PORT OF DOVER

22nd October 2025

Risk Settlement Advisory Services

Expression of Interest Information

TRUSTEES OF THE DOVER HARBOUR BOARD PENSION AND LIFE ASSURANCE SCHEME (1973)

EXPRESSION OF INTEREST DOCUMENT

TENDER FOR THE SUPPLY OF RISK SETTLEMENT ADVISORY SERVICES

1.0 Introduction

1.1 In common with many other pension schemes, the funding of the Dover Harbour Board Pension and Life Assurance Scheme (1973) ("the Scheme") on a solvency basis has improved dramatically in recent years. Following the Scheme's actuarial valuation as at 31 December 2023, the Trustees and the employer, the Dover Harbour Board ("the Board") are considering whether a buy-in of the Scheme's liabilities, followed by a buy-out and ultimate winding up of the Scheme, might be their preferred strategy.

1.2 At 30 June 2025, the Scheme actuary estimated that the Scheme was 96% funded on a buy-out basis, which represented a deficit of approximately £5 million excluding the professional costs of achieving a transaction. The Board has told the Trustees that, if the total costs were less than £5 million, it would be minded to recommend that a buy-in should be undertaken, and would meet the costs of achieving it.

1.3 For their part, the Trustees are content to pursue this strategy if the funding from the Board is available. In the meantime, they intend to continue with their current strategy of running the Scheme on and achieving full funding of a low dependency basis by December 2031, given the strength of the Board's covenant.

1.4 In order to prepare for a potential transaction, the Trustees have decided to appoint a specialist risk settlement adviser. This document invites expressions of interest from firms who confirm that they can provide the services set out in Section 3 below following which, an Invitation to Tender will be sent to qualified firms.

2.0 Scheme Background

2.1 The Scheme is a defined benefit, final salary pension scheme that was closed to new members in January 2014 and to the future accrual of benefits for existing members in May 2016.

2.2 At the end of August 2025, the Scheme had 1,166 members of whom 887 were pensioners in receipt of benefits and 279 were deferred members who had yet to draw their benefits. Its total assets at the end of June 2025 were £127 million. SIx members have AVC investments in the Scheme with a total value of £0.4 million. At its last actuarial valuation as at 31 December 2023, the Scheme had a small surplus of £0.2 million on a technical provisions basis so no deficit recovery payments are currently being received from the Board. However, the Board meets all expenses of running the Scheme, except for investment management expenses that are deducted directly from investment funds.

2.3 The Scheme actuary is Adam Stanley of XPS Group. XPS have been appointed to manage the Scheme's GMP Rectification and Equalisation process, which is in hand and expected to be finished by summer 2026. Pensions administration is undertaken in-house by the Board under a SLA with the Trustees and overseen by the Board's Pension and Insurance Manager (Chris Gilbert) who has been in post for over 20 years and has a very thorough knowledge of the Scheme. The Scheme's legal advisers are Norton Rose Fulbright.

2.4 The Scheme's assets are managed under a fiduciary management agreement by Schroders Solutions. The Trustees strategy has 33% of assets held as growth assets and 67% held in LDI and CDI portfolios, with a current target return of cash plus 1.5% from the total portfolio. Of the growth assets, approximately £2 million is held in assets that are illiquid, although there may be an opportunity to realise £1.2 million at a small loss in the coming months. The Scheme's low dependency liabilities are 100% hedged by Schroders Solutions against interest rate and inflation risks.

2.5 The Trustee Board consists of 3 employer appointed trustees and 3 member nominated trustees. All Trustees are members of the Scheme except the Chairman (Bob Holmes), who is a part-time independent professional trustee who works for himself. The Trustees have many years' experience of the Scheme, although only the Chairman has experience as a trustee of other pension schemes (2), both of which have undertaken buy-in transactions in the last 2 years. Chris Gilbert acts as secretary to the Trustees and Trustee Board meetings are also attended by the Board's Chief Financial Officer (Jonathan Pascoe).

2.6 The Trustees and the Board have a very good relationship and a review of the employer covenant is a standing item at each quarterly Trustee Board meeting. An integrated risk management framework has been agreed between the Trustees and the Board under which certain investment decisions can be taken by the Trustees without the need to consult the Board. However, a change of investment strategy from the current fiduciary arrangement to a full insurance buy-in would require the Trustees to consult the Board before it was implemented, although as noted above, it is the Board that is encouraging the Trustees to consider this strategy.

3.0 Service Contract Scope/Objectives

The services to be executed under the contract are the provision of risk settlement advisory services to the Trustees, in respect of the Scheme. This includes, but is not limited to, the following activities and by expressing an interest, you confirm that you are able to provide all of these services:

- Project planning and management throughout the process
- Review of project feasibility and initial training and preparation work
- Approach to the market, advice on insurer selection and obtaining initial insurer pricing
- Analysis of insurer pricing and negotiation on pricing and terms
- Managing deal execution up to completion of the buy-in transaction
- Managing truing-up period in accordance with timetable agreed with insurer
- Completion of buy-out, including advice on communications to members

Suggested tender timelines are as follows:

Activity	Start	End
EoI	22/10/2025	31/10/2025
Issue Tender	07/11/2025	07/12/2025
Tender analysis & clarifications	08/12/2025	18/12/2025
Notify Interviews	19/12/2025	
Interviews	13/01/2026	15/01/2026
Consensus Scoring	15/01/2026	16/01/2026
Inform Outcome & Standstill	19/01/2026	28/01/2026
Enter into Contract	15/02/2026	
Selected Tenderer meets with Trustees	26/02/2026	