

## **SECTION 7 — FINANCIAL MANAGEMENT**

Our financial strategy is designed to ensure that Rosehill remains financially strong, resilient and capable of delivering its strategic objectives over the short, medium and long term. Financial planning is undertaken through annually refreshed 5-year and 30-year financial projections, supported by prudent assumptions, regular monitoring and comprehensive scenario testing.

The organisation continues to benefit from a strong financial position, characterised by low levels of borrowing, significant cash reserves and a stable rent trajectory. Recent rent consultations and Committee decisions have balanced affordability for tenants with the need to maintain long-term financial sustainability. Investment requirements—particularly those linked to asset maintenance, compliance and the future costs of meeting net-zero standards—remain a central consideration in financial planning.

Affordability impacts are assessed annually against the moderate-income test and sector benchmarks, and our CPI-linked rent path has been re-tested through sensitivities to maintain headroom while preparing for SHNZS.

Our long-term projections indicate that Rosehill can maintain a positive cash position across the 30-year planning period, with adequate headroom to manage future pressures. Sensitivity testing highlights that the most significant risks relate to increases in reactive and major repairs costs, as well as assumptions linked to future net-zero investment requirements. The financial model incorporates provisional allowances for these programmes while further work is undertaken to understand costs and potential funding.

Value for money remains a core element of financial management. We continue to review contracts, assess procurement opportunities and evaluate organisational design to ensure that resources are aligned with priorities. Financial performance, covenants and projections are monitored regularly by the Management Committee and Audit & Risk Sub-Committee.

Over recent years Rosehill has balanced affordability with financial resilience, applying below inflation increases during the cost-of-living crisis and now moving to a CPI linked policy with a modest premium to protect long term viability. This ensures we can continue to invest in our homes, fund compliance, and prepare for SHNZS without compromising our financial covenant position.

Recognising funding uncertainties and solution choices, our financial model prudently includes a provisional net zero allowance. As standards and funding routes are finalised, we will update the projections, retest sensitivities and phase the programme to maintain cash and covenant headroom.

All detailed financial assumptions, projections, scenario analyses, covenant assessments and constraints are presented within the Financial Management Data Book.