Valletta dumps V-licence road pricing scheme

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Citation: ATTARD, M. and ENOCH, M.P., 2007. Valletta dumps V-licence road pricing scheme. Traffic engineering and control, 48 (6), pp. 262-264

Additional Information:

- This is a journal article. It was published in the journal Traffic and control engineering [© Hemming Group Ltd] and is also available from: http://www.tecmagazine.com/

Metadata Record: https://dspace.lboro.ac.uk/2134/3400

Publisher: © Hemming Group Ltd

Please cite the published version.
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On 1 May 2007, the City of Valletta in Malta became one of a small but growing number of cities worldwide to introduce a form of road user charge in a bid to reduce traffic congestion and improve the air quality and the level of economic activity within the historic capital city. This article explains how and why the so-called Controlled Vehicular Access scheme has been designed and developed and looks at some of the challenges ahead. A report by Maria Attard and Marcus Enoch.
to Valletta (Figure 1).

Valletta covers a total area of 0.8km² and is physically constrained by walls and the sea on three sides. Traffic accessing the City has to fit in a relatively very limited area. The congestion caused by large numbers of vehicles trying to enter and park in Valletta, led to the introduction of a road user charge known as the V-licence in the mid-90s. In principle this idea was innovative and it took major cities like London and Stockholm much longer to follow suit.

For state-of-the-art

The V-licence

The V-licence was open to all vehicle owners at an annual charge of E23, which eventually increased to E46 paid as a supplement on the annual renewal of the road licence. Residents and government owned vehicles were exempted from the charge. The V-licence gave such vehicles the right to access Valletta 24 hours a day, seven days a week. Such a restriction is thought to have dissuaded some drivers who may otherwise have been occasionally tempted to access the city for shopping and/or entertainment activities.

Thus, by 2004 over 32,000 passenger cars were paying the V-licence. Meanwhile, 4,968 vehicles had owners who claimed to be residents (except from the fee) although a night time parking survey in the city showed only 1,700 vehicles parked on the streets (with perhaps spaces for a further 300 vehicles in private garages). Overall, the revenue generated by the V-licence in 2004 was roughly E1.4m, a considerable increase when compared to the E0.2m generated in 1995. These revenues, alongside the registration taxes, road licences and other taxes imposed on motor vehicle purchases or use were never hypothecated towards specific transport projects. Instead, annual budgets for roads projects and public transport subsidy (introduced in 1995) are always allocated from the consolidated fund.

In total, the densely built city has some 2,985 on-street parking spaces. With a relatively small resident population of just under 7,000, half of the available parking spaces are used by residents. However the number of vehicles that enter and park in Valletta on a daily basis goes beyond the available parking spaces by more than 5,000 vehicles during the peak time which is reached at 11:00am. These patterns of use indicate that the city's available spaces are filled by commuters by 8:00am (given that shoppers and visitors do not visit before the shops opening time of 9:00am). It is worth noting that on-street parking in Valletta was, up to May 2007, free with the exception of informal car park attendants at parking sites around the city who demanded gratuities from users.

In the end, it is clear that the V-licence was not achieving its intended objectives ie, to make car access restrictive, alternative, less damaging modes, with preference being given to public transport due to the high level of access it offers.

Interestingly, in the meantime the proposed revision of the V-licence was already approved by Cabinet in 2004 with the adoption of the White Paper on Sustainable Land Transport, developed by the Malta Transport Authority. However, the Valtetta and Floriana White Paper further specified the actual system to be used and the princi-
The aim is to reduce car-based travel to Valletta and Floriana by 50%, in particular to significantly cut peak traffic flows.

**Controlled Vehicular Access through ANPR technology**

The decision was taken to adopt a similar technology to the system in operation in London (Automatic Number Plate Recognition) and then modify it. This means that vehicle registration numbers are captured both on their way in and on their way out of the controlled zone. In addition, charges are accumulated over time with a maximum capping per day. The system automatically recognises resident vehicles by calculating the number of times the vehicle slept within the zone and provides the operational flexibility for the Local Council to administer exemptions (disabled, emergency vehicles, etc.).

Charges can be paid daily or accumulated in monthly invoices. The system operates during office and shop hours (including Saturday morning), but not after shopping hours, weekends and public holidays in an attempt to stimulate activity in Valletta at these times. The scheme therefore seeks to penalise commuters, provide increased parking turn-over of visitors and protect resident access. Overall the system was developed and is being operated by private contractors, the CVA Technology Company Ltd (formed of Pater Holding Company Limited, Dakar Enterprises Limited, Genesis UK Limited and Charonite Company Limited) following a Government issued tender process.

In terms of targets, the aim is to reduce car based travel to Valletta and Floriana by 50%, particularly to significantly cut peak traffic flows and more effectively distribute flows into and out of Valletta throughout the day. The traffic reduction distributed over the main road network leading to the peninsula is projected to lead to up to 25% less peak hour traffic in some areas. The pay-per-use model, on the other hand should ensure better use of the limited infrastructure in Valletta but at the same time would be less discriminatory since it allows occasional users to access the city too. This was viewed by many as positive, including specific stakeholders such as the national theatre and the national conference centre which perceived that they were penalised by the V-licence restrictions. In this way, the system perhaps shows the next evolutionary step for road pricing from the London scheme.

For the future, the CVA scheme has been designed in such a way as to allow the system to be easily expanded to other areas (eg Floriana as originally planned) and beyond. More interestingly, it could also be made more responsive to policy needs thanks to the technology being able to identify when cars enter and leave the zone, and by the system drawing on the national vehicle licensing database. Thus, pricing rates could theoretically be based not only on time spent in the zone but could also vary by time of day, number of vehicles in the zone at the time of entry, vehicle type, vehicle engine size, emission levels, owner type and so on.

In this way, the system perhaps shows the next evolutionary step for road pricing from the London scheme. It will therefore be interesting to see just how much of a jump can be taken both in Valletta and beyond.

**Acknowledgements**

Thanks are due in particular to Anthony Mamo, Angelo Dalli and Paul Keeling of the CVA Technology Company Ltd.

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