Dr Charles Saumarez Smith talks to Clare Adler

Dr Charles Saumarez Smith CBE is secretary and chief executive of the Royal Academy of Arts. Currently no less than 14 portraits of Saumarez Smith hang on the walls of the National Portrait Gallery. Formerly head of research at the Victoria & Albert Museum and director at both the National Portrait Gallery and the National Gallery, Saumarez Smith left school at 16 with five A levels, before gaining a PhD in 18th century architecture and a Harvard scholarship. Today he is leading the £49.8 million transformation of Mayfair's Burlington Gardens and the buildings of the Royal Academy in time for its 250th anniversary in 2018. Plans include making the Royal Academy art school visible to the public and creating a 300-seat, naturally lit auditorium. Here he talks to Claire Adler about London's art scene overtaking New York, nail-biting moments at the Royal Academy and why the government needs to take the London Luxury Quarter much more seriously.

How important is the London Luxury Quarter on the global stage?

Thanks to its huge numbers of foreign visitors, luxury shopping, hedge funds, art market and buoyant property market, the neighbourhood has as much economic significance as the City. Over the last 20 years, London has succeeded in making Paris feel old-fashioned. Meanwhile, New York's influential art galleries like Pace, David Zwirner, Hauser & Wirth and Gagosian, now all have a presence here. International investors who buy property here are attracted to our tax regime, quality housing, transportation – and culture. But the importance of London is fragile. In recent years, the Lottery has helped modernise British culture, be it the National Gallery, the Tate, Wallace Collection, the V&A and now the Royal Academy.

Is there tension when global brands partner with a cultural institution?

It makes sense for us to have a symbiotic relationship with business. I'm pleased jewellers David Morris are sponsoring our Ai Weiwei exhibition this autumn. In the past Louis Vuitton has supported our educational programme. When Hauser & Wirth supported our Modern British Sculpture exhibition, Irving Wirth acknowledged to me that his gallery benefits from its proximity to the Royal Academy. I'd like to encourage more galleries to see it that way too. There are still purists who are sceptical. A leader in The Times recently said that instead of our Monet exhibition next spring we should show William Dobson – as if our duty is towards the three people in Britain interested in Dobson as opposed to the 300,000 interested in Monet.

How do the art world's big spenders view London versus New York?

Many art buyers live in Russia, the Gulf States and Asia. The shift of wealth and power eastwards, London's relative proximity and the fact that leading American galleries are ensuring they have a presence here mean London is perceived as lively, full of culture and great for shopping. Many wealthy individuals now prefer to buy property in London rather than New York.

What are your goals for the Royal Academy and the surrounding area?

I hope the reconstruction of this building by architect Sir David Chipperfield, including plans for new galleries for contemporary art, more public learning programmes, increased public space and our expanded café, will transform the neighbourhood, just like the Guggenheim did in Bilbao and the Neues Museum has done in Berlin. In terms of the surrounding streets, there is currently too much traffic. We experimented by pedestrianizing Burlington Gardens for a Sunday recently which was a great success. We hosted Royal Academy alumni, art installations, music performances, food and drink stalls and activities including t-shirt printing and a Lego workshop, which re-imagined the Royal Academy building. I'd like to see Savile Row, Cork Street and Burlington Gardens with better pavements, less traffic and more trees. We should encourage Westminster City Council and Transport for London to put the responsibility for street planning into the hands of architects, who would consider the quality of the overall urban environment, as opposed to traffic engineers.

Any nail-biting moments while the Royal Academy has transported unusually sized art works?

The Royal Academy routinely mounts huge exhibitions involving complicated installations. Visitors constantly look up in wonder at how we get things through the door. When I arrived at the Anselm Kiefer exhibition, which involved borrowing some enormous works, I thought the same thing. I found myself wishing I'd observed the fascinating process. There was a palpable feeling of relief amongst staff in the room once the exhibition was hung. When I first started at the Royal Academy, we were encouraged to place a sculpture of a cauldron by Zhang Huan in our courtyard. I hadn't realized it was an actual functioning cauldron. I arrived at work one morning to see our courtyard full of smoke. The piece was promptly removed.

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