VAT rate on tickets in recognition of the cultural value of our work and as an economic stimulus in uncertain times (as in other markets).
- Securing a cultural exemption to the provisions of the UK-EU Trade & Cooperation Agreement to allow people, vehicles and merchandise to move freely around the EU.
- Establishing a Music Export Office to accelerate growth across key markets (within this, the creation of additional funds for artists and crews to access EU markets).

The world class UK live music sector delivers unique, memorable communal experiences. Be it in a festival field, small, grassroots music venue, concert hall or arena, excellence is delivered as standard allowing millions to escape the challenges and pressures of everyday life. This is an industry which must be protected to the benefit of the entire UK.

Jon Collins, CEO LIVE



Key Findings

Live music generated £1.82 billion GVA (Gross Value Added) during 2021.

This was a decline of 60% when compared to 2019 (£4.5 billion), the most recent full year of activity.

This breaks down to £1.1 billion from concerts, and £710 million derived from festivals.

By comparison, in 2019, live music contributed £4.5 billion GVA, £2.74 billion from concerts, and £1.76 billion from festivals.

Live music supported 118,000 roles in 2021, ranging from on-stage talent and production specialists to event-only bar staff, down from 210,000 in 2019.

Core (permanent) FTE staff fell by 14% to 47,000, while casual staff FTE's fell to 71,000, a decline of 55%.

2021 in Review

It will come as no surprise to the artists, promoters, venues, production services, crew, and event support staff that 2021 was another extremely difficult year.

Starting in lockdown, it was not until late spring and the gradual easing of indoor event restrictions and the ERP (Events Research Programme) pilot events that guidance was then available for those attending or hosting events. With the relaxation of COVID-19 health & safety protocols and regulatory sign-off for large scale assembly, only then was there any opportunity to relaunch the live music sector.

Unfortunately, despite various Government support schemes for businesses – Bounce Back Loans, Job Retention & Furlough Support, reduced VAT for tourism & hospitality firms, and the establishment of the CRF (Culture Recovery Fund) – for those organisations unsuccessful, or ineligible for support, or companies without access to new capital, or freelancers and the self-employed with cash reserves exhausted, for many the summer season of festivals and the autumnal tours proved too fleeting an opportunity to successfully relaunch.

And then, the year ended with another lockdown and the Omicron COVID-19 variant devastating planned events for December and early 2022.

Throughout the prolonged lockdown periods the live music customer, fan, patron, and ticketholder overwhelmingly retained their desire for IRL experiences, eager to re-embrace the spectacle and excitement of live performance.

Albeit it should be noted that the shock of the pandemic did detrimentally impact the level of some audiences, with no-shows of up to 30%, an industry concern balanced to some extent by increased on-site expenditure as attendees tended to go straight to events. The trading environment was further complicated by a trend for delayed ticket purchase (like no-shows, a trend that has continued into 2022).

In reviewing the full twelve months, despite the efforts of many across the industry, with some notable successes that should rightly be celebrated and acclaimed, this was a challenging end to what had proven to be a difficult year.



UK Live Music: Valuation

Historically the live music sector has been difficult to define and as such clearly identifying industry earnings, employment, exports and imports of goods and services, or indeed the precise number of businesses active in the sector, has been challenging.

This 'invisibility' of the scale, reach, diversity, and economic vibrancy of the live music industry, means that the predominately commercial art-form and pastime has been difficult for governments, regional development agencies and associated cultural funding organisations to support at scale. The authors would like to acknowledge the industry initiatives to address this lack of visibility through the greater use of common SIC codes.

The arrival of the COVID-19 pandemic in early 2020 meant that the live music sector, together with colleagues from the theatrical and performing arts industry, had to quickly provide information to the UK government to directly appeal for support.

The original 'Valuing Live Entertainment' report (June 2020) therefore provided an outline of the scale of the combined live music and theatrical entertainments, and incorporated a number of pre-existing reports and methodologies, whilst utilising a consistent set of analytical tools to harmonise cross sector definitions, avoiding any double-counting of revenues across the differing sector strata (Artists / Attractions, Promoters / Producers, Venues, Ticketing etc.), and tightly defined incremental revenues derived from on-site and off-site spend, to provide a coherent structure for sector comparison and wider understanding of the economic value of UK live entertainment.

This follow-up report for 2021 focuses entirely on the UK live music industry, rather than theatre and other events, while still capturing on-site and off-site expenditure, such as local hospitality consumed before attending a show.

In the previous report, given the urgency of the situation, it was not possible to commission new industry reviews or assessments. Nor was there a central body available to whom the report authors could approach for assistance in mapping out the range and scale of live music revenues and employment.

The pandemic however positively energised sector-wide collaboration, and directly led to the formation of LIVE (Live music Industry Venues & Entertainment) (<https://livemusic.biz/>) which brings together fourteen industry trade associations, including approximately 3,150 businesses, under one umbrella group as a single, united voice.

These organisations and their memberships, collectively represent the UK live music industry, that pre COVID-19 entertained over 30 million people annually, whilst directly employing over 210,000. As previously highlighted the sector contributed £4.5 billion GVA in 2019.

Other organisations have attempted to define the live music sector, including the excellent UK Music (<https://www.ukmusic.org/>) reports. But they typically focus on the creative individuals (the artists, musicians and songwriters) and therefore draw the line at on-site expenditure and do not include off-site spend, accommodation, travel, merchandise etc. and are more singularly focussed on the Artist / Songwriter and/or Publisher / Rights Owner perspective.



The advantage of LIVE is that its associate organisations reflect the full national range of live music creators, producers, and enablers. They are at the epicentre of the live music economy as service and technology providers, commercial distribution solutions and community-based platforms, from grassroots venues to arenas and greenfield sites.

We believe the accuracy and analysis of this report has benefited from LIVE's access to data and sectoral expertise. As this relationship develops and new levels of data and understanding are unlocked, future iterations of this work will be stronger still.

We understand that further tools and support is needed from within the industry as well as from allied supporters, suppliers, and agencies, and that LIVE needs to continue to ensure that the interests of live music in the UK are understood and communicated to Government, policymakers, regulators, the public and the wider music and entertainment industries.

Concerts & Festivals

Additionally, many of the LIVE member organisations have a treasure trove of data, developed over many years, and their expertise and sector understanding has informed this report.

For example, the NAA (<https://www.nationalarenasassociation.com/>) in the period pre-pandemic, valued their portion of the live music industry as delivering £1.9 billion GVA, excluding ticket sales. When factoring in the value of tickets sold – based on the invaluable PRS for Music (<https://www.prsformusic.com/>) music copyright & performance data – and then adding in additional insight from the MVT (<https://www.musicvenuestrust.com/>) and others including STAR (<https://www.star.org.uk/>) members, we were able to identify a £2.74 billion GVA for music concerts in the UK in 2019.

By refining our understanding of the reported data, ensuring any de-duplication of revenues whilst extending our knowledge base across the LIVE membership, we were able to identify £1.1 billion GVA for concerts in 2021.

Festivals have a different economic profile to concerts, with ticket pricing ranging from tens-to-hundreds of pounds. Audiences also typically travel further to attend, spend a lot more time on-site, and thus increase on-site spend, but events tend to be annual and average individual frequency of attendance is lower.

However, 'at event' (F&B, Merchandise etc.) and 'around event' (camping / accommodation, travel etc.) spending accounts for a much larger share of total event expenditure in proportion to ticket price when compared to a concert.

The AIF (<https://aiforg.com/>) reports that the average festival spend is up to six-times average concert spend.

The calculation for total festival on-site spend is however more complicated than simply multiplying the full economic impact from a single data source.

From comparing other non-ticket on-site spend sampled across major international franchised festivals as well as from the AFO (<https://festivalorganisers.org/>) and other community event organisers, the data reveals average festival spend across the sector to be closer to 2.5x the cost of festival tickets.

Pre-pandemic this ratio of non-ticket spend to ticket revenues provides a robust estimate of £1.5 billion for on-site / off-site spend in and around UK live music festivals in 2019.

This is less than the total contribution of concerts in the same period but reflects the higher economic impact festivals have. As such, we believe it is reasonable to calculate that festivals, having added £1.76 billion GVA to the UK economy in 2019, delivered £710 million GVA in 2021 reflecting a small number of events.

Segment	GVA (£Bn) 2019	GVA (£Bn) 2021	Change
Concerts	£2.74	£1.11	-59%
Festivals	£1.76	£0.71	-60%
Total live music	£4.50	£1.82	-60%



UK Live Music: Employment

Methodology

The definition of employment within the live music industry is a challenge with the majority of personnel involved either direct or indirectly employed via agencies and service contractors, facility and logistics service suppliers, or are themselves self-employed freelancers and/or zero hours staff utilised in a wide range of roles from event production technical specialists, either fixed site or touring (including staging; lighting; sound; trucking; crew; catering; backstage and/or personal security for artists; event stewards & concierge staff; bars & hospitality; cleaners, etc.) to event-related professional services provided by marketing, media, broadcast, press & PR, lawyers, accountants, promoter representation and/or management etc.

The fractured nature of live music events with seasonality impacting concerts and festivals, combined with the infrequent / irregular nature of the sector impacts the number of FTE's and increases the proportionality of part-time and/or occasional employment

Previously published data from the **NAA** identified that 20,550 FTE were supported by arenas in the UK. Understandably, given the nature of the NAA's membership, this study did not include smaller grassroots venues, or concert halls and theatres.

However, using the **NAA** data as a baseline, and surveying the wider **LIVE** membership, this approximated in 2019 to a minimum of 65,000 FTEs across the live music concert sector.

When taking into account the incremental event-specific (casual) staffing requirements of concerts this grew by at least another 125,000.

Festivals have a quite different employment structure to that of venues, with many organisers only maintaining a small permanent team, and relying almost entirely upon contracted and/or temporary outsourced staff during the festival itself.

Data from the **AIF** suggests that each festival supports approximately 15 FTE's, which would equate to approximately 14,500 across the entire UK festival sector.

However, accurate data of the level of sub-contracted staff temporarily employed at festivals is not readily available, but it would be reasonable to assume this equates to a comparable 8,000 FTE's (minimum) – a number of specialist suppliers of staff for festivals report that it is not unusual for personnel to work for a series of events and festivals which obviously reduces the overall number of those engaged. More research is obviously required to validate these assumptions.

We believe the total live music sector therefore supported at least 210,000 in 2019, falling to approximately 115,800 in 2021.

UK Live Music Employment

Segment	FTE		Change
	2019	2021	
Employment Total	210,000	115,820	-45%
Concerts	125,000	92,300	-26%
Festivals	85,000	23,520	-72%
Permanent Posts	52,000	44,720	-14%
Part Time Roles	158,000	71,100	-55%



Acknowledgements

The Authors wish to acknowledge the support of LIVE, its executive and membership, and PRS for Music, Ticketmaster UK, and many others without whom this report would not be possible.

Disclaimer: The information in this report is delivered by Media Insight Consulting Ltd (The Consultant). The information contained in this report is based on the consultant's opinions as of the date of this report. The Consultant accepts no liability for the content of this presentation, or for the consequences of any actions taken or not taken on the basis of the information contained herein.

LIVE

LIVE's membership includes:

- Association of British Orchestras (**ABO**)
- Association of Independent Festivals (**AIF**)
- Association for Electronic Music (**AFEM**)
- Association of Festival Organisers (**AFO**)
- Association of Independent Promoters (**AIP**)
- British Association of Concert Halls (**BACH**)
- Concert Promoters Association (**CPA**)
- Entertainment Agents' Association (**TEAA**)
- Featured Artists Coalition (**FAC**)
- Music Venue Trust (**MVT**)
- Music Managers Forum (**MMF**)
- National Arenas Association (**NAA**)
- Production Services Association (**PSA**)
- Society of Ticket Agents and Retailers (**STAR**)

Report authors

Chris Carey

Chief Economist, LIVE / Head of Music, Media and Entertainment, Opinium

Chris is Head of Music, Media and Entertainment at leading strategic insight consultancy, Opinium. He has held a range of music analysis roles over the past 14 years, including Senior Economist at PRS for music and Global Insight Director at Universal. He's consulted for Sony Music, Spotify, BMG, and The O2. He also runs the FastForward music conference series

Tim Chambers

Managing Director, TJChambers Consultancy

Tim is a specialist consultant and advisor in the live entertainment and ticketing sector, with over 30 years experience.

Disclaimer: The information in this report is delivered by Media Insight Consulting Ltd (The Consultant). The information contained in this report is based on the consultant's opinions as of the date of this report. The Consultant accepts no liability for the content of this presentation, or for the consequences of any actions taken or not taken on the basis of the information contained herein.