

**REPORT TO CABINET**

**11 DECEMBER 2025**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**Resources and Transport - Lead Cabinet Member – Councillor Paul Rowling**

## **Review of Car Parking Charges**

### **Summary**

This report outlines proposals for new car parking charges in Stockton and Yarm town centres following a review of current charges as agreed at July Cabinet following a motion, that was passed at May 2025 Full Council meeting, which recommended Cabinet consider reintroducing a free first hour of parking in Yarm.

It is recommended Cabinet approve reintroducing the free first hour of short-stay car parking in both Yarm and Stockton town centres and introduce new charges for subsequent hours of £2 for 1 to 2 hours and £3.50 for more than 3 hours. It is also recommended to introduce charging £1.50 after 5pm in Wellington Square multi-storey car park only.

### **Reasons for Recommendation(s)/Decision(s)**

To enable Cabinet to respond to the motion approved at May 2025 Full Council relating to the removal of the free hour of short-stay car parking in Yarm. To set new car parking charges that balance the need to cover the associated cost of managing car parking in Stockton & Yarm town centres while supporting the economic viability of our town centres.

### **Recommendations**

Cabinet is recommended to:

1. Approve new car parking charges for Stockton and Yarm town centres from 1st February 2026 as follows:

Monday to Saturday (9am to 5pm)

- i. First hour free
- ii. £2 for 1 to 2 hours
- iii. £3.50 for 3+ hours
- iv. After 5pm £1.50 Wellington Square multi-storey car park only

## Detail

### Background

1. In October 2024, Cabinet made the decision to remove the first free hour of car parking across Council owned car parks in Stockton and Yarm High Street. The decision to remove the free hour was taken with the aim of balancing the need to cover the costs of maintaining and managing car parking, with the desire to ensure our town centres remain attractive to shoppers.
2. At that October meeting a commitment was also made to reviewing the new arrangements to consider the impact on residents, visitors, and council finances. At the May 2025 Full Council meeting, a motion was passed which recommended that Cabinet consider reversing this decision in respect of Yarm. The scope for the review of car park charges was agreed at the July Cabinet.
3. This report updates Cabinet on the outcome of this review including findings in relation to car park tickets issued and town centre footfall including consideration of impacts to businesses and residents following extensive public consultation.
4. The review of car parking charges focused on parking managed by Stockton Council, specifically those in Stockton and Yarm town centres. It reviewed ticket income since the removal of the first free hour, compared with the same period in 2023/24. It assessed management and enforcement costs for these sites. Additionally, examined town centre footfall trends and benchmarked these against other local towns, alongside comparative data on car parking charges. Consultation with businesses and stakeholders captured trading impacts and perceptions regarding town centre viability.

### Footfall & Dwell Times

5. Footfall and dwell time data has been compared for our towns, including those where no changes occurred, for the six-month period after the free hour was removed against the same period from the previous year. This data was collected using GPS coordinates gathered from hand-held devices such as smartphones and smartwatches. The overall results for our towns showed an increase in footfall, following removal of the free first hour's parking, however no significant change in dwell times. Full details of footfall and dwell times can be found in the appendices to this report.
6. Difference in Footfall 2025 v 2024 (6 months data Feb to July)
  - Yarm 8.5% Increase
  - Stockton 3.7% Increase
  - Thornaby 3.6% Increase
  - Billingham 5.5% Increase
  - Norton 7.3% Increase

### Ticket Sales

7. Since the removal of the free hour parking in Stockton Town Centre managed car parks, the number of tickets issued has declined by 18% from 350,566 to 286,990. In Yarm tickets issued have declined from 156,138 to 113,262 a decrease of 27.5%.

## Public Consultation

8. A public consultation was conducted between 15th September to 13th October. Residents, businesses and visitors were able to respond online or via hard copies to several questions to help understand the impact of the parking charges change. There was also opportunity to add any comments.
9. 5,169 people responded to the consultation of which 18% said they just visited Stockton, while 29% just visited Yarm and 51% visited both. Most respondents travelled by car to both centres while walking was more common in Yarm. Shopping was the primary reason for visiting both towns although dining was a close second in Yarm.
10. Weekly parking was typical for both centres while Yarm had more people parking daily. Most of the stays were between 1 to 2 hours with Yarm having greater variation with more visits under 30 mins and more between 2 to 3 hours.
11. The majority of people said the number of times they visited the town centres had declined however, with less of a change in Stockton. Most people felt footfall had declined and 10% of people had changed their mode of transport.
12. Over 60% felt £1.50 for 3 hours parking was too expensive and 72% strongly supported the reintroduction of 1-hour free parking. Respondents didn't have a clear view on the amount of parking enforcement however, more respondents from Yarm felt it was excessive. More visitors to Stockton rated the condition of car parks as good or excellent.
13. Additional comments indicated that people were happy to pay for longer stays, but short ones should be free. There was concern over footfall in town centres with people visiting less and shopping elsewhere including online. There were specific concerns regarding paying for visits to gyms or for medical reasons.

## Parking Policy Considerations

14. The approach to car parking provision and charging must align with the Council's strategic objectives, including environmental sustainability, economic vitality, and financial resilience. Tariff structures should be designed to encourage turnover, supporting economic activity by ensuring more spaces are available for short-stay visitors rather than long-term parking. Pricing mechanisms can also be used strategically to manage demand during peak and off-peak periods, optimising utilisation and reducing congestion.
15. Research shows no direct link between free parking and increased economic activity while retailers often overestimate the importance of parking availability and the proportion of customers who travel by car. In contrast, walking and public transport users typically contribute more to local economies over time than car users.
16. Targeted incentives and reward schemes represent an effective method of encouraging repeat visits to town centres. It should be noted that income generated from on-street parking is legally restricted to funding car parking provision or transport-related improvements.

## Financial Overview of Car Parking Service

### Expenditure

17. The projected cost of operating Stockton Borough Council's car parking service, excluding Wellington Square and maintenance, is estimated at £664,000. Identified maintenance requirements amount to £196,000. The forecasted cost of operating Wellington Square car park is £377,000, with an additional £80,000 per annum allocated for borrowing costs associated with resurfacing works. This results in a total projected expenditure of £1.32 million.

### Income

18. Predicted income from all SBC car parks, including Wellington Square, for 2025/26 is £1.17 million, incorporating permit and Penalty Charge Notice (PCN) income and accounting for reduced revenue from December onwards due to reintroducing the first free hour over the Christmas and New Year period. Without this reduction, projected income would be £1.4 million. For comparison, income for the 12 months prior to introducing charges for the first hour was £667,000.
19. The current MTFP is based on the charging regime established as part of the Fees and Charges Transformation review in late 2024. Proceeding with the recommended changes in paragraph one, including the removal of the free hour from late November to the end of January 2026 would create a financial pressure in year as follows:

	Total	Comments
24 <sup>th</sup> Nov – 31 <sup>st</sup> Jan	£140k	Current tariffs but make 0-1 hour free
1 <sup>st</sup> Feb – 31 <sup>st</sup> March	£110k	New tariffs in para 1
<b>Total 25-26</b>	<b>£250k</b>	

20. Rolling out the charges referenced in paragraph one will have an adverse effect on car parking income estimated to be £550,000 per annum. Whilst historic data can be used to forecast a future impact, the full financial impact of the tariff changes will not be known until after their introduction.

### Discussion

21. The purpose of this review is to evaluate the impact of the decision to remove the first free hour of car parking in Stockton and Yarm town centres. The review seeks to provide a balanced, evidence-based assessment of how this policy change has influenced town centre activity and to identify a sustainable approach moving forward. The original decision was taken to recover the cost of operating the Council's car park service while safeguarding the vitality of both town centres.
22. Car parking income has been volatile since 2020, largely due to the effects of the Covid-19 pandemic. Consumer behaviour has shifted significantly, with increased reliance on online shopping and the departure of several major high-street retailers. At the same time, investment was identified to be required to maintain and improve car parks to ensure they remained fit for purpose. The decision to remove the free hour was therefore intended to strike a balance between covering operational costs and supporting the economic success of the town centres. A commitment was made to review the impact of this change, and following early concerns raised by residents and businesses, the review was brought forward.

23. To understand the effects of the policy, the Council undertook an extensive public consultation to examine how behaviour had changed since the removal of the free hour. The response was significant, with over 5,000 submissions, making it one of the largest consultations conducted in recent years. The findings show that most respondents now visit both town centres less frequently, and over 93% believe footfall has been negatively affected. Parking data supports this perception, with ticket sales down by 18% in Stockton and 27.5% in Yarm for both Pay & Display and RingGo transactions. However, Visitor Insight data presents a contrasting picture, indicating that overall footfall across all towns in the Borough has increased by between 3% and 8%.
24. Despite this, there was strong support for reinstating the free hour, with 72% of respondents in favour. Many comments highlighted that the removal of the free hour disproportionately affects those making short visits, such as collecting prescriptions or meeting for coffee. Furthermore, 60% of respondents felt that the £1.50 charge was too expensive. While the current tariff of £1.50 for three hours remains the lowest in the region, the consultation results suggest that the change has had a negative impact on short stay visits and has influenced perceptions of accessibility.
25. Research into the relationship between parking tariffs and town centre viability indicates no direct link between free parking and economic success. However, studies recommend tariff structures that encourage turnover, as higher space utilisation generates more economic activity. While free parking reduces direct income to the Council, thriving town centres contribute indirectly through increased business rates and local economic growth. On this basis, it is proposed to reintroduce the first hour of free parking in Stockton and Yarm town centres.
26. Reinstating the free hour is expected to boost the local economy by encouraging more visitors and supporting local businesses. It will reduce barriers for customers who might otherwise avoid paid parking and make town centres more inclusive for residents and visitors who are financially constrained. This approach will also facilitate short visits for errands and promote greater turnover of parking spaces.
27. However, reintroducing the free hour will create financial pressures, as the original decision aimed to cover the costs of operating, maintaining, and enforcing car parks. To mitigate these impacts, it is proposed to increase tariffs for subsequent hours, as outlined in the recommendations. Feedback from the consultation suggests that many people are willing to pay more for longer stays. Wellington Square multi-storey car park experiences significant demand during events at The Globe, requiring additional staffing to manage queues and traffic. Afternoon events necessitate staff at pay machines to reduce wait times from over an hour to approximately 40 minutes, while evening events require traffic management strategies to alleviate congestion and address anti-social behaviour. These measures are essential for customer experience and operational efficiency but have cost over £14,000. To offset this, it is proposed to introduce a post-5pm flat rate of £1.50 for evening parking at Wellington Square.
28. Even with these changes, the revised tariff structure is estimated to result in a full year impact of £550,000 shortfall compared to current income levels. This is not approved, until after the allocation of funding is addressed as part of the February 2026 budget-setting process and may necessitate a move to a basic level of car parking service for maintenance, improvements, and enforcement. Several alternative charging scenarios have been considered, but the proposals outlined here are believed to strike the best

balance between financial sustainability and ensuring the Borough's town centres remain attractive and accessible.

29. Further considerations include season ticket options, incentives, and arrangements for disabled parking and parent-and-child spaces, which will be explored as part of the ongoing review. Discussions are also ongoing with Tees Active to look at the impact of charging on the users of the SPLASH facility.

### **Community Impact and Equality and Poverty Impact Assessment**

30. An equality impact assessment has been undertaken to review the impact upon those affected and any requiring mitigating actions.

### **Corporate Parenting Implications**

31. There are no direct impacts on Corporate Parenting because of this report.

### **Financial Implications**

32. The £250,000 in year impact referenced in paragraph 21 is funded from within the current MTFP through an exercise whereby the Service have undertaken a thorough review of grants and optimising these.
33. Continuation of the revised charges beyond 2025-26 is subject to the funding being approved within the budget setting report in February 2026. The estimated full year cost is £550,000 per annum. Whilst historic data can be used to forecast a future impact, the true cost of the tariff changes will not be known until after their introduction, this will be monitored via the council's budgetary control process.

### **Legal Implications**

34. There are no direct legal impacts as a result of this report.

### **Risk Assessment**

35. This Review of Car Parking Charges report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

### **Wards Affected and Consultation with Ward/ Councillors (refer to Concordat for Communication and Consultation with Members)**

36. Car parking charges only apply in the Stockton Town Centre Ward & Yarm Ward however, any resident parking in these car parks will be affected. Full public consultation was carried out between 15th September to 13th October.

### **Background Papers**

- i. Footfall and dwell time data Appendix 1
- ii. Car parking ticket information Appendix 2
- iii. Public Consultation information Appendix 3
- iv. Car Parking Charges – July 2025 Scope of Review
- v. Petition on Yarm car parking charges
- vi. Powering our Future – Programme Update October 2024, Cabinet Report

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