

Squeezing the supply chain will have an adverse long-term impact on water employers

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Cutting supply chain costs across the water industry will not only have a detrimental impact on AMP8, but could also see the sector face a sustained shortage of critical resources in the longer term that will be tough to rectify. That's according to Water by Murray.

The employment specialist has warned that few employers are fully committed to tackling ongoing issues in the industry ahead of AMP8, with reports that many are cutting supply chain costs, despite already struggling to fill core roles and deliver on project requirements.

Water by Murray's Water Industry Labour Report 2024 found that 'skills and recruitment' were listed as the biggest issues facing the industry, and the talent crisis has only worsened over the past 12 months, leaving many organisations struggling to find engineers.

Adam Cave, Managing Director and Founder of Water by Murray, commented.

"Every sector in the UK is facing difficulties as a result of the rising costs of employment. However, for a sector like water that is already seeing project delays, squeezing the supply chain doesn't make sense. The investment into the industry has, in theory, never been more valuable and the pressure on the sector to deliver in AMP8 has never been higher. This, now more than ever before, should be reflected in employers' attitude to the broader supply chain, which plays a critical role and should therefore be more valued."

"It's well documented that the industry's supply chain has been historically associated with the peaks and troughs of supply and demand. There have been early-stage discussions as to how the process could be flattened, and the shared benefits that the entire ecosystem could gain from if that was achieved. However, placing added pressure on the supply chain, before the AMP cycle is even underway, is unlikely to be conducive to developing effective partnership models, and shared success. Within recruitment specifically, a number on a spreadsheet may be easy to review and cut, but that doesn't take into account the true worth of the engineering workforce and its ongoing impacts and value. Everything that water employers have planned for AMP8 is reliant on hiring the right people and this won't be achievable without recognising the value that engineers and other elements of the supply chain provide."

"There are solutions to tackling the skills crisis, but we need to separate the issue into two groups; the short and long term. For the here and now, and to achieve goals set out for AMP8, leveraging the contingent workforce more effectively rather than placing the focus on permanent hires would go a long way in fixing many immediate challenges. The world of employment has changed, but few employers recognise that. But in the longer term, much broader conversations need to take place around staffing challenges faced by the UK as a whole that will take us into AMP9, 10 and beyond that look at how we increase the number of young people taking on STEM careers. While yes, it makes sense to find cost-effective ways of

sourcing talent to support the longer-term approach, driving down costs now, just ahead of AMP8, is illogical.”