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Business Statistics Office

# Business Monitor

## Report on the Census of Production

### Gas

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A publication of the Government Statistical Service



PA601

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## Report on the Census of Production 1976

### 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

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Commencing with the 1971 Census, the Census of Production reports are being numbered in a uniform series embracing all industrial inquiries in the Business Monitor series. These Business Monitors have a code P (for production) followed first by A (indicating that it is an annual series) or Q (quarterly) or M (monthly); and then by a number indicating the minimum list heading, or sub-division of a minimum list heading, of the Standard Industrial Classification (revised 1968).

The Census of Production (PA) reports are available on standing order (details on application to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH. Telephone 01-928 6977), although they are not included in the global subscription arrangements for the Business Monitor series.

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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 not 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 1973, figures were compiled from returns made to the Department of Energy. The figures shown for each census year relates to a business year ending on 31 March in the following year e.g. figures for 1973 relate to the year ended March 1974.

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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TABLE 1

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Output and costs, 1973-1976  
All United Kingdom undertakings classified to the industry (a)

	Unit	1973	1974	1975	1976
Gas, etc. sold	£ thousand	864,541	1,128,848	1,468,697	1,714,125
Receipts for work done and industrial services rendered	"	(b)	(b)	(b)	647
Capital goods produced for undertakings' own use	"	43,262	33,893	16,281	9,968
Non-industrial services rendered	"	9,389	14,827	16,172	20,086
Goods merchanted or factored (c)	"	119,416	84,242	106,199	340
<b>Total sales and work done (d)</b>	"	<b>1,036,608</b>	<b>1,261,810</b>	<b>1,607,349</b>	<b>1,745,166</b>
Increase during the year, work in progress and goods on hand for sale (e)	"	-1,875	2,880	5,698	-13
<b>Gross output</b>	"	<b>1,034,733</b>	<b>1,264,690</b>	<b>1,613,047</b>	<b>1,745,153</b>
Purchases of materials for use in production, and packaging and fuel	"	343,485	350,306	436,108	462,525
Purchases of goods for merchenting or factoring (c)	"	51,606	58,160	72,092	133
Increase during the year, stocks of materials, stores and fuel	"	-2,049	10,044	15,873	9,776
Cost of industrial services received	"	81,085	98,447	138,123	133,958
<b>Net output</b>	"	<b>556,508</b>	<b>767,821</b>	<b>982,597</b>	<b>1,158,313</b>
<b>Net output per head</b>	£	<b>5,319</b>	<b>7,395</b>	<b>9,426</b>	<b>11,789</b>
<b>Payments for non-industrial services</b>					
Rents, hire of plant and machinery (f)(g)	£ thousand	4,725	6,964	9,892	12,043
Commercial insurance premiums	"	1,896	1,994	1,622	3,447
Bank charges	"	816	937	1,419	1,512
Other non-industrial services (h)	"	62,402	77,120	45,227	54,257
Licensing of motor vehicles	"	1,086	1,083	1,417	1,390
Rates, excluding water rates	"	14,837	23,025	31,192	52,296
<b>Gross value added at factor cost</b>	"	<b>470,746</b>	<b>656,699</b>	<b>891,828</b>	<b>1,028,391</b>
<b>Gross value added at factor cost per head</b>	£	<b>4,499</b>	<b>6,324</b>	<b>8,555</b>	<b>10,467</b>
<b>Total employment (j)(k)</b>					
Operatives	number	104,634	103,836	104,245	98,254
Others (k)(l)	"	59,931	61,030	62,095	57,161
<b>Wages and salaries (m)</b>					
Operatives	£ thousand	88,932	102,421	133,514	139,795
Others (k)(l)	"	124,181	157,441	195,150	207,055
<b>Wages and salaries per head</b>					
Operatives	£	1,989	2,393	3,168	3,402
Others (k)(l)	"	2,072	2,580	3,143	3,622

TABLE 1 FOOTNOTES

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- (a) Including Sales of gas and other products, charges for work done, meter rents received and work of new construction.
- (b) Included in gas etc. sold.
- (c) 1976 figures do not include goods handled through showrooms. Consequently, this has affected the 1976 gross output, net output, net output per head, gross value added at factor cost and gross value added at factor cost per head values.
- (d) Details of undertakings sales of principal products are published regularly in Business Monitor PQ601.
- (e) Including stocks of appliances for England, Scotland and Wales. For 1976 the values of work in progress and stocks of appliances were not recorded.
- (f) For 1973 the figures include hire of vehicles.
- (g) For 1973-1975 rents of industrial and commercial buildings were not recorded separately. For 1976 the amount payable was £4,977 thousand.
- (h) 1974-1976 figures include the cost of hiring goods vehicles.
- (j) Average number employed, including full and part-time employees (see table 7).
- (k) The 1976 figure excludes showroom employees.
- (l) Administrative, technical and clerical employees.
- (m) Another component of labour costs, employers' national insurance contributions, graduated pensions, contributions to other pensions and welfare schemes and the running cost of canteens, is estimated for the industry at £80,785 thousand.



TABLE 2

Capital expenditure, 1973 - 1976  
All United Kingdom undertakings classified to the industry (a)

	£ thousand			
	1973	1974	1975	1976
Land and buildings				
New building work	8,200	8,959	3,005	10,406
Land and existing buildings				
Acquisitions	2,700	1,123	11,047	—
Disposals	3,525	2,086	3,475	3,771
Vehicles				
Acquisitions				
Motor cars	566	1,000	6,030	1,462
Other vehicles	1,413	3,804		
Disposals				
Motor cars	435	119	506	941
Other vehicles	1,523	323		
Plant and machinery				
Acquisitions (b)	121,977	126,693	124,875	92,241
Disposals	3,121	3,512	922	1,246
Mains and services				
Acquisitions	76,300	152,062	230,131	138,017
Disposals	3,300	44	190	63
<b>Total net capital expenditure</b>	<b>199,252</b>	<b>287,557</b>	<b>369,995</b>	<b>236,105</b>

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

(b) Including appliances for hire and meters.

TABLE 3

Stocks and work in progress, 1973 - 1976  
All United Kingdom undertakings classified to the industry

	£ thousand				
	1973	1974	1975	1976	
				Value at end of year	
			Increase		
Materials, stores and fuel	-2,049	10,044	15,873	9,776	91,319
Work in progress	-95	-109	4,274	(a)	(a)
Goods on hand for sale	-1,780	2,989	1,424	-13	132
<b>Total</b>	<b>-3,924</b>	<b>12,924</b>	<b>21,571</b>	<b>9,763</b>	<b>91,451</b>

(a) The value of work in progress was not recorded for 1976.

(b) 1973-1975 figures include stocks of appliances for England, Scotland and Wales. The 1976 figures do not include stocks of appliances.

(c) The 1976 figures do not include work in progress and goods on hand for sale.

TABLE 5

Distribution of employment, net capital expenditure and net output, by country 1976  
All United Kingdom undertakings classified to the industry

Country	Average number employed	Net capital expenditure		Net output		Gross value added at factor cost		
		Number	per cent of United Kingdom	£ thousand	per cent of United Kingdom	£ thousand	per cent of United Kingdom	
England	85,659	87.2	145,231	61.5	1,083,304	93.5	966,795	94.0
Wales	4,154	4.2	6,464	2.7	30,289	2.6	24,987	2.4
Scotland	7,287	7.4	83,421	35.3	37,408	3.2	29,839	2.9
Great Britain	97,100	98.8	235,116	99.6	1,151,001	99.4	1,021,621	99.3
Northern Ireland	1,154	1.2	989	0.4	7,312	0.6	6,770	0.7
United Kingdom	98,254	100.0	236,105	100.0	1,158,313	100.0	1,028,391	100.0

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

TABLE 7

Percentage analysis of employees, by full and part-time employment and sex, 1976(a)

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	74	—	74
Female	20	5	26

Source: Department of Employment

(a) The percentages relate to the numbers employed in the United Kingdom in June 1976.

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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 census is given in a separate Business Monitor - PA1001 (Introductory Notes) of the Report on the Census of Production, 1976.

## GENERAL INFORMATION

### Changes made for 1976

The Census for 1976 is in line with similar inquiries being conducted in other member countries of the European Economic Communities. There was a small number of changes in the scope of the industry reports compared with 1975. These include separate headings for:

- Sales of goods produced
- Receipts for work done and industrial services rendered
- Amounts paid for hire of plant and machinery
- Amounts paid for rent of industrial and commercial buildings

Specific changes are explained in the introductions to the industry reports or by footnotes to the tables.

### Suppression of information relating to individual undertakings

Section 9(5)(b) of the Statistics of Trade Act 1947 states - "The following provisions shall have effect with respect to any report, summary or other communication to the public of information obtained under the foregoing provisions of this Act - in compiling any such report, summary or communication the competent authority shall so arrange it as to prevent any particulars published therein from being identified as being particulars relating to any individual person or undertaking except with the previous consent in writing of that person or the person carrying on that undertaking, as the case may be; but this provision shall not prevent the disclosure of the total quantity or value of any articles produced, sold or delivered; so, however, that before disclosing any such total the competent authority shall have regard to any representations made to them by any person who alleges that the disclosure thereof would enable particulars relating to him or to an undertaking carried on by him to be deduced from the total disclosed."

If a figure involved disclosure the contributor concerned was sometimes asked to give permission for its publication. In the majority of cases permission was given. When it was refused and where contributors were not approached the figure has been suppressed, either by combining it with other figures, or 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 in Business Monitor PQ1000.

## 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 making returns to the quarterly inquiries, the industrial classification is derived from an analysis of their sales of commodities and is reviewed annually. Employment data are entered on the register from returns to the annual census of production. In cases where an establishment/undertaking does not make a return to these inquiries the employment data are 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 with 25 or more employees provide to the quarterly inquiries. Information about establishments/undertakings with fewer 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 1976 Census 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 and 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. 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. 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 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 assets acquired in taking over an existing business), and the amounts receivable for 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**  
This 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**  
This includes rent of industrial and commercial buildings, hire of plant and machinery, commercial insurance premiums, bank charges and amounts paid for professional services, post office 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, hire of plant and machinery, 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.

**Sales of goods produced**  
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 and sales of waste products are included. 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 undertakings' 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 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 or agents' commissions have been deducted. The cost of packing materials less allowance for returnable cases is included.

**Work done and industrial services rendered**  
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 include repairs and maintenance, installation work, and technical research and studies for other organisations.

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

**Non-industrial services rendered**  
This 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. It also includes amounts received for

the right to use patents, trademarks, copyrights etc., manufacturing and quarrying rights and technical "know-how" and revenue from such staff facilities as canteens.

**Goods merchanted or factored**  
Merchant 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 and holiday homes, etc. for employees, former employees and their dependants are also included.



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