

PA313

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Business Statistics Office

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Business Monitor

1974 & 75

**Report on the
Censuses of Production**

Iron castings, etc.

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A publication of the Government Statistical Service

PA312 Steel tubes

85p

PA313

Business Monitor

A publication of the Government Statistical Service

Report on the Censuses of Production 1974 & 75

Iron castings, etc.

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List of Industry Reports, etc.

- PA1001 Introductory notes
- PA101 Coal mining
- PA102 Stone and slate quarrying and mining
- PA103 Chalk, clay, sand and gravel extraction
- PA104 Petroleum and natural gas
- PA109 Miscellaneous mining and quarrying
- PA211 Grain milling
- PA212 Bread and flour confectionery
- PA213 Biscuits
- PA214 Bacon curing, meat and fish products
- PA215 Milk and milk products
- PA216 Sugar
- PA217 Cocoa, chocolate and sugar confectionery
- PA218 Fruit and vegetable products
- PA219 Animal and poultry foods
- PA221 Vegetable and animal oils and fats
- PA229.1 Margarine
- PA229.2 Starch and miscellaneous foods
- PA231 Brewing and malting
- PA232 Soft drinks
- PA239.1 Spirit distilling and compounding
- PA239.2 British wines, cider and perry
- PA240 Tobacco
- PA261 Coke ovens and manufactured fuel
- PA262 Mineral oil refining
- PA263 Lubricating oils and greases
- PA271.1 Inorganic chemicals
- PA271.2 Organic chemicals
- PA271.3 Miscellaneous chemicals
- PA272 Pharmaceutical chemicals and preparations
- PA273 Toilet preparations
- PA274 Paint
- PA275 Soap and detergents
- PA276 Synthetic resins and plastics materials and synthetic rubber
- PA277 Dyestuffs and pigments
- PA278 Fertilizers
- PA279.1 Polishes
- PA279.2 Formulated adhesives, gelatine, etc.
- PA279.3 Explosives and fireworks
- PA279.4 Formulated pesticides, etc.
- PA279.5 Printing ink
- PA279.6 Surgical bandages, etc.
- PA279.7 Photographic chemical materials
- PA311 Iron and steel (general)
- PA312 Steel tubes
- PA313 Iron castings, etc.
- PA321 Aluminium and aluminium alloys
- PA322 Copper, brass and other copper alloys
- PA323 Miscellaneous base metals
- PA331 Agricultural machinery (except tractors)
- PA332 Metal-working machine tools
- PA333 Pumps
Valves
Compressors and fluid power equipment
- PA334 Industrial engines
- PA335 Textile machinery and accessories
- PA336 Construction and earth-moving equipment
- PA337 Mechanical handling equipment
- PA338 Office machinery
- PA339.1 Mining machinery
- PA339.2 Printing, bookbinding and paper goods machinery
- PA339.3 Refrigerating machinery, space-heating, ventilating and air-conditioning equipment
- PA339.5 Scales and weighing machinery and portable power tools
- PA339.7 Food and drink processing machinery and packaging and bottling machinery
- PA339.9 Miscellaneous (non-electrical) machinery
- PA341 Industrial (including process) plant and steelwork
- PA342 Ordnance and small arms
- PA349.1 Ball, roller, plain and other bearings
- PA349.2 Precision chains and other mechanical engineering
- PA351 Photographic and document copying equipment
- PA352 Watches and clocks
- PA353 Surgical instruments and appliances
- PA354 Scientific and industrial instruments and systems
- PA361 Electrical machinery
- PA362 Insulated wires and cables
- PA363 Telegraph and telephone apparatus and equipment
- PA364 Radio and electronic components
- PA365.1 Gramophone records and tape recordings
- PA365.2 Broadcast receiving and sound reproducing equipment
- PA366 Electronic computers
- PA367 Radio, radar and electronic capital goods
- PA368 Electrical appliances primarily for domestic use
- PA369.1 Electrical equipment for motor vehicles, cycles and aircraft
- PA369.2 Primary and secondary batteries
- PA369.4 Electric lamps, electric light fittings, wiring accessories, etc.
- PA370 Shipbuilding and marine engineering
- PA380 Wheeled tractor manufacturing
- PA381.1 Motor vehicle manufacturing
- PA381.2 Trailers, caravans and freight containers
- PA382 Motor cycle, tricycle and pedal cycle manufacturing
- PA383 Aerospace equipment manufacturing and repairing
- PA384 Locomotives, railway track equipment, railway carriages, wagons and trams
- PA390 Engineers' small tools and gauges
- PA391 Hand tools and implements
- PA392 Cutlery, spoons, forks and plated tableware, etc.
- PA393 Bolts, nuts, screws, rivets, etc.
- PA394 Wire and wire manufactures
- PA395 Cans and metal boxes
- PA396 Jewellery and precious metals
- PA399.1 Metal furniture
- PA399.5 Drop forgings, etc.
- PA399.6 Metal hollow-ware
- PA399.8 Miscellaneous metal manufacture
- PA411 Production of man-made fibres
- PA412 Spinning and doubling on the cotton and flax systems
- PA413 Weaving of cotton, linen and man-made fibres
- PA414 Woollen and worsted
- PA415 Jute
- PA416 Rope, twine and net
- PA417.1 Hosiery and other knitted goods
- PA417.2 Warp knitting
- PA418 Lace
- PA419 Carpets
- PA421 Narrow fabrics
- PA422.1 Household textiles and handkerchiefs
- PA422.2 Canvas goods and sacks and other made-up textiles
- PA423 Textile finishing
- PA429.1 Asbestos
- PA429.2 Miscellaneous textile industries
- PA431 Leather (tanning and dressing) and fellmongery
- PA432 Leather goods
- PA433 Fur
- PA441 Weatherproof outerwear
- PA442 Men's and boys' tailored outerwear
- PA443 Women's and girls' tailored outerwear
- PA444 Overalls and men's shirts, underwear, etc.
- PA445 Dresses, lingerie, infants' wear, etc.
- PA446 Hats, caps and millinery
- PA449.1 Corsets and miscellaneous dress industries
- PA449.2 Gloves
- PA450 Footwear
- PA461.1 Refractory goods
- PA461.2 Building bricks and non-refractory goods
- PA462 Pottery
- PA463 Glass
- PA464 Cement
- PA469.1 Abrasives
- PA469.2 Miscellaneous building materials and mineral products
- PA471 Timber
- PA472 Furniture and upholstery
- PA473 Bedding, etc.
- PA474 Shop and office fittings
- PA475 Wooden containers and baskets
- PA479 Miscellaneous wood and cork manufactures
- PA481 Paper and board
- PA482.1 Cardboard boxes, cartons and fibre-board packing cases
- PA482.2 Packaging products of paper and associated materials
- PA483 Manufactured stationery
- PA484.1 Wallcoverings
- PA484.2 Miscellaneous manufactures of paper and board
- PA485 Printing, publishing of newspapers and periodicals
- PA489 General printing and publishing
- PA491 Rubber
- PA492 Linoleum, plastics floor-covering, leathercloth, etc.
- PA493 Brushes and brooms
- PA494.1 Toys, games and children's carriages
- PA494.3 Sports equipment
- PA495 Miscellaneous stationers' goods
- PA496 Plastics products
- PA499.1 Musical instruments
- PA499.2 Miscellaneous manufacturing industries
- PA500 Construction
- PA601 Gas
- PA602 Electricity
- PA603 Water supply
- PA1002 Summary tables

(ii)

PA313 IRON CASTINGS, ETC.

PA313 1

The information in this report relates to establishments classified to the Iron castings, etc. industry, minimum list heading 313 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

Manufacturing pig iron and iron castings. Blast furnaces forming part of integrated steel or tube works are, however, not included and for this reason establishments in this industry account for only a part of the total production of pig iron.

One manufacturing unit engaged in the iron castings industry, which made separate returns to the 1971 census has since then been included in the return of a multi-unit establishment classified to another industry. This largely accounts for the changes between 1971 and 1972.

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

LIST OF CONTENTS

Table No	Title	Page
1	Output and costs, 1971-1975	PA313 2
2	Capital expenditure, 1971-1975	PA313 3
3	Stocks and work in progress, 1971-1975	PA313 3
4	Analysis of establishments by size, 1975	PA313 4-5
5	Regional distribution of employment, net capital expenditure and net output, 1975	PA313 6
6	Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 20 or more persons, 1975	PA313 7
7	Percentage analysis of employees, by full and part-time employment and sex, 1975	PA313 7
8	Sales of principal products of the industry by establishments employing 25 or more persons, including sales by establishments classified to other industries, 1974-1975	Does not apply
9	Purchases by establishments employing 50 or more persons, classified to the industry, 1974 Analysis of returns received, United Kingdom	PA313 9-10
10	Payments to other organisations for certain services received by returns received in respect of establishments with 300 or more employees, 1974	PA313 11

TABLE 1

PA313 2

Output and costs, 1971-1975

All United Kingdom establishments classified to the industry (a)

	Unit	1971	1972	1973	1974	1975
Enterprises	Number	918	873	917	979	962
Establishments	"	1,026	973	1,004	1,069	1,065
Sales of goods produced, work done and industrial services rendered (b)	£ thousand			414,375	543,097	700,863
Capital goods produced for establishments' own use (c)	"	424,520	377,392	1,614	531	532
Non-industrial services rendered (d)	"			1,984	1,178	1,315
Goods merchanted or factored	"	9,140	8,185	9,245	10,771	13,033
Total sales and work done (b)(d)	"	433,660	385,577	427,219	555,577	715,743
Increase during the year, work in progress and goods on hand for sale	"	-1,469	2,839	10,222	14,575	16,772
Gross output (b)(d)	"	432,192	388,417	437,441	570,152	732,515
Purchases of materials for use in production, and packaging and fuel (c)	"			193,523	276,717	332,341
Purchases of goods for merchenting or factoring (c)	"	207,376	179,343	7,478	9,456	10,758
Increase during the year, stocks of materials, stores and fuel	"	2,389	-26	3,837	17,025	-2,047
Cost of industrial services received (e)	"	4,068	3,665	12,326	19,786	23,206
Net output	"	223,137	205,382	227,950	281,218	364,162
Total employment (f)	Thousands	99.3	83.1	81.8	82.3	82.0
Net output per head	£	2,247	2,472	2,788	3,417	4,440
Payments for non-industrial services (g)						
Rents, hire of plant and machinery (h)	£ thousand			1,982	2,535	3,056
Commercial insurance premiums	"			2,103	2,693	3,657
Bank charges	"			336	343	442
Other non-industrial services	"			13,631	18,159	22,412
Licensing of motor vehicles (j)	"			163	160	190
Rates, excluding water rates (j)	"			3,330	4,601	5,591
Gross value added at factor cost	"			206,406	252,728	328,814
Gross value added at factor cost per head	£			2,524	3,071	4,009

- (a) For 1975, estimates for establishments employing less than 20 persons accounted for 6 per cent of the total employment of the industry. Estimates for unsatisfactory returns and non-response accounted for 18 per cent. For 1974, the comparable figures were 6 per cent and 14 per cent respectively.
- (b) The figures for 1971-1972 do not include receipts for repairs and maintenance.
- (c) Not recorded separately for 1971-1972.
- (d) The figures for 1971-1972 do not include revenue from rents for industrial buildings.
- (e) The figures for 1971-1972 exclude the amounts payable for repairs and maintenance.
- (f) Average number employed (full and part-time; see table 7) during the year (including working proprietors) by the establishment.
- (g) Not collected for 1971-1972 except for amounts payable to other organisations for transport of goods within the United Kingdom.
- (h) For 1973, the figures include hire of vehicles.
- (j) Not collected for 1971-1972.

TABLE 2

PA313 3

Capital expenditure, 1971-1975

All United Kingdom establishments classified to the industry (a) (b)

	£ thousand				
	1971	1972	1973	1974	1975
Land and buildings					
New building work	2,317	1,590	2,169	2,878	2,879
Land and existing buildings					
Acquisitions	456	100	263	600	861
Disposals	1,537	812	700	418	136
Vehicles					
Acquisitions					
Motor cars (c)			1,269	1,587	
Other vehicles (c)	1,568	1,621	445	514	2,229
Disposals					
Motor cars (c)			506	590	
Other vehicles (c)	539	623	58	64	633
Plant and machinery					
Acquisitions	19,545	11,460	13,030	15,879	22,179
Disposals	552	322	290	382	1,540
Total net capital expenditure (d)	21,258	13,013	15,623	20,003	25,838

- (a) Including estimates for establishments not making satisfactory returns, non-response, and establishments exempted by virtue of size.
- (b) Capital expenditure in respect of manufacturing establishments where production had not commenced before the end of the year, is included.
- (c) Not recorded separately for 1971, 1972 and 1975.
- (d) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.

TABLE 3

Stocks and work in progress, 1971-1975

All United Kingdom establishments classified to the industry (a)

	£ thousand					Value at end of year
	1971	1972	1973	1974	1975	
	Increase					
Materials, stores and fuel	2,389	-26	3,837	17,025	-2,047	41,385
Work in progress	-1,286	4,020	8,569	8,911	11,780	44,283
Goods on hand for sale	-183	-1,180	1,653	5,664	4,992	23,251
Total	920	2,813	14,059	31,600	14,724	108,919

- (a) Including estimates for establishments not making satisfactory returns, non-response, and establishments exempted by virtue of size.

TABLE 4

PA313 4

Analysis of establishments by size, 1975
All United Kingdom establishments classified to the industry (a)

Size group (b)	Estab-lish-ments	Enter-prises (c)	Employment			Wages and salaries (e)			
			Total (b)	Opera-tives	Others (d)	Operatives		Others (d)	
						Total	per head	Total	per head
Number	Number	Number	Number	Number	Number	£ thousand	£	£ thousand	£
1 - 10	440	433	2,184	14,706	3,000	36,408	2,476	8,980	2,993
11 - 19	162	159	2,366						
20 - 49	202	198	6,360						
50 - 99	109	104	7,535						
100 - 199	66	60	8,812	7,302	1,495	18,538	2,539	4,177	2,794
200 - 299	28	27	7,083	5,816	1,267	15,078	2,592	3,725	2,940
300 - 399	18	16	6,277	4,961	1,308	13,760	2,774	3,599	2,752
400 - 499	8	7	3,623	3,046	577	7,500	2,462	1,781	3,086
500 - 749	14	12	8,541	6,471	2,070	17,304	2,674	6,400	3,092
750 - 999	7	6	6,016	4,972	1,044	13,664	2,748	2,872	2,751
1,000 - 1,499	4	4	4,803	3,916	887	10,353	2,644	2,731	3,079
1,500 and over	7	4	18,418	14,812	3,606	40,255	2,718	11,992	3,326
Total	1,065	962	82,018	66,002	15,254	172,860(j)	2,619	46,257(j)	3,032

- (a) Including estimates for establishments not making satisfactory returns, non-response, and establishments employing less than 20 persons.
- (b) Average number employed (full and part-time; see table 7) during the year (including working proprietors) by the establishment.
- (c) Some enterprises control establishments in more than one size group: the sum of the figures for the size groups therefore exceeds the total for the industry.
- (d) Administrative, technical and clerical employees.
- (e) 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 £25,265 thousand. For 1974, the comparable figure was £17,286 thousand.

PA313 5

Total sales and work done (f)	Gross output	Net output		Gross value added at factor cost		Net capital expenditure (g)	Total stocks and work in progress at end of year
		Total	per head	Total	per head		
138,417	141,500	78,538	4,258	(h)	(h)	5,418	13,796
78,952	79,786	39,364	4,467	106,227(h)	3,897(h)	3,201	7,888
58,785	59,543	31,991	4,517	28,545	4,030	2,614	6,052
57,391	57,732	29,104	4,637	25,801	4,110	1,715	6,815
26,093	26,636	15,273	4,216	13,944	3,849	1,322	3,739
80,405	83,047	36,145	4,232	32,899	3,852	2,958	17,035
53,656	54,041	29,005	4,821	26,513	4,407	1,867	5,273
38,019	39,465	21,715	4,521	19,744	4,111	1,285	7,413
184,025	190,764	83,027	4,508	75,140	4,080	5,458	40,908
715,743	732,515	364,162	4,440	328,814	4,009	25,838	108,919

- (f) Comprises sales of goods produced (including capital goods manufactured, buildings constructed by establishments for their own use), work done, industrial and non-industrial services rendered, goods merchanted or factored.
- (g) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.
- (h) Gross value added data relates to establishments employing 1-199 persons.
- (j) The estimates of total wages and salaries for the industry in 1974 were:-

	£'000
Operatives	140,468
Others	35,543

TABLE 5

PA313 6

Regional distribution of employment, net capital expenditure and net output, 1975
All United Kingdom establishments classified to the industry

Area	Employment (a)		Net capital expenditure (b)(c)		Net output and employment in the region of establishments with more than 80 per cent of their employment in the region (d)	
	Thousands	per cent of United Kingdom	£ thousand	per cent of United Kingdom	Estimated net output £ thousand	Average number employed as a percentage of total average number employed in the industry in the region
Standard regions of England						
North	4.2	5.2	1,158	4.5	14,635	78.7
Yorkshire and Humberside	9.3	11.3	3,400	13.2	33,022	84.1
East Midlands	20.0	24.3	7,688	29.8	83,129	83.6
East Anglia	0.4	0.4	124	0.5	1,012	54.6
South East	5.7	6.9	1,883	7.3	16,380	59.6
South West	1.6	2.0	339	1.3	6,186	80.0
West Midlands	26.4	32.1	6,087	23.6	84,259	76.0
North West	4.9	6.0	2,267	8.8	11,532	65.8
England	72.4	88.2	22,948	88.8	250,155	77.3
Wales	3.2	4.0	619	2.4	*	*
Scotland	6.3	7.7	2,248	8.7	17,930	66.0
Great Britain	81.9	99.9	25,815	99.9	*	*
Northern Ireland	0.1	0.1	23	0.1	*	*
United Kingdom	82.0	100.0	25,838	100.0	364,162(e)	

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

(b) Including estimates for establishments not making satisfactory returns, non-response, and establishments employing less than 20 persons.

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

(d) Where a census return covered addresses in two or more regions an estimate was made of the net output attributable to the region only where more than 80 per cent of the establishment's employees were located in the region. The estimate was made by assuming that net output at each address covered by a return was proportional to employment at the address. The establishment's residual net output was included in unallocated net output.

(e) Includes £88,362 thousand of unallocated net output of establishments covering addresses in two or more regions, plus estimates for unsatisfactory returns, non-response, and establishments employing less than 20 persons.

TABLE 6

PA313 7

Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 20 or more persons, 1975

Accounting year ended	Percentage of total returns received		Percentage of total number employed	
	per cent		per cent	
1975 April (a)	1.5		0.7	
May	2.4		0.7	
June	5.2		1.5	
July	3.4		1.8	
August	5.2		14.7	
September	11.3		13.1	
October	1.5		0.5	
November	1.5		0.3	
December	37.2		28.7	
1976 January	4.3		5.5	
February	1.2		0.3	
March (b)	25.3		32.2	
	100.0		100.0	

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1976.

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	89		1		90	
Female	8		2		10	
	97		3		100	

Source: Department of Employment

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

TABLE 8

PA313 8

Sales of principal products of the industry by establishments employing 25 or more persons, including sales by establishments classified to other industries, 1974-1975

Does not apply

For this industry, the quarterly inquiry into manufacturers' sales has not yet commenced.

TABLE 9

PA313 9

Purchases by establishments employing 50 or more persons, classified to the industry, 1974.
Analysis of returns received, United Kingdom

	Quantity	Value
		£ thousand
Materials for use in production		
	Th. tonnes	
Limestone and dolomite	{ 98.4	175
	..	37
Lime	{ 1.8	21
Iron ore and manganese ore	{ 0.8	84
	..	13
Fluorspar	{ 4.3	97
Other ores, concentrates and residues not elsewhere specified	{ 2.7	55
	..	121
Iron and steel in all forms except finished parts, wire and scrap		
Iron		
Basic pig iron	167	8,964
Haematite, foundry and other pig iron, including that produced other than in blast furnaces	325	17,882
Castings	{ 15.6	4,015
	..	806
Steel products		
Bars and rods (including wire rods), angles, shapes, sections, girders, beams, joists and pillars rolled (not fabricated)	{ 16.1	2,609
	..	283
Plates 3mm thick and over	11.2	1,550
Sheets under 3mm thick (including electrical sheets)	3.2	565
Other steel products not elsewhere specified except finished parts, wire and scrap	{ 3.3	684
	..	2,138
	Th. tonnes	
Iron and steel scrap	1,683	57,421
Blast furnace ferro-manganese and spiegeleisen	5.2	821
Light metals and non-ferrous metals in all forms except finished goods, wire and scrap		
Aluminium and aluminium alloys	10.2	2,733
Copper, brass and other copper alloys	{ 1.1	946
	..	203
Nickel and nickel alloys	{ 0.5	797
	..	451
Other ferro-alloys and finishing materials including other base metals not elsewhere specified	..	12,737
Synthetic resins and plastics materials (excluding leathercloth and reinforced plastics)	{ 2.5	610
	..	187
	Th. litres	
Paint, varnish, lacquers, stains and enamels	{ 689	331
	..	94
Inorganic chemicals (including gases)		
Oxygen	..	449
	Th. tonnes	
Acids	0.8	152
Other inorganic chemicals e.g. nitrogen	..	303
Organic chemicals (including gases) e.g. tars and pitches, other than for fuel	..	448
Other chemicals (e.g. mixtures and compounds for specific end uses)	..	1,082
Bricks, fireclay and refractory products including fettling materials	..	1,969
	Th. tonnes	
Moulding and core sand	{ 1,046	3,828
	..	755

TABLE 9 (continued)

PA313 10

	Quantity	Value
		£ thousand
Materials for use in production (continued)		
Moulding and core materials and binders not elsewhere specified	..	4,766
Lubricating oils and greases (i.e. mineral, animal and vegetable)	Th. gal	321
	604	
	Th. cwt	29
	2.6	42
	..	
Water charges	..	387
Stationery and printed matter		
Stationery	..	583
Catalogues, price lists, etc.	..	128
Packaging materials (including materials used for the manufacture of the firms' own packaging)	..	1,317
Fuel and electricity		
	Th. tons	
Coal	12.8	253
Coke (including breeze and manufactured fuel)	513	18,797
	Th. gal	
Derv fuel and motor spirit	1,170	514
Fuel oil	12,475	2,172
	..	495
	Th. tons	
Liquefied petroleum gases (e.g. propane, butane, etc.)	3.2	169
	..	130
	Th. therms	
Town gas (including natural gas bought from the gas industry)	39,216	1,978
	..	349
	Th kWh	
Electricity	906,405	9,834
All other fuels	..	139
Replacement parts and consumable tools		
Tyres and other spare parts for the firms' own road vehicles	..	432
Replacement parts for the firms' own machinery, plant and equipment	..	9,306
Consumable tools including gauges, patterns, moulding boxes, charging boxes, grinding wheels, etc.	..	6,228
Other purchases	..	20,379
TOTAL VALUE OF PURCHASES (other than for merchandising or factoring)		205,164

TABLE 10

PA313 11

Payments to other organisations for certain services received, 1974
Returns received in respect of establishments with 300 or more employees

	£ thousand
Industrial services received	8,879
Repairs and maintenance to	
Buildings	763
Road goods vehicles	167
Plant and machinery	4,633
Work done on materials given out	2,105
Other	1,211
Non-industrial services received	12,956
Rent of buildings, hire of plant and machinery	1,182
Commercial insurance premiums	1,224
Bank charges	158
Postage, telephone, telegrams, cables and telex	586
Transport	
Road	4,798
Rail and other means (excluding postal services)	1,408
Other	3,600

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 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 enterprises
- 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.

Statistical units

The statistical unit for the purpose of the Censuses is the establishment which is defined in the SIC as the smallest unit which can provide the information normally required for an economic census, for example, employment, expenses, turnover, capital formation. Usually the principal activities carried on in an establishment fall within a single heading of the classification (e.g. steel making or sugar refining). Typically the establishment embraces all the activities carried on at a single address e.g. a farm, a mine, or a factory, including those which are ancillary to the principal activities. Frequently distinct activities characteristic of different industries are carried on at one address, but normally these are not classified separately and the whole establishment is classified according to the main activity. If, however, the required range of data can be provided for each activity, each is taken to constitute a separate establishment. Sometimes activities which are conducted as a single business are carried on at a number of addresses. Where this is so, businesses are asked to provide the full range of separate information in respect of each address, whether or not the activities are different. Their activities may, however, be integrated to such an extent that they constitute a single establishment. In that case the establishment is defined to cover the combined activities at these addresses (termed local units). Separate figures are obtained, however, of employment and net capital expenditure at each unit.

Efforts are made by the Business Statistics Office to ensure, by negotiating with respondents, that the return from an establishment does not cover local units or addresses in more than one of the countries of the United Kingdom.

Further information about the statistical unit appeared in an article "The statistical unit in business inquiries" in Statistical News No. 13 May 1971.

Establishments are asked to exclude from their returns particulars relating to any department not engaged in production e.g. merchanting, transport, warehousing, for which they keep a separate set of accounts. Transfers of goods produced to such departments are treated as sales and respondents are asked to value them as far as possible as if sold to an independent purchaser. Where separate accounts are not kept they are asked to include details of all these activities in their return.

Particulars relating to head offices, which were mainly engaged in the administration of the production units within the scope of the censuses were included. Where more than one return was made the information in respect of the head office was apportioned among them.

For certain purposes in the annual censuses of production (especially the enterprise analyses of Business Monitor PA 1002) related establishments are combined. For these purposes an enterprise group is defined as a business consisting of either a single establishment, or of two or more establishments under common ownership or control. The bringing together of establishments into enterprise groups is also necessary for the purpose of ensuring that there will be no disclosure of the activities of any one enterprise group. Information about the relationship of establishments, the changing structure of groups of companies and about common ownership links is obtained from many sources, including the Stock Exchange Year Book, company reports, press reports and information supplied by individual establishments.

THE REGISTER

The register permits a questionnaire to be sent direct to the reporting establishment 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 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 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 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

(iii)

with 25 or more employees provide to the quarterly inquiries. Information about establishments with less than 20 employees in most industries is less securely based, but increasing use has been made of data on these small establishments supplied by the Department of Employment. One benefit of using this information is an improvement in the estimates of the number of smaller establishments and enterprises, 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 with 20 or more employees. Each establishment is classified to an industry, as defined in the SIC, whose principal products form the major part of the establishment's sales.

Regions

The regions defined in Table 5 take account of the boundary changes arising out of the Local Government Act 1972 and the Local Government Act (Scotland) 1973. These changes came into effect in April 1974 in England and Wales and May 1975 in Scotland.

TERMS USED IN THE CENSUS REPORT

Average number employed

Establishments 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. Establishments were also required to state the number of working proprietors where appropriate and these are included in total employment figures. Outworkers (i.e. persons employed by establishments who worked in their own homes etc. on materials supplied by the establishment) are excluded. 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.

Working proprietors

These include all persons regarded as "self-employed" for national insurance purposes and members of their families who worked in the business without receiving a wage or salary; but such persons who worked less than half the normal number of working hours are excluded. Directors working in the business but not in receipt of a definite wage, salary or commission are included under this heading: directors paid by fee only are not included.

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, but outworkers are excluded.

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. Establishments 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, establishments 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 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 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.

(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 establishment, payments for repairs and maintenance (including those in respect of rented buildings) and amounts paid to other firms for contracts which have been sublet. Payments to outworkers are excluded.

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 and working proprietors, but excluding outworkers.

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 and working proprietors, but excluding outworkers.

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 establishment or given out to other establishments for the production of machinery or other capital items for the establishment's own use; of materials for use by the establishment when working on goods supplied by customers; and of food, etc. for any canteen covered by the establishment's return. Transfers of goods to the establishment from another department of the same firm not covered by the establishment'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 establishment. 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 with fewer than 25 employees was asked to contribute to the inquiry; and this exemption limit was raised to exclude establishments with fewer than 50 or 100 employees, in those industries in which exempted establishments 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 establishments in the United Kingdom covered by the inquiry. Sales of goods made for these establishments by outworkers or by other establishments 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 establishments for hiring out or leasing are regarded as sales, the value included in the return being that adopted in the establishment'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 establishment and transferred either to ancillary departments not engaged in production and for which there are separate accounts, or to another establishment of the same firm not covered by the return, are treated as sales by the producing establishment 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. In industries where products attract Excise Duty the value stated is usually inclusive of duty if sold duty-paid and exclusive of duty if sold in bond or exported.

Figures for work done represent the amount charged for work carried out on materials supplied by a customer and include repair work. Within certain industries this heading covers a wide variety of activities. For example, within the food sector—butter packed on commission; within the textile industries—making up of garments, fur dressing and textile finishing; within printing and publishing—preparatory work on type-setting, block making and binding. Work done is also significant in the electrical machinery and heavy engineering industries, covering erection, installation and repair and jobbing work. Other activities within this heading include exploration work, research and development, glass cutting and dressing and planing of timber. Industrial services rendered includes repairs and maintenance, installation work, and technical research and studies rendered to other organisations.

Capital goods produced for establishments' own use

This includes all work carried out during the year by the establishments' 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. Payments to working proprietors, whether called salaries or not, are excluded. 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.

Remuneration paid to outworkers

The remuneration paid to outworkers (i.e. persons employed by the establishment who do their work in their own homes) is generally on a piece-work basis. Only amounts paid to outworkers whose names appear on the establishment's payroll are included. Amounts paid to outworkers by sub-contractors are 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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