

Mystery over secret transfer of prime land

Cape government shocked to find state agency now owns site

By BOBBY JORDAN

● A chunk of central Cape Town land worth hundreds of millions of rands has been secretly transferred to a bankrupt government entity, jeopardising one of Western Cape premier Helen Zille's flagship projects.

Zille said she was in the dark about the transfer of the province's prime land – between the Victoria & Alfred Waterfront and Cape Town Stadium – to the National Health Laboratory Service.

"I am totally amazed that a land transfer in the deeds office can apparently happen without the rightful owners knowing about it," Zille said in response to Sunday Times questions.

A mammoth rezoning application for the Somerset Hospital site was due to go before a City of Cape Town planning tribunal on Tuesday.

But the application has been withdrawn from the agenda as provincial government lawyers scramble to unravel how 3.3ha in the 11ha Somerset precinct was transferred to the laboratory service.

"We are trying to establish exactly how this land transfer happened without us knowing anything about it. It is certainly a curveball at a critical time," Zille said.

The land now owned by the NHLS is earmarked for hundreds of "social housing opportunities" at the heart of a multibillion-rand development also including shops and

offices, according to documents in the possession of the Sunday Times.

Erf 1555, home to an NHLS laboratory and several derelict buildings, is also set to house the densest part of the development, with buildings of up to 10 storeys.

Deeds office documents reveal the property was transferred on February 28. It was authorised by NHLS acting CEO Karmani Chetty, apparently without the knowledge of the provincial department of public works.

A certificate signed by Chetty said she had been "unable to obtain possession of the original deed of transfer" for Erf 1555 held by the Western Cape government.

The NHLS provides laboratory and related health services to state hospitals. It is in financial disarray with a deficit for the financial year ended March 2017 of R1.88-billion. An independent auditor reported irregular expenditure of R1.02-billion in the 2016-17 financial year and expressed "significant doubt on the NHLS's ability to continue as a going concern".

The laboratory service this week confirmed the transfer but insisted it had no knowledge of the province's planned development. Documents in possession of the Sunday Times suggest it discussed relocation plans with the Western Cape government, its landlord on Erf 1555.

Chetty referred queries to her spokesman, Tebogo Seate. "Discussions have been going on for a long time and NHLS laboratories have always been operating on this site," Seate said.

"This is a historic matter to which the NHLS had multiple engagements with the Western Cape provincial department of public works and the City of Cape Town. Due process was followed... to register the property in the name of the NHLS."



People have occupied the nurses' home, above, which lies within the redevelopment zone, below. Picture: Esa Alexander

Somerset precinct redevelopment



Graphic: Ruby-Gay Martin Source: Ndifuna Ukwazi

A source said the province had approached the state attorney's office ahead of possible legal action over the transfer.

Zille said: "I had a briefing from the province's key legal expert dealing with the

matter. We first have to establish what happened, how and why."

It is not the first time the site has been at the centre of controversy. The province's initial development plan prompted an outcry

because of a perceived shortage of social housing – and the plan's emphasis on up-market housing, shops and offices.

An amended plan for a minimum of 20% social housing has earned broad approval.

"We were hoping to resolve the zoning issues and other matters so we could fast-track the development process to include a considerable proportion of affordable housing, and this delay is a serious setback," Zille told the Sunday Times.

The plan also proposes modernised NHLS facilities and a community clinic, and moving Somerset Hospital to Table View.

In March last year a former nurses' home – one of several derelict buildings on the site – was occupied by about 200 people who are now living there without electricity or running water.

Hogan Lovells, the global legal firm that handled the secret transfer, was embroiled in state capture allegations earlier this year when UK politician Peter Hain criticised it in the House of Lords. The firm said the lawyer involved in the Somerset matter was not available to comment.