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# HaysMac's Hospitality News

Welcome to the latest edition of HaysMac's Hospitality News, bringing you the latest legislation updates from across the sector.



## Adapting to change: Key insights from QSR operators

Recently, we sat down with a number of QSR operators to discuss current market conditions and the key trends shaping the sector. While QSR has remained more resilient than casual dining in recent years, operators highlighted growing pressures from rising delivery costs, heavy discounting, and increased competition from expanding UK brands, new US entrants, and casual dining businesses moving into grab-and-go, with emerging trends, including GLP-1 weight-loss treatments, impacting future demand.

Our specialist Hospitality team works closely with QSR operators to navigate these challenges. Read more [here](#) or contact [Nicky Dockree](#), Director, for support.

## Temporary 5% VAT rate on children's meals and family attractions

The Government has introduced a temporary reduction in VAT from 20% to 5% on selected family-focused supplies, in effect from 25 June to 1 September 2026.

The relief applies to children's meals in hospitality settings and to certain family attractions and children's event tickets, provided offerings are clearly marketed and priced for children.

While this creates a potential boost during peak summer trading, businesses must carefully manage compliance, including distinguishing adult and children's supplies, assessing mixed or bundled offers, and handling advance bookings.

Want guidance around the changes? Read more [here](#) or contact [Stephen Patey](#), VAT Director for support.





## Skilled Worker Reform and Hospitality: A Year On

One year on from the Skilled Worker reforms, hospitality businesses are operating in a significantly tougher immigration environment. The removal of hospitality-specific sponsorship routes, higher salary thresholds and increased compliance requirements have made sponsoring workers far less viable for most roles. At the same time, rising operating costs and changing workforce demands are driving businesses to focus on retention, workforce planning and alternative talent pools. With Home Office scrutiny and enforcement increasing, immigration compliance is now a key business risk, making proactive workforce audits, succession planning and robust right-to-work processes essential for long-term resilience.

[Victoria Welsh](#), Partner and Head of Business Immigration at [Taylor Rose](#), share's her expert advice for our hospitality clients and contacts [here](#).

## Queenscourt Limited v HMRC – VAT on dipping pots

The Upper Tribunal's decision in *Queenscourt Limited v HMRC* has clarified the VAT treatment of dipping pots supplied with takeaway meals. The ruling found that dips can be treated as separate items with their own value, rather than part of a single standard-rated supply, creating potential opportunities for operators offering meal deals and bundled takeaway options.

Want support on how to remain compliant? Read more [here](#) or contact [Stephen Patey](#), VAT Director, for tailored advice.



## Could lower VAT revive hospitality?

Tom Kerridge's "VAT is the Problem" campaign has reignited debate around whether reducing VAT could help revive the UK's hospitality sector. While the campaign makes a compelling case and reflects approaches adopted in several European countries, the reality is more nuanced. In our latest article, Stephen Patey, VAT Director, explores the opportunities, challenges and unintended consequences that policymakers and hospitality businesses should consider as the debate continues. Read the full article [here](#).

## Introducing HaysMac's Fractional CFO Service!

As organisations grow, financial decisions become bigger, faster and more complex. But you may not need – or want to invest in – a full-time CFO. That gap can leave leadership teams without the strategic finance support needed to move forward with confidence. We have launched HaysMac Fractional CFO to address exactly that. Find out more [here](#).

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