



April 2025

Norwich Economic Barometer



NORWICH
City Council

Norwich Economic Barometer – April 2025

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Business news

Economy

warnings of a collapse in activity, as businesses hurried to invest and export before US tariffs are implemented with higher spending on aircraft, IT equipment and machinery. The Office for National Statistics (ONS) said gross domestic product (GDP) rose by 0.7% in the quarter, continuing an expansion after growth of 0.1 per cent in the final three months of last year. Since a huge decline in GDP in April 2020, the UK economy has gradually recovered and is now around 4 per cent larger than it was before the COVID-19 pandemic. After the initial recovery from the pandemic, however, the UK economy has effectively flatlined, fluctuating between low growth and small contractions since January 2022. UK interest rates have been cut to 4.25 per cent from 4.5 per cent and the governor of the Bank England has hinted more could follow in the coming months.

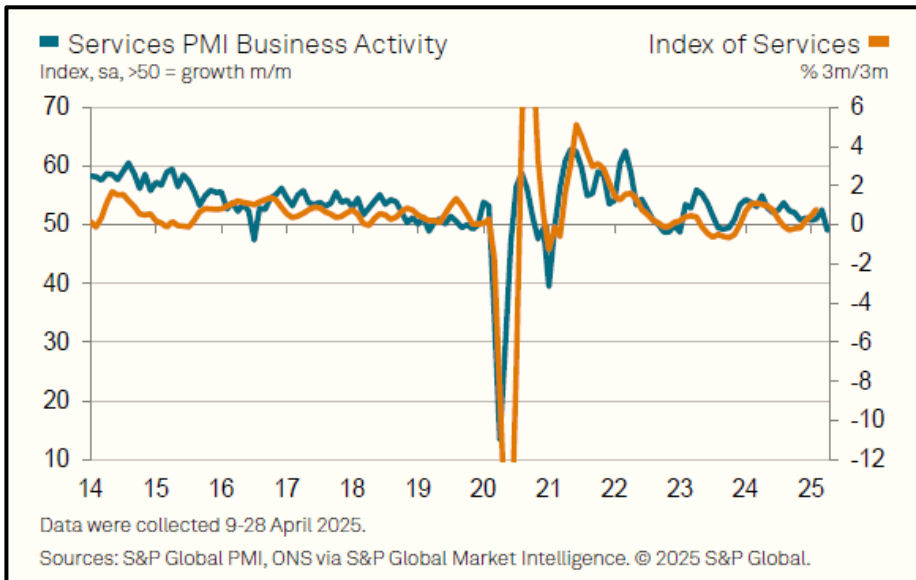


Figure 1: S&P Global/CIPS UK Services Business Activity Index

- UK service providers experienced a marginal downturn in business activity during April, ending a 17-month period of expansion. This largely reflected a renewed downturn in order books. Export sales were particularly subdued, with total new work from abroad decreasing at the fastest pace since February 2021. Survey respondents widely commented on risk aversion and delayed spending decisions among clients in response to rising global economic uncertainty. Figure 1 shows the headline seasonally adjusted S&P Global UK Services PMI Business Activity Index was the lowest since January 2023, at 49.0 in April, down from 52.5 in March. The latest reading signalled a marginal decline in overall output, which contrasted with modest growth in the first quarter of 2025. New business intakes decreased for the third time in the past four months during April. Service providers typically cited weaker business investment and client confidence in the wake of US tariffs announcements and subsequent financial market turmoil. While many firms continued to report unfavourable domestic demand conditions, the latest survey indicated

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a particularly marked decline in new work from overseas markets. The rate of contraction was the steepest for just over four years and mostly linked by survey respondents to the impact of rising global trade tensions.

- Manufacturers in the UK faced a tough operating backdrop in April, with market uncertainties rising, falling client confidence and cost pressures intensifying. Figure 2 shows at 45.4 in April, the seasonally adjusted S&P Global UK Manufacturing PMI remained below the neutral 50.0 mark for the seventh consecutive month but up slightly from March's 17-month low of 44.9. Manufacturing production contracted again in April, albeit to a slightly lesser extent than in March, as output was scaled back in response to reduced intakes of new work from both domestic and overseas markets. Panellists reported that rising economic and trade uncertainties (including prospective US tariffs) had drained confidence from both consumer and business-to-business clients, resulting in an increased reluctance to commit to new contracts. These factors also led to a comparatively large contraction of output and new work received at investment goods producers, suggesting that subdued market confidence was hitting demand for capital goods especially hard. The total level of new business placed with UK manufacturers contracted for the seventh month in a row in April. The rate of decrease in new work received remained substantial despite easing slightly since the prior survey month. New export orders fell at the quickest pace in almost five years, with demand from the US, Europe and mainland China all lower. Anecdotal evidence indicated that weak client confidence, trade uncertainty (including prospective US tariffs) and generally quiet global markets had all weighed on export demand.

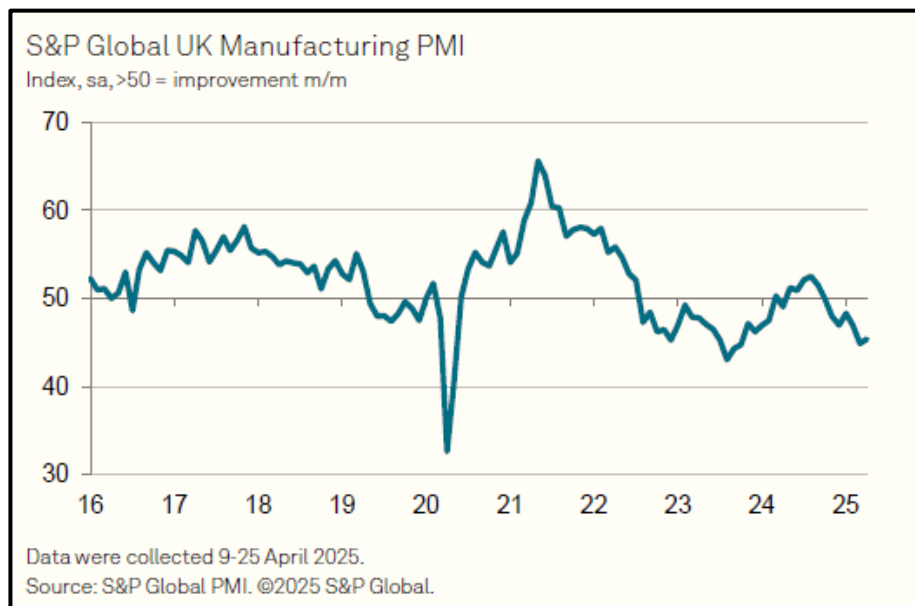


Figure 2: S&P Global/CIPS UK Manufacturing PMI

- Construction activity decreased for the fourth consecutive month as rising business uncertainty led to delayed decision-making on new projects. The latest survey indicated further declines in total order books and cutbacks to staffing numbers. Output growth projections nonetheless edged up to the highest since December 2024. Figure 3 shows at 46.6 in April, the headline S&P Global UK Construction PMI remained below the 50.0

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no-change value but was up slightly from 46.4 in March and signalled the slowest decline in output levels for three months. Residential work showed a degree of resilience in April, with the rate of contraction easing to the least marked in 2025 to date. Moreover, the latest reduction in activity was the slowest seen across the three sub-categories of construction work. Civil engineering remained the weakest-performing area of construction activity in April with the latest survey indicating a sharp rate of decline amid a lack of new work to replace completed projects. Commercial work decreased for the fourth month running in April and the pace of decline accelerated to its fastest since May 2020. Construction companies widely noted that heightened business uncertainty and worries about the broader UK economic outlook had weighed on client demand. April data indicated a steep reduction in total new work and the pace of decline was the second-fastest since May 2020.

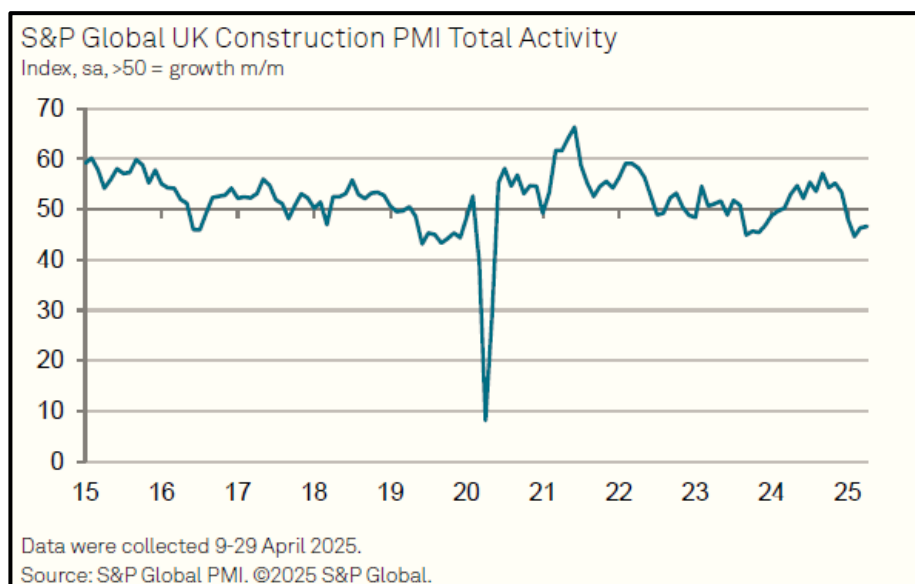


Figure 3: S&P Global/CIPS UK Construction PMI

- Businesses in the region have been hit by a sharp rise in costs and economic uncertainty although firms are still looking forward with 'some optimism', according to a key survey of purchasing managers. Rising wages, energy and supplier prices were behind a pick-up in the rate of input price inflation at private firms in the East of England in April for the fourth time in five months, says the NatWest East of England growth tracker. Cost inflation was the highest for over two years as rising labour costs reflected April's increase in national insurance contributions and the minimum wage. Firms in the region also raised their own prices for goods and services at the fastest pace in three months. The survey, taken after the US tariff announcements on 2nd April, pointed to further falls in output, new orders and employment in the region. The survey's business activity index dipped to 47.9 in April, from March's 48.8, and a recorded a decline in new business for the fifth month running. Workforce numbers in the East also fell for the eighth month running. Although confidence has weakened, firms remain optimistic for growth over the year ahead as interest rates and inflation fall and there is more certainty on tariffs.
- The East of England has bucked the national trend by recording an upturn in business

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confidence with more firms planning to hire staff, according to a business barometer survey for April from Lloyds. It shows improved optimism amongst firms in the region in both their own trading prospects and on the outlook for the economy. The headline confidence reading in the East stood at 42 per cent, up from 29 per cent in March. By contrast, overall confidence across the UK in April fell by ten points to 39 per cent.

- The prospect of higher employment costs and the threat of trade tariffs across England and Wales pushed up corporate insolvencies in March, according to the Eastern branch of insolvency and restructuring trade body R3. Insolvency Service figures show that corporate insolvencies increased by 9.1 per cent in March, compared to the previous month to a total of 1,992. Longstanding challenging trading conditions and the increased willingness of public and private sector creditors to turn to winding-up orders to pursue monies owed have impacted heavily on business distress, both locally and nationally.
- Venture capital investment in start-up and scaling businesses in the East of England rose sharply to £680 million in the first quarter of this year, driven by strong interest in IT and healthcare enterprises. The upturn marked a 41 per cent rise on the £480 million of investment in the region seen in the final three months of last year and was spread across 39 deals – Ctrl AI, an AI and machine learning business based in Norwich was a recipient.
- Expanding or exporting overseas is a priority for more than two-fifths of East Anglia mid-sized businesses over the next year despite complex international trade conditions, according to BDO's Economic Engine survey of 500 firms in the sector. Companies plan to target regions such as South America, Africa and Australia whilst Europe also remains a healthy market, with 38 per cent focusing on the EU in 2025. Over half plan to pursue countries outside the bloc such as Norway, Switzerland and Iceland. But firms continue to face supply chain pressures including uncertainty on tariffs, delayed deliveries and skills shortages.
- Businesses in the East of England believe hybrid working has boosted productivity and wellbeing but many are keen for their people to spend more time in the office. A business outlook tracker survey of mid-sized companies across the region from Grant Thornton UK found that 90 per cent of firms had adopted hybrid working but most (74 per cent) wanted to see their staff in the office more. Most firms recognised that in-person interactions can help with specific activities and that hybrid working was impacting their ability to provide enough support for younger employees and trainees.
- Manufacturers in the East are being urged to sign up to a government programme to help SMEs embrace digital technologies for growth. Made Smarter gives access expert advice, leadership training, student interns and technology grants worth up to £20,000. The programme, which has been launched in other UK regions, is being delivered by Norfolk County Council to help drive growth, productivity and sustainability.
- The East of England Co-op has announced a return to profit, with a £4.6 million turnaround from last year. The regional co-operative made a £1 million trading profit in 2024, crediting its commercial success to a year of investment and reshaping the business to meet the needs of the local communities it operates in across the region.

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- R3 reported that business start-ups in East Anglia rose to 7,579 in April, up 37 per cent on the end of last year and the highest April total for any UK region outside of London.

Local Business

- One of the largest industrial sites in Norfolk to come to the market for many years – the former home of window maker Swift Frame on the Sweetbriar Industrial Estate in Norwich – has been put up for sale. Swift House, involving over 94,000 sq ft of industrial/warehousing units on a 7.7 acre site, is being offered either freehold or leasehold through property firm Arnolds Keys. Built in the 1990s, the two large industrial buildings on the site are currently being refurbished. The site is next to the Amazon distribution centre and has a 800kVA power supply, making it suitable for manufacturing as well as warehousing/distribution. It also has a large ancillary yard and 2.1 acres of undeveloped land.
- Norwich-based ABC Taxis has been rebranded and is now operating under the name of Veezu, a growing private hire technology platform which acquired the business in 2022. Since joining the Veezu network, ABC Taxis has seen significant growth – completing one booking every 20 seconds in 2024 – as demand grows for app-based, online and phone booking options. The rebrand also involves upgraded technology through the app with improved services for passengers. Veezu has over 600 local corporate clients and over 75 per cent of the firm's near 500-strong fleet is hybrid or electric vehicles.
- Norwich-based financial services group Alan Boswell Group has acquired Andrew Thompson & Associates (AT&A), an East-Suffolk-based commercial insurance broker founded in 2010. It follows the group's 2024 purchase of two Norfolk-based brokers, Priory Insurance Brokers and The Insurance Centre. AT&A's staff and premises will be retained, while its clients will see additional support and services from the 450-strong group. The acquisition, alongside ABG's office in Bury St Edmunds, bolsters the group's presence in Suffolk.
- A popular UK restaurant chain has officially been given the greenlight to open its new city site. Indian street food restaurant, Mowgli, had its plan to install a new shopfront approved by Norwich City Council. The application for the new look will also facilitate the change of use at the unit - home of the former Superdry store - at Chantry Place.
- A family-run packaging company in Norwich plans to triple in size as part of a £5m expansion. Thompson Packaging at Bowthorpe industrial estate has revealed plans to build a 10,000 sq ft extension onto its premises to house its cardboard packaging production lines. Formed in 1984 by brothers Martin and Nick Thompson, the company manufactured 12 million cardboard boxes for businesses last year. In 2021, the firm bought the 35,000 sq ft office building opposite its existing premises in Robberds Way for £2m. The building is already more than double the size of its original premises, which is still used by the business, but the brothers now plan to build the extension by the end of the year – bringing the total investment up to £5m.
- Norwich has been named one of the best places to live in the East of England. The

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Sunday Times ranked the finest places to live in the East of England with Norwich included in the shortlist. Alongside Norwich, Reepham in Norfolk, Saffron Walden, Chelmsford, Wivenhoe, Woodbridge and the Shelfords were listed. The judging panel visited every location and assessed every factor from schools to transport, broadband speeds to culture, as well as access to green spaces and the health of the high street.

Education

- University Technical College Norfolk (UTCN), in Old Hall Road, was inspected by Ofsted earlier this year in its first assessment since 2019. The inspectors rated the behaviour of students and the sixth form provision at the site to be outstanding. The report stated that "Pupils participate in an extensive range of encounters with employers - all pupils take part in work experience. The school has very high expectations of how well all pupils can achieve. Pupils treat each other and adults with politeness and respect and lessons are a haven of calm." The report emphasised how students are prepared to enter the workplace on leaving UTCN, highlighting that ten times as many students choose apprenticeships over university.
- City College Norwich's commitment to equality, diversity and inclusion has been recognised with the achievement of the Investors in Diversity Silver award. Accredited by the National Centre for Diversity, the silver award recognises the work the college has done to listen to staff and students on how they view and experience the culture within the organisation - and the progress made against the subsequent action plan.
- More than 4,000 people in Norfolk who face barriers to employment including disability and long-term health conditions are to be helped through a new programme of support. Connect to Work is a central part of the Government's Get Britain Working strategy, designed to link up health and employment services and deliver the mutually reinforcing outcomes of employment and improved health. A triage service will operate as the gateway to the programme, with capacity to receive and direct up to 1,200 resident referrals in each of the main project delivery years. It is anticipated that up to 4,300 Norfolk residents will be supported from October 2025 to March 2030.
- New apprenticeship starts with Norfolk businesses and organisations soared by 11 per cent in the first three months of the academic year 2024/25 – against a national increase of less than 1.5 per cent. The growth between August to October 2024 compared with the same period in 2023/24 equates to 2,025 new starts in the county. That is 199 more than the previous year and the highest volume in the same period for more than five years. Apprenticeships Norfolk says starts have grown across the 16-18, 19-24 and 25+ age groups – by 7.4 per cent, 9.6 per cent and 14.6 per cent respectively. Department for Education (DfE) statistics show local businesses have been recruiting, with the number of 'newly recruited' apprentices (up to 3 months in employment at the start of their apprenticeship) rising by 10.4 per cent compared to the previous year - 94 more starts.

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Claimant count unemployment

Figure 4 summarises the trend in claimant count unemploymentⁱ. Following decreases in the unemployment rate since late 2013, the rate increased sharply during the Covid-19 pandemic. However, claimant count rates have fallen across each of the reported areas since that time. Currently the rate in the Norwich city council area is level with the national rate; considerably higher than rates in the urban area, the county and the region.

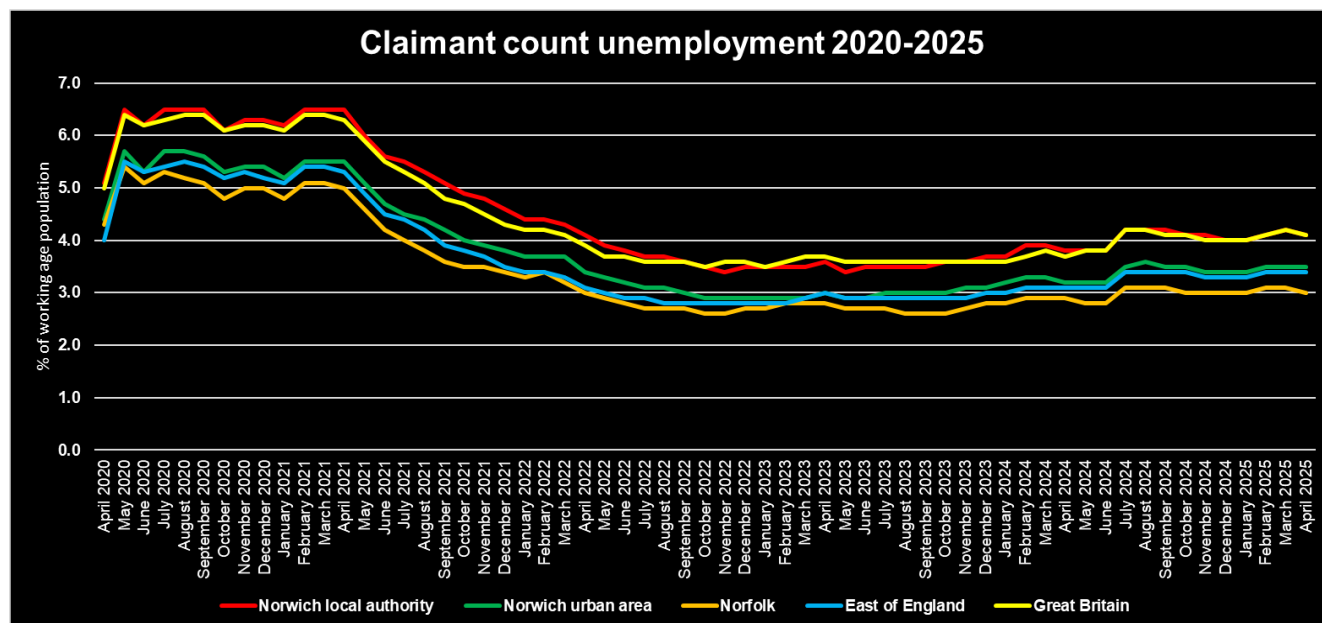


Figure 4 Claimant count unemployment 2020 to 2025

Table 1 Claimant count unemployment rate								
	April 2024		March 2025		April 2025		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Gt. Britain	1,557,550	3.7	1,703,915	4.1	1,703,510	4.1	0	+ 0.4%
East of England	121,140	3.1	133,425	3.4	133,450	3.4	0	+ 0.3%
Norfolk	15,940	2.9	16,855	3.1	16,745	3.0	- 0.1%	+ 0.1%
Norwich urban area	4,865	3.2	5,190	3.5	5,255	3.5	0	+ 0.2%
Norwich City Council area	3,845	3.8	4,095	4.1	4,150	4.1	+ 0.1%	+ 0.3%

Table 1 shows that relative to the previous month, the claimant count unemployment rate increased in the Norwich City Council area and nationally but remained unchanged across

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the other areas bar Norfolk which saw a marginal fall. Rates increased across each of the reported areas compared to April 2024.

Ward level claimant count unemployment

As shown in Table 2, during the month of April, unemployment rates in Catton Grove, Mancroft and University wards fell slightly compared to the previous month; the rates in Eaton, Mile Cross and Sewell wards remained the same. Unemployment rates increased in the remaining wards relative to March.

Compared to the same time last year, unemployment rates in each of the wards saw an increase bar Catton Grove, Crome and Town Close wards where the rate fell. The strongest growth took place in Wensum ward.

	April 2024		March 2025		April 2025		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Bowthorpe	265	4.1	285	4.4	315	4.9	+ 0.5%	+ 0.8%
Catton Grove	350	4.9	350	4.9	330	4.6	- 0.3%	- 0.3%
Crome	365	5.2	335	4.7	355	5.0	+ 0.3%	- 0.2%
Eaton	110	2.1	115	2.2	115	2.2	0	+ 0.1%
Lakenham	320	5.3	340	5.7	350	5.8	+ 0.3%	+ 0.5%
Mancroft	410	5.7	435	6.0	425	5.9	- 0.1%	+ 0.2%
Mile Cross	380	5.3	435	6.0	430	6.0	0	+ 0.7%
Nelson	195	2.5	205	2.6	215	2.7	+ 0.1%	+ 0.2%
Sewell	270	3.8	285	4.0	290	4.0	0	+ 0.2%
Thorpe Hamlet	295	4.1	305	4.3	310	4.4	+ 0.1%	+ 0.3%
Town Close	260	3.6	260	3.7	250	3.5	+ 0.2%	- 0.1%
University	245	1.9	280	2.1	285	2.2	- 0.1%	+ 0.3%
Wensum	380	4.6	465	5.7	480	5.9	+ 0.2%	+ 1.3%

Figure 5 demonstrates the wide variation in ward claimant count rates across the city council area. The differential between the lowest rates (Eaton ward) and the highest rate (Mile Cross ward) currently stands at 3.8 percentage points.

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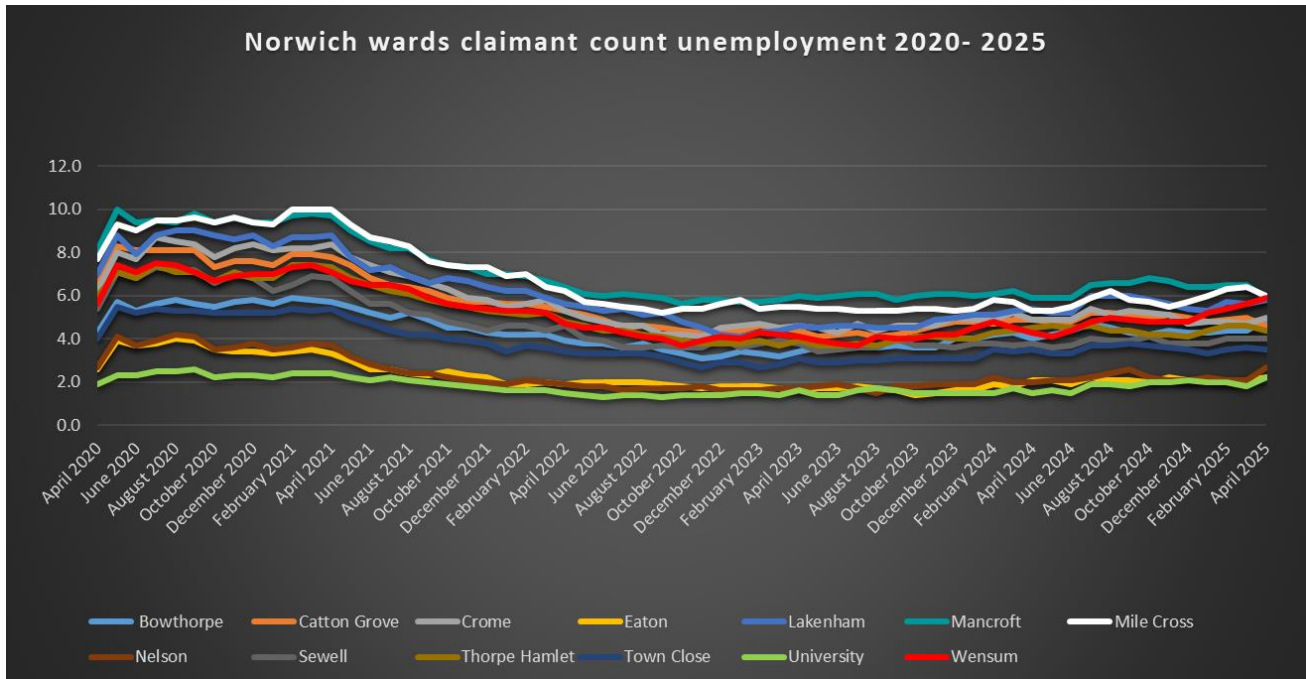


Figure 5 Norwich wards claimant count unemployment 2020 to 2025

Claimant count unemployment: male/female

In the Norwich city council area, 40% of out-of-work claimants are woman. In April, female unemployment rates fell slightly compared to the previous month in Norwich (3.3%), across Norfolk (2.7%). Relative to March, the regional rate remained the same (3.0%); the rate increased slightly at the national level (3.6%).

Over the month, the male unemployment rate saw a marginal increase in Norwich but remained the same in Norfolk, regionally and nationally. The male unemployment rate stands at 4.9% of working age males in Norwich; male unemployment rates are lower nationally (4.6%), in Norfolk (3.4%) and regionally (3.7%).

Since records began in 1992, Norwich's male and female unemployment rates have been persistently higher than rates in Norfolk and the region and have tended to mirror the rate at the national level. The relatively high levels of unemployment can be traced back to the loss of large scale production line manufacturing jobs and the predominance of the service sector in the city.

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Housing benefit

Table 3 Norwich City Council housing benefit claimants – 12 months		
	Number of claimants	Monthly change
April 2024	13,465	+ 35
May 2024	13,488	+ 23
June 2024	13,521	+ 33
July 2024	13,480	- 41
August 2024	13,417	- 63
September 2024	13,358	- 59
October 2024	13,423	- 65
November 2024	13,391	- 32
December 2024	13,358	- 33
January 2025	13,339	- 19
February 2025	13,279	- 60
March 2025	13,320	- 41
April 2025	13,224	- 96

Housing benefit is an income related benefit designed to help people on low incomes pay for rented accommodation whether in, or out, of work. Housing benefit numbers include people who are claiming council tax benefit only. Many housing benefit claimants are pensioners, people with disabilities, carers or people who are in low waged work. It should be noted that low wage levels in Norwich are a contributory factor to the number of people claiming housing benefit.

Table 3 shows that the number of housing benefit claimants in the Norwich local authority area fell by 96 claims during April compared to the previous month. Over the past twelve months housing benefit claims in Norwich have fallen by 1.8%. Comparable national data is not available because of a time lag in data collection.

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Average house prices

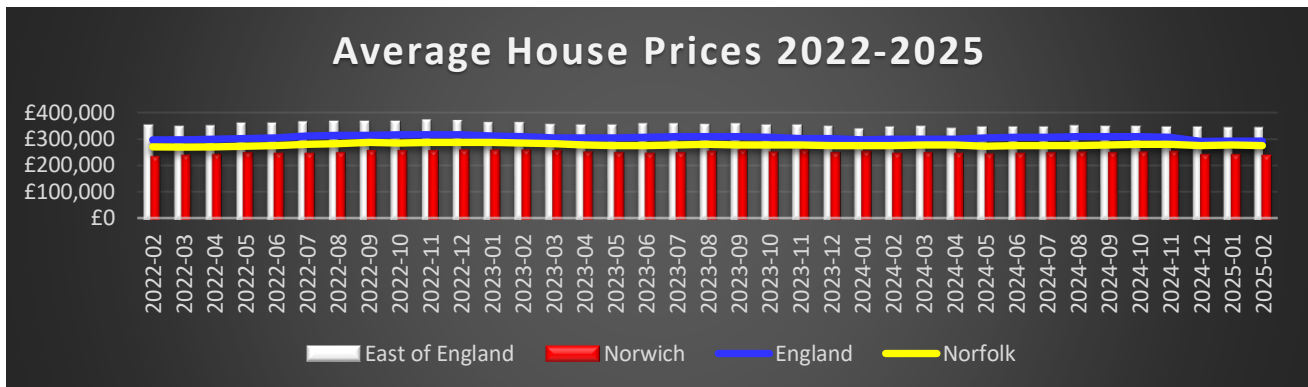


Figure 6 HM Land Registry average house prices 2021- 2024

The House Price Index (HPI) produced by HM Land Registry is the most accurate and independent house price index available for the UK.

According to HM Land Registry's HPI (Crown copyright) over the year, average house prices grew by 2.1% in Norwich, by 4.3% in Norfolk, by 4.2% in the East of England and by 4.3% nationally. Figure 6 summarises average house price movements since February 2022.

During the month of February, average house prices fell by 0.5% in Norfolk and by 0.3% in Norwich. Over the same period, prices were unchanged in the East of England but increased by 0.3% in England as a whole.

The average house price in Norwich currently stands at £232,048 against £274,752 for Norfolk, £338,468 for the East of England and £291,640 for England.

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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	
	2025	2024	2025	2024	2025	2024
Norwich	-1.2%	-3.6%	1.9%	-6.7%	-6.9%	-5.9%
East	0.2%	-4.0%	4.3%	-6.8%	-0.2%	0.9%
High Street Index - BDSU (BDSU - Comparison)	2.5%	-1.0%	4.0%	-0.6%	5.0%	4.9%
UK	1.4%	-1.1%	3.5%	-2.3%	4.6%	4.0%
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 5,372,546 which is 1.2% down on the previous year.

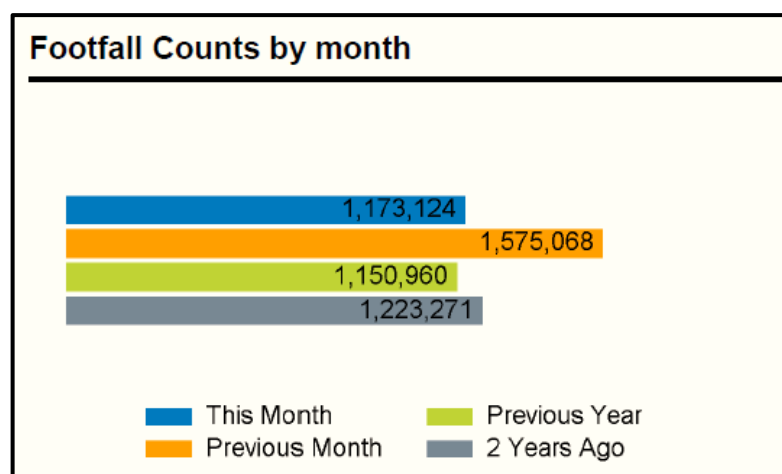


Figure 8 Comparison of monthly footfall

Figure 8 shows the total number of visitors to Norwich in the month beginning 7 April 2025 was 1,173,124.

Figure 9 overleaf shows the busiest day in this month was Saturday 3 May with 54,615 visitors.

The peak hour of the month was 1pm on Wednesday 9 April 2025 with footfall of 7,780.

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Footfall Counts by day

The figures shown below are calculated using weekly averages.

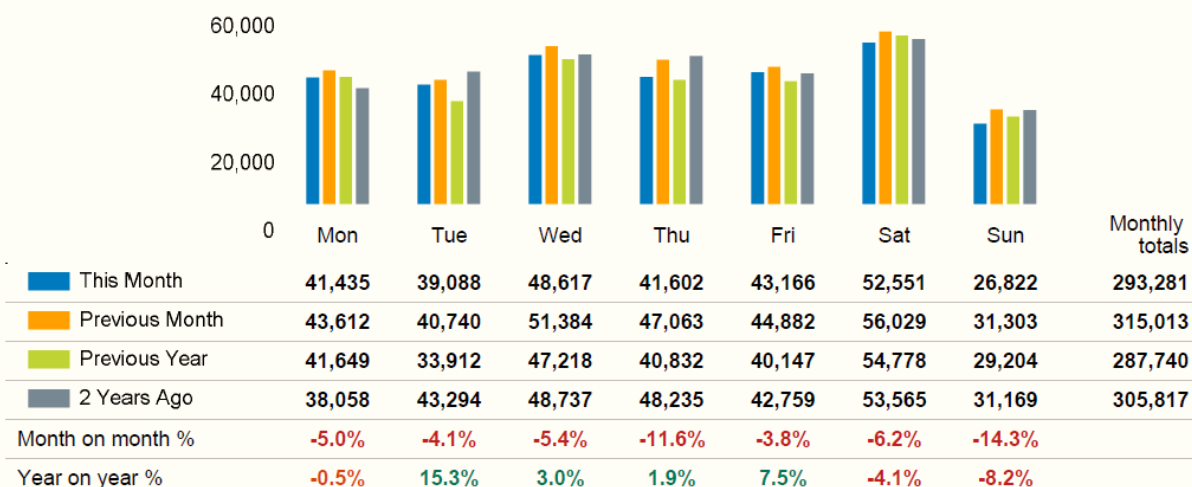


Figure 9 Footfall counts by day

Footfall Counts - rolling 12 months

The figures shown below are calculated using weekly averages.

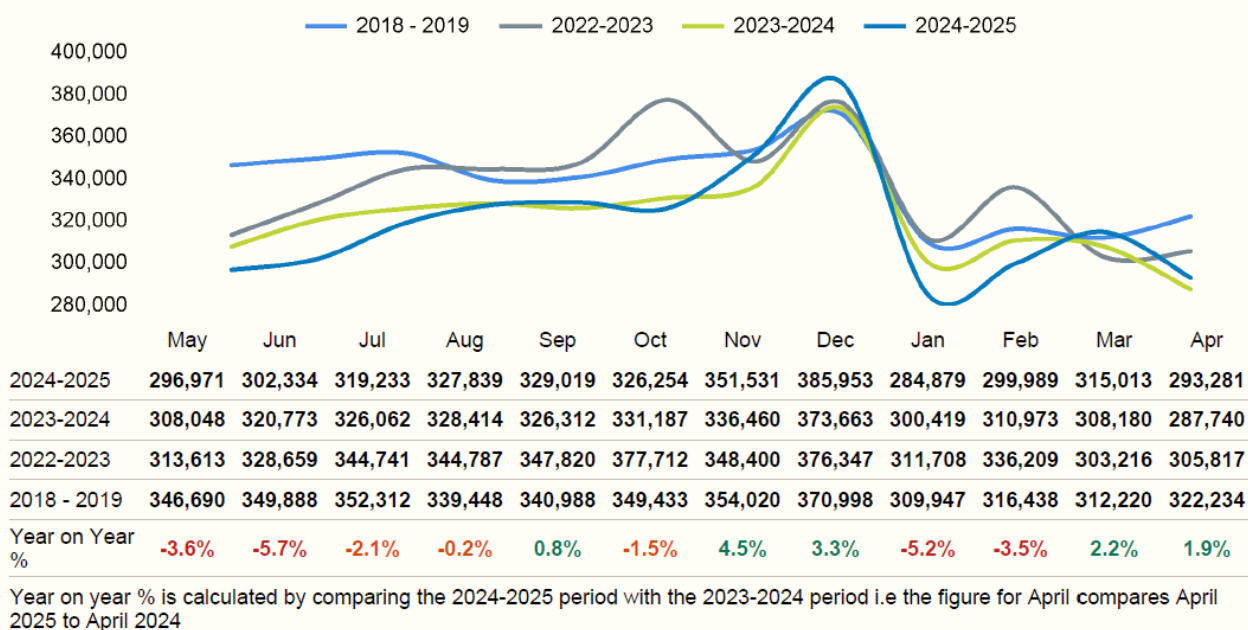


Figure 10 Rolling 12 months footfall counts

Figure 10 summarises rolling 12-month footfall counts since 2018. Seven of this year's monthly footfall counts are lower than for the previous 12 months.

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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: Ward unemployment – NOMIS, Crown copyright

Figure 6: House Price Index - HM Land Registry, Crown copyright

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 EDP/Evening News; Business in East Anglia; Office of National Statistics; Reuters; BBC; Markit/CIPS PMI; Markit Monthly Economic Overview; University of East Anglia; Norwich University of the Arts; City College Norwich.
