



May 2026

Norwich Economic Barometer



NORWICH
City Council

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Business news

Economy

- Lower gas and electricity bills were behind a bigger than expected drop in the UK's inflation rate, but inflation is widely expected to rise from here due to the ongoing impact of the Iran war. The rate of inflation, which measures price rises over time, fell to 2.8% in the year to April, down from 3.3% in the year to March. Energy prices were lower due to the government's energy bill support package and lower wholesale energy prices before the conflict, the Office for National Statistics (ONS) said.
- UK public sector borrowing last month hit the highest total for April since the Covid pandemic in 2020. Borrowing, the difference between spending and income from taxes, was £24.3bn last month, official figures showed, which was up £4.9bn from a year earlier and higher than expected. The ONS said April's borrowing figure was substantially higher than a year earlier, with higher tax receipts being more than offset by higher spending on benefits and other costs. Net social benefits rose by £2.7bn, which the ONS attributed to inflation-linked increases to many benefits and the earnings-linked rise to the state pension. Debt interest payments hit a record high for the month of April of £10.3bn, up £0.9bn from a year earlier.
- UK service sector performance improved slightly in April, with business activity rising (PMI 52.7, up from 50.5 in March) but still growing more slowly than earlier in the year as shown in Figure 1. Cost pressures intensified sharply, driven by higher fuel prices. Demand remained weak, with new work largely unchanged after a small fall in March, reflecting concerns over inflation, supply shortages, high borrowing costs, and the Middle East conflict - though technology services saw some resilience.

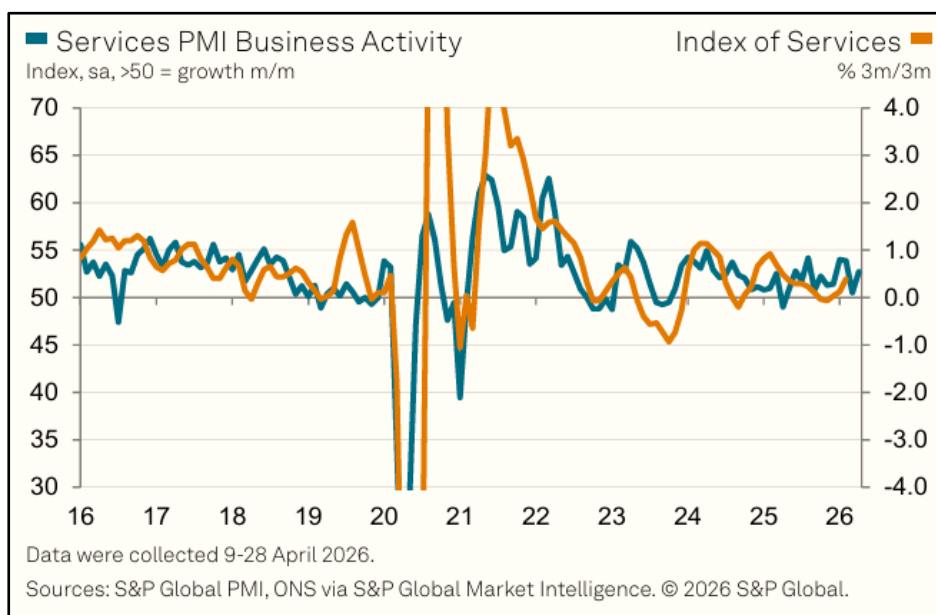


Figure 1: S&P Global/CIPS UK Services Business Activity Index

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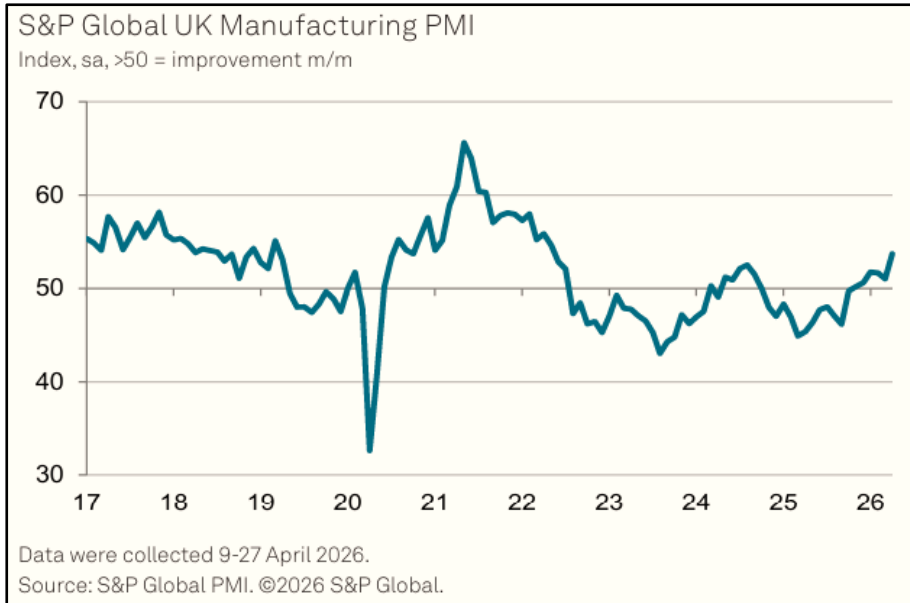


Figure 2: S&P Global/CIPS UK Manufacturing PMI

- Figure 3 shows UK manufacturing strengthened at the start of Q2, with improvements in output, new orders and employment, though supply chain disruption and price pressures persisted due to the Middle East conflict. The manufacturing PMI rose to 53.7 in April (a 47-month high), marking six consecutive months of expansion. Growth was supported by rising new orders, backlog clearance and a slight build in finished goods, with output increasing across consumer, intermediate and investment goods sectors.

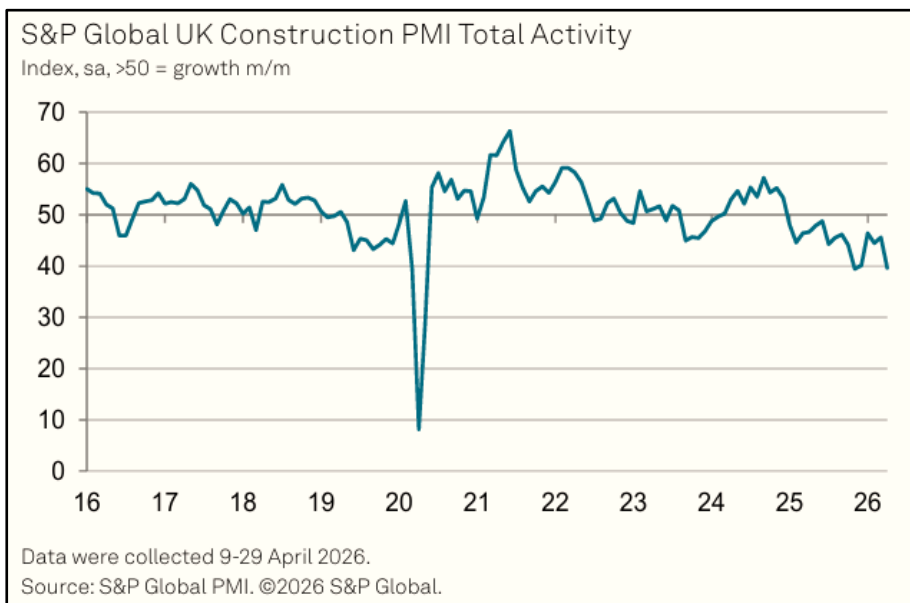


Figure 3: S&P Global/CIPS UK Construction PMI

- April marked a difficult month for UK construction. Figure 3 shows activity falling sharply (PMI 39.7, down from 45.6) and cost pressures intensifying. Output has declined since January 2025, with April the weakest in five months. Demand remained subdued, with the steepest drop in new business since November 2025, as Middle East-related uncertainty led to fewer tenders and slower sales

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conversions.

- The UK's net zero economy supports over one million jobs and generates £105bn in Gross Value Added, according to a report commissioned by the Energy and Climate Intelligence Unit. The report, with analysis by CBI Economics and The Data City, said workers in the sector generate £119,300 per full-time job, around 1.5 times the national average. It added that average wages in net zero roles reach £43,142, around 11% higher than the UK average of £39,039.
- Business confidence in the East of England rose sharply in May helped by stronger customer demand and prompting more firms to plan to increase recruitment, according to a business barometer survey from Lloyds. It showed companies in the East were more optimistic on their own trading outlook (up six points at 57%) and on the economy (up 17 points to 51%). This meant businesses in East were among the most positive of any UK region – see visual right – with an overall headline confidence reading of 54%. The survey also showed that approaching one-half (44%) of businesses in the region expect to increase staffing levels over the next year, up 17 points on the previous month.
- Growth picked up across the East of England in April but private firms in the region faced a record spike in price input inflation as war in the Middle East drove up costs. The NatWest East of England growth tracker business activity index rose to 52.1 in April, from 50.2 in March, signalling a 'moderate increase' in output in line with the trend over the past year. New business growth resumed following a dip in March although the upturn was modest and softer than in January and February. But costs rose at the fastest rate since the survey began in 1997 with a monthly increase in the seasonally adjusted input prices index of 8.6 points. Alongside rising labour costs, fuel, energy, freight and raw materials also rose due to the international conflict.
- Tourism, leisure and hospitality businesses in the region are growing turnover but are facing a "slow squeeze" in trading conditions with margins under pressure from rising costs according to the Tourism Business Survey 2026 from advisers Larking Gowen. It says businesses in the sector are now operating under structural pressure rather than short term disruption, where 'resilience is maintained through endurance'. Around 60% of respondents to the survey across Norfolk, Suffolk and Essex, reported increased turnover in 2025. But margins are being eroded, with 40% expecting lower profitability as rising employment costs, tax, business rates and regulatory change take their toll.
- Up to £11m of government funding is to go into training the next generation of construction workers in the East of England and tackle skills shortages in key areas such as design, bricklaying and plumbing. It forms part of the government's £625m Construction Skills Package which aims to train up 60,000 skilled workers by 2029. As well as creating thousands of placements on building sites across the country, it will support schools and colleges to deliver new vocational qualifications.

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Businesses

- The Sainsbury Centre in Norwich has been given a landmark £91.2 million donation by Lord David Sainsbury through his charitable foundation, Gatsby, marking one of the largest gifts ever given to a UK museum. The funding will support a significant refurbishment of the Grade II listed building as it approaches its 50th anniversary.
- Norwich-based Alan Boswell Group has been named as the UK's leading insurance broker for online visibility and reputation, according to an industry report. A UK broker index from Foliome assesses firms' digital performance across five key areas: client voice, digital presence, credentials, scale, and longevity. With a total score of 81.8 – over 10 points ahead of its nearest competitor – Alan Boswell Group secured the top national ranking.
- The region's largest housing association has reported turnover of close to £1 billion in its first full-year results following its merger with a south west housing provider. Bromford Flagship LiveWest, which has offices in Norwich's King Street, said 82% of its turnover came from social housing lettings, in a trading update for the year ending March 31.
- Coach group Flixbus is launching a new service between Norwich and London Heathrow Airport with six daily departures and tickets starting at £9.99. Coaches will run from Norwich via Thetford, Cambridge and Luton before arriving at Heathrow Airport.

Education

- The Debut Restaurant at City College Norwich has been 'Highly commended' by AA Hotel Services following a visit under the AA College Rosette scheme. The AA College Restaurant Award report gives contextual feedback linking industry inspectors with realistic working environment within educational establishments.
- Norwich University of the Arts is the UK's highest-ranked specialist creative arts university in the Whatuni Student Choice Awards (WUSCAs) 2026, placing 14th overall among universities across the UK. Determined entirely by verified student reviews, the WUSCAs are the UK's largest annual university awards and recognise the institutions delivering the best student experience. Students rate their universities across the areas that matter most to them, including teaching quality, student support, facilities, career prospects and campus life. Norwich's position among the top 15 universities nationally places it alongside many of the UK's largest institutions.
- Norwich University of the Arts has been ranked in the 201–300 band globally for Art and Design in the latest QS World University Rankings by Subject, marking its first-ever inclusion in the internationally recognised ranking.
- The University of East Anglia (UEA) has ranked in the top 25 best universities in the UK in a prestigious new league table. The latest Centre for World University

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Rankings (CWUR) also placed UEA in the top 2% of universities worldwide. The CWUR publishes the largest academic rankings of global universities based on quality of education, employability, faculty and research. Overall, UEA came 332nd out of 21,291 universities globally in this year's CWUR Global 2000 list.

- Lee Child, author of the Jack Reacher series, has funded a new professorship in crime writing at the Norwich-based university, along with an administrative role for the programme. The investment will help UEA, home to the MA in Crime Writing, expand industry partnerships and develop new opportunities for students.
- Norwich has been named best university city in the Unifresher Awards 2027 across five metrics — safety, affordability, social life, pub density and student satisfaction. The UEA was ranked second in the UK overall for student experience. The Unifresher Awards 2027 considered eight categories designed to reflect the full student experience - including overall student satisfaction, student societies, employability, innovation and sustainability. Within these categories, UEA was ranked fourth for best nightlife, sixth for best student societies and tenth for best first-year student experience. UEA's Norwich Business Schools Human Resource Management degree topped the rankings against 57 other UK universities. This was measured against metrics including graduate earnings, teaching quality, student satisfaction, safety, cost of living and sustainability.

Claimant count unemployment

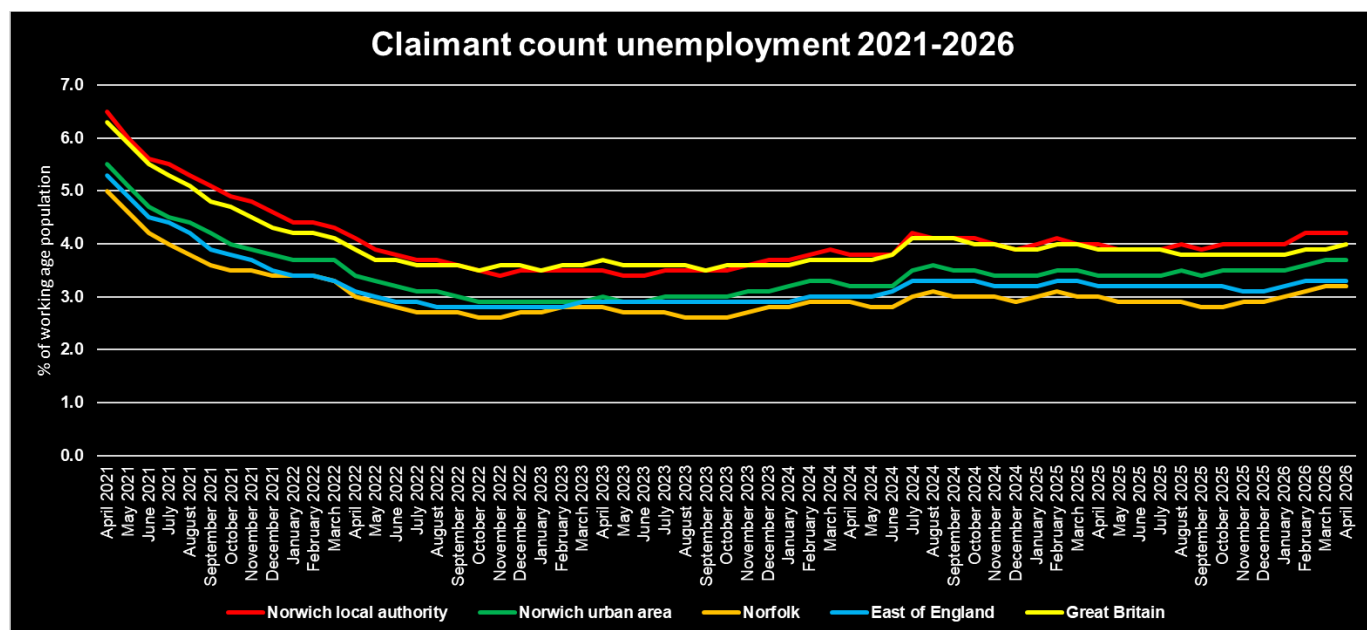


Figure 2 Claimant count unemployment 2021 to 2026

- Figure 4 illustrates changes in claimant count unemployment since 2021. After a sustained decline from late 2013, unemployment increased sharply during the Covid-19 pandemic. Since then, claimant counts have decreased across all areas shown in the chart. However, the rate in the Norwich City Council area remains slightly above the national average (4.0%) and, at 4.2%, is notably higher than the rates recorded in the urban area, the county and the wider region.

Table 1 Claimant count unemployment rate

	April 2025		March 2026		April 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Gt. Britain	1,670,375	3.9	1,659,250	3.9	1,674,360	4.0	+ 0.1%	+ 0.1%
East of England	130,830	3.2	132,105	3.3	133,160	3.3	0	+ 0.1%
Norfolk	16,400	3.0	17,465	3.2	17,565	3.2	0	+ 0.2%
Norwich Urban Area	5,140	3.4	5,015	3.7	5,060	3.7	0	+ 0.3%
Norwich City Council Area	4,050	4.0	4,265	4.2	4,320	4.2	0	+ 0.2%

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Table 1 shows that the claimant count unemployment rate remained stable month on month across all reported areas, with a slight increase observed at the national level. However, trends in the urban area should be interpreted with caution, as the ONS introduced a minor revision to urban area definitions in January 2026. Compared with the same period a year earlier, claimant count rates have risen across all reported areas.

Ward level claimant count unemployment

As shown in Table 2, the unemployment rate in Mile Cross, Nelson, and Town Close wards declined in April compared with the previous month, while rates in Bowthorpe and Eaton remained unchanged. In all other wards, unemployment rates increased.

Compared with the same time last year, unemployment rates fell in Bowthorpe, Lakenham, Mancroft, Sewell and Wensum: the rate in Nelson remained unchanged. In the remaining wards, unemployment increased, with the most notable rise recorded in University ward.

Table 2 Claimant count unemployment

	April 2025		March 2026		April 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Bowthorpe	305	4.7	285	4.0	285	4.0	0	- 0.7%
Catton Grove	325	4.5	345	4.7	360	4.9	+ 0.2%	+ 0.4%
Crome	335	4.8	375	5.0	400	5.3	+ 0.3%	+ 0.5%
Eaton	110	2.1	130	2.2	125	2.2	0	+ 0.1%
Lakenham	345	5.7	380	5.5	385	5.6	+ 0.1%	- 0.1%
Mancroft	425	5.9	465	5.2	475	5.3	+ 0.1%	- 0.6%
Mile Cross	420	5.8	485	6.3	465	6.1	- 0.2%	+ 0.3%
Nelson	215	2.7	215	2.8	210	2.7	- 0.1%	0
Sewell	275	3.9	255	3.3	275	3.6	+ 0.3%	- 0.3%
Thorpe Hamlet	305	4.3	325	4.2	340	4.4	+ 0.2%	+ 0.1%
Town Close	250	3.5	275	3.8	255	3.6	- 0.2%	+ 0.1%
University	285	2.1	305	2.6	310	2.7	+ 0.1%	+ 0.6%
Wensum	460	5.6	430	4.8	435	4.9	+ 0.1%	- 0.7%

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Note the wide variation in ward claimant count rates across the city council area. The differential between the lowest rate (Eaton ward) and the highest rate (Mancroft ward) currently stands at 3.9 percentage points.

Claimant count unemployment: male/female

Within the Norwich City Council area, women account for 40% of out-of-work benefit claimants. In April, the female unemployment rate remained unchanged across Norwich (3.5%), Norfolk (2.8%), the East of England (3.0%), and Great Britain (3.4%).

Over the same period, male unemployment rates also remained stable in Norwich (5.0%), Norfolk (3.6%), and the East of England (3.7%), while the national rate saw a slight decline to 4.5%.

Since 1992, unemployment rates in Norwich have consistently been higher for both men and women than in Norfolk and the wider region, although local trends have broadly followed national patterns. The city's comparatively higher unemployment reflects longer-term structural changes, including the decline of large-scale manufacturing and the increasing prominence of service-sector employment.

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Housing benefit

Table 3 Norwich City Council housing benefit claimants

	Claimant numbers	Monthly change
April 2025	13,224	- 96
May 2025	13,246	+ 22
June 2025	13,255	+ 9
July 2025	13,263	+ 8
August 2025	13,258	- 5
September 2025	13,258	0
October 2025	13,224	+ 34
November 2025	13,238	+ 14
December 2025	13,156	- 172
January 2026	13,095	- 61
February 2026	13,123	+ 28
March 2026	12,956	- 167
April 2026	13,058	+ 102

Housing Benefit is a means-tested scheme designed to help people on low incomes - whether they are in or out of work - meet the cost of rented housing. The figures also include claimants who receive Council Tax Benefit only. A significant share of recipients are pensioners, disabled people, carers and individuals in low-paid work. Norwich's comparatively low average wage is a key factor contributing to the relatively high number of residents who rely on this support.

As shown in Table 3, the number of Housing Benefit claimants in the Norwich local authority area increased by 102 in April compared with the previous month. Over the last year, the total number of claims has fallen by 1.3%. Equivalent national data is not currently available due to delays in data collection.

Average house prices and rents

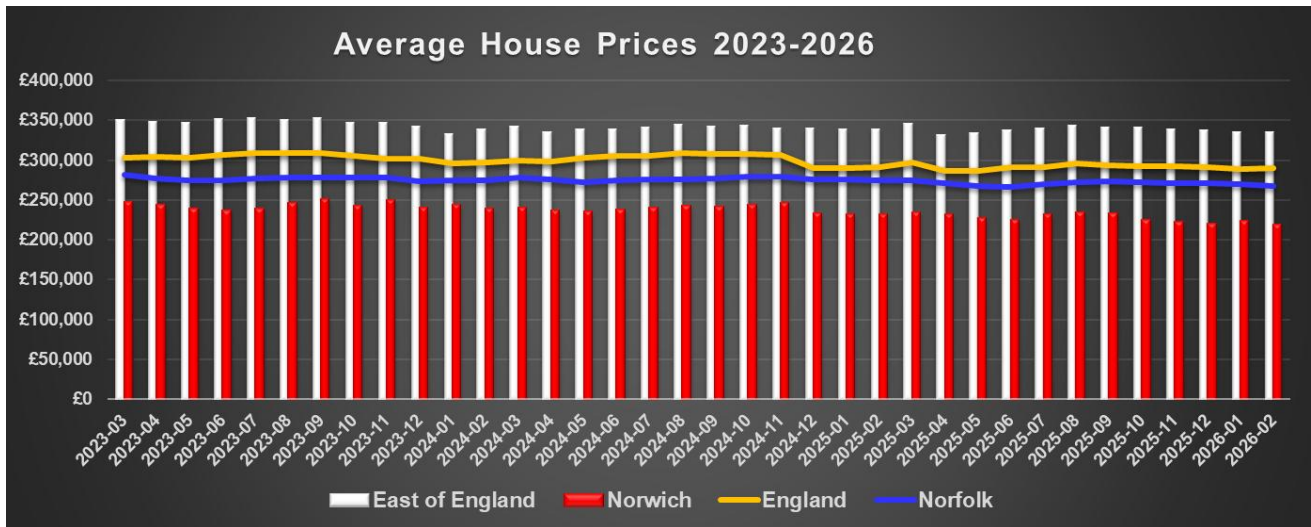


Figure 5 HM Land Registry average house prices 2023- 2026

The House Price Index (HPI) produced by HM Land Registry is widely regarded as the most accurate and independent measure of house price trends in England. It is based on completed sales data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland, with the index itself calculated by the Office for National Statistics.

According to HM Land Registry’s House Price Index (Crown copyright) and summarised in Figure 5, average house prices in the year to March declined by 0.1% in Norwich and by 0.6% across England. In contrast, prices rose by 0.3% in Norfolk and by 0.1% across the East of England. Figure 5 illustrates changes in average house prices since March 2023.

On a monthly basis, average prices increased by 1.7% in March in Norwich, while remaining unchanged in Norfolk. Over the same period, prices fell by 0.5% across England and by 0.4% in the East of England.

The latest data indicate that average house prices stand at £225,521 in Norwich, compared with £269,441 in Norfolk, £337,182 across the East of England, and £289,946 nationally.

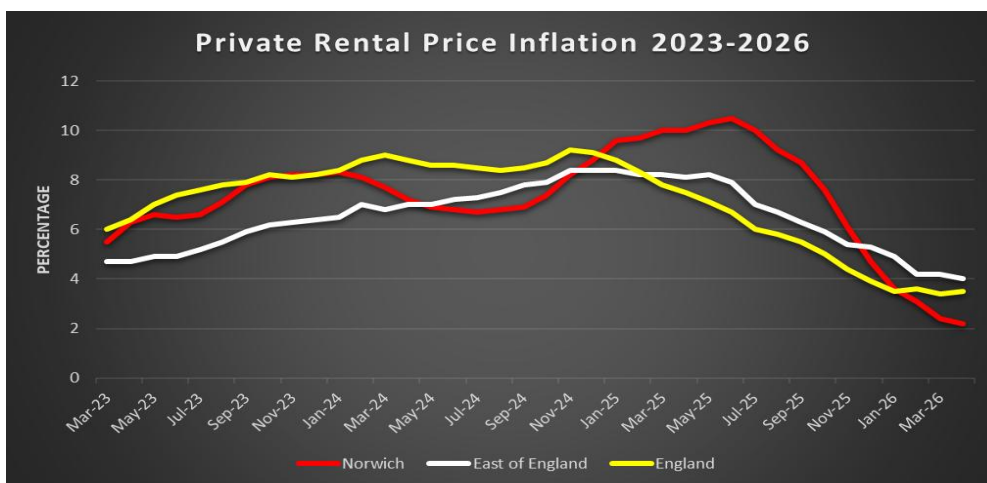


Figure 6

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According to the ONS, in the private rental market, the average monthly rent in Norwich was £1,149 in April 2026, up from £1,124 in April 2025 - an annual increase of 2.2%. Across the East of England, average rents rose from £1,228 to £1,278 over the same period. Across the UK as a whole, average monthly rents increased from £1,335 in April 2025 to £1,381 in April 2026.

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City centre vitality

Footfall data is provided by the Norwich BID (Business Improvement District).

	Year to date % YoY		This month % YoY		This month % MoM	
	2026	2025	2026	2025	2026	2025
	Norwich	-1.3%	-1.2%	1.0%	1.9%	-3.0%
East	-2.8%	0.2%	0.2%	4.3%	4.5%	-0.2%
High Street Index - BDSU (BDSU - Comparison)	0.2%	2.5%	0.9%	4.0%	5.9%	5.0%
UK	-2.2%	1.4%	-1.1%	3.5%	5.8%	4.6%

Benchmark calculations (Year on Year and Month on Month) have been calculated using like for like data sets (only those counters available in both comparison periods) to ensure statistical accuracy

Figure 7 Monthly footfall counts

The total number of visitors for the year to date is 5,000,098 which is 1.3% down on the previous year.

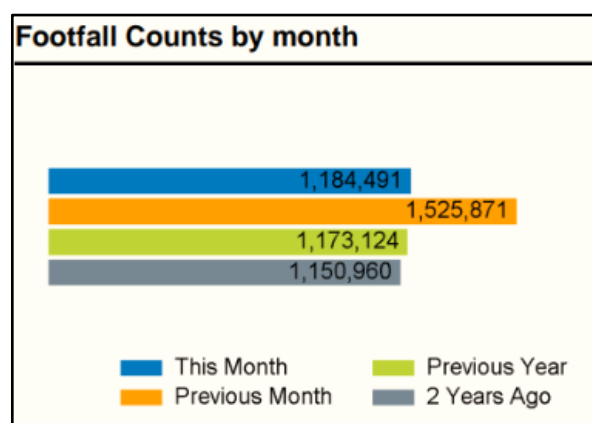


Figure 8 Comparison of monthly footfall

As shown in Figure 8, the total number of visitors to Norwich in April was 1,184,491.

Figure 9 (overleaf) shows that the busiest day of the month was Wednesday 8 April, with a total of 60,684 visitors. The peak hour occurred at 1pm on the same day, when footfall reached 8,842. The unusually high footfall on Wednesday 8 April reflects a combination of seasonal and weather-related factors. The date fell within the Easter holiday period and coincided with unseasonably warm and sunny conditions, encouraging increased city centre activity. In contrast, both Saturdays either side (4 and 11 April) were cooler and more unsettled, with cloud and rain likely suppressing typical weekend footfall. As a result, the usual Saturday peak may have been temporarily displaced by a midweek high.

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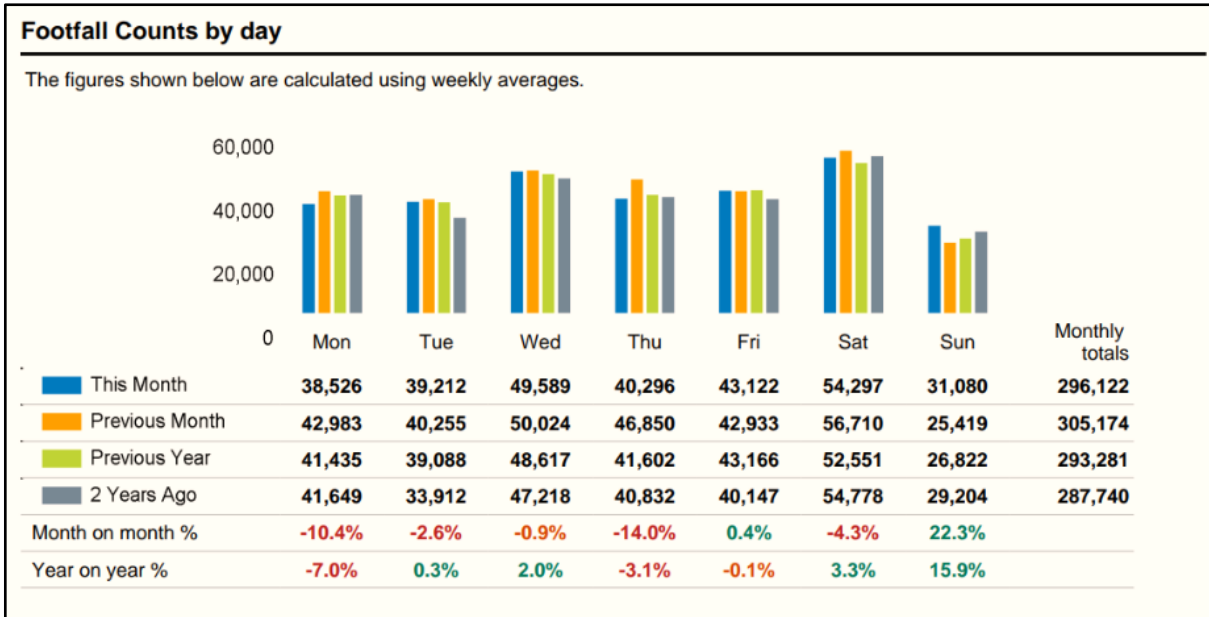


Figure 9 Footfall counts by day

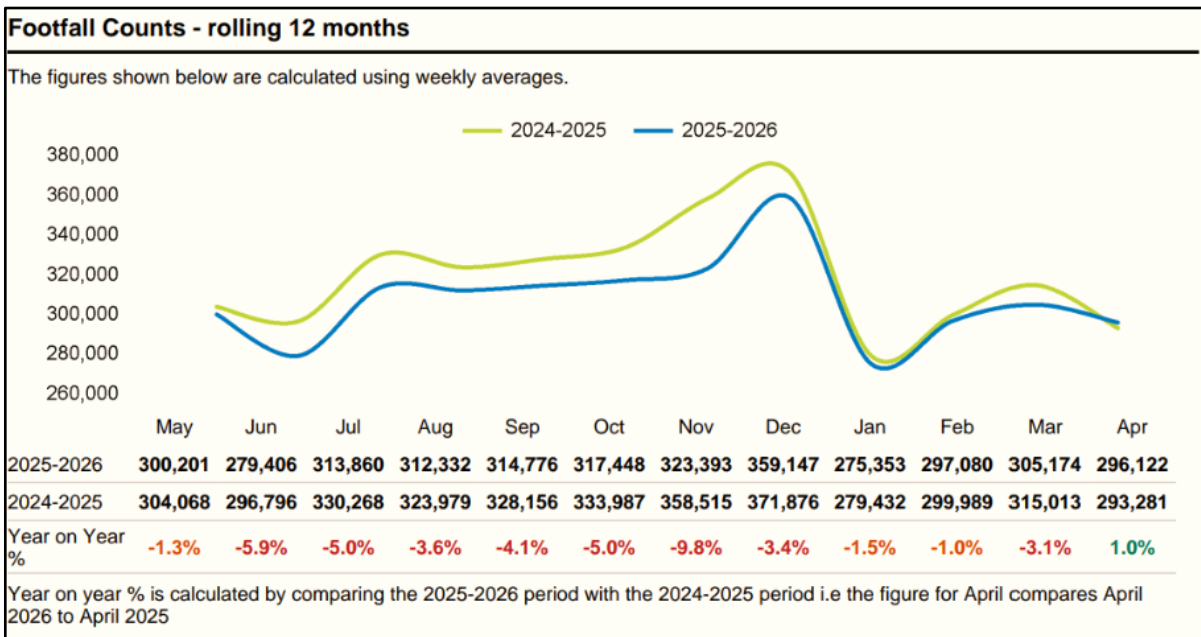


Figure 10 Rolling 12 months footfall counts

Figure 10 shows the rolling 12-month footfall totals from 2024 onwards. Throughout this period, each month recorded lower footfall than the previous 12-month period, with the exception of the current month, which saw a slight increase.

Appendix

Contact details:

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Sources:

Figure 1: S&P Global/CIPS UK Services Business Activity Index

Figure 2: S&P Global/CIPS UK Manufacturing PMI

Figure 3: S&P Global/CIPS UK Construction PMI

Figure 4: Claimant count – NOMIS, Crown copyright

Figure 5: House Price Index - HM Land Registry, Crown copyright

Figure 6: Price Index of Private Rents - Office for National Statistics

Figure 7: Monthly footfall counts, Norwich BID

Figure 8: Comparison of monthly footfall, Norwich BID

Figure 9: Footfall counts by day, Norwich BID

Figure 10: Rolling 12 month footfall counts, Norwich BID

Table 1: Claimant count – NOMIS, Crown copyright

Table 2: Claimant count – NOMIS, Crown copyright

Table 3: Housing benefit claimants - Norwich City Council

News stories from a variety of sources including Norwich Evening News; Business in East Anglia; Office for National Statistics; Reuters; BBC; Markit/CIPS PMI; Markit Monthly Economic Overview; University of East Anglia; Norwich University of the Arts; City College Norwich.



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