July 2026

Norwich Economic Barometer

NORWICH
City Council

CONTENTS

Business news

Economy

- The Bank of England maintained UK interest rates at their current level (3.75%), warning that any further escalation of the conflict with Iran could push inflation above 4% next year and increase cost of living pressures for households. While official figures show that UK inflation fell more than expected to 2.6% in June, down from a peak of 3.8% last year, policymakers remain cautious about external risks that could drive energy and commodity prices higher. Prior to the outbreak of the Iran conflict, inflation had been on a trajectory towards the Bank's 2% target, but heightened geopolitical uncertainty now poses a risk to further progress.
- Business confidence in the UK fell to its lowest level in more than a year in June, driven by weaker profit expectations and growing reluctance among service sector firms to expand their workforce or invest in capital projects. Against a backdrop of political uncertainty, persistent inflation, subdued consumer confidence and geopolitical risks, many businesses reported adapting their strategies by targeting new export markets, diversifying products and services, adopting AI technologies and strengthening cost controls. According to the S&P Global UK Business Outlook survey summarised in Figure 1, firms remained optimistic about private sector output over the next 12 months, but net optimism declined, marking the weakest reading since February 2025. The decline was largely attributed to a sharp increase in the number of service sector companies expecting activity to fall, reducing confidence in the sector to its joint lowest level since October 2022. Respondents highlighted rising labour costs, weaker client spending and global uncertainty as key challenges, although many continued to identify opportunities for growth through AI-driven service improvements and broader business diversification.

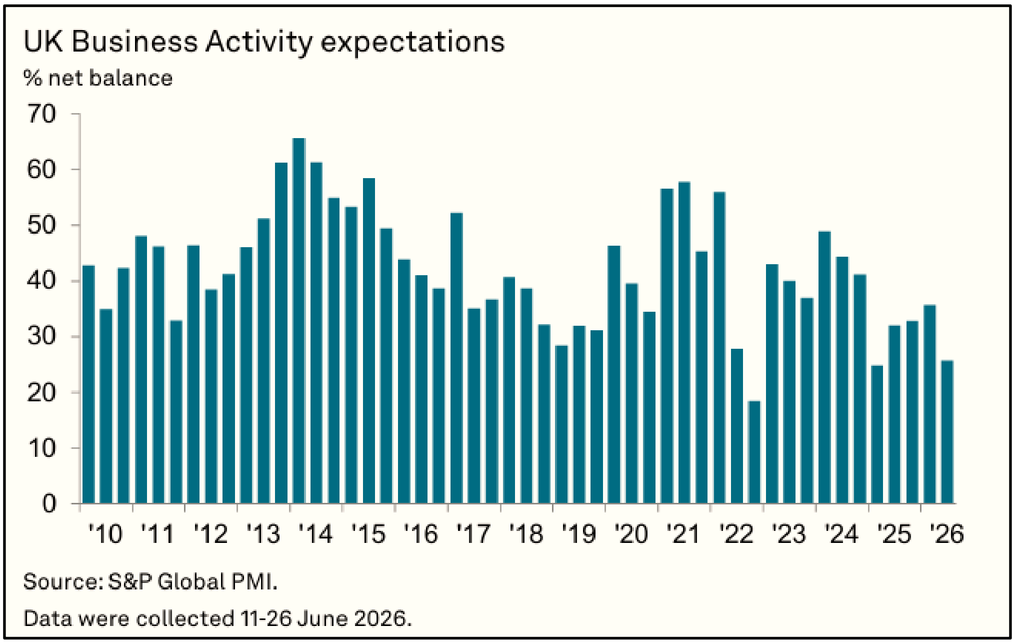


Figure 1: S&P Global/CIPS UK Services Business Activity Index

- Figure 2 shows the UK manufacturing sector continued to show signs of recovery at the start of the third quarter, with stronger growth in production, new orders and export demand, alongside easing pressures from high cost inflation and supply chain disruption. The S&P Global UK Manufacturing PMI remained in expansion territory for the ninth consecutive month, registering 51.9 in July, down slightly from 52.5 in June and representing a four-month low, but still above the neutral 50.0 threshold. Four of the five PMI components indicated improving operating conditions, with output, new orders and employment all increasing, while supplier delivery times lengthened. The modest decline in the headline PMI reflected a sharp reduction in stocks of purchases, slower job creation and a significant easing in the rate of supplier delivery delays. Manufacturing output rose for the fourth successive month and accelerated to its strongest rate in almost two years, driven by growth across consumer, intermediate and investment goods production. However, performance varied by business size, as medium and large manufacturers reported output growth while smaller firms experienced a slight decline in production volumes.

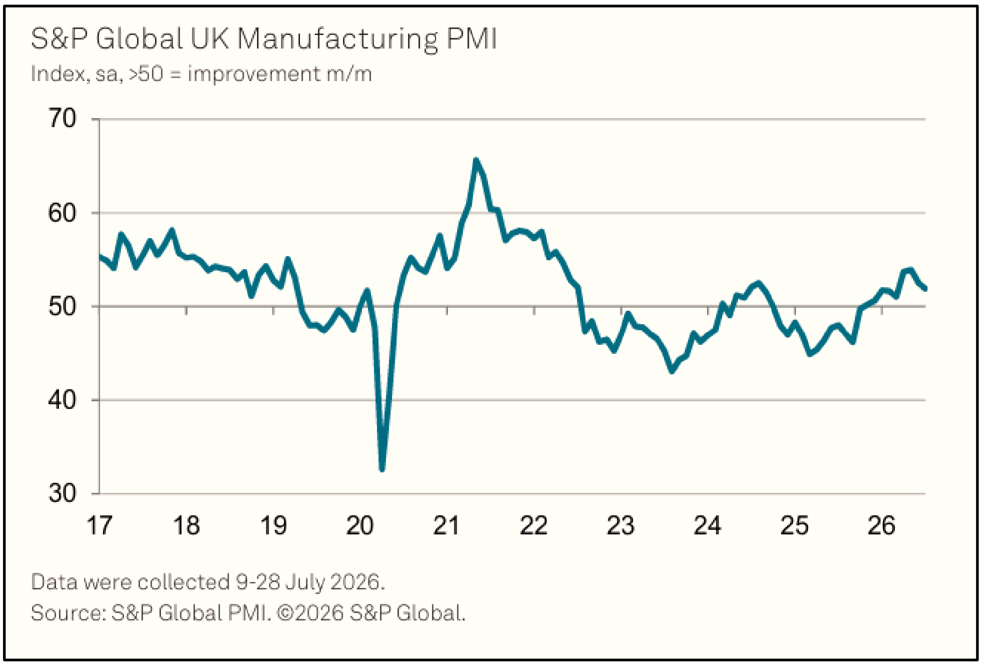


Figure 2:S&P Global/CIPS UK Manufacturing PMI

- UK construction firms continued to face challenging conditions in June, with sharp declines in both output and new orders, although the pace of contraction eased slightly from the six-year lows recorded in May. The S&P Global UK Construction PMI rose marginally to 38.4 from 38.2 but remained well below the neutral 50.0 threshold, indicating a sustained downturn in activity. Figure 3 shows construction output has now fallen every month since January 2025, with June marking the second-steepest decline since the onset of the pandemic. While cost pressures moderated and supply chain disruptions became less severe compared with April and May, demand remained weak across much of the sector. Commercial construction proved the most resilient segment, with activity declining at a slower rate than the previous month, whereas housebuilding recorded its sharpest contraction of 2026 and civil engineering activity fell at its fastest pace since April 2020. Firms attributed weaker activity levels to subdued housing market conditions, higher borrowing costs, ongoing business uncertainty and delays to project starts.

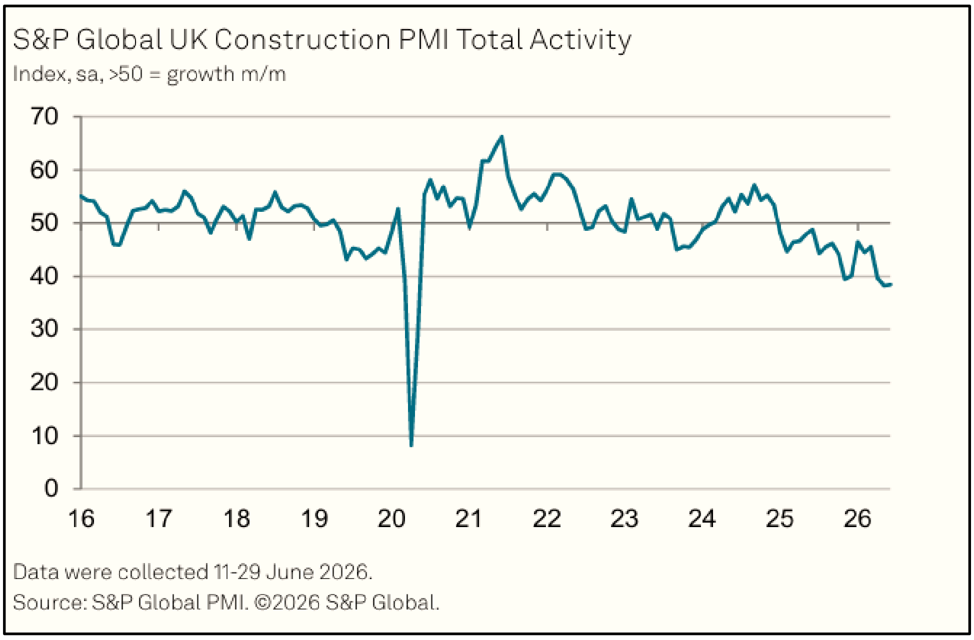


Figure 3: S&P Global/CIPS UK Construction PMI

- KPMG's annual private enterprise barometer found that 83 per cent of the firms it surveyed in the East are confident of second half growth, down slightly on the start of the year but compared to 80 per cent nationally. Two-thirds of firms saw areas such as AI, cyber security and broader digital transformation as key focuses, a 30-percentage point increase since the start of the year. KPMG said it signals how investment is shifting towards practical implementation of tech like AI to improve productivity, efficiency and growth. Meanwhile, nearly two thirds of businesses are looking to expand their service offerings and broaden their client base and over half are turning to their own balance sheets to help fund their growth plans, reflecting a growing preference to retain control.
- The outlook amongst private firms in the East of England's improved in June as inflation eased despite a weakening in output, new orders and employment during the month. Input price and charge inflation both eased further to reach three-month lows and overall confidence was the highest since February, before the Middle East war started. Hopes for growth were linked to an end to the war, investment, diversification, marketing, stronger sales pipelines, contract wins and higher exports. But the NatWest East of England growth tracker business activity index fell to 47.4 in June, from 48.9 in May, the first 'back-to-back declines' for over a year. Meanwhile, the rate of job shedding was the fastest since March.
- According to BDO's bi-monthly mid-market tracker, most businesses in the region (88 per cent) are hiring for entry level roles within the next six months But many say higher employment costs and labour or skills shortages are one of the top challenges they face. Nearly one-fifth are pivoting to hiring contractors, freelancers or consultants rather

than permanent employees; potentially threatening the number of secure opportunities available for young people in the region. Most firms identified a gap in soft skills such as problem-solving, reliability, communication and relationship-building, whilst just over one-quarter cited a lack of technical or industry-specific skills.

- The East of England has seen some of the strongest growth of any UK region in the number of mid-market businesses, according to new data. Despite uncertain economic times, the number of firms trading in the East in the £10-500 million-turnover bracket has risen by 5.4 per cent to over 3,000 businesses, outperforming the national increase of 4.4 per cent. Figures from BDO also show that businesses in the East lifted turnover by 4.8 per cent to £180 billion and supports more than 850,000 jobs across the region.
- Almost a third East of England businesses have seen demand fall due to recent global economic uncertainty but most still expect to grow this year, according to a Lloyds Business Barometer survey. It shows 40 per cent of firms in the region have been impacted by global uncertainty, particularly rising costs and reduced demand (30 per cent). Despite this, 58 p er cent of firms said they still expect to grow this year. Many are adjusting their strategy in response the changed outlook with measures such as cost-saving, increased inventories, locked-in input prices and currency or forex hedging.
- More than half of firms in the region are planning to increase recruitment after an upturn in demand helped lift business confidence in the East of England. It rose by 30 points during July to 53 per cent, according to a business barometer from Lloyds. Firms were more optimistic on both their own trading outlook and the economy as demand strengthened and hopes rose for new customers and contracts. A net balance of 61 per cent of businesses in the region expect to increase staff levels over the next year, up 24 points on June and the highest level this year.

Businesses

- Norwich Airport has been rated 'good' for accessibility in a new report. This rating was given by the UK Civil Aviation Authority (CAA) as part of its annual Airport Accessibility Report, which assesses the quality of support provided to disabled passengers and those with reduced mobility. Norwich was one of nine airports to receive a 'good' rating, while 19 others were rated 'very good'.
- The Old City, New Attitude campaign, delivered by VisitNorwich and operated by Norwich Business Improvement District, has received major industry recognition, winning both the Brand Communication Award at the Brandland Gather Awards and the Best Marketing & Branding Scheme award at the Association of Town & City Management Awards. Launched to present a bold and distinctive vision for Norwich, the campaign celebrates the city's unique blend of heritage, creativity and contemporary culture while challenging perceptions and strengthening its appeal as a city-break destination through a dynamic, digital-first approach that showcases Norwich's character in a fresh and engaging way.
- A new Cash Converters store is set to open in Norwich, bringing a long-vacant city centre unit back into use. The retailer will occupy 51-53 St Stephens Street, the former

home of the YMCA store, which has stood empty since its closure last year.

- Two leading Norwich-based plant science institutes, the John Innes Centre and The Sainsbury Laboratory, have secured £1.6 million in funding to support the development of a world-class research facility focused on crop resilience and sustainable agriculture at Norwich Research Park. Backed by investment from the Wolfson Foundation, the proposed 4,500sqm Technology Platform 1 will include state-of-the-art glasshouse, insectary and horticultural research facilities, enabling scientists to study crop performance under realistic growing conditions. The facility will feature advanced LED lighting, precise environmental controls capable of simulating future climate scenarios and integration with cutting-edge genomics, imaging and computational modelling technologies to accelerate innovation in agricultural research.

Education

- The University of East Anglia (UEA) has opened a new anatomy suite in the Edith Cavell Building at Norwich Research Park, creating a state-of-the-art facility that will enhance healthcare education, surgical training and research across medicine, dentistry and clinical sciences. Designed as a UK exemplar facility, the suite combines traditional anatomy teaching with modern technology and features 17 dissection tables, integrated iPads at every workstation, improved audiovisual systems and high-quality anatomical models. The new space will transform anatomy learning by enabling up to 120 medical students to be taught together in a single session, while also expanding opportunities for students across graduate-entry medicine, dentistry, healthcare and clinical sciences programmes to gain valuable dissection experience and professional skills training.
- Norwich University of the Arts and the Royal College of Art (RCA) have signed a historic agreement to establish jointly awarded undergraduate degrees, creating a new model of creative higher education collaboration in the UK. It is the only current opportunity anywhere to study undergraduate degrees validated by the Royal College of Art, the world's leading art and design university and a specialist postgraduate institution.
- City College Norwich has been awarded £4.9m to enhance its teaching facilities which will see 12 additional classrooms added to its Ipswich Road site. The project will be funded by the Department of Education through their Post-16 Capacity Fund. The fund provides money for 16 to 19 providers, further education colleges and sixth form colleges, to create additional student places where demand for post-16 education is growing. Set to open in September 2027, the £4.9m teaching block will consist of 12 new classrooms, allowing a further 148 students to learn at the college. The classrooms will support the delivery of STEMM (science, technology, engineering, mathematics and medicine), digital, business and health-related courses, giving students access to modern learning environments and industry-standard facilities.

Claimant count unemployment

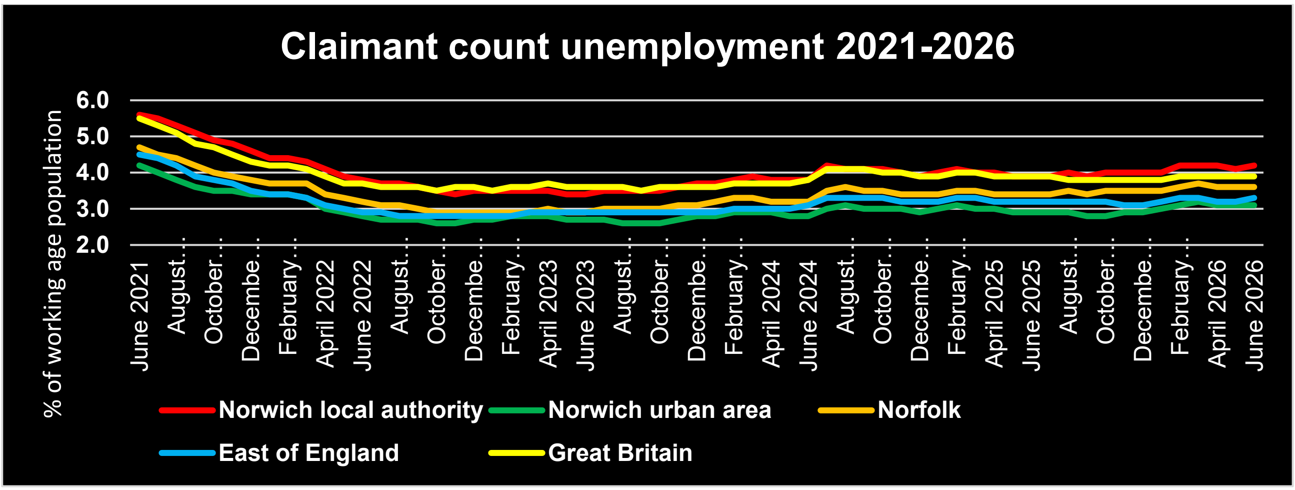


Figure 4 Claimant count unemployment 2021 to 2026

Norwich Local Authority (LA) has consistently recorded a higher claimant count unemployment rate than the other areas throughout the period. Although unemployment fell sharply from a peak of around 5.6% in June 2021 to a low of 3.4% in late 2022, the rate subsequently increased and stabilised at around 4.2% by June 2026. This remains above the national average (3.9%), Norfolk (3.6%), the East of England (3.3%) and particularly the wider Norwich Urban Area (3.1%).

While all areas followed a similar post-pandemic trend of decline followed by a modest increase from 2023 onwards, Norwich LA has maintained the highest claimant rate and the largest gap with neighbouring areas, indicating that unemployment-related benefit claims remain more concentrated within the city authority than across the wider local, regional and national geographies.

Table 1 Claimant count unemployment rate

	June 2025		May 2026		June 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Gt. Britain	1,660,585	3.9	1,644,615	3.9	**1,663,755**	**3.9**	0	0
East of England	130,670	3.2	130,260	3.2	**131,980**	**3.3**	+ 0.1%	+ 0.1%
Norfolk	15,995	2.9	16,925	3.1	**17,040**	**3.1**	0	+ 0.2%
Norwich Urban Area	5,150	3.4	4,910	3.6	**4,955**	**3.6**	0	+ 0.2%
Norwich City Council Area	4,000	3.9	4,215	4.1	**4,240**	**4.2**	+ 0.1%	+ 0.3%

Table 1 shows that compared with May 2026, the Norwich city council area saw a small increase in claimant unemployment. This contrasts with Norfolk and the Norwich Urban Area, where unemployment rates remained unchanged, although it mirrors the increase seen across the East of England. Looking at the annual picture, labour market conditions in Norwich city council area have deteriorated more significantly, with the claimant unemployment rate increasing from 3.9% in June 2025 to 4.2% in June 2026. This was a larger increase than in Norfolk and the Norwich Urban Area and the East of England, while Great Britain's rate remained unchanged. As a result, the city council area continues to have the highest claimant unemployment rate among the comparator areas, indicating greater labour market pressures locally than across the wider county, region and nationally.

The claimant count unemployment rate remained stable month on month across all reported areas, with a slight increase observed at the national level. Compared with the same period a year earlier, claimant count rates have risen across all reported areas.

Ward level claimant count unemployment

Table 2 Claimant count unemployment

	June 2025		May 2026		June 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Bowthorpe	285	4.5	285	4.0	**300**	**4.2**	0	- 0.7%
Catton Grove	320	4.5	350	4.8	**360**	**4.9**	+ 0.2%	+ 0.4%
Crome	350	5.0	370	4.9	**385**	**5.2**	+ 0.3%	+ 0.5%
Eaton	110	2.0	120	2.1	**125**	**2.2**	0	+ 0.1%
Lakenham	300	5.0	370	5.4	**360**	**5.2**	+ 0.1%	- 0.1%
Mancroft	450	6.2	450	5.0	**450**	**5.0**	+ 0.1%	- 0.6%
Mile Cross	440	6.1	480	6.2	**485**	**6.3**	- 0.2%	+ 0.3%
Nelson	210	2.7	210	2.8	**200**	**2.6**	- 0.1%	0
Sewell	280	3.9	260	3.4	**260**	**3.4**	+ 0.3%	- 0.3%
Thorpe Hamlet	290	4.1	340	4.4	**320**	**4.2**	+ 0.2%	+ 0.1%
Town Close	245	3.4	245	3.4	**270**	**3.7**	- 0.2%	+ 0.1%
University	265	2.0	300	2.6	**300**	**2.6**	+ 0.1%	+ 0.6%
Wensum	460	5.6	435	4.9	**430**	**4.8**	+ 0.1%	- 0.7%

Claimant count unemployment across the wards presents a mixed picture in June 2026. The highest unemployment levels were recorded in Mile Cross, Crome, Lakenham and Mancroft, while Eaton, University and Nelson continued to have the lowest rates. Compared with June 2025, unemployment rates increased most strongly in the University ward, followed by Crome and Catton Grove, indicating a deterioration in labour market conditions in these areas. In contrast, Bowthorpe and Wensum saw the largest annual improvements, with rates falling by 0.7 percentage points, while Mancroft also recorded a notable reduction.

On a monthly basis, changes were generally modest, with increases in Catton Grove, Crome, Thorpe Hamlet and University, while small declines were recorded in Mile Cross, Nelson and Town Close. Overall, the data suggests that claimant unemployment remained concentrated in a small number of wards, although annual trends show improvements in some of the highest-unemployment areas alongside rising claimant rates in several lower-unemployment wards. 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 4.1 percentage points.

Claimant count unemployment: male/female

Within the Norwich City Council area, women account for 39% of out-of-work benefit claimants. Compared with the previous month, the female claimant unemployment rate remained unchanged in June 2026 across Norwich (3.3%), Norfolk (2.6%) and the East of England (2.9%), while increasing slightly across Great Britain to 3.4%.

Male claimant unemployment rates also remained stable over the month, standing at 5.0% in Norwich, 3.5% in Norfolk, 3.7% in the East of England and 4.5% nationally.

Since 1992, unemployment rates in Norwich have been consistently higher for both men and women than those recorded in Norfolk and the East of England, although local trends have broadly followed regional and national patterns. Norwich's comparatively higher unemployment reflects long-term structural changes in the local economy, including the decline of large-scale manufacturing and the growing importance of service-sector employment.

Housing benefit

Table 3 Norwich City Council housing benefit claimants

	Claimant numbers	Monthly change
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
May 2026	13,138	+ 80
June 2026	13,168	+ 30
July 2026	13,170	+ 2

Housing Benefit is a means-tested benefit that helps people on low incomes meet the cost of rented accommodation. The figures also include residents receiving Council Tax Support only. Claimants include a wide range of households, including pensioners, disabled people, carers and those in employment but on low incomes. Norwich's relatively low average earnings contribute to a higher level of reliance on income-related benefits compared with many other areas.

Table 3 shows that the number of Housing Benefit claimants in Norwich has remained relatively stable over the past year, fluctuating around 13,000 claimants. While there were several month-to-month changes, including notable decreases in December 2025 and March 2026, these were partly offset by increases in April and May 2026. Overall, the claimant count fell from 13,263 in July 2025 to 13,170 in July 2026, representing a modest annual decrease of 93 claimants (0.7%).

Average house prices and rents

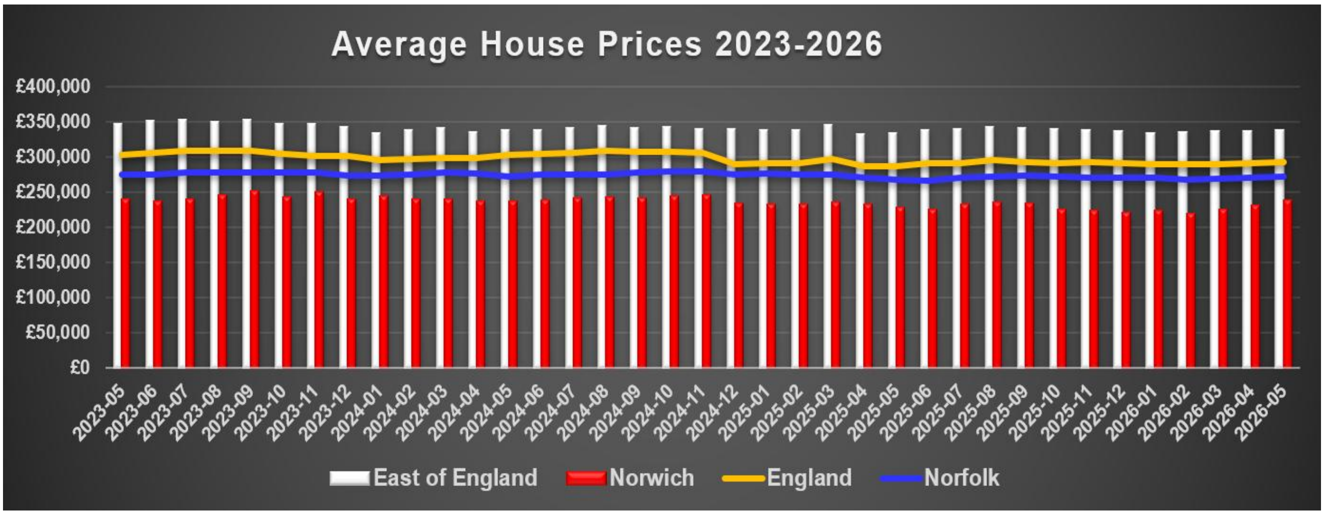


Figure 5: HM Land Registry average house prices 2023- 2026

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 May increased by 5.8% in Norwich, 3.1% in Norfolk, 2.3% in the East of England and England. Figure 5 illustrates monthly changes in average house prices since May 2023. On a monthly basis, average prices increased by 2.8% in May in Norwich, 0.5% in Norfolk, 0.5% in the East of England and by 0.1% in England.

The latest data indicate that average house prices stand at £237,629 in Norwich, compared with £271,947 in Norfolk, £338,224 across the East of England and £292,095 in England as a whole.

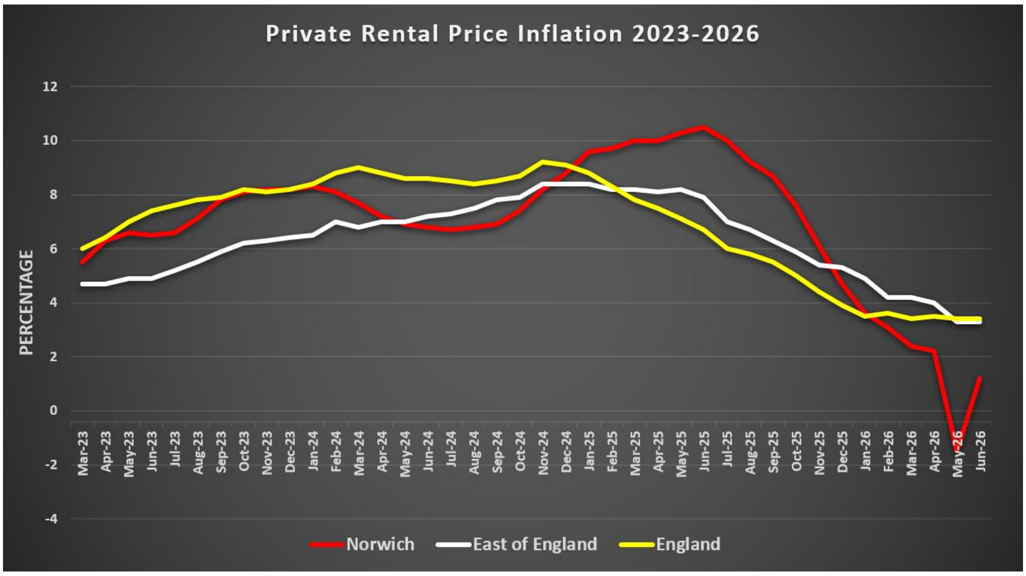


Figure 6: Private Rental Price Inflation 2023-2026

Norwich Economic Barometer – July 2026

The latest ONS data show that Norwich's private rental market has cooled significantly after a period of rapid growth. Annual rent inflation peaked at 10.5% in June 2025 but fell sharply through late 2025 and early 2026, reaching-1.5% in April 2026 before recovering to 1.2% in June 2026. Norwich's annual rental inflation is now well below both the East of England (3.3%) and England (3.4%), indicating that rental pressures are easing more quickly in the city than across the wider region and nationally. The latest average monthly private rents are £1,149 in Norwich, compared with £1,281 across the East of England and £1,446 across England, meaning Norwich remains relatively affordable despite the substantial rent increases seen over the previous two years.

City centre vitality

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

Monthly Footfall Counts

	Year to date % YoY		This month % YoY		This month % MoM	
	2026	2025	2026	2025	2026	2025
Norwich	0.9%	-2.5%	7.4%	-5.0%	15.8%	12.3%
East	-2.2%	-0.3%	1.8%	-2.8%	10.8%	4.7%
High Street Index - BDSU (BDSU - Comparison)	-0.1%	1.9%	0.9%	1.7%	7.9%	5.4%
UK	-2.1%	0.6%	-0.4%	0.0%	7.3%	4.1%

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 9,001,116 which is 0.9% up on the previous year.

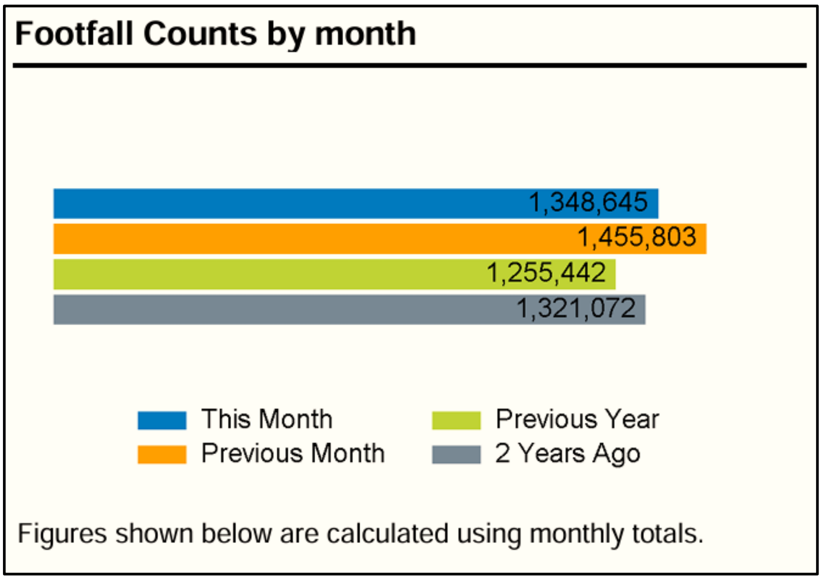


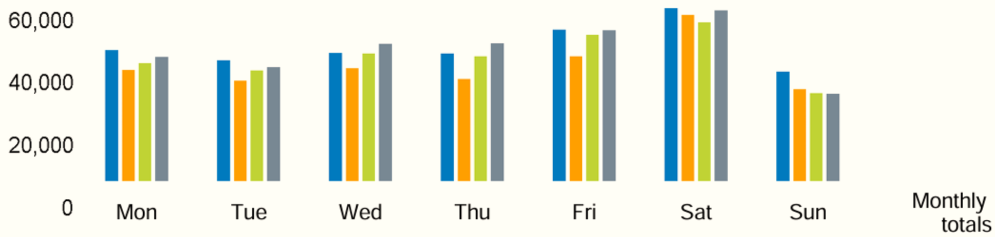
Figure 8: Comparison of monthly footfall

As shown in Figure 8, the total number of visitors to Norwich in July was 1,348,645.

Figure 9 (overleaf) shows that the busiest day of the month was Saturday 25 July with 66,997 visitors. The peak hour of the month was 1pm on the same day with footfall of 9,207.

Footfall Counts by day

The figures shown below are calculated using weekly averages.

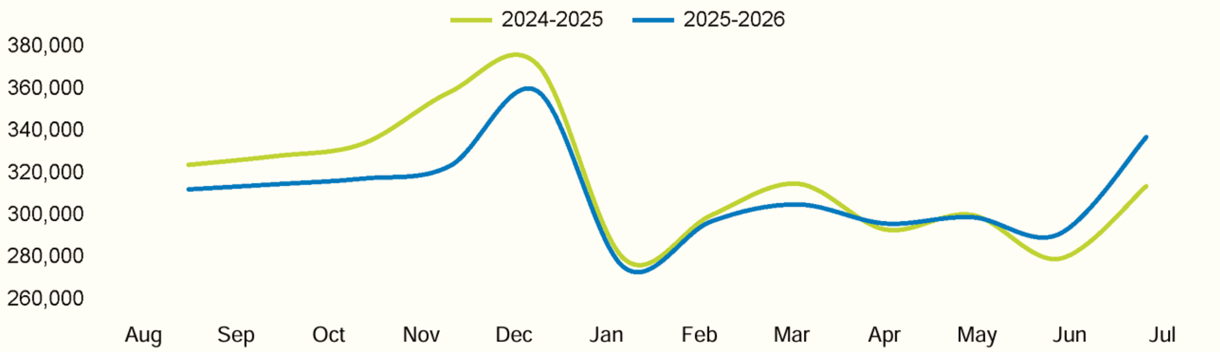


	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Monthly totals
This Month	**46,967**	**43,347**	**45,977**	**45,723**	**54,076**	**61,562**	**39,509**	**337,161**
Previous Month	**39,992**	**36,305**	**40,731**	**36,900**	**44,737**	**59,115**	**33,380**	**291,160**
Previous Year	**42,481**	**39,933**	**45,707**	**44,844**	**52,357**	**56,542**	**31,996**	**313,860**
2 Years Ago	**44,543**	**40,971**	**49,150**	**49,319**	**53,867**	**60,614**	**31,804**	**330,268**
Month on month %	**17.4%**	**19.4%**	**12.9%**	**23.9%**	**20.9%**	**4.1%**	**18.4%**	
Year on year %	**10.6%**	**8.5%**	**0.6%**	**2.0%**	**3.3%**	**8.9%**	**23.5%**	

Figure 9: Footfall counts by day

Footfall Counts - rolling 12 months

The figures shown below are calculated using weekly averages.



	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
2025-2026	**312,332**	**314,776**	**317,448**	**323,393**	**359,147**	**275,353**	**297,080**	**305,174**	**296,122**	**299,142**	**291,160**	**337,161**
2024-2025	**323,979**	**328,156**	**333,987**	**358,515**	**371,876**	**279,432**	**299,989**	**315,013**	**293,281**	**300,201**	**279,406**	**313,860**
Year on Year %	**-3.6%**	**-4.1%**	**-5.0%**	**-9.8%**	**-3.4%**	**-1.5%**	**-1.0%**	**-3.1%**	**1.0%**	**-0.4%**	**4.2%**	**7.4%**

Year on year % is calculated by comparing the 2025-2026 period with the 2024-2025 period i.e the figure for July compares July 2026 to July 2025

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 April, June and July 2026, which saw slight increases.

Appendix

Contact details:

Sharon Cousins-Clarke, Economic Development, Norwich City Council,

Email: SharonCousins-Clarke@norwich.gov.uk

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.

If you need this information by email for use with the read-aloud function or in an alternative format, please contact us on 0344 980 3333 or visit norwich.gov.uk/Intran