

James Murray  
Exchequer Secretary to the Treasury

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By email

Dear Mr Murray

I write to you regarding previous correspondence between us in relation to the failure of 16 of Scotland's Local Authorities to adjust payroll records for the tax years ended 5 April 2023 and 5 April 2024 to correct the tax treatment of backpay that became unconditionally payable to teachers in March 2023 as part of the 2023-24 pay award agreed at the Scottish Negotiating Committee for Teachers.

You will remember that in your letter of 27<sup>th</sup> January 2025, you informed me that HMRC Officials would provide further guidance that the Public Bodies team at HMRC would share with the EIS, as well as the Local Authorities in question.

HMRC wrote to the EIS on 8<sup>th</sup> April 2025 outlining the guidance shared with Local Authorities, as well as an offer for EIS Officials to meet with HMRC policy and technical officials, as part of a stated commitment from HMRC to support all parties resolve this issue.

Accordingly, EIS Officials met with HMRC on 1<sup>st</sup> July 2025 and were informed that although HMRC has the power to require employers to amend PAYE end of year returns, there may be insufficient grounds, in their view, to do so. HMRC agreed to undertake further scoping work; however, there has been no further communication to the EIS in the months since this meeting.

It remains the position of the EIS that the 16 Local Authorities concerned have a role in ensuring that pay agreements, reached within SNCT collective bargaining arrangements, are implemented correctly. As such, they are obligated to rectify the payroll records retrospectively so that teachers can be repaid overpayments of tax from HMRC. This fundamentally unfair, unjustified and unsatisfactory situation has left the EIS with little option but to consider escalation of the matter industrially and publicly.

Against the context set out in this correspondence, I wish to make a clear appeal to you for direct intervention to ensure the 16 Local Authorities agree to correct the tax treatment of the 2023-24 SNCT Pay Award, in order that HMRC can correct the tax affairs of and make repayments to, all affected teachers without any further unnecessary delay.

Thank you in anticipation of your swift reconsideration of a long-overdue solution to this wholly unsatisfactory matter.

Yours sincerely

Andrea Bradley  
General Secretary