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Business Monitor

A publication of the Government Statistical Service

Report on the Census of Production

Electricity



Department of Industry
Business Statistics Office

HMSO

PA602

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A publication of the Government Statistical Service

Report on the Census of Production 1973

Electricity

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

Special Note for Purchasers

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.

Government Statistical Service

A service of statistical information and advice is provided to the Government by specialist staffs employed in the statistics division of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Departments concerned.

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PA363	Telegraph and telephone apparatus and equipment	PA494.1	Toys, games and children's carriages
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PA602 ELECTRICITY

The information in this report relates to undertakings classified to the Electricity industry, minimum list heading 602 in the Standard Industrial Classification (revised 1968). The activities of the industry include:—

The production and distribution of electricity for public supply. Construction work carried out by employees of electricity undertakings is included. Establishments producing electricity for railway and trolley-bus operation are also included, as are 'district heating' and electricity showrooms. Establishments (other than those of railway and trolley-bus undertakings) producing electricity primarily for their own use are excluded, and are included in the industries covering the major output of the parent works.

The tables have been compiled from returns made to the Department of Energy. One generating station of a transport undertaking submitted figures for the calendar years 1972 and 1973 otherwise all figures 1970, 1971, 1972 and 1973 relate to the year ended 31 March, 1971, 1972, 1973 and 1974 respectively. Following the re-organisation of the Northern Ireland electricity undertakings into the Northern Ireland Electricity Service, separate figures relating to Electricity Boards are no longer given.

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

PA602 2

Output and costs, 1970, 1971, 1972 and 1973
All United Kingdom undertakings classified to the industry.

	Unit	1970	1971	1972	1973
Number of generating stations	Number	295	285	280	273
Electricity etc., sold and work done (a)	£'000	1,552,698	1,752,886	1,917,371	2,132,168
Capital goods produced for undertakings' own use	"	203,882	218,733	242,051	99,538
Non-industrial services rendered (b)	"	2,649	2,876	3,098	5,773
Goods merchanted or factored	"	110,843	132,033	161,108	134,573
Total sales and work done (a) (b)	"	1,870,073	2,106,528	2,323,628	2,372,053
Increase during the year, work in progress and goods on hand for sale	"	3,973	929	-209	6,304
Gross output (a) (b)	"	1,874,045	2,107,457	2,323,419	2,378,357
Purchases of materials for use in production and packaging and fuel (c) (d)	"	805,548	881,541	1,003,703	969,474
Purchases of goods for merchenting or factoring (c)	"				
Increase during the year, stocks of materials, stores and fuel	"	40,785	19,181	63,879	-2,691
Cost of industrial services received (e)	"	4,682	5,043	4,660	104,898
Net output (f)	"	1,104,601	1,240,054	1,378,935	1,207,207
Net output per head (f)	£	5,088	6,023	6,916	6,158
Payments for non-industrial services (g)					
Rents, hire of plant, machinery and vehicles	£'000	}	}	}	}
Commercial insurance premiums	"				
Bank charges	"				
Other non-industrial services	"				
Licensing of motor vehicles (h)	"				
Rates, excluding water rates (h)	"				72,754
Gross value added at factor cost	"				1,086,274
Gross value added at factor cost per head	£				5,541
Total employment (j)	Number	217,105	205,897	199,380	196,055
Operatives	"	131,861	120,042	113,440	109,438
Others (k)	"	85,244	85,855	85,940	86,617
Wages and salaries (l)					
Operatives	£'000	173,250	191,460	206,202	218,592
Others (k)	"	138,407	157,646	175,457	189,061
Wages and salaries per head					
Operatives	£	1,314	1,595	1,818	1,997
Others (k)	"	1,624	1,836	2,042	2,183

- (a) Including sales of electricity, by-products and waste products, charges for work done and meter rents received.
 (b) The figures for 1970-1972 do not include revenue from rents for industrial buildings.
 (c) Not recorded separately for 1970-1972.
 (d) For 1970, 1971 and 1972 payments for transport inwards are included in the cost of purchases of materials and fuel used and excluded from payments for transport to other organisations - see also footnote (f).
 (e) The figures for 1970-1972 exclude the amounts payable for repairs and maintenance.
 (f) The definition of net output used in previous census reports provided for the deduction of amounts payable to other organisations for transport of goods within the United Kingdom. The net output and net output per head figures on that basis were:-
- | Year | Net output
£'000 | Net output per head
£ |
|------|---------------------|--------------------------|
| 1970 | 1,103,043 | 5,081 |
| 1971 | 1,238,656 | 6,016 |
| 1972 | 1,377,480 | 6,909 |
- (g) Not collected for 1970-1972 except for amounts payable to other organisations for transport of goods within the United Kingdom.
 (h) Not collected for 1970-1972.
 (j) Average number employed (full and part-time; see table 7) during the year.
 (k) Another important 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 £58,611 thousand for 1973. These costs were not collected for 1970-1972.
 (l) Administrative, technical and clerical employees.

TABLE 2

PA602 3

Capital expenditure, 1970, 1971, 1972 and 1973
All United Kingdom undertakings classified to the industry (a)

	£'000			
	1970	1971	1972	1973
Land and buildings				
New building work	73,085	76,579	87,611	91,707
Land and existing buildings				
Acquisitions	2,695	5,329	2,641	4,572
Disposals	2,944	3,254	5,713	8,599
Vehicles				
Acquisitions				
Motor cars (b)	6,503	7,280	6,624	921
Other vehicles (b)				
Disposals				
Motor cars (b)	716	1,148	1,131	249
Other vehicles (b)				
Plant and machinery				
Acquisitions (c)	393,119	386,053	417,065	403,538
Disposals	4,135	3,478	3,028	4,807
Nuclear Fuel				
Acquisitions	19,714	21,044	15,365	10,265
Disposals	505	21	-	-
Total net capital expenditure (d)	486,816	488,384	519,435	501,779

- (a) Capital expenditure in respect of units where production had not commenced before the end of the year, is included.
 (b) Not recorded separately for 1970-1972.
 (c) Including meters, mains and services and railway sidings owned by electricity undertakings.
 (d) Acquisitions less disposals.

TABLE 3

Stocks and work in progress, 1970, 1971, 1972 and 1973
All United Kingdom undertakings classified to the industry

	£'000			
	1970	1971	1972	1973
	Increase			Value at end of year
Materials, stores and fuel	40,785	19,181	63,879	-2,691
Work in progress	125	879	558	1,753
Goods on hand for sale	3,848	50	-767	4,551
Total	44,758	20,110	63,670	3,613

TABLE 4

PA602 4

Analysis of undertakings by size, 1973

All United Kingdom undertakings classified to the industry

This table is not applicable to the industry

TABLE 5

PA602 5

Distribution of employment, net capital expenditure, and net output, by country, 1973

All United Kingdom undertakings classified to the industry

Country	Average number employed (a)		Net capital expenditure (b)			Net output		
	Number	per cent of United Kingdom	Total (b) £'000	Land and existing buildings (c) per cent of United Kingdom	Other (c) £'000	£'000	£'000	per cent of United Kingdom
England	161,425	82.3	392,537	78.2	-4,077	396,614	1,009,159	83.6
Wales	11,635	5.9	15,199	3.0	-123	15,322	31,993	2.7
Scotland	17,395	8.9	85,529	17.1	123	85,406	136,853	11.3
Great Britain	190,455	97.1	493,265	98.3	-4,077	497,342	1,178,005	97.6
Northern Ireland	5,600	2.9	8,514	1.7	50	8,464	29,202	2.4
United Kingdom	196,055	100.0	501,779	100.0	-4,027	505,806	1,207,207	100.0

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

(b) New building work plus acquisitions less disposals of land and existing buildings, plant and machinery, vehicles and nuclear fuel.

(c) Acquisitions less disposals.

TABLE 6

PA602 6

Percentage analysis of twelve-month periods covered by returns received, 1973

This table is not applicable to the industry

TABLE 7

PA602 7

Percentage analysis of employees, by full and part-time employment and sex, 1973 (a)

Sex	Full-time per cent	Part-time per cent	All employees per cent
Male	83	—	83
Female	14	3	17
	97	3	100

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom at mid-June, 1973.

TABLE 8

PA602 8

Sales of principal products of the industry by undertakings, 1973.

Does not apply

For this industry the quarterly inquiry into manufacturers' sales did not commence until the first quarter of 1974.

Produced in Wales by Her Majesty's Stationery Office
 Reprographic Unit, Cardiff
 Dd.496580 K6 Cdf 157 10/77

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, 1973.

GENERAL INFORMATION

Changes made for 1973

The Census for 1973 was the first to be modified to bring it into line with similar inquiries being conducted in other member countries of the European Economic Communities. One modification has made possible the publication for the first time in the Annual Censuses of data on a number of additional items. These include:

- Capital goods produced for establishments' own use (previously included with sales of goods produced etc.)
- Purchases of goods for merchanting or factoring (previously included with purchases of materials etc.)
- Payments for non-industrial services
- Licensing of motor vehicles
- Rates, excluding water rates
- Gross value added
- Amounts paid to outworkers (where applicable)
- Employers' national insurance contributions etc.

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. There may, therefore, be an apparent slight discrepancy between a sum of constituent items and a 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 PQ1000 in the Business Monitor Series.

The SIC is revised every 10 years or so and is to be revised to bring it more closely into line with the General Industrial Classification of Economic Activities within the European Communities (NACE).

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 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 census 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 1973 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 (i.e. whose national insurance cards were held by them) on the 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 1970 to 1973. 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 also asked to include a total net capital expenditure figure for the calendar year 1973.

(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

(iii)

that charged to capital account during the year of return; it includes expenditure on new buildings or on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the establishment'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 of 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.

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 (rent of buildings and capital equipment, commercial insurance premiums, bank charges and amounts paid for professional services, postal etc. services, transport, advertising etc.). 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 materials and components bought for use in production; of fuel and electricity for all purposes; of packaging materials including the cost of returnable cases and containers when first purchased; of workshop materials; office materials and materials for repairs to undertaking's own buildings, plants and vehicles when carried out by their own work people included in the returns; of

consumable tools; and of parts for machinery purchased during the year as replacements. Water charges are also included. Purchases of goods for merchanting or factoring were collected separately for 1973. Materials supplied by customers for processing are excluded, as are all purchases charged to capital account. The values shown exclude value added tax but include any duty paid (less rebate etc.), values exclude trade discounts allowed. The cost of transport is included only if included in the cost of materials as invoiced; amounts paid to transport organisations, including an undertaking's own separate transport organisations for delivery of materials and fuel are therefore, excluded. Materials purchased overseas are included at the c.i.f. cost plus any duty payable if the cost of transport from the docks are not included in the invoiced price, but at their full delivery cost if invoiced "carriage paid home". Materials and fuel transferred from another department of the undertaking not covered by the same return are included at the estimated selling value recorded by the other department.

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 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 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 repair 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

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 establishment but which are not usually sold or transferred to another establishment 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 any payments in kind, travelling expenses, lodging allowances, etc. and employers' contributions to national insurances and pension schemes are excluded.

Employers' insurance and welfare contributions

This item includes employers' contributions to national insurance and graduated pensions 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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