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Business Monitor

Report on the Censuses of Production

Gas

A publication of the Government Statistical Service

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PA601 Business Monitor

A publication of the Government Statistical Service

Report on the Censuses of Production 1974 & 75

Gas

Presented by the Secretary of State for Industry
to Parliament in pursuance of the Statistics of Trade Act 1947
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry
Business Statistics Office

London: Her Majesty's Stationery Office

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PA1002 Summary tables

The information in this report relates to undertakings classified to the Gas industry, minimum list heading 601 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

The production and distribution of gas for public supply. Construction work carried out by employees of gas undertakings is included. Gas showrooms are also included. Undertakings (other than transport undertakings) producing gas primarily for their own use are excluded and are included in the industries covering the major output of the parent works.

This report covers all undertakings of the twelve Area Gas Boards covering Great Britain, together with the Gas Council and the gas undertakings in Northern Ireland.

For 1971-1973, figures were compiled from returns made to the Department of Energy. The figures shown for each census year relate to a business year ending on 31 March in the following year e.g. figures for 1971 relate to the year ended 31 March 1972.

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page (iii).

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Output and costs, 1971-1975
All United Kingdom undertakings classified to the industry

	Unit	1971	1972	1973	1974	1975
Gas, etc. sold and work done (a)	£ thousand			864,541	1,128,848	1,468,697
Capital goods produced for undertakings' own use (b)	"	760,156	876,101	43,262	33,893	16,281
Non-industrial services rendered (c)	"			9,389	14,827	16,172
Goods merchanted or factored	"	73,081	75,134	119,416	84,242	106,199
Total sales and work done (c)	"	**833,237**	**951,235**	**1,036,608**	**1,261,810**	**1,607,349**
Increase during the year, work in progress and goods on hand for sale (d)	"	−4,297	2,884	−1,875	2,880	5,698
Gross output (c)	"	**828,940**	**954,119**	**1,034,733**	**1,264,690**	**1,613,047**
Purchases of materials for use in production, and packaging and fuel (b)	"	287,688	333,257	343,485	350,306	436,108
Purchases of goods for merchanting or factoring (b)	"			51,606	58,160	72,092
Increase during the year, stocks of materials, stores and fuel	"	−7,495	−1,002	−2,049	10,044	15,873
Cost of industrial services received (e)	"	93,387	87,021	81,085	98,447	138,123
Net output	"	**440,370**	**532,839**	**556,508**	**767,821**	**982,597**
Net output per head	£	**3,789**	**4,879**	**5,319**	**7,395**	**9,426**
Payments for non-industrial services (f)						
Rents, hire of plant and machinery (g)	£ thousand			4,725	6,964	9,892
Commercial insurance premiums	"			1,896	1,994	1,622
Bank charges	"			816	937	1,419
Other non-industrial services	"			62,402	77,120	45,227
Licensing of motor vehicles (h)	"	..	..	1,086	1,083	1,417
Rates, excluding water rates (h)	"			14,837	23,025	31,192
Gross value added at factor cost	"			**470,746**	**656,699**	**891,828**
Gross value added at factor cost per head	£			**4,499**	**6,324**	**8,555**
Total employment (j)	Number	116,208	109,196	104,634	103,836	104,245
Operatives	"	53,153	48,747	44,703	42,806	42,150
Others (k)	"	63,055	60,449	59,931	61,030	62,095
Wages and salaries (l)						
Operatives	£ thousand	80,198	87,143	88,932	102,421	133,514
Others (k)	"	104,770	130,329	124,181	157,441	195,150
Wages and salaries per head						
Operatives	£	1,509	1,788	1,989	2,393	3,168
Others (k)	"	1,663	2,156	2,072	2,580	3,143

(a) Including sales of gas and other products, charges for work done, meter rents received and work of new construction.

(b) Not recorded separately for 1971-1972.

(c) The figures for 1971-1972 do not include revenue from rents for industrial buildings.

(d) Including stocks of appliances for England, Scotland and Wales. The value of work in progress was not collected for 1971-1972.

(e) The figures for 1971-1972 exclude the amounts payable for repairs and maintenance.

(f) Not collected for 1971-1972 except for amounts payable to other organisations for transport of goods within the United Kingdom.

(g) For 1973 the figures include hire of vehicles.

(h) Not collected for 1971-1972.

(j) Average number employed (full and part-time; see table 7) during the year.

(k) Administrative, technical and clerical employees.

(l) Another component of labour costs, employers' national insurance contributions, graduated pensions, contributions to other pensions and Welfare Schemes and the running costs of Canteens, is estimated for the industry at £47,607 thousand for 1974 and £70,200 thousand for 1975.

TABLE 2

Capital expenditure, 1971-1975
All United Kingdom undertakings classified to the industry (a)

£ thousand

	1971	1972	1973	1974	1975
Land and buildings					
New building work	6,319	5,984	8,200	8,959	3,005
Land and existing buildings					
Acquisitions	1,827	784	2,700	1,123	11,047
Disposals	4,722	3,159	3,525	2,086	3,475
Vehicles and mobile plants (including ships and barges)					
Acquisitions					
Motor cars (b)	3,983	3,544	566	1,000	6,030
Other vehicles (b)			1,413	3,804	
Disposals					
Motor cars (b)	505	2,496	435	119	506
Other vehicles (b)			1,523	323	
Plant and machinery					
Acquisitions (c)	76,273	44,080	121,977	126,693	124,875
Disposals	2,009	2,503	3,121	3,512	922
Mains and services					
Acquisitions	81,943	65,707	76,300	152,062	230,131
Disposals	–	2,644	3,300	44	190
Total net capital expenditure (d)	**163,109**	**109,297**	**199,252**	**287,557**	**369,995**

(a) Capital expenditure in respect of manufacturing undertakings where production had not commenced before the end of the year, is included.

(b) Not recorded separately for 1971, 1972 and 1975.

(c) Including appliances for hire and meters.

(d) New building work plus acquisitions less disposals of lan[illegible] existing buildings, vehicles and plant and machinery.

TABLE 3

Stocks and work in progress, 1971-1975
All United Kingdom undertakings classified to the industry

£ thousand

	1971	1972	1973	1974	1975	
	Increase					Value at end of year
Materials, stores and fuel	–7,495	–1,002	–2,049	10,044	15,873	85,566
Work in progress (a)	..	..	–95	–109	4,274	6,204
Goods on hand for sale (b)	–4,297	2,884	–1,780	2,989	1,424	19,529
Total	**–11,792**	**1,882**	**–3,924**	**12,924**	**21,571**	**111,299**

(a) The value of work in progress was not collected for 1971-1972.

(b) Including stocks of appliances for England, Scotland and Wales.

TABLE 4

Analysis of undertakings by size, 1975

All United Kingdom undertakings classified to the industry

This table is not applicable to the industry.

TABLE 5

Distribution of employment, net capital expenditure and net output, by country, 1975

All United Kingdom undetakings classified to the industry

Country	Average number employed		Net capital expenditure (a)		Net output	
	Number	Per cent of United Kingdom	£ thousand	Per cent of United Kingdom	£ thousand	Per cent of United Kingdom
England	91,500	87.8	342,796	92.6	910,429	92.7
Wales	4,200	4.0	4,541	1.2	26,072	2.6
Scotland	7,300	7.0	22,067	6.0	40,362	4.1
Great Britain	103,000	98.8	369,404	99.8	976,863	99.4
Northern Ireland	1,245	1.2	591	0.2	5,734	0.6
United Kingdom	104,245	100.0	369,995	100.0	982,597	100.0

(a) New building work plus acquisitions less disposals of land and existing buildings, plant and machinery, vehicles and mains and services.

TABLE 6

Percentage analysis of twelve-month periods covered by returns received, 1975.

This table is not applicable to the industry.

TABLE 7

Percentage analysis of employees, by full and part-time employment and sex, 1975(a)

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	74	–	74
Female	20	6	26
	94	**6**	**100**

Source: Department of Employment

(a) The percentages relate to the numbers employed in the United Kingdom at June, 1975.

TABLE 8

Sales of principal products of the industry, 1974-1975

Sales information for the public supply Gas industry is published regularly in Business Monitor PQ601. Details of sales for 1974 will be found in the monitor for third quarter 1976 published January 1977 and for 1975 in the third quarter 1977 issue published January 1978.

Quarterly Business Monitors are available from HMSO by annual subscription.

Purchases by undertakings classified to the industry, 1974
Analysis of returns received, United Kingdom

	Quantity	Value
		£ thousand
Materials and fuel purchased		
For gasmaking and direct supply		
Gases		
	Th therms	
Imported and North Sea natural gas	13,408,980	209,159
Coke oven gas	26,735	831
Liquefied petroleum gases	22,903	1,756
Refinery tail gas	39,186	3,223
Other gases	12,149	221
Fuels		
	Th tons	
Coal	28.4	431
Coke	0.5	8
Coke breeze	0.4	3
Naphtha	652	23,474
	Th gals	
Fuel oil	181	27
	Th tons	
	1.2	25
	Th gals	
Gas oil	10.8	2
	Th tons	
	7.4	157
Other than for gasmaking		
	Th gal	
Derv fuel	2,452	1,076
Motor spirit	6,756	3,752
	Th tons	
Fuel oil	9.7	391
Liquefied petroleum gases	9.6	736
	Th kWh	
Electricity	377,071	4,759
All other fuels	..	889
Products and gas purifying materials	..	205
	Th tons	
Iron castings	0.1	16
Gas mains, service pipes and fittings		
Steel pipes and fittings	..	5,867
Iron pipes and fittings	..	10,734
Plastics pipes and fittings	..	2,944
Valves, pumps and compressors	..	5,637

	Quantity	Value
		£ thousand
Materials and fuel purchased (continued)		
Light metals and non-ferrous metals in all forms except finished goods, wire and scrap	..	763
Appliances, parts, fittings and spares		
Central heating appliances	..	4,033
Other appliances	..	3,755
Gas meters	..	7,900
Conversion sets	..	14,843
All other appliance parts, spares and fittings (including carcassing)	..	19,665
Protective clothing and footwear	..	641
All other materials and components not recorded elsewhere, including workshop materials, water charges, structural steel (but excluding capital goods and goods purchased for resale without processing)	..	12,154
Stationery and printed matter	..	4,862
Replacement parts and consumable tools		
Tyres	..	511
Other vehicle spares	..	1,531
Plant spares	..	2,219
Canteen purchases	..	1,106
TOTAL VALUE OF PURCHASES (other than for merchanting or factoring)		**350,306**

TABLE 10 **PA601** 12

Payments to other organisations for certain services received by returns received in respect of undertakings in the industry, 1974

	£ thousand
Industrial services received	**98,447**
Repairs and maintenance to	
Buildings	1,741
Road goods vehicles	1,518
Plant and machinery	24,037
Work done on materials given out	43,806
Other	27,345
Non-industrial services received	**87,015**
Rent of buildings, hire of plant and machinery	6,964
Commercial insurance premiums	1,994
Bank charges	937
Postage, telephone, telegrams, cables and telex	7,922
Transport	
Road	1,165
Rail and other means (excluding postal services)	237
Other	67,796

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Notes

These notes give the main information needed for interpreting the figures in the industry Business Monitors: more detailed information about the censuses is given in a separate Business Monitor — PA 1001 (Introductory Notes) of the Report on the Censuses of Production, 1974 and 1975.

GENERAL INFORMATION

Changes made for 1974 and 1975
The Censuses for 1974 and 1975 are in line with similar inquiries being conducted in other member countries of the European Economic Communities. From 1974, the Census has been extended to include the construction industry. For 1974, establishments/undertakings with 300 or more employees were asked to provide additional information relating to industrial and non-industrial services. These include amounts paid:

to other organisations for repairs and maintenance to buildings (including those in respect of rented buildings), road goods vehicles, plant, machinery and other capital equipment
for postage, telephones, telegrams, cables and telex
to other organisations for transport by road, rail or other means (excluding postal services)

In a separate inquiry for 1974, larger firms in each industry were also asked to provide a breakdown of the figure of total purchases (other than purchases of goods for merchanting or factoring). See paragraph on "Purchases".

Suppression of information relating to individual undertakings
The Statistics of Trade Act 1947 provides that—"No individual estimates or returns, and no information relating to an individual undertaking, obtained under the foregoing provisions of this Act, shall, without the previous consent in writing of the person carrying on the undertaking which is the subject of the estimates, returns or information, be disclosed except—

(a) in accordance with directions given by the Minister in charge of the government department in possession of the estimates, returns or information to a government department or to the Import Duties Advisory Committee for the purposes of the exercise by that department or committee of any of their functions; or

(b) for the purposes of any proceedings for an offence under this Act or any report of these proceedings."

If a figure involved disclosure the contributor concerned was sometimes asked to give permission for its publication. In the majority of cases this permission was given but when it was refused and in cases where the contributors were not approached the figure has been suppressed, sometimes by combining it in some way with other figures, but sometimes—as in the regional tables by omitting the figure altogether.

Symbols used
The following symbols are used throughout the PA series of Business Monitors:

. . not available
— nil or less than half the final digit shown
* figures cannot be shown owing to the risk of disclosing information about individual undertakings
R revised

Rounding of figures
Figures in the tables have, where necessary, been rounded to the nearest final digit. Where figures have been so rounded, the sum of the constituent items may not always agree exactly with the total shown.

Industrial classification
The United Kingdom Standard Industrial Classification (SIC) was first issued in 1948 and was subsequently revised in 1958 and 1968. It exists to promote uniformity and comparability in the official statistics of the United Kingdom. The general principles followed are those of the International Standard Industrial Classification of all Economic Activities of the United Nations Statistical Office but the United Kingdom SIC reflects the organisation and structure of industry and trade as it exists in the United Kingdom. The SIC is a classification by activity and is not a commodity classification. However, an index of all commodity headings for which sales data are provided in the Quarterly Business Monitors, is published as PQ 1000 in the Business Monitor Series.

THE REGISTER

The register permits a questionnaire to be sent direct to the reporting establishment/undertaking on which the latter can include information relating to all the manufacturing (or local) units which it comprises.
The inquiries provide a major source of information for keeping the register continuously up-to-date and act as a check on its detail and structure. For the establishments/undertakings on the register which make returns to the quarterly inquiries, the industrial classification is derived from an analysis of their sales of commodities and is reviewed annually. Employment data is entered on the register from returns to the annual censuses of production. In cases where an establishment/undertaking does not make a return to these inquiries the employment data is based on information provided by the Department of Employment from the annual censuses of employment.
Establishments/undertakings with 20 or more employees are included in the censuses each year and the information they supply to the census is supplemented by the returns that those of them with 25 or more employees provide to the quarterly inquiries. Information about establishments/undertakings with less than 20 employees in most industries is less securely based, but increasing use has been made of data on these small establishments/undertakings supplied by the Department of Employment. One benefit of using this information is an improvement in the estimates of the number of smaller establishments/undertakings, but there is little effect on other aggregates (e.g. employment output, net capital expenditure).

Coverage
A return was required in the 1974 and 1975 Censuses from each establishment/undertaking with 20 or more employees. Each establishment/undertaking is classified to an industry, as defined in the SIC, whose principal products form the major part of the establishment's/undertaking's sales.

TERMS USED IN THE CENSUS REPORT

Average number employed
Undertakings were required to state the number of persons on the payroll on average during the year of return, whether full-time or part-time employees. Separate figures were required for:

(a) administrative, technical and clerical employees
(b) all other employees (operatives)

Averages could be calculated from the figures relating to the last week of each calendar month. The figures include persons engaged on merchanting or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

Employees
Administrative, technical and clerical employees include directors in receipt of a definite wage, salary or commission, managers, superintendents and works foremen; research, design employees (other than operatives); draughtsmen, editorial staff, advertising staff, travellers and all office employees.
Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include operatives employed in power stations, transport (including roundsmen), warehouses, stores, shops and canteens, inspectors, maintenance workers and cleaners. Operatives engaged in outside work of erecting, fitting etc. are also included.

Capital expenditure
Capital expenditure during the year in respect of manufacturing units where production had not started before the end of the year is included in the figures for 1971 to 1975. Undertakings were asked not to deduct from the value of capital expenditure amounts received or expected to be received in grants or allowances from the Government or any statutory body or local authority. From 1973, undertakings with 100 or more employees were asked to include a total net capital expenditure figure for each calendar year.

(a) New building work
This represents the cost incurred during the year of new building and other constructional work to be used in connection with the business covered by the return. The value is that charged to capital account during the year of return; it

includes expenditure on new buildings and on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the undertaking's own staff and the cost of any newly constructed buildings purchased. Figures shown include any legal charges, stamp duties, agents' commissions, etc.

(b) Land and existing buildings
The items shown are the capital cost of freeholds purchased and the capital cost or premium payable for leaseholds acquired (excluding the value of any assets acquired in taking over an existing business), and the amounts receivable for any freeholds or leaseholds disposed of. The value is that charged to capital account during the year of return.

(c) Plant, machinery and vehicles
The items shown are the value of plant and machinery and of vehicles acquired, both new and second-hand, and the amount received for items disposed of during the year. The value of plant and machinery acquired includes plant, etc., which firms produced for their own use in connection with the business covered by the return. The value of plant, etc., acquired is the expenditure charged to capital account during the year of return less any discounts received, but including the cost of transport and installation. Deductible value added tax is excluded but non-deductible value added tax on motor cars acquired is included. No deduction is made for depreciation, amortization or obsolescence. The proceeds of items disposed of during the year exclude amounts written-off for items scrapped.

Cost of industrial services
Includes amounts payable to other firms for work done on materials supplied by the undertaking, payments for repairs and maintenance (including those in respect of rented buildings) and amounts paid to other firms for contracts which have been sublet.

Cost of non-industrial services
Includes rent of industrial buildings and capital equipment, commercial insurance premiums, bank charges and amounts paid for professional services, postal etc. services, transport, advertising etc. Amounts payable on royalties for the right to use patents, trademarks, copyrights etc., manufacturing and quarrying rights and technical "know-how" are also included.

Gross output
In the calculation of gross output the value of total sales and work done is increased by the rise (or reduced by the fall) during the year in the value of work in progress and goods on hand for sale.

Net output
Net output, a customary census measure, is calculated by deducting from gross output the cost of purchases (reduced by the rise, or increased by the fall, during the year of stocks of materials etc.) and the cost of industrial services received, and where applicable, duties etc.

Net output per head
The figures of net output per head are derived by dividing the net output by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees.

Gross value added at factor cost
Gross value added at factor cost is calculated by deducting from net output the cost of non-industrial services (e.g. rent of buildings and capital equipment, commercial insurance premiums, bank charges and amounts paid for professional services, post office services, transport and advertising), rates (excluding water rates) and the cost of licensing motor vehicles. This estimate of gross value added approaches more closely than census net output to the definition of net output or value added in national accounts statistics.

Gross value added at factor cost per head
The figures of gross value added at factor cost per head are derived by dividing the gross value added by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees.

Purchases
Purchases include the cost of raw materials, components, semi-manufactured goods and workshop materials; of replacement parts and consumable tools not charged to capital account; of packaging materials of all types; of stationery and printed matter; of fuel, electricity and water; of materials to be used by the undertaking or given out to other establishments/undertakings for the production of machinery or other capital items for the undertaking's own use; of materials for use by the undertaking when working on goods supplied by customers; and of food, etc. for any canteen covered by the undertaking's return. Transfers of goods to the undertaking from another department of the same firm not covered by the undertaking's return are included at a cost corresponding to the estimated selling value recorded by the other department. Amounts payable to transport firms or credited to the firm's own transport department for delivery of materials are excluded, as are all purchases of machinery and plant charged to capital account. Purchases of goods for merchanting or factoring have been collected separately since 1973. The values shown exclude VAT. They include, in addition to the actual purchase price, the value of packaging material charged to the undertaking. The value of returned goods or packaging material returned to suppliers and any trade discounts are excluded. Materials purchased duty-paid are included at their duty-paid value, less any drawback, rebate, etc. The cost of transport is included only if it is included with the purchase price in the firm's accounts. Imported goods are included at their full delivered cost. If in the firm's accounts the transport from docks or airport is not included in the cost of goods purchased, the cost is entered at c.i.f. plus duty (if applicable). Leasing, renting and hire purchase charges are excluded.
The information shown in Table 9 was obtained in an inquiry carried out as a supplement to the Census of Production for 1974, in which the larger firms in each industry were asked to provide a breakdown of the figure of total purchases (other than purchases of goods for merchanting or factoring) that they contributed to the Census. No establishment/undertaking with fewer than 25 employees was asked to contribute to the inquiry; and this exemption limit was raised to exclude establishments/undertakings with fewer than 50 or 100 employees, in those industries in which exempted establishments/undertakings were estimated to account for less than 15 per cent of the industry's total purchases. A breakdown of purchases similar to that sought in the 1974 inquiry was previously obtained as part of the Censuses of Production for 1963 and 1968, and results were published in Table 10 of the Industry Reports of those Censuses.

Sales of goods produced, work done and industrial services rendered
Sales for the purposes of the annual censuses means deliveries on sale of goods made by undertakings in the United Kingdom covered by the inquiry. Sales of goods made for these undertakings by other undertakings from materials given out to them are included; as also are sales of waste products. Any new building work and machinery or other capital items produced by undertakings for hiring out or leasing are regarded as sales, the value included in the return being that adopted in the undertaking's capital asset accounts. Forward sales and canteen takings are excluded. All sales in the period of the inquiry are included irrespective of when the goods were manufactured. Goods produced in one undertaking and transferred either to ancillary departments not engaged in production and for which there are separate accounts, or to another undertaking of the same firm not covered by the return, are treated as sales by the producing undertaking and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations, for which separate accounts are kept are valued on the same basis.
The value shown for sales is the "net selling value" defined as the amount (excluding value added tax) charged to customers whether on an ex-works or delivered basis, after any trade discounts and agents' commissions have been deducted. The cost of packing materials less allowance for returnable cases is included.

Figures for work done represent the amount charged for work carried out on materials supplied by a customer and include repair and jobbing work, erection and installation of plant and machinery, exploration work, and research and development.

Industrial services rendered includes repairs and maintenance, installation work, and technical research and studies rendered to other organisations.

Capital goods produced for undertakings' own use
This includes all work carried out during the year by the undertakings' own staff for their own use, which was of a capital nature.

Non-industrial services rendered
Includes rents received for commercial and industrial buildings, amounts charged for hiring out plant, machinery and other goods and amounts charged to other organisations for the provision of transport. Also includes amounts received for the right to use patents, trademarks, copyrights etc., manufacturing and quarrying rights and technical "know-how"; revenue from such staff facilities as canteens is also included.

Goods merchanted or factored
Merchanted goods are those (excluding canteen sales) sold without having been subjected to any manufacturing process by the seller.

Stocks and work in progress
Values are given of stocks of goods on hand for sale and of materials, stores and fuel, at the end of the year of return and of the change during the year, including any stocks of goods held for merchanting or factoring. Work in progress is defined as materials which have been partially processed by the undertaking but which are not usually sold or transferred to another undertaking without further processing. The values include the cost of materials consumed and labour used, together with a margin of overhead costs and profits. Progress payments made to sub-contractors are excluded and progress payments received from other organisations are not deducted.

Wages and salaries
These are amounts paid during the year to operatives and to administrative, technical and clerical employees. The values shown include all overtime payments, bonuses and commissions, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions etc. The value of redundancy payments less any amounts reimbursed from Government sources is included. The value of any payments in kind, travelling expenses etc. is excluded.

Employers' insurance and welfare contributions
This item includes employers' contributions to national insurance and graduated pensions (and/or earnings related basic contributions under the Social Security Act, 1973) as well as commercial insurance premiums to provide pensions, superannuation or other retirement benefits, sickness benefits, personal accident benefits, disability or death benefits for employees or former employees or their dependants. Contributions to the running costs of canteens, social centres, children's holiday homes, etc. for employees, former employees, and their dependants are also included.

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