Valletta dumps V-licence road pricing scheme

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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.

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The number of cars parking in Valletta on a daily basis exceeds available parking spaces by more than 5,000.

The island state of Malta is in the most remarkable situation in that it is one of the smallest nations in the European Union, has the highest population density of all Member States and has, for the past five years, ‘battled’ with Italy for the title of the country with the highest rates of motorisation in Europe.

Transport impacts and policy background
This increased car ownership is a result of two major factors that have influenced Malta over the past 20 years. First, was the steady increase in GDP per capita, therefore increasing the household disposable income that a family could spend on private mobility. Second, was the increasingly high status associated with ownership of a car and, similarly, the low status associated with riding a bus. This growth, both in economic terms and mobility was seen by Government as a sign of progress and was encouraged through the provision of road infrastructure. The number of vehicles per km of road over the years supports this claim (Table 1).

Despite this, Malta has had formal land use planning which was set out in the Structure Plan for the Maltese Islands in 1992 (Development Planning Act). The Structure Plan was funded by the European Community and compiled by Colin Buchanan and Partners and Generale Progetti SpA in association with Planning Services Division of the Government of Malta. The provisions for transport planning at the time were set within the Structure Plan since no other formal organisation for transport existed. Transport planning became the prerogative of the Malta Planning Authority in 1992 (now the Malta Environment and Planning Authority) to be later formalised in the Malta Transport Authority in 2002 with the enactment of the Malta Transport Authority Act.

It became evident that the supply of infrastructure could not match the increasing use of private cars. The complex patterns of land use, increasing dependence on the car and overall increase in mobility led to a number of problems – the most serious being congestion. Malta’s unique characteristic, which is also a major constraint, is its small size. Space is at a premium and with a high density in what could be defined as an urban agglomeration, traffic tends to accumulate in particular areas of the network. This is coupled with a particular land use pattern in which Valletta, the capital city and central business district, attracts the single largest volume of traffic in peak hours.

Transport in Valletta
Valletta, a walled city built by the Knights of St. John in the mid-1500s, is today a UNESCO World Heritage site and functions as the primary administrative and commercial centre for the islands. Valletta is also a daytime city, with a population of over 50,000 during the day but a night time population of just under 7,000. Commercial activities that attract customers at night, including restaurants have experienced difficulties.

The city and its suburb Floriana, built later as an overspill to the city, are located on a peninsula that sits between two natural harbours. Access into the peninsula is limited to three access points, which channel traffic and create bottlenecks.

Of the 35,000 vehicles which pass daily through Floriana, 41% remain there. The remaining traffic proceeds
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.

The V-licence

The V-licence was open to all vehicle owners at an annual charge of €23, which eventually increased to €46 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 (exempt 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 €1.4m, a considerable increase when compared to the €0.2m generated in 1995. These revenues, alongside the registration taxes, road licences and other taxes imposed on motor vehicle purchases or use were never hypothesised 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 here 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 restricted, 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 Valletta and Floriana White Paper further specified the actual system to be used and the princi-
RUC to deliver economic and environmental goals

The aim is to reduce car-based travel to Valletta and Floriana by 50%, in particular to significantly cut peak traffic flows.

**Future challenges**

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.

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**About the authors**

Dr Maria Attard is a lecturer in Geography at the University of Malta and an advisor on transport policy matters to the Maltese Government. Her email is maria.attard@um.edu.mt.

Dr Marcus Enoch is a senior lecturer in transport studies at Loughborough University, a visiting research fellow at The Open University and a freelance journalist. He can be contacted by email at m.p.enoch@lboro.ac.uk.

**References**


**Table 1:**

<table>
<thead>
<tr>
<th>Total land area</th>
<th>316 km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage land built-up</td>
<td>27%</td>
</tr>
<tr>
<td>Population (2005)</td>
<td>403,982</td>
</tr>
<tr>
<td>Licensed vehicles on the road</td>
<td>271,338</td>
</tr>
<tr>
<td>Percentage private vehicles</td>
<td>76%</td>
</tr>
<tr>
<td>Estimated vehicle km for private vehicles</td>
<td>9,000</td>
</tr>
<tr>
<td>Road infrastructure (km)</td>
<td>2,227</td>
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</tbody>
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