

Music Innovation Fund - GUIDANCE

SME Funding Call – Up to £20,000 for breakthrough innovation in music

Plus additional business support.

Overview

MusicFutures is launching the first round of its Innovation Fund to support small and medium-sized enterprises (SMEs) developing the next generation of inclusive and sustainable music technologies, experiences, tools, and business models.

We are looking to support ambitious, forward-thinking projects across the Liverpool City Region (LCR) that have the potential to transform the music sector. Your project can be at any stage.

Successful applicants can receive up to £20,000 in funding, plus additional tailored support, to accelerate R&D, prototype development, testing, and deployment of innovative solutions.

About MusicFutures

MusicFutures is a UKRI/AHRC-funded initiative based in the Liverpool City Region. Our mission is to accelerate inclusive and sustainable innovation in music by supporting creators, companies, and researchers. We support companies, artists and entrepreneurs to explore and prototype new ideas, build new capabilities, and test new approaches across the music sector.

Eligibility

Who Can Apply

Eligible applicants include:

- Registered SMEs or CICs

Lead Applicants must also be:

- Based in, or have significant presence in, the Liverpool City Region.
- Proposing a music innovation with a clear route to real-world use, commercialisation, and sector impact

Lead Organisation Requirements

The lead organisation must:

- Be a UK-registered business
- Be Liverpool City Region-based or have significant operations located in the region.
- Fall within Minimal Financial Assistance (MFA) limits (see Appendix 1)
- Be able to provide required co-investment

Not eligible to lead:

- Publicly funded organisations, non-profits without commercial focus, charities, schools, colleges, or universities cannot lead applications. However, they may participate as partners if the lead organisation is an eligible company
- A company may lead only one project, but can partner on other applications

Funding Scope

What We ARE Funding

We are seeking projects that push boundaries in how music is created, performed, distributed, monetised, or experienced; with intention to also impact on a) improving environmental sustainability and/or b) increasing diversity, inclusivity and equality in the sector.

This includes (but is not limited to):

New Business Models & Platforms

- Fan engagement or community platforms
- New ways of working with data
- New monetisation models (co-ops, creator economy tools, micropayments)
- Innovations supporting artist livelihoods and fairer value flows

New Production Technologies

- Realtime, interactive and virtual production for music content
- Spatial audio, adaptive music, immersive experiences
- Workflow automation and next-gen music production pipelines

Immersive & Interactive Experiences

- New immersive formats for live and digital music
- Multisensory installations, interactive concerts
- Location-based media and music-focused digital twins

Tools and Innovations for Live, Studio, or Education

- New hardware/software for recording or performance
- Innovations and tools supporting music education, skills, wellbeing and workforce development
- Accessibility innovations for artists, music professionals and audiences.
- Human Centred AI-native tools for artists, performers, and producers
- Generative audio/video workflows, creative agents, recommendation systems
- Tools supporting rights, authenticity, provenance, ethics, or transparency

IP, Rights and Metadata

- Improving the way that metadata is created, managed, and used
- Tools supporting better ways of managing rights, authenticity, provenance, ethics, or transparency

If it pushes the future of music forward, it is in scope.

What We're NOT Funding

This funding is to support Innovation in music, unfortunately we cannot fund work that:

- Is production only (i.e. recording an album, doing a one off show, content creation, marketing and advertising, day to day business operation costs). Where there is no clear R&D, innovation or development proposed.
- Travel/touring costs where travel/touring is the main purpose of the spend. However, you are allowed travel as part of your R&D/Innovation activity.
- Is not clearly of significant benefit to the music sector. Music industry innovation must be in the centre of the proposition.
- Events and one off experiences. Your innovation needs to demonstrate potential for scalability and sustainability beyond the life of the funding.
- Music Education/Support/Skills/Community programmes, however we are encouraging applications that are education centred i.e. leading to new products and services.

Assessment Criteria

What We're Looking For

We are looking for projects that demonstrate clear novelty, sector benefit and potential for impact. Projects should seek to improve outcomes for musicians, creators, or industry professionals, address real market opportunities, and show potential for scalability and growth.

Projects will be assessed in relation to the following criteria:

1. Strategic Alignment

- Does the opportunity align with MusicFutures' mission and long-term goals?
- Does it support innovation, diversity, and sustainability in the music industry?
- Is it consistent with current priority areas (e.g., emerging talent, technology, audience development, inclusivity)?

2. Market Potential and Audience Reach

- Is there a clear target audience and demand for the proposed work?
- Does the opportunity demonstrate potential for growth or scalability?
- Are there route to market plans including marketing, distribution, or audience engagement?

3. Financial Viability

- Is the budget realistic, value for money and well-structured?
- Are there other sources of funding, co-investment or revenue streams to support the project?
- Does the project demonstrate sustainability beyond initial funding?
- Is there potential for return on investment?

4. Innovation and Future Readiness

- Does the project leverage new opportunities, with technologies or innovative practices?
- Does the project address a challenge, or opportunity for the music sector in a novel way?
- Will it prepare the music sector for future trends (e.g., audience changes, digital platforms, immersive experiences, new production processes)?
- Does it encourage experimentation and risk-taking in a managed and responsible way?

5. EDI and Environmental Responsibility

- Does the project promote inclusivity and equity?
- Are there measures to minimise environmental impact?
- Does it contribute positively to community development?
- Is the team inclusive and diverse?

6. Track Record and Capability

- Does the applicant have the skills, experience, and resources to deliver successfully?
- Are partnerships or collaborations in place to strengthen delivery?
- Is there evidence of past success or learning from previous projects?

Funding Details

Funding Available

- Up to £20,000 grant funding per project
- Additional business support including mentoring, expertise, ecosystem access & IP clinic
- Projects must be delivered by April 2027

Eligible Costs

- Staff time (please provide actual costs)
- Subcontractor / collaborator costs
- Travel, subsistence and accommodation
- Software / equipment (limited to 20% of budget)
- Prototyping and software development
- Testing, evaluation and user/UX research
- Space or venue hire (where relevant)

Co-investment Requirements

- We expect to see match funding, in kind funding from your organisation, at a minimum ratio of 1:1
- Projects must provide at least 1:1 co-investment and in-kind match funding at application stage.

Cost Requirements

Eligible costs must:

- Comply with UKRI funding rules
- Demonstrate value for money
- Project costs should include VAT (if applicable)
- Capital/Equipment Expenditure, i.e. the purchasing of equipment and capital assets, should not exceed 20%,
- Outsourcing/Subcontract limitations: Max 30% subcontracting outside of region

Payment Schedule

Payments will be made as:

- 60% at project start
- 30% at milestone review
- 10% at project end, final delivery review

Grant requests must:

- Not exceed £20,000
- Include evidence of match funding

- Grant funding must be spent within LCR where possible, with a max of 30% to be spent outside the region, unless there is clear justification.

Project Requirements

Project Criteria

Projects must be fully defined and ready to start at application stage. They must be ambitious and demonstrate:

- Clear novelty, sector benefit and potential for impact
- Improvement of outcomes for musicians, creators, or industry professionals
- Address a real market opportunity
- Show potential for scalability and growth

Collaboration

Projects may involve:

- Multiple private-sector partners
- Academic collaboration (optional)

Outputs & Outcomes

Projects must demonstrate one or more of the following:

- Clear business impact within 2 years
- Long-term value for the LCR music innovation ecosystem
- Potential to scale, extend, or contribute to wider sector learning

IP Arrangements

Successful applicants will retain ownership of all new IP created during the project.

MusicFutures will retain the right to use your project for monitoring, publicity/marketing, teaching and research purposes.

Monitoring

Applicants must participate in regular meetings, monitoring and reporting, aligned with UKRI guidelines. Keeping financial and project records for a retention period of up to 6 years. Including duties to report on outcomes and evaluation.

Application Process

How to Apply

Applicants submit:

- An online application form
- Optional supporting materials such as pitch decks etc.

Application link: musicfutures.co.uk Email: musicfutures@liverpool.ac.uk

Information sessions and briefings will be announced via MusicFutures media channels.

Assessment Process

- Eligibility Check
- Assessment by MusicFutures and independent sector specialists
- Clarification stage (if required, we may seek more information)
- Funding award

Important: Applications that do not comply with the rules or submit incomplete applications will not be assessed.

Support for Applicants

Equality, Diversity, and Inclusion (EDI) is central to the MusicFutures programme. We aim to ensure applying and participating is accessible and inclusive.

Reasonable adjustments may include:

- Alternative submission formats
- Video or audio responses instead of written answers
- Accessible webinars with written/visual materials

Individual requests for adjustments will be supported wherever possible and equitable.

Key Dates and Timeline

- Call opens: [12th May 2026]
- Funding Call Q&A Webinar [26th May 2026, 1pm]
- Deadline: [19th June 2026]
- Assessment Period: [June/July 2026]
- Decisions announced: [September 2026]
- Project delivery window: [October 1st] – [31st March 2027]

Appendix 1 – Minimal Financial Assistance (MFA)

Funding is awarded under the Minimal Financial Assistance regime, which allows up to £315,000 of public support to an enterprise over a rolling 3-year period.

Applicants must declare MFA/de minimis funding received in:

- The current financial year
- The previous two financial years

This includes:

- MFA awards
- De Minimis awards

For full guidance, refer to the Subsidy Control Act 2022.