

**PA603**

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**1973**

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# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production

### Water supply



Department of Industry  
Business Statistics Office

PA603

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A publication of the Government Statistical Service

## Report on the Census of Production 1973

### Water supply

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

Department of Industry  
Business Statistics Office

London: Her Majesty's Stationery Office

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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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#### Enquiries:

Business Statistics Office  
Newport, Gwent  
NPT 1XG  
Newport 56111 (STD code 0633) ext 2455  
Telex 497121  
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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 and compressors
- 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
- PA601 Gas
- PA602 Electricity
- PA603 Water supply
- PA1002 Summary tables

PA 603 WATER SUPPLY

The information in this report relates to the establishments of public authorities and companies classified to the Water supply industry, minimum list heading 603 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

*Purifying and distributing water and supplying hydraulic power. Construction work carried out by employees of water undertakings is included. Private water works maintained by establishments primarily for their own use are excluded.*

**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
	United Kingdom undertakings classified to the industry	
1	Output and costs, 1970, 1971, 1972 and 1973	PA603 2
2	Capital expenditure, 1970, 1971, 1972 and 1973	PA603 3
3	Analysis of undertakings by size, 1973	PA603 4-5
4	Regional distribution of employment, net capital expenditure and net output, 1973	PA603 6
5	Percentage analysis of twelve-month periods covered by returns received from United Kingdom undertakings employing 20 or more persons, 1973	PA603 7
6	Percentage analysis of employees, by full and part-time employment and sex, 1973	PA603 7
7	Sales of principal products of the industry by undertakings employing 25 or more persons, including sales by undertakings classified to other industries, 1973	Does not apply

TABLE 1

PA603 2

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

Undertakings	Unit	1970	1971	1972	1973
	Number	293	290	276	266
Water supplied and work done for which a direct charge was made and receipts for industrial services rendered	£'000	202,205	224,611	249,175	271,906
New construction of buildings, reservoirs, aqueducts, mains, machinery and plant and other capital items	"	26,810	30,133	31,133	40,005
<b>Total value of water supplied and work done</b>	"	<b>229,015</b>	<b>254,744</b>	<b>281,003</b>	<b>311,911</b>
Non-industrial services rendered (b)	"	203	430	338	643
<b>Gross output (b)</b>	"	<b>229,217</b>	<b>255,175</b>	<b>281,342</b>	<b>312,553</b>
Purchases of materials for use in production, and packaging and fuel	"	43,026	51,337	58,391	64,608
Cost of industrial services received (c)	"	..	..	..	15,454
<b>Net output (d)</b>	"	<b>186,191</b>	<b>203,837</b>	<b>222,951</b>	<b>232,491</b>
Total employment (e)	Thousands	44.8	44.3	43.8	43.0
<b>Net output per head (d)</b>	£	<b>4,156</b>	<b>4,601</b>	<b>5,090</b>	<b>5,409</b>
Payments for non-industrial services (f)					
Rents, hire of plant, machinery and vehicles	£'000				1,911
Commercial insurance premiums	"				989
Bank charges	"				431
Other non-industrial services	"				4,289
Licensing of motor vehicles (c)	"				577
Rates, excluding water rates (c)	"				24,691
<b>Gross value added at factor cost</b>	"				<b>199,602</b>
<b>Gross value added at factor cost per head</b>	£				<b>4,644</b>

- (a) For 1973, estimates for undertakings not making satisfactory returns and for undertakings employing less than 20 persons accounted for 22 per cent of the total figures in which they were incorporated: of this unsatisfactory returns accounted for 21 per cent.
- (b) The figures for 1970-1972 do not include revenue from rents for industrial buildings.
- (c) Not collected for 1970-1972.
- (d) 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	185,872	4,149
1971	203,550	4,599
1972	222,710	5,082

Additionally, the figures for 1970-1972 do not reflect revenue from rents for industrial buildings or the cost of any industrial services received (see footnotes (b) and (c)).

- (e) Average number employed (full and part-time; see table 6) during the year by the undertakings.
- (f) Not collected for 1970-1972 except for amounts payable to other organisations for transport of goods within the United Kingdom.

TABLE 2

PA603 3

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

	£'000			
	1970	1971	1972	1973
Land and buildings				
New building work	77,234	96,331	99,993	111,722
Land and existing buildings				
Acquisitions	1,136	976	1,506	1,764
Disposals	1,830	1,707	1,832	2,475
Vehicles				
Acquisitions				169
Motor cars (c)	1,764	1,946	2,139	2,065
Other vehicles (c)				
Disposals				48
Motor cars (c)	212	235	330	263
Other vehicles (c)				
Plant and machinery				
Acquisitions	9,972	11,827	11,913	10,632
Disposals	72	102	114	143
<b>Total net capital expenditure (d)</b>	<b>87,992</b>	<b>109,037</b>	<b>113,275</b>	<b>123,423</b>

- (a) Including estimates for undertakings not making satisfactory returns and for undertakings exempted by virtue of size.
- (b) Capital expenditure in respect of undertakings where production had not commenced before the end of the year, is included.
- (c) Not recorded separately for 1970-1972.
- (d) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.

TABLE 3

PA603 4

Analysis of undertakings by size, 1973  
All United Kingdom undertakings classified to the industry (a)

Size group (b)	Undertakings (c)	Employment			Wages and salaries (e)			
		Total (b)	Operatives	Others (d)	Operatives		Others (d)	
					Total	per head	Total	per head
Number	Number	Number	Number	£'000	£	£'000	£	
1 - 10	69	295	2,815	1,761	4,142	1,472	2,703	1,535
11 - 19	20	304						
20 - 49	18	584						
50 - 99	46	3,393						
100 - 199	58	8,239	5,187	3,052	8,219	1,585	5,306	1,738
200 - 299	21	5,217	3,352	1,865	5,805	1,732	3,568	1,913
300 - 399	15	5,299	3,308	1,991	5,427	1,640	3,666	1,841
400 - 499	13	5,628	3,507	2,121	5,549	1,582	3,843	1,812
500 - 749	3	1,878	1,259	619	2,247	1,785	1,319	2,131
750 - 999	6	5,051	3,318	1,733	5,844	1,761	3,375	1,947
1,000 and over	3	7,093	4,639	2,454	10,775	2,323	4,929	2,009
<b>Total</b>	<b>266</b>	<b>42,981</b>	<b>27,385</b>	<b>15,596</b>	<b>48,008</b>	<b>1,753</b>	<b>28,707</b>	<b>1,841</b>

- (a) Including estimates for undertakings not making satisfactory returns and for undertakings exempted by virtue of size.  
 (b) Average number employed (full and part-time; see table 6) during the year by the undertaking.  
 (c) Some undertakings control works 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.

PA603 5

Gross Output (f)	Net output		Gross value added at factor cost		Net capital expenditure (g)
	Total	per head	Total	per head	
£'000	£'000	£	£'000	£	£'000
36,084	24,116	5,270	(h)	(h)	21,538
61,176	45,124	5,477	60,664(h)	4,734(h)	25,175
37,921	26,516	5,083	22,487	4,310	23,276
37,207	28,040	5,291	23,708	4,474	13,374
39,386	29,722	5,281	25,517	4,534	14,556
11,926	8,900	4,739	7,496	3,992	4,179
36,286	28,829	5,708	24,215	4,794	11,086
52,567	41,244	5,815	35,515	5,007	10,238
<b>312,553</b>	<b>232,491</b>	<b>5,409</b>	<b>199,602</b>	<b>4,644</b>	<b>123,423</b>

- (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 £10,273 thousand.  
 (f) Comprises the value of water supplied, work done for which a charge was made, the value of new construction work and receipts for non-industrial services rendered.  
 (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 undertakings employing 1 - 199 persons.

TABLE 4

PA603 6

Regional distribution of employment, net capital expenditure and net output, 1973  
All United Kingdom undertakings classified to the industry (a)

Area	Employment (b)		Net capital expenditure (c)				Net output and employment in the region of undertakings making satisfactory returns		
	Thousands	per cent of United Kingdom	£'000	per cent of United Kingdom	Land and existing buildings (d)	Other (d)	Net output	Average number employed as a percentage of total average number employed in the industry in the region	Net output as a percentage of total of the industry in the United Kingdom
Standard regions of England									
North	2.4	5.5	6,384	5.2	*	*	12,207	86.6	5.3
Yorkshire and Humberside	4.4	10.3	14,130	11.5	*	*	5,775	27.2	2.5
East Midlands	2.5	5.8	9,186	7.4	*	*	8,470	73.9	3.6
East Anglia	0.9	2.2	2,341	1.9	*	*	2,793	63.1	1.2
South East	13.0	30.1	30,811	25.0	*	*	64,671	93.1	27.8
South West	3.3	7.7	13,170	10.7	*	*	10,383	57.8	4.5
West Midlands	3.6	8.3	8,557	6.9	*	*	16,687	95.8	7.2
North West	5.4	12.6	15,216	12.3	397	14,819	29,873	91.7	12.8
England	35.5	82.5	99,795	80.9	*	*	150,859	79.0	64.9
Wales	*	*	*	*	*	*	*	*	*
Scotland	3.7	8.5	10,460	8.4	4	10,456	17,104	89.6	7.4
Great Britain	*	*	*	*	*	*	*	*	*
Northern Ireland	*	*	*	*	*	*	*	*	*
United Kingdom	43.0	100.0	123,423	100.0	-711	124,134	232,491		100.0

(a) Including estimates for undertakings not making satisfactory returns and for undertakings exempted by virtue of size.

(b) Average number employed (full and part-time; see table 6) during the year.

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

(d) Acquisitions less disposals.

TABLE 5

PA603 7

Percentage analysis of twelve-month periods covered by returns received from United Kingdom undertakings employing 20 or more persons, 1973

Accounting year ended	Percentage of total returns received		Percentage of total number employed	
	per cent		per cent	
1973 April (a)	0.0		0.0	
May	8.5		8.6	
June	0.0		0.0	
July	0.0		0.0	
August	0.0		0.0	
September	1.7		2.0	
October	0.0		0.0	
November	0.0		0.0	
December	19.5		18.8	
1974 January	0.0		0.0	
February	0.0		0.0	
March (b)	70.3		70.6	
	<b>100.0</b>		<b>100.0</b>	

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1974.

TABLE 6

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

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	89	1	90
Female	8	2	10
	<b>97</b>	<b>3</b>	<b>100</b>

Source: Department of Employment

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

Sales of principal products of the industry by undertakings employing 25 or more persons, including sales by undertakings classified to other industries, 1973

### Does not apply

For this industry, the quarterly inquiry into manufacturers' sales did not commence until the second quarter 1973.

## 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

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**

Merchantable 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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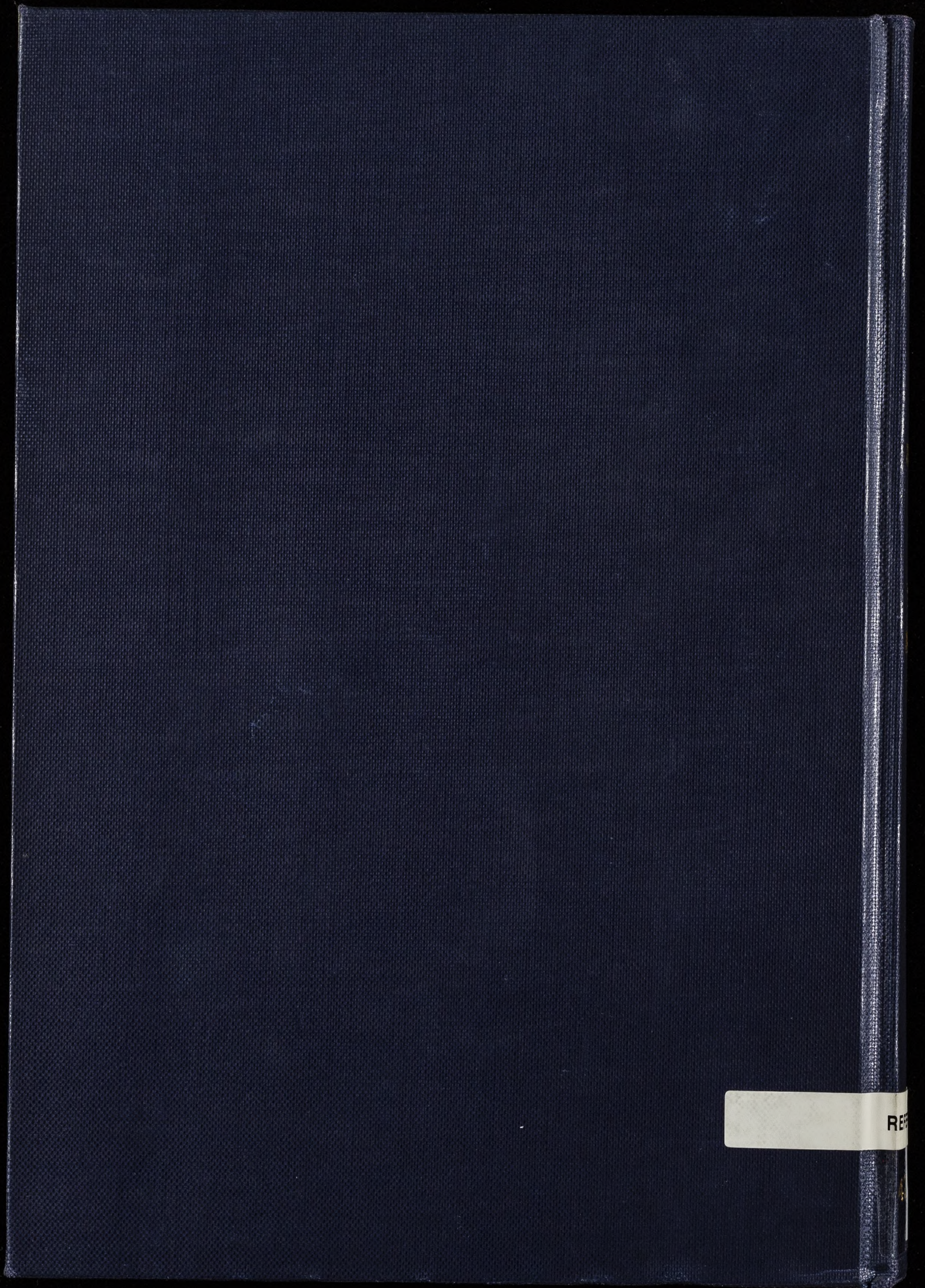
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